

Development Committee

Wednesday, 7th February, 2001

MEETING OF DEVELOPMENT (ECONOMIC DEVELOPMENT) SUB-COMMITTEE

Members present: Councillor McDonnell (Deputy Chairman)
(in the Chair); and
Councillors Empey, Hartley, Hayes, Jones,
McAuley, M. McGimpsey, McKnight, Newton
and Stoker.

In attendance: Ms. M. T. McGivern, Director of Development;
Ms. S. McCay, Head of Economic Initiatives;
Dr. E. Jackson, Economic Development Manager;
Ms. J. Jordan, Economic Development Officer;
Ms. L. Leonard, Economic Development Officer,
Ms. C. Sinnerton, Economic Development Officer; and
Mr. J. Goodall, Committee Administrator.

Apologies

Apologies for inability to attend were reported from the Chairman (Councillor C. McGimpsey) and Councillor E. Smyth.

Minutes

The minutes of the meeting of 3rd January, which had been printed and circulated, were taken as read and signed as correct.

Belfast First Stop Shop Limited

The Head of Economic Initiatives submitted a report, copies of which had previously been circulated to the Members, in respect of a request for further funding towards the core costs of the Belfast First Stop Shop Limited. A copy of the report, with the exception of the Appendix referred to therein, is set out hereunder:

“Purpose of Report

To receive a presentation from Belfast First Stop Shop Ltd and to seek approval for further funding towards the core costs of the company.

Background

Members will be aware that, at the previous Economic Development Sub-Committee meeting of Wednesday 3rd January, 2000, the Committee agreed to accept a presentation from Belfast First Stop Shop Ltd. The purpose of the presentation is to outline their new strategy for the period 2000-2003 and to make a corresponding request for funding relating to the first year of the strategy (1st April, 2000 - 31st March, 2001).

Rationale

Belfast First Stop Shop Ltd (BFSS Ltd) was established in 1998 as an 'arms-length' company of the Council under its Economic Development Strategy (1995-2000). The rationale was to provide a first point of contact for new and existing businesses amidst the extensive number of organisations engaged in the provision of business support activities. The shop aims to provide a centrally located facility for business information, signposting and advice.

Progress to Date

The Shop, located at 14 Wellington Place, has been operational since September 1997 but was officially opened in March 1998.

Established initially as a pilot project and the first of its type in Northern Ireland, in a relatively short space of time, BFSS Ltd has become one of the key successes in the business support network. In terms of the number of enquiries dealt with, businesses started and jobs created, the shop has far exceeded its targets. The following provides a brief overview of outputs and achievements to date:

- Shop officially launched in March 1998 by Secretary of State.
- Manager and staff in place: 5 full-time jobs created.
- Board of Directors established: 14 Directors and 5 Advisers - extensive private sector involvement.
- 2 working sub-groups of the Board established.
- 30 Board Meetings held.
- Contract for Business Start Programme secured.
- Contract for Human Achievement Zone secured.
- Contract for Target Growth Programme secured.
- 7,454 business enquiries fielded (an enquiry is only counted once, however a client may avail of services on numerous occasions).
- 50 Business Start Training courses held.
- 654 clients accessed Business Start Training.
- 183 new businesses started (with an additional 42 new businesses anticipated from current clients).

- **380 jobs created (with an additional 120 jobs anticipated from new businesses pending).**

- Client tracking system established.
- Proactive involvement with and referrals to/from other business support agencies.
- Appropriate business support promotional materials produced.
- Web site launched in August 2000 - currently 850 hits per month.
- 30 presentations given.
- 10 exhibitions attended.
- 30 advertising/editorial features.
- 1 television feature.
- Review of company operations completed.
- 100% customer satisfaction - measured via customer survey methods.
- Recognised as essential first point of contact for new business starts within the business support network.

Funding to Date

To date, a total of £1.6m funding has been invested in the company. This funding has been towards both core costs and programme costs on approximately a 50:50 basis. It covers the three year period 1st April, 1997 - 31st March, 2000, although it does comprise programme funding which continues up to 30th June, 2001.

This funding has been provided from the following sources:

Belfast City Council	518,305	(31%)
EU	576,955	(35%)
LEDU/BRO	<u>552,000</u>	(34%)
Total	1,647,260	

The shop has also negotiated £92,500 from LEDU and £200,000 from the Ulster Bank towards a tailored loan fund for new business starts.

There has also been extensive contributions in kind from the private sector, for example, through input from the Board, assistance with the delivery of programmes, provision of equipment and mentoring advice on the specialised areas of the company's operations.

The Council funding of £518,305 comprised £331,530 core funding and £186,775 project funding, the latter of which was towards the Business Start and Target Growth programmes. Therefore, Council funding has been split approximately 65:35 for core costs and project costs respectively.

On an annual basis, total Council funding has been approximately £170,000 per annum, with £110,000 and £60,000 core funding and project funding respectively.

Strategy 2000-2003

The company has recently undergone an extensive strategic and operational review. As a result of this review, a new company strategy for the period 2000 - 2003 has been produced. The strategy is attached as Appendix I.

This strategy will provide a clear direction for the company, refocusing its activities and strengthening the profile of the shop within the business support network and the small business sector.

The strategy comprises the following mission statement and core objectives;

Mission Statement:

‘To be the first point of contact in Belfast for people needing information and advice about starting a business.’

Objectives:

- Information
- Signposting
- Advice
- Enterprise Awareness

Further detail including an action plan covering the four objectives is provided in the attached strategy document.

Funding Request

In order to implement the strategy and corresponding action plan, the total annual funding requirement is £287,700. Of this, the shop wishes to make a funding request to Belfast City Council for £180,000 for the first year of the strategy, 1st April, 2001 - 31st March, 2002.

The annual funding request to the Council is larger than would normally be expected, owing to the absence of European funding in this interim period until September 2001.

Presentation

The company will make a presentation to the Economic Development Sub-Committee to provide further detail on the strategy and to respond to questions.

Recommendation

In light of the above information and prior to the company's presentation, it is recommended that the Economic Development Sub-Committee agree to:

- i. **Committing, in principle, to fund the core costs of Belfast First Stop Shop Ltd for the duration of the Development Department's strategy up to 31st March 2003, subject to satisfactory performance.**
- ii. **£180,000 core funding towards Belfast First Stop Shop Ltd for the period 1st April, 2001 - 31st March, 2002**
- iii. **An independent evaluation of the performance of Belfast First Stop Shop Ltd to be completed before 31st March 2002.**
- iv. **Belfast First Stop Shop Ltd to provide a quarterly progress report and presentation to the Economic Development Sub-Committee."**

It was reported that Mr. B. McMillan, Manager, the Belfast First Stop Shop, accompanied by Mr. R. Mowbray and Mr. B. O'Neill, Board Members of Belfast First Stop Shop Limited, was in attendance and they were admitted to the meeting and welcomed by the Chairman.

Mr. McMillan, with the assistance of visual aids, outlined the background to the establishment of the company and the progress which had been achieved to date. He advised the Members that the company provided a recognised quality service which was tailored to the needs of its customers. The Shop had exceeded its three-year target figure in respect of enquiries processed. The company's Business Start Programme had resulted in 380 jobs being created and it was anticipated that that figure would exceed 500 by the middle of the current year. It was pointed out also that the Belfast First Stop Shop Limited was recognised as the leading agency in assisting small businesses in the City and, to this end, excellent relationships had been formed with the Inland Revenue, Customs and Excise and Companies' House.

Mr. McMillan concluded by highlighting the improvements which it was hoped would be made to the service during the ensuing year.

In reply to a question from a Member, Mr. McMillan stated that many of the companies which had received assistance from the Shop had proved to be viable enterprises. In reply to a further question, he informed the Sub-Committee that the Outreach Programme which had been carried out previously on an ad-hoc basis would, under the terms of the new strategy, be programmed to meet on a more structured basis a wider range of interested Bodies.

The Chairman thanked Messrs McMillan, Mowbray and O'Neill for their attendance and for the information which they had supplied and they retired from the meeting.

After further discussion, during which a Member voiced concern that the service provided might be duplicated by other Bodies, the Sub-Committee adopted the recommendations contained within the report.

Belfast: A Learning City

The Head of Economic Initiatives submitted a report in relation to a request for funding in respect of the "Belfast: A Learning City" Forum. A copy of the report, with the exception of the Appendix referred to therein, is set out hereunder:

"Purpose of Report"

To advise Members of progress with respect to the 'Belfast: A Learning City' Forum and to request funding towards collaborative projects and the production of an events guide for Adult Learners' Week.

Background

Members will be aware that Belfast City Council have established a Forum to specifically address the area of lifelong learning in the City and in particular to promote Belfast as a Learning City.

The Forum consists of high level representatives from the education and training sector throughout the City. The aim is to work collaboratively to promote learning in the City and maximise accessibility of lifelong learning opportunities for all citizens.

Progress

Members will further recall that this Forum have developed a new strategy and that a number of projects within this strategy are currently in progress. These include a 'Learning for Life' publication, the provision of information on-line and a programme of citizenship education.

Belfast Regeneration Office have already given a commitment to match fund the post of Learning City Manager along with Belfast City Council and Belfast Institute. In addition, Belfast Regeneration Office are considering match funding the programme for citizenship education, and positive feedback has been received so far. The Department for Further, Higher Education, Training & Employment has also given a commitment to provide funding for the Forum in the next financial year 2001/2002.

The Forum's research into mapping lifelong learning in the City has now been completed and was funded to the amount of £10,000 by the Workers' Educational Association. The results of this

research have generated even further interest amongst Forum members into potential collaborative projects.

A summary table outlining the budget allocated to the Learning City Forum is attached as Appendix I to this report. It should be noted that current patterns indicate a funding ratio between Belfast City Council and our partners to be £1:£1.25.

Collaboration Fund

Therefore, the Forum proposed that in order to stimulate and promote further collaboration between the providers on the Learning City Forum, a special fund for collaboration should be established.

Belfast City Council therefore issued a call for small collaboration projects to initiate the process. The proposed projects should;

- demonstrate a new collaboration between a minimum of 2 organisations on the Learning City Forum.
- promote participation in learning or be in active intervention that is new and additional to each organisation's core business.
- show an identifiable increase in the numbers of participants in lifelong learning.
- be located and delivered within the Belfast City Council area.
- demonstrate match funding.
- be in accordance with and complement the objectives and strategy of the Belfast Learning City Forum.

It is envisaged that a total budget of £50,000 be allocated to this particular initiative and that it be allocated to one or more projects, on the basis of each proposal's merit and ability to meet the collaborative aims of the Learning City Forum. However, it is likely that successful projects would be in the range of £5,000-£10,000.

The closing date for proposals is 7th February, 2001 and procurement have agreed to participate with an officer of the Economic Development Unit and the Chairman of the Learning City Forum in the selection process.

It is requested that the Economic Development Sub-Committee agree to grant a total budget of £50,000 to this initiative, for it in turn to be distributed by the selection panel to small collaborative projects received in response to the Terms of Reference. If approved, such collaborative projects will be rigorously monitored, to identify added value within the professional field.

Events Guide: Adult Learners' Week

Members will recall that Belfast City Council produced an events guide for Adult Learners' Week 2000, to profile learning events throughout the week and encourage local people to access further learning opportunities.

Adult Learners' Week is a national event held every year to;

- celebrate the achievements of learners'
- promote participation in learning
- increase access to information, advice and guidance.

The guide produced for 2000 was delivered throughout the Belfast City Council area. Out of the total of 1105 participants in the range of learning events throughout the week, 589 were directly attributable to the events guide.

The success of the guide was widely acknowledged and appreciated by providers, all of whom agreed it should be repeated for Adult Learners' Week, taking place from 12th to 18th May, 2001. It was suggested that a joint events guide for the Greater Belfast area would be worthwhile next time round and so, with the permission of the Economic Development Sub-Committee, the Economic Development Unit within Belfast City Council approached each of the neighbouring Council areas of Castlereagh, Newtownabbey and Lisburn.

Each of the aforementioned Councils have agreed to participate in the publication of a Greater Belfast Guide for Adult Learners' Week and also the production of the 'Learning for Life' publication mentioned earlier in this report.

Each Council has agreed to contribute £2,500 towards the events guide for Adult Learners' Week, in addition to £2,500 towards the aforementioned 'Learning for Life' brochure. This is a positive example of the commitment to an inter-Council project to promote lifelong learning collectively.

The guide for Adult Learners' Week 2001 will be delivered to each of the 250,000 homes and businesses in each of the aforementioned Council areas (170,000 of which are in the Belfast City Council area).

An amount of £12,500 is requested as the Belfast City Council contribution towards this guide. The remaining £7,500 will be provided by the other 3 Councils, giving a total cost for the design, print and delivery of 250,000 events guides of £20,000.

Recommendation

It is recommended that Members agree to fund the collaborative projects initiative to a total of £50,000 and the events guide for Adult Learners' Week 2001 to a total of £12,500.

Decision Required

To approve the foregoing recommendation.”

After discussion, the Sub-Committee adopted the recommendation contained within the report.

Appointment of United States Consultant

The Sub-Committee was reminded that the Council had been fostering close relations with North America since its participation in the Trade and Investment Conference in Washington in 1995 and in Pittsburgh in 1996. In addition, it had formed the Friends of Belfast Network which had drawn upon the expertise and goodwill of some 170 members who were influential in academia, government and business sectors throughout the United States. In the ensuing years, the Council had hosted many incoming Trade Missions and had led two successful delegations to North America, including the Belfast Trade Mission 2000 to Boston and Pittsburgh. The Council's relations with the United States had been formalised and in 1999 a revised Trade Mission Policy had been adopted with a view to concentrating effort and resources to areas and sectors from which the greatest economic benefit could be derived. This had resulted in the Atlantic Rim Initiative having been expanded to encompass four cities, viz., Belfast, Boston, Portland Maine and Halifax, with each of the member cities being committed to fostering business and investment opportunities between each of the participants.

At its meeting on 5th January, the Sub-Committee had approved a Forward Action Plan to consolidate and expand the Friends of Belfast Network and to develop further initiatives through the Atlantic Rim agreement. It was pointed out that these initiatives had been undertaken by the Economic Development Unit with the assistance of Mr. John Cullinane and United States-based consultants on an ad-hoc basis. In anticipation of the increased level of activity ensuing from the planned programmes, it had become necessary to initiate a competitive process to appoint a consultant to act on behalf of the Council. A recruitment exercise in this regard had been carried out in conjunction with the staff of the Council's Procurement Unit and, as a result of public advertisements, one tender had been received. This had been appraised by the staff of the Procurement Unit, who were satisfied that it represented value for money.

Accordingly, the Economic Development Manager recommended, based on a combination of proven relevant experience and value for money, that the tender submitted by Dr. Frank Costello, 19 Hampton Park, Belfast, be accepted on the rates quoted, subject to the completion of a form of contract to be prepared by the Director of Legal Services. He recommended further that, since payment would not be made until each assignment had been completed satisfactorily, the requirement for the provision of a performance bond be dispensed with in respect of this contract.

After discussion in the matter, during which a number of Members voiced concern that the schedule of costings which had been circulated previously contained an inaccuracy, the Sub-Committee adopted the recommendations in principle, subject to the costings being clarified at the meeting of the Principal Committee on 14th February.

Atlantic Rim Economic Summit

The Head of Economic Initiatives submitted the undernoted report in relation to developments in respect of the Atlantic Rim Economic Summit to be held in Boston in April:

“Purpose of Report

To advise Members as to the progression of plans for the Economic Summit to be held in Boston in April, under the auspices of the Atlantic Rim Initiative, and to determine the composition of the Belfast City Council delegation for the event.

Background

Members will recall their decision at the meeting of the 3rd January, 2001 to convene an Economic Summit in Boston, in April 2001, under the auspices of the Atlantic Rim Initiative.

Arrangements have been confirmed with regard to the timing of the event and as to its location. The summit will take place over the three days of Monday, April 9th to Wednesday, April 11th and will be based in Harvard University. Faculty staff from the Schools of Business and Graduate Design will facilitate a series of seminars and workshops to address themes and issues that have been identified as being of strategic significance to the future development of the economies of each of the partners within the Atlantic Rim Initiative. Those themes include:

- Spatial Development and Masterplanning;
- Tourism as an Economic Driver;
- Preparing Businesses for International Trade;
- Sectoral Development (examining both physical sites and growth industries).

In addition to the thematic seminars, a small delegation of businesses will be recruited to participate in business to business match-making opportunities with their counterparts from Boston, Portland and Halifax. A particular effort will be made to recruit businesses from the Creative Industries sector as a means of giving impetus to the export growth potential of companies in this emerging area of economic potential.

It is anticipated also that a small reception will be organised in conjunction with the Friends of Belfast network on one of the evenings during the summit. The precise detail of the programme content will be finalised through further negotiation with Harvard and in conjunction with the partners within the Atlantic Rim Initiative.

Similarly, further details will be confirmed with regard to the logistical arrangements concerning travel and accommodation and will be brought to the Sub-Committee's attention at the earliest opportunity.

Invitations to Partner Organisations

Members may wish to consider the merits of extending invitations to participate, at their own cost, to selected strategic partner organisations in Belfast. Such partners might include the Department of the Environment (BMAP), Belfast Regeneration Office, the Industrial Development Board and the Northern Ireland Tourist Board.

Any such selection would be based on the importance of establishing a shared understanding of issues of strategic importance to the future development of the city, with those organisations who hold relevant statutory responsibilities in areas of Planning, City Development, Inward Investment and Tourism.

Resource Implications

Members will recall their decision at the meeting of Economic Development Sub-Committee of 3rd January, 2001 to approve financial support towards the summit up to an estimated maximum cost of £45,000.

Recommendation

It is recommended that Members:

- Note the foregoing report;
- Approve an All Party delegation including the Chair and Deputy Chair of the Economic Development Sub-Committee and representatives from the other Party groupings on the Council not represented by the Chair or Deputy Chairmen in line with Council Policy from the Sub-Committee or its principal Committee;
- Approve the participation of the following officials: the Director of Development; the Heads of Economic Initiatives and Capital Works; the Economic Development Manager; and an Economic Development Officer;
- Agree to the payment of the appropriate travelling, subsistence and attendance allowances in connection therewith.
- Consider the participation of the IDB, DOE (BMAP), BRO and NITB.

Decision Required

To approve the foregoing recommendations.”

After discussion, the Sub-Committee adopted the recommendations contained within the report on the basis that the Belfast Visitor and Convention Bureau be invited to participate in the Summit in place of the Northern Ireland Tourist Board and that a representative from the Council's Public Relations Unit accompany the delegation.

Atlantic Rim Ice Hockey Cup

The Sub-Committee considered a report, copies of which had previously been circulated, which had been prepared by the Head of Economic Initiatives in relation to the provision of support for the proposed Atlantic Rim Ice Hockey Cup.

After discussion, the Sub-Committee agreed in principle to support the initiative but requested that a further report be submitted to its next meeting providing more detailed information in respect of the expenditure which would be incurred thereon.

Atlantic Arc Cities

The Sub-Committee deferred consideration, pending further information being received in relation to the duplication of the activities of the Network with those of the Eurocities Network, of a request for the Council to join an Atlantic Arc Cities Network.

Global Infosec Summit II

The Economic Development Manager informed the Members that a request had been received from the Software Industry Federation of Northern Ireland for the Council to host a reception for delegates attending the "Global Information Security (Infosec) Summit", which would be held in Belfast from 31st May till 1st June, 2001.

The Economic Development Manager reported that the Summit, which would take place in the Belfast Waterfront Hall, would focus on the themes of tackling cybercrime and other information security issues which threatened the growth of the internet. It was anticipated that 300 delegates from international government and business sectors would attend the event and, based on industry standards, it was considered that such numbers would result in an amount of approximately £80,000 being spent in the wider Belfast economy over the two days of the Conference. The Economic Development Manager pointed out that providing hospitality to mark the staging in Belfast of the Summit would demonstrate the Council's support for the growth and development of the information technology industry, as well as promoting the City as a conference venue.

After discussion, the Sub-Committee agreed to host a dinner in the City Hall on Thursday, 31st May for the delegates attending the Global Infosec Summit II.

Investment Belfast Limited

The Economic Development Manager reminded the Sub-Committee that, at its meeting on 3rd January, he had undertaken to provide a corrected list of Board Members of Investment Belfast Limited. Accordingly, he submitted attendance details of Board Members from October, 1998 till November, 2000.

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After discussion, the Sub-Committee noted the attendance records provided.

Chairman