

Development Committee

Wednesday, 8th September, 1999

MEETING OF DEVELOPMENT (ECONOMIC DEVELOPMENT) SUB-COMMITTEE

Members present: Councillor C. McGimpsey (Chairman); and
Councillors Hartley, Hayes, Jones, McAuley,
McDonnell, M. McGimpsey, McKnight and E. Smyth.

In attendance: Ms. M. T. McGivern, Director of Development;
Ms. C. Linney, Acting Economic Development
Manager;
Ms. J. Jordan, Economic Development Officer;
Ms. L. Leonard, Economic Development Officer;
Mr. L. Steele, Head of Committee and Members' Services;
Mrs. W. Stewart, Public Relations Officer;
Ms. C. Farrell, Committee Clerk; and
Miss. L. Hillick, Committee Clerk.

Apology

An apology for inability to attend was reported from Councillor Wilson.

Minutes

The minutes of the meeting of 4th August, which had been printed and circulated, were taken as read and signed as correct.

Belfast Traders' Forum

The Members were reminded that under the business development theme of the Economic Development Strategy 1995 - 2000, provision had been made for the development of the arterial routes in Belfast to promote City wide growth. In 1995, four Traders' Associations had been established in partnership with Making Belfast Work in the North, South, East and West of the City, and the Forum had been established to co-ordinate, support and develop the Traders' Associations.

The Acting Economic Development Manager reported that Belfast City Council had to date contributed a total of £610,976 to the Trader's Forum and Associations and as part of the ongoing monitoring and evaluation requirements thereon, an independent evaluation of the Forum and Associations had been commissioned.

The evaluation had focused on a number of key evaluation issues which had been identified as follows:

- (1) to date outputs had been poor in comparison to the level of funding which had been allocated;

- (2) concerns had been expressed regarding the short-term nature of funding and the lack of private sector funding;
- (3) the Forum had little control over finance and human resources and as a result there had been poor management of the project workers;
- (4) there had been fragmentation of the individual Associations, which had resulted in internal tensions;
- (5) membership of the Associations was low;
- (6) procedures and systems for financial management, monitoring, evaluation and communications were poor;
- (7) duplication of resources existed with each Association having its own newsletter, corporate identity and public relations campaign; and
- (8) the Area Partnership Boards, in partnership with the Local Enterprise Development Unit, were appointing Economic Development Officers with a remit for traders on the arterial routes.

The evaluation report had concluded that the Forum and Associations needed to:

- (1) assess their strategic direction, structure and action plans;
- (2) appoint an independent Chairperson to the Forum, with expertise in the business and statutory sectors to provide an objective and professional lead;
- (3) establish a centralised office to maximise resources and appoint a co-ordinator to act as Manager for the four development workers;
- (4) establish measurable, achievable, realistic and timebound objectives, outputs and performance indicators for future projects;
- (5) ensure that future funding was channelled through the Forum to assist with co-ordinating the Associations and ensure also that targets were agreed and systems put in place to monitor funding; and
- (6) explore potential links with Area Partnership Boards.

She advised the Sub-Committee that the evaluation had highlighted a number of recommendations which would enable the organisations to adopt a more professional, strategic and co-ordinated approach to their development. She stated that the Council had been in close liaison with Making Belfast Work to discuss the viability and future support for the Forums and Associations and to discuss also the various concerns and weaknesses which had been identified in the evaluation report.

The Sub-Committee was further reminded that, at its meeting on 4th August, it had agreed to receive a deputation from the Belfast Traders' Forum and representatives of the Forum, were in attendance to make a presentation on the organisation's work and plans for future development. Ms. P. Bradshaw, Mr. J. McCorry and Mr. A. Warren were admitted to the meeting and welcomed by the Chairman (Councillor C. McGimpsey). With the assistance of visual aids, Mr. Warren outlined the Forum's objectives, which included:

- (1) making the Forum the unified professional voice of small to medium sized businesses throughout the City's arterial routes;
- (2) devising and implementing an operational structure, systems and procedures to achieve common goals and aims;
- (3) providing a strategic framework to access funding;
- (4) establishing and maintaining good working relationship with Government and statutory agencies;
- (5) promoting the value of small businesses along the arterial routes;
- (6) establishing a database to profile each Association; and
- (7) facilitating the maintenance of existing Associations and encouraging also the support and establishment of new organisations.

Mr. Warren reported that the Forum was represented on various Partnership Boards and Steering Groups and that the range of activities in which the organisation had become involved was perhaps unrealistic given the limited resources available. The lack of progress achieved in establishing an administration in the Province had made progress in many vital fields impossible and it was recognised that the Forum needed to move forward in a more focused direction with a clear management structure which would encompass a style of management which would delegate responsibility and empower individuals to address specific tasks. There was a need to re-focus the ethos of the organisation to be more positive in its support for those businesses which hoped to evolve and expand and to create opportunities for businesses to make contacts and to promote themselves. Many of the core issues which the Forum and the Associations needed to address were of a long term nature and, because the funding provided to date had been in respect of specific tasks, there was a reluctance to embark on projects of a long-term nature without clearly established sources of finance. However, a number of proposals had been put forward within the Associations to raise capital for reinvestment in the small business sector. The legalities of these proposals and the mechanisms for their introduction were currently being assessed.

Mr. Warren outlined the Forum's Operational Plan for the Year 2000 and reported that it was the intention of the directorate and the members of the Forum to ensure that any future Operational Plans would include objectives which would enable the Forum and the Associations to move toward financial independence and viability within a five year economic development programme. He maintained that there was a

need for the Forum since it addressed issues of economic importance within each of the various communities in the City.

In response to a Members enquiry concerning the Forum's membership, Mr. Warren informed the Sub-Committee that current membership totalled over 1,000, which did not include those members who were affiliated to the organisation.

In reply to a Member's question regarding the methods by which the Forum hoped to expand its membership, Mr. McCorry stated that the organisation planned to increase membership by providing opportunities in both the economic and social environments which would be seen to benefit small and medium-sized businesses. He also envisaged the formation of a business club which would provide a valuable networking service to members.

A Member sought clarification on the organisation's training services. Mr. Warren explained that the training programmes included areas such as management, promotion and finance, though he stressed that there was a reluctance to plan future training due to a lack of funding.

The Chairman (Councillor C. McGimpsey) thanked the representatives from the Belfast Traders' Forum for their detailed briefing and the manner in which they had replied to Members' questions and they then retired from the meeting.

The Acting Economic Development Manager expressed the view that the appointment in May, 1997 of Development Workers to the four Associations with responsibility for developing and implementing individual area action plans and for assisting in the implementation of larger City wide projects should prove to be beneficial to the Traders. She added that the appointment of Economic Development Officers by the Local Enterprise Development Unit and Area Partnership Boards would also provide valuable support to the Associations and that it was important for the Associations and Officers to work closely together.

A Member commended the work being undertaken by the Development Workers who had been appointed to the four Associations and stated that they were making a valuable contribution towards the development of each area Association.

The Acting Economic Development Manager recommended that the Council and Making Belfast Work jointly undertake to consider the implications of the report findings and assess the viability of future support for the Forum and Associations.

After a lengthy discussion, the Sub-Committee adopted the recommendation.

Atlantic Rim Initiative

The Sub-Committee considered a report, copies of which had previously been circulated to the Members, concerning the Atlantic Rim Initiative. A copy of the report is set out hereunder:

"Purpose of Report

**To review developments with respect to Belfast City Council's
Atlantic Rim Initiative.**

Background

In May 1995, Belfast City Council launched its Economic Development Strategy for the period 1995-2000. The Strategy was supported by two concurrent Action Plans and identified three priority themes; inward investment, business development and community economic development. Underlying these three themes is a commitment to the promotion and use of information and advanced technologies.

Under the theme of inward investment, Belfast City Council has delivered a number of initiatives.

In October 1996, Belfast City Council established an Inward Investment Forum for Belfast which was a cross-sectoral partnership of key economic development players in the city. The Forum was set up to take a more structured approach to inward investment for the city and led to the establishment of Investment Belfast Limited in June 1998, which adds value to the work of the Industrial Development Board and brings both a political and private sector perspective to this area of regeneration work.

In addition to facilitating the establishment of Investment Belfast Limited, Belfast City Council has been working to stimulate economic activity and investment through trade missions and activities to promote Belfast as an attractive inward investment location.

This activity has focused mainly on links with North America, which were initiated with an exploratory visit to Washington, Boston and Pittsburgh by Councillor Reg Empey, then Lord Mayor of Belfast City Council and Councillor Alasdair McDonnell in October 1994. Further links were established through Belfast City Council's participation in the Trade and Investment conferences in Washington, 1995 and Pittsburgh, 1996.

Since then a number of trade missions have taken place to and from Belfast leading to significant contacts and trade opportunities with North American cities.

Trade visits have taken place as follows;

i) **Pittsburgh, Pennsylvania**

Belfast City Council first established contacts with Pittsburgh through the Ireland Institute of Pittsburgh back in 1996, following the Washington and Pittsburgh Trade and Investment conferences in 1995 and 1996.

Since then the Council has fostered strong links with the Institute and has hosted three trade missions to Belfast in 1996, 1997 and 1998.

ii) Nova Scotia

Belfast City Council made its first links with the Canadian Province of Nova Scotia in 1996. This led to the Council's first formal Memorandum of Agreement with John Savage, then Premier of Nova Scotia, in June 1997 linking two regions of similar business strengths and trade potential. This led to business alliances between two Belfast Companies and two Nova Scotia organisations and also led to a cultural visit to Belfast from Nova Scotia. Following this Belfast City Council led an all-party delegation to Nova Scotia in February 1998 led by the then Lord Mayor, Councillor Alban Maginness, and hosted a high technology business delegation from the Province in November 1998, which have resulted in a number of business ventures and sharing of experiences.

iii) Boston, Massachusetts

In November 1997 Belfast City Council extended its Memorandum of Agreement to a three way trade alliance to include the City of Boston, linking the three cities and creating a gateway to North America. This became known as the Atlantic Rim Initiative aimed at fostering business development and trade opportunities at home and jointly, as appropriate, in third markets.

The signing of the trade agreement with the city of Boston formalised a relationship which had been developed by Belfast City Council over a number of years through the facilitation of three trade missions, one in 1995, led by Governor Weld, one in 1998 and most recently in June 1999 led by Governor Paul Cellucci.

Similarly the city of Boston has acted as host to Belfast City Council on a number of Council visits and most memorably for the highly successful Belfast on Show trade mission in November 1998 which led to over £19.5 million worth of business deals for Belfast companies. In addition, as a result of trade links and the proactive promotion of Belfast as an investment location, the Massachusetts companies Segue Software and Liberty Mutual invested in Belfast leading to current job numbers 10 and 90 (as of August 1999) respectively.

iv) Portland Maine

Belfast City Council further strengthened the Atlantic Rim initiative through the signing of a Memorandum of

**Agreement with Senator George Mitchell in Portland,
Maine in November 1998.**

v) Washington

Ms. Aida Alvarez, Administrator for the American Small Business Administration, (equivalent to Northern Ireland's LEDU initiative) visited Belfast from Washington in December 1998 as an introductory visit and an opportunity to share practice in the field of small business development.

vi) General

During 1998 and 1999 Belfast City Council continued to strengthen its formal and informal links with North America through a number of cross sectoral trade missions in partnership with the United States Department of Commerce and the Industrial Development Board including missions from the State of Vermont, Colorado and New Hampshire. Belfast City Council has been closely assisted in the development of the Atlantic Rim Initiative, by Frank Costello, the Council's business consultant for North America and also by John Cullinane, a pioneer in the American Software industry who was appointed Special Economic Advisor for Belfast in North America in 1997 and who was instrumental in attracting Liberty Mutual and Segue Software.

John Cullinane pioneered the 'Friends of Belfast' initiative which was launched in February 1998 to spearhead actions which will strengthen business links between Belfast and Northern America. At present there is a network of over 180 key individuals from an array of sectors including industry, academia and government.

Investment Belfast Limited Atlantic Rim Activities

In May 1999, Mr. Brendan Mullan, Chief Executive and Mr. David Farrell, Information Communication Technologies, Director of Investment Belfast Limited, made a fact finding visit to Pittsburgh and Boston with a view to stimulating new investment activity. This led to a decision to host a trade mission from Pittsburgh early 2000 and to lead a further Belfast Trade Mission to North America, in Spring 2000.

Investment Belfast Limited has developed an operational plan to seek to establish a commercial relationship with Boston, Pittsburgh, Nova Scotia and Portland Maine. The plan has three stands.

- i) To promote Belfast as a software development capital.
- ii) To explore opportunities for research and development to be undertaken in Belfast for North American companies through the Radian programme.
- iii) To develop trade for Belfast companies with businesses in the target cities on the Atlantic Rim.

At present, Investment Belfast Limited is seeking to secure six major contracts in Boston for six companies in Belfast in the software development sector. This has been targeted to happen by October 1999. In addition Investment Belfast Limited is carrying out research and development work for Belfast companies.

The inward investment promotional activity of Investment Belfast Limited to date has led to the following investments in Belfast.

- a) Regus Business Services - 10 jobs, based at Clarendon Dock.
- b) Centuryon Security Company - 50 jobs to be based in Belfast city centre.
- c) Thompson Wheelchair Company - 21 jobs, based off Duncrue Street.

Belfast City Council's investment strategy should be to support Investment Belfast Limited in this work and to add another dimension to trade missions through the promotion of culture, arts and tourism of the city.

Future Atlantic Rim and Trade Visit Developments

Over the next few months, a number of initiatives have been proposed to further develop the Atlantic Rim Initiative.

Individual reports will be presented to the Economic Development Sub-Committee to seek approval for each proposed initiative. However they may be summarised as follows;

Visits

18th-24th September, Ireland Institute of Pittsburgh Trade Mission.
1999

Visits

- | | |
|-----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 20th September, 1999 | Washington Trade Mission to Belfast led by Secretary of State, Ralph Munroe. (Approved at Economic Development Sub-Committee meeting on 4th August 1999) |
| 25th October, 1999 | National American Association of Manufacturers trade mission to Belfast. (Approved at Economic Development Sub-Committee meeting on 12th May, 1999) |
| October 1999 | New Hampshire business visit. |
| Early 2000 | Proposed visit to Belfast by Mayor Tom Murphy of Pittsburgh to look at neighbourhood regeneration projects in Belfast and to address key business and community leaders on the successful revitalisation programme for Pittsburgh. |

Atlantic Rim

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|--------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|
| 28th-31st October, 1999 | City to City Leadership Exchange led by Mayor Menino of Boston. (Approved at Economic Development Sub-Committee meeting on 4th August, 1999) |
| November 1999 | Proposed visit by Belfast City Council to North America, with Investment Belfast Limited. |
| Early 2000 | Portland Maine Trade Mission to Belfast. |
| Spring 2000 | Investment Belfast Limited and Belfast City Council trade mission to key cities on the Atlantic Rim. |

Belfast City Council Proposals

Although further developments and regular trade activity has taken place with North America, a more strategic approach is required to ensure that the momentum of the Atlantic Rim Initiative and the Friends of Belfast Initiative is not lost.

In order to strengthen and develop the Atlantic Rim Initiative, Belfast City Council needs to develop a strategic way forward in close partnership with Investment Belfast Limited, recognising that each partner has a distinctive role to play. Belfast City Council will continue to provide civic and promotional support for inward investment activity and assist Investment Belfast Limited in the business to business activity. The Council's political and civic status will complement Investment Belfast Limited's business expertise.

For the short term, Belfast City Council needs to consolidate the efforts and developments to date on the Atlantic Rim through the Memorandum of Agreements with the cities of Halifax; Portland, Maine; and Boston with a view to developing links with Pittsburgh, New York and Washington through structured Friends of Belfast activity. In the immediate future Belfast City Council will facilitate the establishment of a Boston-Belfast Investment Office, based within Investment Belfast Limited. This will be a first point of contact for Boston businesses wishing to explore the potential of doing business in Northern Ireland or Europe.

Belfast City Council and Investment Belfast Limited propose to develop a clear Action Plan for inward investment activity in these areas. This plan will be agreed by both partners and will ensure that duplication of effort is avoided. Belfast City Council will lose credibility in North America with Investment Belfast Limited unless it works through a common agenda, pooling resources with Investment Belfast Limited.

In the medium - longer term Belfast City Council and Investment Belfast Limited may want to research and test other markets, in cities where economic development activity and business activity is relevant to the growth sectors identified by Investment Belfast Limited and agreed with Belfast City Council. Other markets might include New Hampshire, Toronto, Chicago, California and Seattle. Belfast City Council and Investment Belfast Limited will also seek to develop further relations with the United Kingdom and Republic of Ireland through the Irish Sees Initiative, Belfast, Glasgow, Liverpool and Dublin and European Markets through the Eurocities and Telecities Networks of which Belfast City Council is a member.

A future Atlantic Rim inward investment action plan for Belfast City Council and Investment Belfast Limited should embrace the three areas of economic initiatives namely; economic development, arts and heritage development and tourism and marketing.

The future strategic plan will not necessarily be focused on regular trade missions and civic visits but rather on strategic communication between sectoral groups of businesses in Belfast

and the North American cities for example, sectoral lists could be swapped between two trade offices with a view to approaching compatible businesses for partnering.

In order to consolidate the existing formal trade links and to honour the actual contracts or memorandums of agreement there has to be a mechanism for an annual meeting to be held with each city. This will not necessarily mean planned specific visits as the meetings could tie in with other initiatives.

Actions

1. Atlantic Rim Visit

Given the investment to date in the development of North American links by Belfast City Council in terms of time, resources and good will, it is felt that it is an opportune time to review progress to date and to take a fresh strategic approach to both consolidating the success of the Atlantic Rim Initiative and further developing it with other cities which have a lot to offer in terms of investment opportunities.

It is therefore proposed that a fact-finding and review visit to North America is undertaken in November 1999, to make personal contact with key influencers including John Cullinane and some 'Friends of Belfast', to review the purpose and objectives of the Council's relations in North America and plan appropriate action to revise and develop these. This visit should be low key and hard hitting based on targeted business rather than civic meetings. Elements of the programmes are based on ongoing developments initiated by Investment Belfast Limited.

Terms of Reference for the Proposed visit to North America in November 1999;

Boston

- * To meet with John Cullinane to develop and agree a twelve month action plan for consolidating and revitalising the Friends of Belfast Network. The Action Plan will include achievable, realistic, meaningful and measurable outputs to promote Belfast as a gateway to Europe, a place to do business and a software development capital.
- * To discuss and plan human and financial resource implications for the Friends of Belfast network.
- * To draft a legal contract in relation to the Management of the Network from a North American perspective. This would involve discussions to explore John Cullinane's suggestions to employ a Boston based development worker.
- * To agree terms of reference for membership recruitment.

- * To promote the Belfast/Boston investment office (which will have been announced in Belfast on 29th October, 1999).**

Boston

- * To explore the potential and logistics for a Spring trade show from Belfast which will have a civic focus and will show the best of Belfast arts, culture, heritage and tourism qualities and also a business focus, with a targeted business to business partnering event involving Boston Friends of Belfast. Investment Belfast Ltd have already sought a commitment from LEDU to work together on the spring mission. The visit will also be the focus of the annual meeting of Belfast and Boston as agreed in the Memorandum of Agreement.
- * To meet Mr. Steven Coyle with a view to exploring pension fund investments in Northern Ireland.
- * To meet with partners from Nova Scotia to fulfil the joint trade agreement to meet once a year.

Pittsburgh

- * To follow up links established by Investment Belfast Limited during the visit in May 1999 to develop trade and investment with Pittsburgh.
- * To liaise with Mayor Murphy's office in preparation for their planned visit to Belfast and follow-up contacts with William Newlin, Managing Director of Buchanan Ingersoll.
- * To explore the potential to create a Pittsburgh Friends of Belfast satellite group and specifically to develop a business partnering relationship through similar sectors of interest with Pittsburgh. This is already taking place through Investment Belfast Limited's links with the Pittsburgh Regional Alliance.
- * To promote Belfast as a gateway to Europe.

Washington

- * To revitalise relationships initiated during the Washington Investment Conference in 1995.
- * To meet Virginia Manuel in relation to future US Department of Commerce Trade Missions and to explore potential to develop the Portland Maine trade links and agree the first annual meeting as outlined in the Memorandum of Agreement.

Washington

- * To visit Aida Alvarez as a follow-up to her visit to Belfast in 1998.
- * To explore potential for a Friends of Belfast network in Washington and Portland Maine.

It is felt that this proposed visit is merited and essential given that a new Development Strategy is being developed over the next few months which will embrace economic development and the development of external relations. It is therefore vitally important at this stage to review our work to date in this area and identify new and meaningful opportunities in an increasingly competitive field. It is recommended that the visit takes place from 13th to 21st November to coincide with the Boston/Ireland dinner where key contacts could be made.

2. Friends of Belfast

Members will be aware that the Friends of Belfast is an initiative which fosters partnerships with key persons across all sectors, for the promotion of business opportunities and investment links between Belfast and North America. The initiative was launched in February 1998 under Belfast City Council's Economic Development Strategy in support of the Council's continued commitment to attracting inward investment to the City.

At present there are some 180 key people throughout North America, who have signed up as 'Friends of Belfast'. Several members are senior executives from an array of sectors including industry, academia and government.

John Cullinane has led the initiative in North America enlisting the active support of key political and business figures. Over the last nine months little activity has taken place in relation to the Friends of Belfast network. This has been due to a lack of resources and changes within the Economic Development Unit.

In order to revitalise and develop a dynamic Friends of Belfast network, the following actions have been proposed in consultation with Frank Costello and John Cullinane:

- i) To review the Friends of Belfast network (initially send a letter to current friends to assure them that their 'friendship' is valued and we are embarking on a dynamic action plan for the Network).
- ii) Honour John Cullinane as the founding member of the

**Friends of Belfast Network at the City to City Leadership
Exchange dinner in Belfast on 29th October, 1999.**

- iii) To develop an interactive, easily accessible Friends of Belfast website which will feature all Friends of Belfast activity throughout the Atlantic Rim and which will be updated on a weekly basis detailing what is happening with the Network and in relation to our inward investment activity at home and abroad.
- iv) Regular mailing of promotional Belfast and Northern Ireland publications to Friends of Belfast members.
- v) Creation of a circle of 'Head Friends' who will head up the network by city and then by growth sector. Suggested Heads or Chairpersons include Ed Dougherty, Pittsburgh, Ted McConnell, Toronto. The Heads or Chairpersons will be responsible to keep the Network alive in the particular city and to provide the link and initial point of contact between Belfast and the city.
- vi) Host an annual meeting of Head Friends in Belfast to update them on the 'Belfast inward investment product' This annual event will not include flight and accommodation costs for Friends.
- vii) Development of a Friends of Belfast recruitment pack based on the model of the Pittsburgh Regional Alliance Pack, which will outline criteria for becoming a friend including details on exactly what being a friend entails and outlining the commitment expected of a friend. Friends will be recruited only on merit and for their senior positions in the financial, banking, media, legal, political, academic, environmental, information technology, biotechnology, health, tourism and cultural heritage and economic development sectors, However there will be two elements to the Network which would include Friends who are members simply to promote a positive image of Belfast and secondly more proactive friends, who will work for Belfast City Council on a business to business basis.
- viii) In the short-medium term, the Friends network will be focused within the cities of the Atlantic Rim with whom Belfast City Council has signed a formal agreement. In the medium-longer term, these friends will act as links to other cities through a sectoral and geographical approach. Eventually the Network will evolve into satellites of individuals with different expertise and varying links with our key growth sectors. In addition it is anticipated that Belfast City Council will establish an indigenous Friends of Belfast network of individuals who

would act as ambassadors for Belfast.

All Friends of Belfast activity will be complementary to Belfast City Council's and Investment Belfast Limited's inward investment strategy.

3. Development of Inward Trade Mission Policy

It is felt that Belfast City Council is increasingly viewed by Industrial Development Board and the US Consulate as a provider of hospitality for all incoming trade missions. The majority of recent missions to Belfast with the exception of the Governor Cellucci Mission, have not been focused on the growth sectors identified by Belfast City Council and Investment Belfast Limited. Belfast City Council has a continued civic role to play in partnership with Industrial Development Board and the US Department of Commerce, however there is a need to develop a clear policy indicating the types of trade missions which should be hosted from both a sectoral and geographical perspective i.e. Atlantic Rim and growth sector based. This would ensure that our inward investment activity is concentrated and complementary to our overall strategy.

It is proposed to develop such a policy and once agreed by Council, it should be communicated to Industrial Development Board, the US Department of Commerce, Friends of Belfast and also to the cities with whom there are formal trade links. The policy should indicate clearly the sectoral and geographical interests of Belfast City Council but also include flexibility to allow the Council to host ad hoc missions led by Governors, Mayors or other VIPs which would be important for Belfast from a civic or political perspective.

Recommendation

It is recommended that members consider the foregoing report and that the following actions are approved as a way forward for Belfast City Council's inward investment programme.

- i) That Belfast City Council reaffirms Investment Belfast Limited as the investment arm of the City and therefore strengthens communication links to work in developing the North Atlantic Rim initiative.
- ii) That Belfast City Council revamps, strengthens and extends the Friends of Belfast Network to produce clear, targeted outputs.

- iii) That the Chairman, Deputy Chairman of the Economic Development Sub-Committee, the Director of Development and the Economic Development Manager or their nominees accompanied by the Chief Executive and Chairman of Investment Belfast Limited, undertake a working visit to Boston, Pittsburgh and Washington from 13th to 21st November, 1999 for the reasons outlined in this report at an approximate cost of £16,000.

Decision Required

To approve the foregoing recommendations.”

The Sub-Committee adopted the recommendations contained within the report.

City to City Leadership Exchange

The Acting Economic Development Manager referred to a visit to Belfast from 28th till 31st October of a delegation from Boston as part of the City to City Leadership Exchange.

The Sub-Committee was reminded that, at its meeting on 4th August, it had agreed in principle to adopt the Acting Economic Development Manager's recommendation to provide hospitality for the City to City Leadership Exchange delegation and to engage Mr. Frank Costello, Belfast City Council's Consultant for the United States, to organise an appropriate itinerary for the event, subject to further details of the visit, the itinerary and associated costs being submitted for approval at the next meeting of the Sub-Committee.

The Acting Economic Development Manager reported that the initiative was being organised by the Greater Boston Chamber of Commerce and was supported by the City of Boston and the University of Massachusetts, Boston. The delegation would comprise approximately fifty leaders from corporate companies and Government agencies. Mr. Costello had indicated that his involvement would concentrate on facilitating the visit of Mayor Menino of Boston and the Boston Business Delegation in order to ensure the proper flow of information between the Mayor's Boston office and the Council. She reported that Mr. Costello proposed to maximise in the visit the role of Mr. John Cullinane, Founder of Friends of Belfast, who had agreed to head the business element of the delegation.

The Acting Economic Development Manager added that a delegation from Nova Scotia would be visiting Belfast at the same time and that the delegation would be involved in the Friends of Belfast Initiative and would attend the official dinner being organised to mark the event.

After discussion, the Sub-Committee approved the itinerary for the visit and authorised the payment to Mr. Costello of the fee of £1,125 plus economy-class air-fares to a maximum of £360.

Community Business Programme

The Acting Economic Development Manager informed the Members that a request had been received from the Northern Ireland Consortium of Community Business Delivery Agency for assistance from the Council in the organisation of its 'Building Business Together' conference.

The Acting Economic Development Manager reported that the Community Business programme had been responsible for the setting up of a number of viable community businesses which had resulted in the creation of a number of jobs in socially disadvantaged areas throughout the Province. The conference would be aimed at highlighting Northern Ireland's success in the field of community businesses and would highlight models of Best Practice in Belfast. Approximately 150 delegates throughout the United Kingdom and the Republic of Ireland would be attending the conference, which would be held in the Wellington Park Hotel during November.

After discussion, the Sub-Committee agreed, in order to assist with the organisation of the Conference, to host a dinner in the City Hall for the conference delegates.

Access to Public Sector Purchasing

The Acting Economic Development Manager reported to the Sub-Committee in relation to the progress which had been made in respect of the Access to Public Sector Purchasing project.

The Members were reminded that the project had been included under the theme of Business Development as part of the Economic Development Strategy 1995 - 2000 and that each year the Council spent approximately £45 million on the purchase of supplies from external sources.

The Acting Economic Development Manager reported that the most recent initiative of the programme had been the "Green Supplier" event. This had been one of two events which had been held as part of Belfast City Council's commitment to green purchasing. In June, approximately 70 local senior management executives had attended a seminar on new legislation in this field, how to implement environmental best practice, benefit from cost savings and access Government purchasing. The programme had proved successful in establishing effective working partnerships between local businesses and Government purchasers.

The Sub-Committee noted the contents of the report.

Belfast First Stop Business Shop

The Sub-Committee considered a report, copies of which had previously been circulated to the Members, which had been prepared by the Acting Economic Development Manager in relation to the operation of the First Stop Business Shop.

The Members were reminded that the First Stop Business Shop had been established by the Council under its Economic Development Strategy 1995 - 2000 and that the purpose of the shop was to develop and deliver a customer focused information service to stimulate the growth and development of new and established businesses.

The Acting Economic Development Manager reported that the First Stop Business Shop had been successful in 1998 in winning the contract for the Business Start Programme for the Belfast area and that to date the shop had dealt with 3,840 business enquiries and had developed a database for tracking each individual case. A total of 79 new business start-ups had been funded through the First Stop Shop, with each creating an average of two jobs. Staff had been active in promoting the shop facilities by delivering presentations to schools, foreign delegations, journalists, banks, enterprise agencies and other organisations throughout the City. There had also been a number of features on the Shop in the local press, including the Belfast Telegraph, the Irish News and the News Letter.

The Acting Economic Development Manager stated that the Shop had been presented with an award by Shell Livewire in recognition of its contribution to Youth Enterprise and had recently achieved ISO 9002 accreditation. Each member of staff was undertaking currently NVQ Level 4 in 'Managing Your Job' to maximise job performance and personal development and the Shop's Manager was active in programme development in the field of entrepreneurship and small business growth.

The Sub-Committee noted the contents of the report.

Product Expansion Project

The Sub-Committee was reminded that the Product Expansion Programme had been included under the theme of Business Development as part of the Council's Economic Strategy Action Plan 1997-2000. The Product Expansion Programme was an initiative of International Business Initiatives, a privately owned business development company which specialised in the formation of new companies and the expansion of existing companies. The purpose of the programme was to select five Belfast companies to match with international businesses in order to secure new business deals.

The Acting Economic Development Manager reported that during May and June 1998, a series of events had been held to promote awareness of the programme among Belfast businesses and that the following five companies had been selected as the most appropriate for the programme:

Balloo Industrial Services
Campbell Glass
The Grant Group
Papa's Workshop
The Larsen Group

Each company had identified new product areas for investigation, extensive searches had been carried out for each company to identify potential international partners and been brought through the process of liaising, exchanging information and negotiating business deals. As a result of the programme, a number of business deals had been made or were currently being negotiated.

The Sub-Committee noted the contents of the report.

Community Economic Development Flagship Projects

The Sub-Committee considered the undernoted report, copies of which had previously been circulated to the Members, which had been prepared by the Acting Economic Development Manager in relation to progress which had been made on the Community Economic Development Flagship projects. A copy of the report is set out hereunder:

“Purpose of Report

To update Members with respect to progress on the Community Economic Development Flagship Projects.

Background

Members will be aware that as part of the Economic Development Strategy Action Plan (1997-2000), provision had been made for the implementation of four Community Economic Development Flagship Projects. A total of £1.2 million had been allocated for four projects, one each for the North, South, East and West of the City. Provision had been made for a budget of £300,000 for each project.

Flagship Funding

The £1.2 million set aside for the Flagship Projects comprises funding as follows:

| | |
|------------------------------------|-----------------|
| Belfast City Council | £860,000 |
| European Regional Development Fund | <u>£340,000</u> |

Total: £1,200,000

The European Regional Development Fund monies are provided through the Department of Economic Development.

Implementation Process

Members will be aware that at the Economic Development Sub-Committee meeting of Monday 9th November, 1998, the Committee approved the process for implementing the flagship projects.

Applications

A total of 14 applications were submitted for the Flagship Projects. A list of the organisations that submitted applications is provided in Appendix 1. The distribution of applications submitted per area was as follows:

| | |
|--------------|---|
| North | 6 |
| South | 2 |
| East | 1 |
| West | 3 |
| North & West | 1 |
| City Centre | 1 |

As shown above, one project was received for the City centre and one joint project was received for the North and West.

Selection Panel

Following the initial assessment of applications, recommendations were made to a panel comprising the Chair and Deputy Chair of the Economic Development Sub-Committee and the Head of Economic Initiatives.

Following the two meetings of the selection panel, it was recommended that none of the 14 applications should proceed for consideration as Flagship Projects.

This decision was agreed by the Economic Development Sub-Committee at their meeting on Wednesday 7th April, 1999.

Debriefing Meetings

At the meeting, the Committee also agreed that each of the 14 organisations that submitted an application should be offered an opportunity to be debriefed as to why their application was unsuccessful.

Each of the 14 organisations were contacted and offered an opportunity to be debriefed at a time suitable to their availability.

At the debriefing meetings, it was agreed with a number of applicants that a number of follow-up actions would be carried out, for example, referral of applications to other potential sources of funding.

Further Progress

Following the debriefing meetings and referral of a number of projects, the Committee at the Economic Development Sub-Committee meeting of Wednesday 4th August, 1999, were informed of three projects that had been submitted under the Flagships and that had been referred to the Department of Economic Development for consideration for funding. The projects were as follows:-

- * East Belfast Enterprise Park
- * The Vine Centre
- * Belfast Unemployed Resource Centre

The Committee agreed that confirmation should be sought from the Department of Economic Development as to whether these projects are eligible for funding.

East Belfast Enterprise Park

The Department of Economic Development have confirmed that the East Belfast Enterprise Park project is eligible for funding under the European Social Fund. Funding requested for the projects is as follows:-

| | |
|------------------------------|---------------|
| | £ |
| * European Social Fund (65%) | 115,050 |
| * Belfast City Council (35%) | <u>61,950</u> |
| | £177,000 |

Projects funded under the European Social Fund must be match funded with a minimum of 35% of Council monies.

The Vine Centre Limited

The Department of Economic Development have confirmed that The Vine Centre project is eligible for funding under the European Regional Development Fund. The funding requested for the project is as follows:

| | |
|--------------------------------------------|----------------|
| | £ |
| * European Regional Development Fund (50%) | 103,500 |
| * Belfast City Council (50%) | <u>103,500</u> |
| | £207,000 |

Projects funded under the European Regional Development Fund must be match funded with a minimum of 50% of Council monies.

Belfast Unemployed Resource Centre

The Department of Economic Development have confirmed that the Belfast Unemployed Resource Centre project is not eligible for funding under the European Regional Development Fund and therefore it is not possible to progress this project further.

Remaining Budget

As shown below, the total cost for funding the projects for East Belfast Enterprise Park and The Vine Centre Ltd would be £384,000. If this were taken from the Flagships budget of £1.2 million, the budget remaining would be £816,000.

| | Funding Requested |
|------------------------------|----------------------|
| | £ |
| East Belfast Enterprise Park | 177,000 |
| The Vine Centre Limited | <u>207,000</u> |
| | £384,000 |

Further Projects

The projects for East Belfast Enterprise Park and for The Vine Centre Limited are in the East and North of the City respectively. If these projects are to be funded, it is recommended that projects should now be identified for the West and South of the City.

South Belfast

Under the initial call for applications for the Flagship Projects, two projects were submitted for the South of the City. One of the projects failed the initial selection as it was not eligible for funding under the European Regional Development Fund and therefore cannot be progressed further. The other project submitted failed the initial selection due insufficient information provided on the project. However, further information has been provided from the debriefing meeting and the project could be further assessed as a project from the South. The project was submitted by The Workshops Collective (Belfast) Limited, a facility providing workspace units for arts and crafts based manufacturing businesses. This organisation applied for funding to develop their building, extend their facilities and to establish the collective as a specialist design centre. Total funding requested was as follows:

| | |
|------------------------------------|---------|
| | £ |
| European Regional Development Fund | 150,000 |

| | |
|----------------------|----------------|
| Belfast City Council | <u>150,000</u> |
| Total: | 300,000 |

It is recommended that consideration is given to this project as a potential project for the South of the City. It is recommended that further information is sought on the project, that clarification is sought from the Department of Economic Development as to whether the project is eligible for funding under the European Regional Development Fund and that a report is made to the next Economic Development Sub-Committee.

West Belfast

Under the initial call for applications for the Flagship Projects, a total of three projects were submitted for the West of the City. Again, two of these projects were not eligible for funding under the European Regional Development Fund.

The third project was submitted by Conway Mill Community Enterprises Limited. Their project is for a roof-top and garden development at Conway Mill to include craft studios; a flexible multi-functional area for conferences, exhibitions, tradeshow, performances and rehearsal; a restaurant and mixed use accommodation. Total funding requested was as follows:

| | |
|------------------------------------|----------------|
| | £ |
| European Regional Development Fund | 150,000 |
| Belfast City Council | <u>150,000</u> |
| Total: | 300,000 |

This project failed the initial selection due to it being multi-funded. The roof-top development is a stand-alone project but is part of an overall phased development of the building. The complete development is costed at £1.2 million.

At the time of the application under the Flagships, Conway Mill Community Enterprises had submitted applications to other funding agencies but had not received confirmation of funding from any of these.

The roof-top development could not proceed if funding was not first secured for the remainder of the building to be developed. It is recommended that authorisation is given to seek further information and clarify if other funding has now been secured.

In addition, at the time of the application, the building was undergoing assessment as to whether or not it may be graded as a listed building. This may have implications for the roof top development. Again, it is recommended that an update is sought on this issue.

It is also recommended that clarification is sought from the Department of Economic Development as to whether the project is eligible for funding under the European Regional Development Fund and that a report is made to the next Economic Development Sub-Committee.

Recommendations

Based on the projects for each area of the city, it is recommended that:

1. East - That funding is provided for the project for East Belfast Enterprise Park up to a maximum of £177,000 from the Flagships budget.
2. North - that funding is provided for the project from the Vine Centre Ltd up to a maximum of £207,000 from the Flagships budget.
3. South - that further information including clarification from the Department of Economic Development regarding eligibility for funding is sought on the project from the Workshops Collective (Belfast) Limited and that a report is made to the next Economic Development Sub-Committee.
4. West - that further information including clarification from the Department of Economic Development regarding eligibility for funding is sought on the project from Conway Mill Community Enterprises Limited and that a report is made to the next Economic Development Sub-Committee.
5. Following the development of flagship projects in each of the four areas North, South, East and West of the City, it is recommended that any surplus Belfast City Council funding should be held to be used for Community Economic Development projects post 1999.

Decision Required

To approve the foregoing recommendation.”

The Sub-Committee agreed to the recommendations contained in the report.

US Good Friday Trade and Investment Act

The Members were advised that the Viridian Group had requested permission to make a presentation to the Sub-Committee on the US Good Friday Trade and Investment Act. Viridian were keen supporters of the Act and had stated that they

would like to seek the views of the Council on progressing such an initiative for Northern Ireland.

The Acting Economic Development Manager explained that the US Good Friday Trade and Investment Act was an attempt by the United States to promote economic growth and stability in Northern Ireland through trade and investment. The legislation aimed to use existing trade and investment tools to stimulate tangible economic assistance to Northern Ireland and the Border Counties.

The Chief Executive had sought the advice of Government on this request, who had been advised that the Government welcomed the proponents' interest in promoting trade and investment in Northern Ireland and noted that as far as this particular proposal was concerned the trade aspect to the Bill fell within the European Community competence and would be a matter for the Commission to consider.

The Sub-Committee agreed to receive representatives from the Viridian Group in this regard at its meeting on 6th October.

Northern Ireland Strategy Review 2010

The Sub-Committee was reminded that, at its meeting on 11th June, it had agreed to seek a meeting with the Minister of State, Mr. Adam Ingram, M.P., to express the Council's concerns with respect to the Northern Ireland Economic Strategy Review document.

The Chairman (Councillor C. McGimpsey) reminded the Sub-Committee that responsibility for the economy now lay with Mr. John McFall, M.P., who had agreed to meet the Sub-Committee's representatives. He advised the Members that the meeting had been arranged for 11.15 a.m. on Monday, 11th October at Netherleigh. A briefing session to clarify the issues to be raised had been scheduled for 3.30 p.m. on Thursday, 7th October in the City Hall.

The Sub-Committee noted the aforementioned arrangements.

Chairman