

Document Pack



**Democratic Services Section
Chief Executive's Department
Belfast City Council
City Hall
Belfast
BT1 5GS**

29th November, 2013

MEETING OF DEVELOPMENT COMMITTEE

Dear Alderman / Councillor,

The above-named Committee will meet in the Lavery Room (Room G05), City Hall on Tuesday, 3rd December, 2013 at 4.30 pm, for the transaction of the business noted below.

You are requested to attend.

Yours faithfully

PETER McNANEY

Chief Executive

AGENDA:

1. **Routine Matters**
 - (a) Apologies
 - (b) Minutes
 - (c) Declarations of Interest
2. **Schedule of Meetings 2014 (Pages 3 - 4)**
3. **Markets Community Centre Committee (Pages 5 - 6)**
4. **Community Mosaic Artwork - Cllr Beattie to Raise**
5. **Belfast's Economy**
 - (a) Northern Ireland European Regional Fund (Pages 7 - 8)
 - (b) Applications to Business Improvement District Academy (Pages 9 - 10)
 - (c) Investors in People (Pages 11 - 12)

(d) Innovation Strategy Response (Pages 13 - 82)

(e) Transport Update (Pages 83 - 88)

(f) Planning and Flood Risk (Pages 89 - 96)

6. **Marketing Belfast**

(a) Animation Beyond the City Centre 2013 (report to follow)

(b) Visit Belfast - Management Agreement (Pages 97 - 98)

7. **Neighbourhoods, Communities and People**

(a) Olympia Development - Update (Pages 99 - 102)

(b) Bursaries Update (Pages 103 - 106)

8. **Operational Matters**

(a) External Market Applications (Pages 107 - 162)

(b) Recruitment of Head of Waterfront and Ulster Halls (Pages 163 - 164)



Belfast City Council

Report to:	Development Committee
Subject:	Schedule of Meetings 2014
Date:	3rd December 2013
Reporting Officer:	Mr S McCrory, Democratic Services Manager, ext. 6314
Contact Officer:	Mr B Flynn, Democratic Services Officer, ext. 6312

1.0	Purpose of Report
1.1	To advise the Committee of the dates and times of the meetings of the Development Committee for 2014.

2.0	Key Issues
2.1	<p>Members will be aware that the meetings of the Committee are held usually at 4:30pm on the 3rd Tuesday of each month. However, due to the holiday periods and the timing of the monthly Council meetings, has been necessary on occasions to reschedule some of the meetings.</p> <p>With the Local Government Elections taking place on 22nd May next year, it has only been possible to schedule dates for Committee meetings up until that date. After the Election, it will be a matter for any newly-formed Committee to determine its future meeting dates and times.</p>

3.0	Key Issues
3.1	<p>A list of the proposed meeting dates for 2014 is set out hereunder:</p> <ul style="list-style-type: none"> ○ January – Tuesday, 14th ○ February – Tuesday, 18th ○ March – Tuesday, 18th ○ April – Tuesday, 15th ○ May – Tuesday, 20th

4.0	Recommendation
4.1	The Committee is asked to approve the schedule of meetings for 2014.

5.0	Decision Tracking
A bound copy of the schedule will be issued and the website updated accordingly.	

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Belfast City Council

Report to:	Development Committee
Subject:	Markets Community Centre Committee
Date:	3rd December, 2013
Reporting Officer:	Barry Flynn, Democratic Services Officer, ext 6312

1	Relevant Background Information
1.1	The Committee will recall that, at its meeting on 15th June, 2011, it had, after undertaking an expression of interest exercise, agreed to appoint a number of Elected Members to the Management Committees of the Council's various Community Centres.
1.2	An email was circulated to all Members last week seeking expressions of interest to serve on the newly-formed Markets Community Centre Committee. The Development Committee is permitted to consider and endorse appointments if deemed appropriate.
1.3	Requests to be appointed to the Community Centre Committee have been received from Alderman Stoker; Councillors Hargey and Curran.
2	Resource Implications
2.1	Expenditure in relation to appointments will be met from within approved budgets.
3	Equality and Good Relations Considerations
3.1	None.
4	Recommendation
4.1	It is recommended that the aforementioned Members be appointed to the Markets Community Centre Committee.

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Report to:	Development Committee
Subject:	NI EU Regional Forum Grant Offer
Date:	03 December 2013
Reporting Officer:	John McGrillen, Director of Development, ext 3470
Contact Officers:	Laura Leonard, European Manager, ext 3577

1	Relevant Background Information
1.1	Members will be aware that BCC launched the NI EU Regional Forum (NIERF) in May 2011 with the NI Junior Ministers. This Forum was formerly known as the Belfast in Europe group, and before that the Belfast Quartiers En Crise network. It existed to create a collaborative platform for stakeholders in Belfast who were engaged in EU activity.
1.2	The NIERF has been in existence for over 2 years, it is Co Chaired by OFMDFM and has a membership of over 100 Members from all sectors across all of NI. The Forum meets four times a year and addresses EU policy issues and funding opportunities across a wide range of sectors including social inclusion, competitiveness and employment, climate change and energy and innovation and technology essentially mirroring the work of the NI Barroso Task Force on Europe. The ultimate aim is to increase NI access to EU funding in the current and upcoming EU funding rounds.
1.3	One of the common challenges facing Forum members is capacity to engage in EU activity, achieve funding leverage and develop transnational partnerships. To address this, the Office of the First and Deputy First Minister has offered the Forum an opportunity to bid for grants for improving capacity across the NI region for EU engagement. A total of £375,000 over two years has been offered to Belfast City Council as the Forum secretariat, to manage and administer a grants programme for the Forum to provide 4 elements of funding. A total of £60,000 would be made available within this for Belfast City Council to recruit an appropriate officer post to manage the rolling grant fund and also manage the growing responsibilities of running the Forum including calling meetings, and maintaining and developing the information portal.

2	Key Issues
2.1	<p>The detail of the criteria of the capacity grant fund for the Forum has to be developed in coming weeks, however the proposed four elements will include:</p> <ul style="list-style-type: none"> - Costs for partner search for EU project development - Assistance for EU funds application processes and mentoring for participation in EU activity - Support for costs of EU event participation and - Match funding of last resort
2.2	<p>Members are asked to agree to accept the transfer of grant funding amounting to £375k from OFMDFM to manage on behalf of the NI EU Regional Forum. This will include recruitment of an appropriate officer post to manage the grants process over 2 years as well as manage the general running of the forum, its membership and portal development. This work would be at no additional cost to Belfast City Council and would be managed within the councils EU unit by the EU manager. Members will receive details of the grant criteria templates and processes in the near future. All such templates and processes will be in full accordance with Belfast City Council's governance and audit arrangements.</p>

3	Resource Implications
3.1	BCC will manage the proposed OFMDFM EU grants programme at no additional cost to council and with the full costs of an appropriate officer post created within the grants budget for 2 years.

4	Equality and Good Relations Considerations
4.1	There are no Equality and Good Relations Considerations attached to this report.

5	Recommendations
5.1	Members are asked to accept the offer of £375k transferred budget from OFMDFM to create an EU capacity building grants fund for members of the NI EU Regional Forum. Members are also asked to approve the recruitment of an officer on a 2-year fixed term contract basis to manage the capacity fund and forum secretariat. Both recommendations are made on the basis that there is no additional cost to BCC.

6	Decision Tracking
<p>Timeline: 31 December 2013 Reporting Officer: Laura Leonard</p>	



Report to:	Development Committee
Subject:	Business Improvement Districts – Applications to BIDS Academy
Date:	3 December 2013
Reporting Officer:	John McGrillen, Director of Development, ext 3470
Contact Officers:	Shirley McCay, Head of Economic Initiatives, ext 3459

1	Relevant Background Information
1.1	Members will recall that legislation is currently passing through the NI Assembly to allow the creation of Business Improvement Districts (BIDS) in Northern Ireland. BIDs have seen tremendous success across England, Scotland and many other European and international locations. Since the establishment of national Business Improvement District legislation in England and Wales in 2005, there are over 180 BIDs in place investing more than £300 million into local economies.
1.2	In Northern Ireland, the Business Improvement Districts Act (NI) received Royal Assent on 21 March 2013 and consultation on secondary legislation is currently on-going with implementation expected by the end of 2013. This will, for the first time, allow businesses in Northern Ireland to work with their local councils to establish BIDs on a statutory, rather than voluntary, basis. Council has been actively involved to date in pursuing the implications of BIDS legislation for the local economy and has engaged with Department for Social Development (DSD) on its consultation exercises as well as the Chamber, City Centre Management and other trader groups on this opportunity.
1.3	A BID can occur where a group of interested businesses get together with their local authority to consider what improvements are needed in their area over and above statutory provision. Following the production of a costed plan for their area the businesses propose an appropriate levy that each business must pay over a 5-year period to fund the improvements. The plan is then subject to a ballot across all businesses included in the proposed designated BID area. If the ballot is successful, the BID is implemented, and all businesses in the area must pay.

2	Key Issues
2.1	DSD in Northern Ireland has recognised the important role BIDs are playing elsewhere and after undertaking extensive research has commissioned a consortium consisting of The Mosaic Partnership, Place Solutions and ATCM to support its rollout over the next two years. They are now seeking six pilot locations to go forward.
2.2	The consortium is now asking for organisations to express an interest only at this stage in becoming a pilot. This is phase one of a three phase selection process, in phase two a more detailed application form will need to be completed and this will be followed up by phase three which will include a formal interview. After these phases are completed the successful locations/organisations will be contacted. It is expected that the main programme will commence in March 2014
2.3	The purpose of this exercise is to gauge via the evidence that the locations provide that they have leadership in place with a set up that is committed and enthused to join the two-year Academy. Once selected to become a member of the Academy the 6 organisations will be trained, supported and mentored to enhance the opportunities to deliver a successful BID ballot
2.4	Correspondance has been received from both Belfast City Centre Management (BCCM) and from Lisburn Road Association seeking endorsement of their applications to the BIDS academy to be one of the 6 pilots for the region. BCCM ask that Council agree to be named as agreeing to a submission of a BID application for the city centre and have agreed at their recent Board meeting to proceed with the establishment of a Shadow Board. Lisburn Road Association are similarly asking for a letter of support with their application.
2.5	Whilst we are aware that there are other traders groups and areas interested in the BID model for future consideration Council has not been approached by any other area at this time. It should be pointed out that Council support for any proposed BID pilot areas is not a requirement of the application process at this stage.

3	Resource Implications
3.1	None at this stage.

4	Equality and Good Relations Considerations
4.1	There are no Equality and Good Relations Considerations attached to this report.

5	Recommendations
5.1	To agree to providing letters of support to BCCM and to Lisburn Road Traders Association for their applications to the BIDS academy to become BID pilots.

6	Decision Tracking
An update report will be brought back to Committee on the next stages in due course.	

7	Key to Abbreviations
BIDS - Business Improvement Districts; DSD - Department for Social Development BCCM - Belfast City Centre Management	



Belfast City Council

Report to:	Development Committee
Subject:	Investors in People Company Programme
Date:	3 December 2013
Reporting Officer:	John McGrillen, Director of Development ext 3470
Contact Officer:	Shirley McCay, Head of Economic Initiatives & International Development ext 3459

1	Relevant Background Information
1.1	Members may recall that approval was granted for support of up to £4,840 towards the roll out of the Investors in People Company Programme at Development Committee on 18 September 2012.
1.2	The Investors in People (IiP) programme is a business improvement initiative designed to help employers improve performance by linking people development and skills development activities to overall company development activities. The framework is a tried and tested way of improving an organisation's performance. It works by providing a baseline of good management, which can be expanded on as and when an organisation needs to strengthen its practice.
1.3	The total cost of the Programme was £11,200 and DEL contributed 30% (£3,360) and the business participants contributed £300 each.
1.4	The first cohort of IiP was delivered between January and September 2013 and involved 11 small businesses from a range of sectors including retail, professional services and engineering. The programme consisted of a series of 6 workshops and two and a half days mentoring support for each of the participants.

2	Key Issues
2.1	The cohort completed their Programme in September 2013 and an evaluation of the company participants was undertaken. The evaluation has reported overall high satisfaction levels with the support provided and a range of improvements to business performance measures including enhanced productivity, improved financial management, improved customer satisfaction rates and the potential for new job creation. Additionally, almost 90% of participants would not have been able to participate on the Programme without the financial assistance provided by both DEL and the Council.

2.2	Preliminary discussions have been taken place with DEL Officials in relation to the roll out of a second cohort of the Programme and strong interest has been received from a number of companies locally.
2.3	The department is again offering to match-fund support from the Council to roll out the second cohort of the programme to small businesses located in the Belfast City Council area. The programme will consist of a series of workshops, supported by 1-2-1 mentoring to take the businesses through the steps required to help them achieve liP accreditation.

3	Resource Implications
3.1	The total programme costs, based on 10 businesses, will be £11,200. Belfast City Council is asked to contribute £4,840 towards the overall project costs. DEL will once again contribute £3,360 and programme participants will be requested to contribute £300 each.

4	Equality and Good Relations Considerations
4.1	No specific equality and good relations considerations attached to this report.

5	Recommendations
5.1	Members are asked to approve the allocation of £4,840 towards the Belfast Investors in People programme for small businesses.

6	Decision Tracking
If approved, an update report will be brought to Committee in November 2014	

7	Key to Abbreviations
DEL – Department for Employment and Learning liP – Investors in People	



Report to:	Development Committee
Subject:	Consultation Response: Draft Innovation Strategy for Northern Ireland 2013/2025
Date:	3 December 2013
Reporting Officer:	John McGrillen, Director of Development, ext 3470
Contact Officers:	Shirley McCay, Head of Economic Initiatives and International Development , ext 3459

1	Relevant Background Information
1.1	The Northern Ireland Executive has launched a Draft Innovation Strategy for Northern Ireland 2013–2025. The draft Strategy identifies the key actions necessary to support Northern Ireland companies to become more innovative.
1.2	The closing date for responses to the strategy is 16 December 2013. A draft response from Belfast City Council is attached for information.

2	Key Issues
2.1	The Northern Ireland Executive recently launched a Draft Innovation Strategy for Northern Ireland for the period 2013–2025. Underpinning the strategy is the belief that innovation is critical to the future prosperity of Northern Ireland because it drives economic growth. The strategy confirms that companies who are innovative have seen their employment and sales grow twice as fast as their non-innovating competitors.
2.2	During the current challenging global economic conditions, the need for innovation is even greater, as it allows firms to stay ahead of their competitors and position themselves to exploit growth during recovery. From the wider economy perspective, the level of innovation in a region is an important factor in attracting inward investment.
2.3	The draft Integrated Economic Strategy for Belfast indicates that the city has a greater concentration than elsewhere in Northern Ireland of employees working in a range of sectors that tend to be innovative. These include information and communications; professional and scientific sectors and financial services. However the innovation strategy suggests that innovation is not a sector-specific issue and that companies in all sectors should be encouraged to innovate.

2.4	The draft Innovation Strategy identifies the key actions necessary to support Northern Ireland companies to become more innovative. It suggests that innovation is wider than research and development (R&D) and can include skills, design and collaboration – both with other companies and with further and higher education establishments.
2.5	<p>The draft Strategy identifies actions under four themes (see Appendix 1). These are:</p> <ul style="list-style-type: none"> - Knowledge Generation - creating an environment which encourages research and creativity - Knowledge Exchange - facilitating the exchange and access to quality information across all sectors in order to support economic growth - Knowledge Exploitation - Transformation of knowledge into products and services which can add value and preferably be exported - Cultural Change - Changed attitudes and behaviour towards collaboration, and the openness towards and use of new ideas, innovation and risk taking.
2.6	The draft Council response to the strategy (Appendix 2) provides a response from Belfast City Council to each of the questions contained in the consultation document. In summary, the Council is supportive of the Executive's commitment in developing and implementing an innovation strategy for Northern Ireland. We acknowledge that further work is needed if the region is to become more competitive – and that helping companies innovate is a key element of this work. We underline the importance of Belfast in helping achieve the regional targets and give our commitment to work in closer collaboration with our partners to make innovation support services more accessible to local companies.
2.7	Our response points to a number of Council-led initiatives which will make a contribution towards achieving the targets set out in the draft Innovation Strategy. These include our support for businesses in new growth sectors, our commitment to invest in a new creative hub and innovation centre and the planned roll-out of the Superconnected Belfast project – providing high speed connectivity and business support to local companies.
2.8	The document does not make any reference to the role of local government in this activity but officials have suggested that they are supportive of council engagement in this activity as a means to increasing the number of innovation-active companies. This will be particularly important with the transfer of a range of enterprise support functions from Invest NI post-2015.

3	Resource Implications
3.1	There are no specific resource implications.

4	Equality and Good Relations Considerations
4.1	There are no specific equality or good relations considerations attached to this report.

5	Recommendations
5.1	<p>Members are asked to:</p> <ul style="list-style-type: none"> - Note the publication of the draft Innovation Strategy by the Northern Ireland Executive - Approve the attached draft response to the consultation on the Draft Innovation Strategy for Northern Ireland 2013–2025.

6	Decision Tracking
The draft response is to be submitted to DETI by 16 December 2013.	

7	Key to Abbreviations
<p>DETI – Department for Enterprise, Trade and Investment R&D – Research and Development</p>	

8	Documents Attached
<p>Appendix 1 - Consultation on Draft Innovation Strategy for Northern Ireland 2013 – 2025 Appendix 2 - Proposed Consultation response from Belfast City Council</p>	

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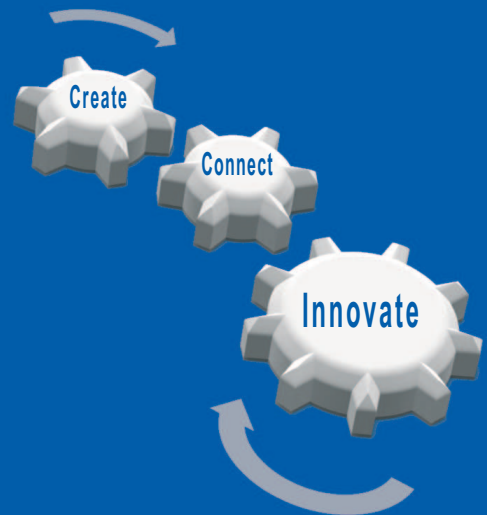


**Northern Ireland
Executive**

www.northernireland.gov.uk

Consultation

Draft Innovation Strategy for Northern Ireland 2013 - 2025



**Innovation Strategy
Northern Ireland**

Contacting Us

This document is available in an accessible format if required, e.g Braille, large print, audio cassette or in a minority ethnic language.

This document is also available on the following internet site:

www.detini.gov.uk/innovationstrategyni

To request an alternative format or additional hard copies, please contact:

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Your Views

Ministerial Foreword

Innovation can mean many things to many people but in an economic context it is about the successful generation and exploitation of new ideas. It is critical to our future prosperity because it drives economic growth. Companies who are innovative have seen their employment and sales grow twice as fast as their non-innovating competitors and they are also significantly more productive.

During challenging global economic conditions the need for innovation is even greater, as it allows firms to stay ahead of their competitors and position themselves to exploit growth during recovery. From the wider economy perspective, the level of innovation in a region is an important factor in attracting inward investment. It is for these reasons that the Northern Ireland Executive has placed innovation at the core of its drive to rebalance the economy and it is why the NI Executive Sub-Committee on the Economy, which I chair, has been tasked with producing this Strategy.

This draft Strategy identifies the key actions necessary to support Northern Ireland companies to become more innovative. In recent years we have seen record expenditure in Research and Development and many of our companies are continuing to be world leaders in their sector. We need to build on this success and see more local companies engaging in both innovation and exporting activities.

Innovation does not happen in isolation and it is not just about R&D and high tech firms. Instead, it is also about skills, design, and collaboration – collaboration between sectors and collaboration internationally. That is why this draft Strategy aligns fully with the Skills Strategy, the Higher Education Strategy, the Access to Finance Strategy and of course the Economic Strategy.

The draft Strategy identifies actions under four themes. These are:

- Knowledge Generation;
- Knowledge Exchange;
- Knowledge Exploitation; and
- Cultural Change.

The actions identified are primarily for the Northern Ireland Executive to take forward as we recognise that we must support the creation of a more positive environment to encourage our companies to innovate. However, if we aspire to transform Northern Ireland into one of the most innovative regions in the UK, it will require collaboration, partnership and leadership from the Executive, business, academia and the third sector.

On behalf of the Executive Sub-Committee on the Economy, I encourage you to consider this draft and offer your views on what actions are needed to help transform Northern Ireland into one of the most innovative regions in the UK.

A handwritten signature in black ink that reads "Arlene Foster". The signature is written in a cursive, flowing style.

Arlene Foster MLA

Minister for Enterprise Trade and Investment

1. Innovation Vision & Introduction

“Innovation is the successful generation and exploitation of new ideas”

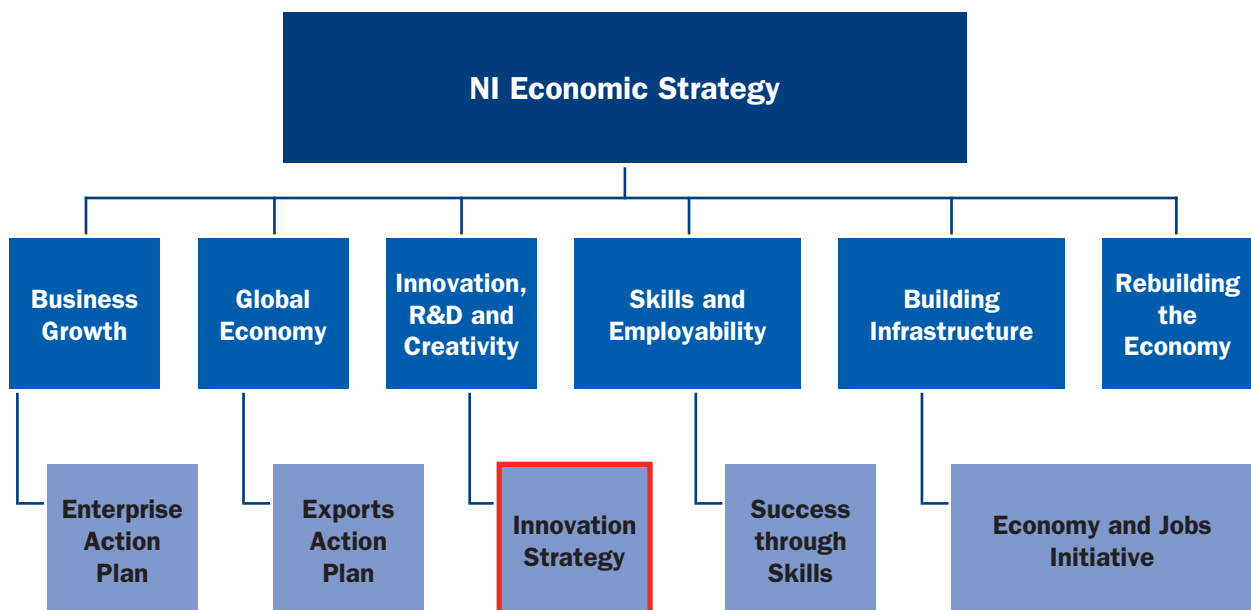
Innovation is one of the primary drivers of economic growth, underpinning the growth of the best performing regional and national economies across the world. Innovation enables firms to stay ahead of competitors, and with global economic conditions remaining challenging, the focus on innovation is now more important than ever.

Strategic Context

The Northern Ireland Economic Strategy set out a vision for 2030 to have an economy ***‘characterised by a sustainable and growing private sector, where a greater number of firms compete in global markets and there is growing employment and prosperity for all’***.

The Economic Strategy outlined a range of actions designed to increase employment and wealth through building a larger and more export-driven private sector. This Innovation Strategy seeks to expand upon and refine the priority within the Economic Strategy to stimulate innovation, R&D and creativity, and the linkages are set out in Figure 1.

Figure 1: Innovation Strategy Linkages



Innovation Vision

If innovation is to play its full part in realising the vision of our Economic Strategy then Northern Ireland needs a complete step change in its culture, priority and performance in respect of innovation. The challenge of such a transformation should not be underestimated since, for too long, we have languished at the bottom of just about every UK league table on innovation. However, there is renewed confidence that this step change can be achieved. In just a few short years, Northern Ireland has made huge strides in its R&D performance. However, R&D is only one part of innovation and going forward we will need to replicate this sort of transformation in all the other areas of innovation across all sorts of sectors within the region.

This Innovation Strategy sets out the key long term actions necessary to make that transformation and so ensure that innovation plays its full part in realising the vision of our Economic Strategy. Thus this Innovation Strategy aims to stimulate a step change in innovation, R&D and creativity across the economy and in doing so deliver a vision that:

Northern Ireland, by 2025, will be recognised as an innovation hub and will be one of the UK's leading high-growth, knowledge-based regions which embraces creativity and innovation at all levels of society

In tangible terms this sort of transformation by 2025 will mean:

- Many more of our companies engaging in innovation, collaboration and exporting;
- Doubling the number of knowledge economy businesses and increasing their employment by 15,000;
- Expenditure of £1billion per annum on R&D; and
- Greater numbers of young people achieving graduate and post-graduate qualifications in STEM.

Innovation in its Widest Sense

There is a frequent misconception that innovation means scientists and R&D. **Innovation is much more than R&D.** It includes changes to products and processes, introduction of new business models, organisational changes and entering new markets. Research by NESTA suggests that less than 20% of UK investment in innovation was in the form of R&D¹. If firms invest in skills, leadership, design, branding, training or marketing – they are investing in innovation.

1 NESTA (2009) Innovation Index

In 2013, **Amazon** was voted the second most innovative company in the world by Fast Company magazine. Amazon introduced same-day shipping in seven major U.S. markets in 2010, but the e-commerce giant's significant 2012 expansion of its next-day and same-day delivery services was a surprise for its competitors. The entire retail industry seemed to realise its power. Rivals such as Google, eBay, and Walmart could only attempt to catch up, launching modest pilot programs and making investments. Even shipping services UPS, FedEx, and USPS upped their game. To achieve their innovation, Amazon acquired additional companies which specialised in order-processing time reductions and invested heavily in increased distribution centres in high population areas. They also introduced the idea of delivery locker service in '7 Elevens'.

The Importance of Innovation

Firms who innovate are more productive and competitive, and it has been shown that such companies grow twice as fast compared to those that do not innovate². Following the financial crisis, economic recovery has been substantially stronger in countries which had previously invested the most in R&D and Innovation.³

For Northern Ireland, with a relatively small business base engaging in Innovation and R&D, it is of paramount importance that our firms, across all sectors embrace innovation in all its forms. However, while many of our companies are innovative and compete on a global basis, **we need more companies across all sectors engaged in innovation** because Northern Ireland firms have the lowest level of innovation activity amongst the UK regions.⁴

Barriers to Innovation

To realise our vision, this Strategy needs to address the main barriers to innovation. For Northern Ireland, these include factors such as capability/capacity issues, access to knowledge and cost (Table 1). To successfully overcome these barriers, particularly for our SMEs and micro businesses, support from the public sector is critical and delivery of the action within this strategy will therefore overwhelmingly fall to the public sector. However, to realise the transformational change required to deliver the Innovation Vision, and our Economic Strategy aims, we will require a collaborative approach across all sectors.

2 NESTA (2009) The Vital 6%

3 State of Innovation Union (2011) Com 2011, 849

4 Community Innovation Survey 2012

Table 1: Barriers to Innovation

Knowledge	Absorptive capacity, trust, IP, user knowledge, lack of communication, lack of information
Access to Capital	Availability of finance, cost of finance
Incentives	Lack of competition, lack of inducements, lack of ambition
Markets	Identifying opportunities, understanding opportunities, regulation, standardisation, access to markets, and language barriers
Skills	Leadership, technological, R&D, creative thinking
Cultural Changes	Risk aversion, entrepreneurship, understanding innovation, managing change

Innovation in the Public & Third Sectors

Increased innovation is also required in the public sector. In addition to becoming more innovative in how it operates, whether as a customer, or as a partner to drive change, it can play a powerful role in encouraging innovation. Through procurement and policy development to address societal challenges, it can also incentivise innovation in companies and its suppliers.

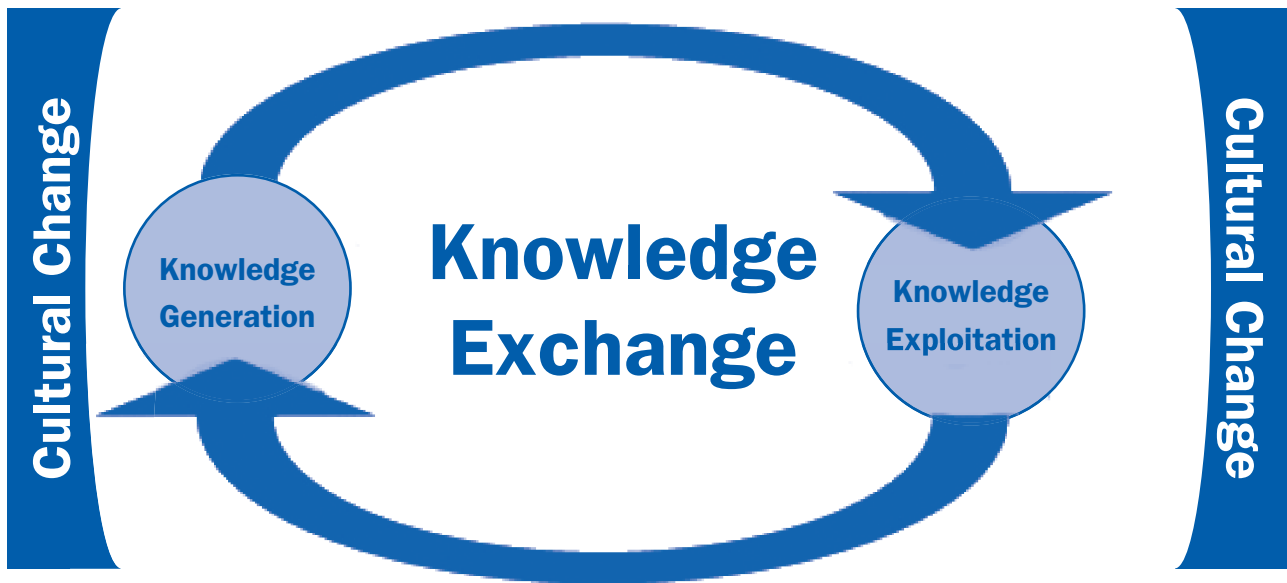
The third sector is also important within our innovation ecosystem and can act as a driver of innovative thinking. Initiatives such as NESTA's Neighbourhood Challenge Initiative have shown that the third sector can play a major role in driving innovation in public service delivery and in addressing societal issues such as reoffending, care of those with mental health issues and care of the elderly.

Key Themes

The focus of this Strategy is on companies and how they can be better supported to engage in innovation in order to achieve our wider economic objectives. Within the innovation ecosystem, knowledge is **generated** in the form of ideas and **exchanged** through various interactions between individuals, companies, academics, government agencies and so forth. By definition, however, innovation does not occur until this knowledge has been **exploited** to add value, which is ultimately the key objective for Northern Ireland's economy.

These themes are underpinned by **cultural change**, which reflects that changes in approaches and behaviours are needed. Cultural change does not sit alongside knowledge generation, exchange and exploitation – it is a cross-cutting area which must be achieved across all three. The remaining sections of this Strategy are based around knowledge generation, exchange and exploitation, followed by our priorities to achieve cultural change. An overview of the Strategy themes is shown in Figure 2.

Figure 2: Innovation Strategy Key Themes



Finally, it is important to note that this Strategy aims to be exactly that – a Strategy. It does not detail all our existing innovation interventions, research and evidence. It also does not seek to replicate Programme for Government commitments nor repeat what has already been said in other Strategies. We have published⁵ an accompanying evidence pack alongside this, as well as more detail on who has responsibility for taking actions forward⁶. This Strategy is purposely focussed on identifying what Northern Ireland’s strategic innovation priorities are, along with key actions we believe can deliver on these up to 2025.

Where reference is made to ‘we’ in the strategy that should be read as the NI Executive in partnership with relevant stakeholders.

⁵ www.detini.gov.uk/innovationstrategy

⁶ www.detini.gov.uk/innovationstrategy

Question 1: Do you agree with the vision set out in the draft Innovation Strategy?

Question 2: Do you consider the key themes in the draft Innovation Strategy are appropriate to ensure that businesses are better supported to engage in innovation?

2. Knowledge Generation

Overview

What is Knowledge Generation?

Knowledge Generation is the catalyst for growth. Focus needs to be on creating an environment which encourages research and creativity. In doing so we must provide our young people and workforce with the skills and attitudes to succeed – across the public and private sector

What do we want to achieve?

- More firms engaging in innovation
- More companies, particularly local SMEs, investing in R&D
- Our resources focussing on areas of greatest opportunity
- Universities generating more world class research
- Our health and social care (HSC) organisations as magnets for R&D investment
- Enhancing creativity and design in everything we do
- Our education system providing the skills needed by innovative companies

What are we going to do?

- Encourage more businesses to innovate and carry out R&D
- Increase focus on companies who are not innovation active
- Prioritise support in areas ensuring the greatest potential economic impact for NI
- Use foresight activity to inform government of emerging technologies and future markets ensuring the necessary skills base is in place to exploit opportunities
- Continue to embed ICT as a cross-curricular skill in schools and colleges
- Continue to promote research excellence and meet the needs of industry
- Promote the benefits of design
- Develop and hone the skills to support innovation
- Support R&D and innovation infrastructure in HSC organisations

How will we know that we are on target?

- Firms with innovation activity (% of total firms)
- Total R&D expenditure (£m)
- BERD by indigenous SMEs (£m)
- Number of R&D based Companies
- Annual STEM graduates

Why is Knowledge Generation Important?

Within the innovation system, Knowledge Generation is the catalyst for future economic growth. To grow Northern Ireland's economy we need to create an environment which encourages research and creativity to equip young people and our workforce with the skills and attitudes to succeed.

Encouraging Companies to Invest in Innovation

Although innovation allows firms to stay ahead of their competitors, Northern Ireland demonstrably lags behind the rest of the UK in terms of the number of our firms engaging in innovation. There is a need, therefore, to enhance and concentrate our efforts on encouraging more firms to invest in innovation. **We will examine how potential enhancements to existing programmes could attract further companies to undertake innovative activity, particularly with a collaborative focus.**

Through Invest NI we will work with a greater number of companies to encourage their progression up the 'innovation escalator', developing enhanced company capabilities to undertake more advanced forms of innovative activity. As part of the awareness measures, **we will investigate the potential to introduce innovation audits within companies linked to the provision of intensive mentoring.** In addition, **we will incentivise research performers to engage in networking / mentoring to increase the technological activities and capabilities of enterprises.**

Internationally, governments and businesses are increasingly using novel approaches to incentivise technological breakthroughs or to overcome particular challenges. Scotland is using the Saltire Prize - a £10 million challenge fund to accelerate the commercial development of marine energy - to support its efforts to be at the forefront of international efforts to tackle climate change. The life and Health Science sector are also addressing global challenges such as obesity and infectious diseases. **We will therefore examine the feasibility of running a number of competitions to support innovation in key areas where there is potential for Northern Ireland companies to compete on a global basis.**

Encouraging Companies to Invest in R&D

Although R&D is only part of the overall investment made in innovation, it remains an important driver in manufacturing and high technology sectors. In a short space of time our R&D performance has improved dramatically. Between 2008 and 2011, business R&D expenditure doubled – our spend (as % of GVA) is now around the UK level whereas five years ago we were well below average. However, this success has not been across the board and still only 430 of our companies reported undertaking R&D in 2011⁷.

7 NI 2011 R&D Survey (2012)

In essence, our large, foreign-owned companies are responsible for most of our R&D and the substantial increases seen in the last few years. With over 60% of R&D spend concentrated in just 10 firms, we are heavily reliant on a small number of local firms who invest in R&D⁸. There is therefore a clear need to encourage many more indigenous SMEs to prioritise R&D. Building on the existing range of interventions already offered, **we will intensify our efforts to encourage businesses that have not previously invested in R&D to become active.**

Alongside this we will also need to build on the success of those companies that have driven our much improved R&D performance. This requires us to encourage those companies already engaged in R&D, to continue to invest more and to work more collaboratively with partners in both industry and academia. **We will engage strategically with existing companies who invest in R&D on a sectoral basis**, so as to determine their research needs, deepen their R&D capabilities and to develop their technology management capabilities.

Devenish Nutrition Ltd is an innovative agri-technology company based in Belfast that manufactures mineral and vitamin supplements for pig, poultry, ruminant and companion animals and makes starter diets for pigs and poultry both here and in the US. Devenish deal with some of the largest pig and poultry businesses globally and is known to provide solutions through their range of innovative products.

Employing over 100 people and with a turnover of over £60m it is a truly international operation. Investment in Research and Development and Innovation have been key to the success of Devenish Nutrition. Through product development and developing partnerships with industry, academia and government, they have established themselves as one of the leading companies in their sector.

Focusing Resources where we have Greatest Opportunity

In delivering support to industry, we will need to prioritise investment and assistance in those areas most likely to generate sustainable economic growth for Northern Ireland and in those indigenous businesses with the potential for high growth. We cannot compete in every global market and across all sectors and technologies. Therefore, building on the initial technology capability study undertaken by MATRIX (the Northern Ireland Science Industry Panel), **we will undertake a new research and technology capabilities study across the public and private sectors.**

8 NI 2011 R&D Survey (2012)

Wrightbus is a Ballymena-based company currently employing over 1,200 people and is one of Europe's leading suppliers of accessible public transport vehicles. By integrating world class design, advanced materials and innovative business models, Wrightbus has become a leading global supplier of buses. It secured the contract to manufacture the prestigious New Bus for London and has won significant orders in the US, Hong Kong and Singapore as well as the UK and Ireland.

The Economic Strategy identified the following key market sectors⁹ where Northern Ireland has both the capability and the potential to compete on a global basis, and **we will therefore prioritise funding and support for research and innovation in both our education and company base in these priority areas:**

- **Advanced Engineering (Transport);**
- **Advanced Materials;**
- **Agri-food;**
- **Life and Health Sciences;**
- **ICT;**
- **Telecommunications; and**
- **Sustainable Energy.**

New Global Opportunities

It is important that Northern Ireland pro-actively seeks to identify new and changing global market opportunities so that local companies are at the forefront of these. This will help us grow our high technology indigenous business base and also enable us to produce a skilled workforce to give our region its best competitive advantage. It will also help to grow our exports and ensure we capture new global markets and have a research base which attracts new FDI. Therefore, with the support of the MATRIX Panel, **we will develop a foresight programme that will identify new and emerging technologies and key future markets.**

Enhancing Northern Ireland's World-Class Research Base

A world-class research base is a key driver in promoting economic growth. Data is also usually central to the research process and making data available to users is a key part of the Research Councils UK Common Principles on Data Policy¹⁰. Investment in innovation and R&D creates new businesses and improves existing ones, it brings highly skilled people into the job market and it attracts international investment.

⁹ Full details of MATRIX niche market priorities can be found in the accompanying evidence slide pack

¹⁰ See <http://www.rcuk.ac.uk/research/pages/outputs.aspx>

We need to continue to prioritise investment in the Northern Ireland research base. Significant investment in the university research base through mainstream Quality-related Research (QR) funding will therefore remain a strategic priority, building upon the introduction by DEL under 'Graduating to Success' (the Higher Education Strategy for Northern Ireland) of a new Higher Education research funding model. This model focuses on current resources and encourages our universities to pursue excellence in R&D, whilst also ensuring that the current and future needs of the economy are met.

This drive to enhance our world-class research base will however, incorporate all of the Higher Education and Further Education institutions, public sector research institutions as well as in-house company research. Therefore, **we will develop further our research excellence in sectors with high growth potential and also double the number of funded postgraduate places to 1000 by 2020, with a specific emphasis on an additional 300 PhD places in areas of economic relevance.**

Queen's University is recognised as a world leader in cancer research. In 2012, it was awarded the Queen's Anniversary Prize for world-class achievement through its leadership of the Northern Ireland Comprehensive Cancer Services programmes.

To further promote industry priorities within the world class science and technology capabilities of our academic research base, we will roll out the Invest NI Competence Centre programme. Concentrating on the key MATRIX market opportunities, and driven by specific industry needs, the Competence Centres will support companies to bring new products and services to markets that otherwise would not have been possible. **We will continue to support the development of Competence Centres in strategically important technologies where a clear industry need or emerging market opportunity is identified.**

An aging population, coupled with changes in disease prevalence, have led to shifts in health care demands. The **Connected Health Innovation Centre (CHIC)** aims to provide Northern Ireland with a world-class, industry led organisation and facility, within which high-quality R&D, networking, Intellectual Property (IP) generation and brokering can be conducted on connected health applications. CHIC, based at the University of Ulster, targets research in areas such as e-Health, digital health, tele-health, tele-monitoring, disease management, and home based care. The Centre will showcase Northern Ireland skills and work alongside health providers, international companies and academia to provide growth and collaboration opportunities.

Enhancing Creativity and Design

“Imagination is more important than knowledge” Albert Einstein

Creativity and design are important features of a well-developed knowledge economy. They are essential for a company to grow and innovate, as shown in Figure 3.

Figure 3: Creativity and Design for Innovation



Creativity is essential for a company to grow and develop novel ways of looking at existing problems or realising new opportunities and connections presented by changes in technology and society. To promote creative thinking and the use of digital technologies by pupils, teachers and youth leaders, **we will increase the capacity of the region’s Creative Learning Centres and maximise the potential of our cultural base** to provide inspirational learning experiences that support the curriculum and the eSTEAM¹¹ agenda, and which add value to teachers, students and lifelong learners.

To further nurture a culture of creativity across the public, private and third sector, **we will develop a Creative Northern Ireland Framework**. This will catalyse and enhance collaboration, creativity, design and innovation within and across business, academia, the third sector and government. It will support broader-based innovation by generating and exchanging ideas across sectors and disciplines and by connecting multiple networks and sources of insight and inspiration. This aims to help creative people, ideas and businesses to emerge and flourish.

Research has consistently shown a link between the use of design and improved business performance¹² and many leading European innovation economies have placed design at the centre of their innovation strategies. We also recognise that design is a key enabler and driver of innovation. Through Invest NI and other Government interventions we already support companies to improve the competitiveness of their products and services through design support. Invest NI’s Design Service for example, through awareness, advice and capability development encourages SMEs to use design as a business tool and an enabler of innovation. Using a strategic approach Invest NI will continue to promote design as a driver to support businesses increase their potential in existing and new markets through creating compelling customer experiences via products, services and systems. Therefore,

¹¹ Enterprise, Science, Technology, Engineering, Art, Maths

¹² Eden Partners (2011) Evaluation of Design Demand

we will look to increase our efforts in this area to drive behavioural change and encourage more companies to incorporate design into their business planning processes.

Skills and Education to Support Innovation

To transform our economy into one of the UK's leading high-growth regions, we need better educated and more highly skilled workforce. This will enhance the innovation performance of our local companies. Encouraging more SME's and Micro Businesses to engage in innovation is particularly important. Through the DEL Employer Support Programme (ESP), £6.9m has already been allocated to our Further Education Colleges to support companies to develop the skills capability of their employees. However, it is recognised that more can be done. By **working with the FE sector and other stakeholders, we will increase focus of the ESP to provide targeted support to SME's and micro businesses for the skills required to engage in innovation, R&D and entrepreneurship.**

Qualifications in Science, Technology, Engineering and Maths (STEM) are particularly relevant for the knowledge economy, but this is an area where NI has had limited growth in annual student numbers (using the narrow definition of STEM) in recent years from Higher Education Institutions (HEIs). This has the potential to limit the flow of skilled labour for knowledge-based businesses and therefore we will, with the support of business, continue to progress the implementation of the Northern Ireland STEM Strategy, 'Success through STEM', and, in particular, fund an additional 1,200 undergraduate places in STEM areas.

It is not just formal qualifications which are important for innovation, but also skills such as entrepreneurship, risk and creativity which can be developed throughout the education lifecycle. This will be in addition to potential new learning programmes to promote the wider innovation agenda through STEM.

In addition, research within our HSC Trusts and organisations is essential for the development of more effective medicines, devices and other treatments. **We will ensure that professional staff have opportunities to acquire and deploy research skills within their clinical workplaces and we will invest further clinical research careers.**

Another core component of a knowledge-based economy is ICT skills. These need to be embedded into the culture of our schools, and into the training of our teachers. An ICT Future Skills Action Plan has already been produced by DEL, and ICT is now embedded into the revised curriculum as a skill across all Key Stages. However, we need to ensure continued good communication between industry and academia to ensure that the ICT skills supplied match those demanded by industry. A number of successful initiatives are underway to address this such as the 'Software Testers Academy'. We will continue to work with industry to ensure the necessary skills pipeline is in place to meet their needs.

Key Actions

- 1** We will undertake a new research and technology capabilities study across the public and private sectors.
- 2** We will prioritise R&D funding towards opportunities identified in the Economic Strategy.
- 3** We will develop a foresight programme that will identify new and emerging technologies and key future markets for local companies.
- 4** We will develop a Creative NI Framework to foster and nurture a culture of 'creativity and design thinking'.

Question 3: Are there any additional actions to those identified in the Knowledge Generation Section, necessary to deliver the aims of this strategy?

3. Knowledge Exchange

Overview

What is Knowledge Exchange?

Knowledge exchange is about facilitating the exchange and access to quality information across all sectors in order to support economic growth

What do we want to achieve?

- More firms engaging in open innovation
- Increase business to business collaboration
- Increase business to academia collaboration
- More international partnerships and collaborations
- Greater funding success for EU collaborative R&D funding

What are we going to do?

- Increase focus and support for open innovation activities
- Support the creation of new networks, such as European Connected Health Alliance, which have the potential to exploit global market opportunities
- Improve facilitation of knowledge exchange through teaching, consultancy and community based activities
- Forge and strengthen strategic partnerships with emerging and high growth economies
- Strengthen engagement with EU and secure greater success in Horizon 2020
- Increase core investment in the universities' knowledge exchange infrastructure (Higher Education Innovation Fund - HEIF)
- Complement HEIF with a new round of the 'Connected' programme to support more open innovation projects
- Develop further the innovation capacity of HSC organisations

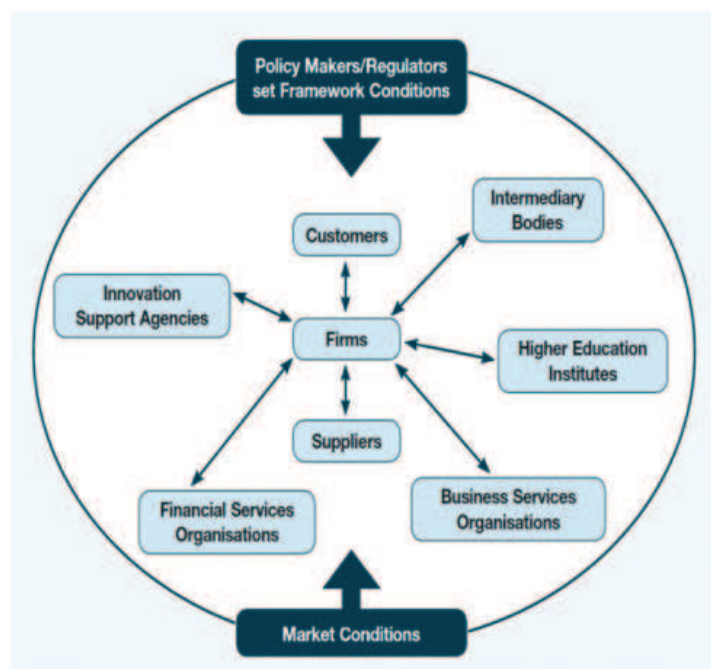
How will we know that we are on target?

- Co-operation and collaboration on innovation activities (% of innovators)
- HE income from collaborative activities (£m)
- Drawdown from EU Framework Programmes and Horizon 2020 (€m)

Why is Knowledge Exchange Important?

Innovative economies are outward-focused, collaborative and have structures which can fully exploit the benefits of knowledge exchange. Success, therefore, will be strongly dependent on our ability to identify and develop effective private, academic and public sector collaborations that can deliver economic growth. We must incentivise collaboration, encouraging companies to develop their capabilities to exchange, access and absorb knowledge, technology and skills in order that they can exploit opportunities. An overview of the main actors in the innovation ecosystem is shown in Figure 4 below.

Figure 4: Overview of Innovation Ecosystem



Source: InterTradelreland (2012) 'Leveraging the Innovation Ecosystem for Business Advantage: A Cross Border Study

Encourage Companies to Engage in Open Innovation

Companies which engage in collaboration are more productive than those that do not. Currently, NI firms are less inclined to collaborate than their counterparts in the rest of the UK. Encouraging collaboration and accessing external knowledge are central to moving towards a modern open innovation system and to increasing productivity and growth¹³. There is therefore a need for more of our companies to be open to collaboration, as this is often the best way of accessing new ideas.

¹³ Love, JH, Roper, S & Bryson, J (2011) Knowledge, Openness, Innovation and Growth in UK Business Services

We want to encourage a greater number of companies to look outside their own environment for new knowledge and ideas. Often described as ‘open innovation’, it can involve formal or informal collaboration with a wide range of organisations including other firms, suppliers, customers, colleges and universities.

The success of open innovation is dependent on a change in culture and attitudes to innovation in which trust, collaboration and knowledge exchange are integral. A recent report¹⁴ indicates that our firms have much more limited connections than businesses in other UK regions. Northern Ireland needs to move to an enhanced model of open innovation where collaboration and commercialisation is accelerated across businesses.

We will therefore enhance our support to companies to enable them to engage in open innovation activities within and outside the Northern Ireland innovation eco-system.

Work is underway to determine if this can best be delivered by the creation of a new Open Innovation Centre or the provision of a new support service.

Increasing Business to Business Collaboration

Collaboration capitalises on opportunities for innovation. In its purest form it can help businesses to compete in larger markets, strengthen their capacity to compete in global markets. Encouraging local businesses to coordinate and aggregate their resources, acts as a ‘building block’ for the potential creation of Industry Innovation Communities (IICs).

A number of organisations work with businesses to support collaboration and open innovation. Invest NI works with a wide range of sectors to deliver projects by providing facilitation support to enable effective working within collaborative networks. This support allows and encourages a cross-sectoral approach, which bridges the boundaries between traditional sectors and exposes companies to new markets, technologies & research opportunities. Working with nascent networks to help form the scope of projects, Invest NI will ensure all projects are industry-led and **we will increase our investment in establishing industry-led collaborative networks, particularly those focused on market opportunities identified in the Economic Strategy.**

Increasing Business to Academia Collaboration

Our Universities and Further Education colleges have vital roles in supporting business to access new ideas and knowledge. Northern Ireland currently ranks as the best performing UK region in terms of interactions between academics and the business, public sector and wider community¹⁵, whilst collaborative activities are a more important part of universities income here than elsewhere in the UK.

14 Roper S. (2012) Developing an Open Innovation Centre for Northern Ireland'

15 UK Innovation Research Centre (2009)

Since the publication of FE Means Business, the strategy for further education in Northern Ireland, further education colleges have developed and strengthened their links and relationships with employers, business and industry both on a local, regional and international basis. Colleges have improved their services and products in response to industry demands and are increasingly working in partnership with the business community. The partnership will develop a more comprehensive, economically relevant curriculum which meets the specific needs of employers in terms of providing highly skilled, knowledgeable and competent people who can add significant value to employers when they enter the workforce. Provision within the colleges therefore remains very closely aligned to the Programme for Government (PFG) and the Economic Strategy.

Initiatives such as DEL's Higher Education Innovation Fund (HEIF) and the Connected Programme already provide invaluable roles in helping companies engage in innovation. While HEIF underpins the core business and community-facing activities of Queen's University and University of Ulster, Connected adds a further dimension. It enables the universities and Further Education colleges to come together to identify and meet the knowledge exchange needs of businesses in a fully joined-up, holistic fashion, taking companies through the entire innovation process. However, we want to build on the success of these programmes, and therefore as set out under 'Graduating to Success', **we will seek to increase funding for the next rounds of both the Higher Education Innovation Fund and Connected programme.**

We will also increase our investment in other existing programmes which support collaboration between our universities and colleges and companies, including:

- **Knowledge Transfer Partnerships (KTPs):** these facilitate the transfer of knowledge and the spread of technical and business skills through joint projects between third-level education establishments and local companies, undertaken by high-calibre, recently-qualified graduates. **We will look to increase the number of KTPs** through strengthening our engagement with the Technology Strategy Board's Knowledge Transfer Networks (KTNs) in its delivery of a series of KTP-themed 'calls'. **We will also liaise with the Technology Strategy Board to agree on the scope and budget for a number of NI specific calls with a focus on priority sectors.**

Hughes is a leading NI insurance broker, with a product range including all personal insurance products and a range of commercial insurance products. Through a KTP with Queen's University, an astrophysics graduate working with the School of Maths was tasked with helping the company to develop a successful pricing strategy. Astrophysicists gain advanced skills in mathematics at Queen's that are easily transferable to the world of business, in particular to financial modelling. The KTP Associate's work in researching and building regression models to predict customer retention, churn and price elasticity, has served to embed new technology and expertise in the business and contributed to a 4.5% increase in customer retention figures.

- **Knowledge Transfer Network (KTNs):** these provide an over-arching network bringing businesses, technology organisations and academia together to enable the exchange of knowledge and encourage innovation. The Networks can help companies find out about new opportunities in key research and technology sectors and provide them with the opportunity to meet and network with individuals and organisations, in the UK and internationally. **We will continue to work with the Technology Strategy Board to strengthen and develop KTN in Northern Ireland.**
- **Innovation Vouchers:** this scheme provides SMEs with a voucher for £4,000 which can be exchanged with academia in FE colleges, universities or research institutions. They can be used to help develop important links, introduce new products or processes into a business. Importantly they encourage collaboration capacity and are of critical importance in our efforts to encourage firms to engage in innovation because they can 'de-risk' a first step for many businesses to become more innovative. Building on our recent extension to cover all SMEs, **we will seek to increase investment in the Innovation Vouchers programme.**

Elmore Fish in Dunmurry used an innovation voucher to work with Loughry Campus CAFRE to develop an innovative range of easy to cook fish dishes. The family owned and managed company, which has been supplying fresh and frozen fish since 1894, has launched its restaurant-branded range of ready fish dishes that can be oven cooked in just 15 minutes, enabling families to enjoy the health benefits of seafood.

- **Creative Credit Vouchers:** These have been piloted in the UK and enable businesses to access expertise and knowledge to develop new products, services and new markets. **We will work with NESTA to introduce a Creative Credit Voucher.**

- **Specialist Provision for Industry using College Expertise (SPICE) Centres:** FE colleges continue to drive excellence within FE provision in priority sectors and by developing good practice and expertise in specialist areas. Colleges are committed to contributing to this vision by developing centres of excellence, which will be known as Specialist Provision for Industry using College Expertise (SPICE) Centres. **We will encourage FE colleges to create and establish SPICE centres, in order to provide bespoke support for all businesses in Northern Ireland, which will help them innovate and grow.**
- **Knowledge Transfer Awards:** These support the embedding of results from R&D into HSC organisations. **We will encourage clinicians and other HSC staff to become more efficient innovators by providing routes to the implementation of new products or practices that emerge from R&D, normally undertaken jointly with academics and / or businesses.**

Supporting International Partnerships & Collaborations

Innovation is an international process where knowledge, resources and personnel freely move across borders. Local researchers, businesses and officials need to more actively engage and collaborate at UK, EU and global levels. Through greater collaboration, Northern Ireland can enhance knowledge and build networks by forging strategic partnerships which will help local businesses access new markets and improve the quality of commercially-focused research. These collaborations are essential if we are to establish a global reputation for excellence in key markets and technologies. Our strategic approach will include:

- Promoting our research and high technology sectors overseas to attract FDI;
- Promoting NI as a great place to live work and invest;
- Supporting our businesses and researchers to access international markets and collaborative research networks;
- Ensuring Northern Ireland continues to attract globally mobile capital, technology and highly-skilled people;
- Strengthening our engagement with initiatives within the European Union; and
- Building strategic links with high growth economies.

Developing new international partnerships will give Northern Ireland access to new markets and increase our collaborative research partnerships. **We will continue to forge strategic partnerships at the highest level with emerging economies in areas where there are alignments with Northern Ireland's capabilities and future market opportunities.** In

particular, **we will support our key research institutes centres, to develop international agreements.** In addition, **we will remain fully committed to the development of the US / Ireland R&D Partnership, working closely with our partners in the Republic of Ireland and the United States.**

C-TRIC based in Altnagelvin Hospital, is a clinical translational research and innovation centre with an international reputation for excellence. In 2011 C-TRIC signed a MoU, on a strategic alliance formed to advance tissue engineering research and development, between partners in Northern Ireland, Finland and Massachusetts.

Increasing Success in EU R&D and Innovation Programmes

EU funding for R&D and innovation not only provides an invaluable source of new funding but also helps establish sustainable international collaborations. While Northern Ireland has exceeded targets for the Framework Programme 7 (FP7), the increased scope of Horizon 2020 – with a budget of over €70 billion – presents an opportunity to significantly improve on recent performance.

Analytics Engines, a Belfast-based SME, is currently engaged in a number of FP7 projects. One of these is the ‘HANDHOLD’ project which is developing multi-source data analytics for the detection of environmental hazards. The project has allowed Analytics Engines to collaborate with world class research institutes and leading companies from the Republic of Ireland, Germany, Portugal and Estonia in a project valued at over €4.5m.

In preparation for Horizon 2020, new support measures have already been introduced including the appointment by DETI of a Horizon 2020 Manager and the establishment of a new £1.8m Fund for the creation of a network of research experts in each of the key societal challenges. These experts, known as Northern Ireland Horizon 2020 ‘Contact Points’ will work directly with researchers in companies, research institutes and HSC organisations supporting them to develop better quality applications. **We will, however, continue to enhance support so that more Northern Ireland companies and researchers are more successful in Horizon 2020 and that we can secure at least €100 million in funding.**

Key Actions

- 1** We will enhance our support to companies to engage in open innovation activities, either through the development of an Open Innovation Centre or the provision of a new support service.
- 2** We will increase our investment in establishing industry-led collaborative networks, particularly those focused on market opportunities identified in the Economic Strategy.
- 3** We will increase our investment in programmes and initiatives that support collaboration between businesses and academia and business to business.
- 4** We will increase our support to local companies and research organisations to secure at least €100m from Horizon 2020.

Question 4: Are there any additional actions to those identified in the Knowledge Exchange Section, necessary to deliver the aims of this strategy?

4. Knowledge Exploitation

Overview

What is Knowledge Exploitation?

Transformation of knowledge into products and services which can add value and preferably be exported

What do we want to achieve?

- More companies accessing finance to exploit their knowledge and IP
- Supporting businesses with high growth and export potential
- Easy access to public sector data that can be commercially exploited
- Public procurement being used to drive innovation
- Our innovation infrastructure being exploited to its full potential

What are we going to do?

- Support and increase Access to Finance for companies
- Fund a world-class Business Accelerator
- Support open data as a means of sharing knowledge
- Become a strategic partner of the UK Open Data Institute
- Exploit the potential for big data/data analytics
- Promote the Small Business Research Initiative (SBRI) to drive innovation through pre-commercial procurement of R&D

How will we know that we are on target?

- Increased turnover from innovative goods & services (% of total)
- Firms reporting innovation protection (% of firms)
- Private equity backed firms (per 1000 VAT businesses)
- University spin-offs (per million persons)

Why is Knowledge Exploitation Important?

Within the UK, it is recognised that the current innovation infrastructure is “*strong on research but, weak on economic impact*”.¹⁶ Similarly, Northern Ireland has a solid innovation foundation but we need to work more effectively at exploiting this.

The journey from innovation to commercial success is not an easy one, with mistakes and failures inevitable on the way. We need to be more accepting of those entrepreneurs who have tried and failed, but who have learnt from their experience and are persisting on the entrepreneurial journey with new ventures. In a fast moving technological world, even the smartest teams cannot pick winners every time and it is better to share the stories of what did not work and move on to a new and better venture. We must always support our entrepreneurs and companies along this journey.

Supporting Companies to Access Finance and Exploit Knowledge

In recent years, significant investment in terms of finance and research has been introduced to support entrepreneurial growth. This has come from Invest NI, InterTradeIreland, NISPO, Halo, NISP, NISP Connect, Co-Investment Fund and Development Funds, Local Enterprise Development and others in the private sector. Notwithstanding the current debt initiatives, where Invest NI is addressing market failure through the Northern Ireland Small Business Loan Fund and the Growth Loan Fund, providing £55m of debt finance over the next 5 years, therefore we need to build on this.

If new innovative businesses are to grow quickly into export-focused enterprises, we need to make it easier for them to access finance. Invest NI has already developed a suite of funds under its Access to Finance Strategy and it will promote the continuum on an ongoing basis to ensure no funding interruption. However, building on the findings of the Economic Advisory Group’s (EAG) review of ‘Access to Finance for NI Businesses’ **we will continue to look for new innovative approaches to support companies to access finance**. As part of this we will seek to increase the funding available for NISPO so that they can increase its support for early stage businesses with high growth potential. In addition we will develop a number of capability programmes such as raising finance workshops and finance vouchers.

Commercialisation of Intellectual Property

There have been significant efforts to improve the commercialisation of Intellectual Property (IP) generated in our HE sector, and the success of these efforts has been reflected in a large rise in IP income since 2003/04. More recently, similar efforts have

¹⁶ The Current and Future Role of Technology and Innovation Centres in the UK, Dr. Hermann Hauser for BIS, 2010.

been made to increase the commercialisation of IP from our public sector research institutions. In partnership with the research base and MATRIX, **we will seek to enhance the management and exploitation of knowledge and Intellectual Assets including IP from our research institutes.** A Report will be published by Matrix later in 2013 outlining recommendations to facilitate greater exploitation of intellectual assets over the medium and long term.

The public sector also generates IP through its services in areas such as education and health. This 'soft IP' presents an opportunity to stimulate new business and generate an additional revenue stream for the public sector. **We have asked MATRIX to identify areas of 'soft IP' which could be licensed or commercialised to create exportable products or services by local companies.**

Supporting Businesses with High Growth and Export Potential

Now and in the future job creation will be highly dependent upon fast expanding companies in growth areas and markets such as ICT. Research by NESTA¹⁷ demonstrates that around 6% of innovative, high growth businesses created 40% of new private sector jobs and were responsible for over 50% of the growth in jobs across the UK between 2002 and 2010. To encourage these kinds of businesses, we need to:

- Encourage entrepreneurs to commercialise their innovations and give them the tools to start and grow their businesses to a global level;
- Challenge entrepreneurs to focus as much on the processes of building their businesses as developing their technologies; and
- Work with those businesses that succeed and wish to continue to grow rapidly to help accelerate their growth and scaling.

In addition to the current support available from across the public and private sectors, **we will fund a world-class Business Accelerator within Northern Ireland to foster the growth of early stage high tech start-ups.** This Accelerator will provide an intensive and time-bound suite of support to high tech start-ups, including access to mentors and academia, a continuum of capital and a skilled workforce, business support services and global market opportunities. A shared workspace will encourage peer-to-peer learning during the programme.

17 NESTA (2009) The Vital 6%

Companies exposed to the challenges and competitive pressures of export markets are more likely to be innovative and high performing. More local businesses, particularly our SMEs, need to be encouraged to sell their goods and services outside Northern Ireland. To support these businesses **we will provide increased levels of support, particularly in those areas identified by MATRIX, and to those businesses with the greatest potential to exploit new markets.**

Exploiting Public Sector Data

Over the past 10 years there has been a drive to open up public sector information as a driver of economic growth and innovation. Through the 2012 Open Data White Paper, the UK government has committed to make data available in accessible formats and to put in place measures to actively encourage the re-use of public data.

In Northern Ireland, with the development of the Spatial NI portal for our public sector data sets, we are committed to making significant strides to open up our public sector data. As part of this **the Department for Regional Development will investigate the exploitation of the data it holds on traffic and public transport movements for the benefit of road and public transport users and the better management of traffic.**

The **Spatial NI** portal, provides a platform for the delivery of Open Data in Northern Ireland. It links directly to the UK Open Data portal www.data.gov.uk and many of the Departmental datasets currently available on Spatial NI can be accessed through an open data license either from the portal itself or through data.gov.uk. The spatial data on the portal can provide a location framework for finding, analysing and displaying the majority of government-held information.

In order to maintain progress and to learn from international best practice, **the Northern Ireland Executive will become a strategic partner of the UK Open Data Institute.** Working with The National Archives (TNA) and the Technology Strategy Board, **we will also produce a developer engagement strategy to support local companies create new products and services from open data.**

The **Open Data Institute** is an independent organisation led by Sir Tim Berners-Lee, inventor of the world wide web. It was created with £10.75m funding from the Technology Strategy Board and the Omidyar Foundation. Its priorities include:

- creating start-up companies and helping them to grow;
- helping companies use open data;
- to enable data entrepreneurs and developers in open and linked data technologies to enable them to create new products and services from open data; and
- helping public sector organisations publish accessible and useable data.

Data Analytics

Data Analytics and 'Big Data' refers to data sets which are beyond the ability of typical tools to capture, store, manage and analyse. There is strong evidence that data can be used to drive productivity and competitiveness as well as to stimulate innovation.

Information technology which was created to manage data within institutional 'silos' is now being harnessed to integrate, interrogate and exploit massive volumes of data. Our Public Sector generates significant amounts of data that, if properly exploited, could lead to significant efficiencies and also provide 'sandboxes' to allow developers to explore new business opportunities.

In Northern Ireland we have already successfully started to commercially exploit such data sets. In 2012, nine public sector data sets were made available under licence as part of an NI Tourist Board (NITB) competition for tourism apps. By making these data sets available new apps were created by local companies. **We will ask MATRIX to conduct a study into the size and nature of the opportunity presented by open data and big data for NI businesses and to advise on the actions required to exploit this.**

Using Public Procurement to Stimulate Innovation

The Northern Ireland Public Sector spends some £3 billion per annum on the procurement of goods and services. It has been shown that the public sector, as an intelligent customer, can make a major contribution to encouraging innovation. Directing even a small proportion of this towards innovative procurement programmes will help stimulate innovation in the economy by accelerating ideas, products and services through from businesses. This approach has been used successfully through the Technology Strategy Board's Small Business Research Initiative (SBRI).

The **Small Business Research Initiative** is a structured “pre-commercial procurement” process aimed at driving innovation through the procurement of Research & Development. It provides innovative solutions to Public Sector challenges and business opportunities to technology-based businesses. By using SBRI the public sector is able to access ideas and technologies that they would not reach through normal channels.

Northern Ireland was the first devolved administration in the UK to run a SBRI competition. DETI and DARD have recently launched a major competition to encourage the development of solutions for the sustainable utilisation of poultry litter. DHSSPS is also progressing an initial SBRI completion. In partnership with the Technology Strategy Board, Northern Ireland has the potential to be a leader in the use of SBRI. Building on this the **Department for Regional Development will use the SBRI approach to promote the use of electric vehicles and will investigate its use on other transport challenges. We will also provide further investment into the SBRI model to appoint four Innovative Procurement Executives (SBRI Champions) and investigate the development of a central fund, to co-fund SBRI projects across public sector organisations.**

Newly-founded Drumbo company **RepKnight** radically changed its business offer after responding to a SBRI competition from a Whitehall department. The company has since developed the fastest social media monitoring platform of its type in the global market. Staff numbers have risen from just three in December 2011, growing to 15 by spring 2013. Annual turnover has topped £10m and new customers are being signed up at home and abroad.

‘We have been punching way above our weight thanks to SBRI, securing and delivering contracts way beyond what could reasonably have been expected of us.’ John Reid, Chief Executive Repknight.

Enhancing and Exploiting our Innovation Infrastructure

The NI Science Park has played a vital role in helping to rebalance our economy. It is home to over 100 companies and the biggest research institute in Northern Ireland, who together employ over 2,000 people. In just a decade of operation, it has become a microcosm of the knowledge economy that we wish to develop for the whole of Northern Ireland. Its continuing success as a key part of our economic infrastructure, needs to be fully exploited and built upon. Going forward, **we will support the expansion of the NI Science Park.**

This will further develop its role to support more firms in the MATRIX-identified sectors to engage in open innovation so they can exploit new global market opportunities.

An annual £4.5 billion invested in the Health and Social Care sector also presents huge opportunities to drive innovation in local companies. The HSC R&D Fund enables the development of infrastructure – networks of support staff and research services for clinical trials and other studies – across HSC organisations. Positive progress has been made in this area, with a recent ‘Task and Finish’ group identifying recommendations on how such opportunities can be further exploited. **We will take forward those recommendations, and in particular, seek to develop an overarching Health and Life Sciences Strategy in partnership with stakeholders.**

The recent ‘Going for Growth’¹⁸ report highlighted the importance of innovation to the continued expansion of the Agri-food sector, Northern Ireland’s largest manufacturer. The report produced a series of recommendations on how industry, working in partnership with the public sector, can exploit global opportunities. **We will work with the Agri-Food Strategy Board and other stakeholders to take forward these recommendations.**

Exploiting E-commerce

E-commerce continues to provide tremendous opportunities for local companies to compete on a global basis. Through an investment of more than £60 million, we have built one of Europe’s most extensive regional broadband networks.

The challenge we face now is how to fully exploit this opportunity. **We will continue to improve the competitiveness of businesses through e-business support** which will:

- Integrate e-business and digital communications into every aspect of business;
- Increase the e-capability of NI businesses through awareness building and training;
- Increase the volume and value of export sales through e-commerce;
- Target support for businesses, to enable them to both understand the business potential of the digital platform and also ensure they fully exploit the technology; and
- Engage key players across government, industry and academia, to drive forward Pathfinder initiatives, which will result in step change business performance as a result of exploitation of the digital platform.

Key Actions

- 1** We will fund a new world-class business accelerator.
- 2** We will become a strategic partner of the UK Open Data Institute and develop a developer engagement strategy to support local companies create new products and services from open data.
- 3** We will establish a central fund to co-fund SBRI projects.
- 4** We will support the expansion of the Science Park.

Question 5: Are there any additional actions to those identified in the Knowledge Exploitation Section, necessary to deliver the aims of this strategy?

5. Cultural Change

Overview

What is Cultural Change?

Changed attitudes and behaviour towards collaboration, and the openness towards and use of new ideas, innovation and risk taking

What do we want to achieve?

- Visibly drive forward, from the top, on the importance of innovation for growth
- Promote a coordinated approach to science across government
- Improve the culture of leadership within organisations
- Promote a more balanced approach to regulation and oversight that encourages more risk-taking
- A more innovative and open public sector
- Stimulate social innovation to drive the third-sector
- Improved communication

What are we going to do?

- Look to establish an Innovation Council
- Appoint a Chief Scientific Advisor for Northern Ireland
- Support innovation by managing higher levels of risk in return for higher returns for NI economy
- Seek to appoint 'Innovation Champions' within all government departments
- Increase focus in investing in leadership training for SMEs
- Remove unnecessary regulatory burden for business
- Develop a public sector innovation programme with NESTA
- Promote innovation and creativity as core competences for Civil Servant managers

How will we know that we are on target?

While indicators specific to the underpinning requirement for cultural change have not been identified, engagement at the highest level through delivery of key actions detailed in the strategy will be evidence of progress. Together with the twelve indicators identified across the key themes, positive or negative change will be evident.

Why is Cultural Change Important?

Transforming our innovation performance requires sustained commitment and long-term focus. It will require changes in culture and behaviours that must be embraced across all levels of society. To become imbedded, and truly irrevocable, these changes will require a long-term, sustained, level of visible commitment at the most senior levels in Government, business, the third sector and academia.

Driving Innovation Forward

The interaction and dependencies within the innovation ecosystem are complex. For this strategy to succeed in its aims, many different individuals, organisations, sectors and agencies will need to embrace change, refocus their activities and better coordinate their efforts. It will also require a step up in efforts to drive change across the public sector, to provide a supportive environment and to develop enterprising leaders for the modern public sector. Without the appropriate drive and leadership, action will be sporadic, progress slow and the aims of this strategy will only face resistance or even stagnation.

Visible leadership, to drive forward the aims and objectives of this strategy, is crucial. That leadership is not a one off activity and the changes envisaged will require long-term, sustained, leadership at the most senior levels in the private and public sectors. As a result, we will look to establish a Northern Ireland Innovation Council, chaired by the Minister for Enterprise Trade and Investment, to include senior representatives from business and academia to oversee implementation of this strategy.

Coordinated Approach to Science across Government

To have a systematic and coordinated approach to science within the public sector, and to reinforce its importance in driving economic growth, **we will appoint a Chief Scientific Advisor for Northern Ireland.** This new position could contribute to providing effective leadership across a range of issues including:

- Coordinating the various strands of science across departments and agencies including, where appropriate, participation in UK-wide initiatives;
- Greater inter-connectedness across all sectors of science capability;
- Demonstrating the value placed on science by Government leadership; and
- Helping to develop a more coordinated approach to R&D, including the increased targeting of EU and other research funding opportunities such as enabling the development of research teams drawn from different NI sectors.

Ensuring a Culture of Leadership

Strong, effective leadership and business dynamism drives business growth. While Northern Ireland has many business leaders successfully growing their companies on a global scale, evidence from our Skills Strategy, 'Success through Skills', demonstrates the need to do more to adopt best practice leadership and enhance management skills.

The role of leaders in creating conditions for greater innovation, within and beyond their organisations, is critical. It is the attitudes, values, and behaviour that promote innovation and it is 'the Leader' that reinforces this culture, by creating cultural attributes that stimulate and support innovation and growth.

We need to foster a culture of leadership within the public and private sectors that will drive change. There have already been some significant commitments in this area and, for example, the Invest NI Leadership and Management Support Framework (LMSF) has been successful in helping businesses overcome problems or barriers to growth through the development of leadership and management capabilities. **We will continue to ensure leadership and management training is directed towards our SME base.** As part of this, **we will introduce a range of new leadership programmes and also develop a management strand within Invest NI's Skills Growth Programme.**

Through Invest NI and with DEL support, we will improve company leadership and management at senior level and cascade best practice throughout the business. Our approach will include:

- raising awareness of the importance of good leadership and management practice;
- deliver tailored development aimed at behavioural changes in the most senior people within SMEs; and
- deliver direct support to Northern Ireland businesses for skills development.

A More Balanced Approach to Risk and Regulation

While there is a need to ensure good governance is maintained over the management of publicly funded projects, there is also a need to ensure that we allow a more balanced approach to risk within the public sector. **We will develop new models, in tandem with the business community, to support innovation and to manage higher levels of risk in return for higher returns to the economy.**

While oversight in the form of regulation is necessary to support economic growth and ensure a fair and competitive market in which companies operate, we will continue to review the regulatory burden on business imposed through government intervention and regulation. While regulations are often perceived as a burden, they can also be a spur to develop new products and services which are capable of export. **We will therefore**

encourage more companies to invest in attaining international standards such as ISO and recognised national schemes such as the United Kingdom Accreditation Service.

Innovation within Government

Government has a key role in leading and facilitating the development of skills, research and the capacity of business to innovate. Government's role is also to act as a catalyst of innovation demonstrating how the public sector can help Northern Ireland become more productive and at the same time improve public services. We will ensure that innovation and creativity are incorporated into training and development programmes of public servants and become core competencies for managers.

The public sector also needs to be innovative and this will involve cultural change and a break from the past, adopting different ways of doing things. The challenge now for the public sector is to develop an innovation culture underpinned by this comprehensive innovation strategy, to provide a supportive environment to develop 'enterprising leaders' for the modern public sector. **We will look to appoint 'innovation champions' within all Government departments, to drive and coordinate the innovation agenda.**

As with governments across the world, the NI Executive is faced with complex challenges that span multiple social and economic boundaries. Integrating design into public policy making and public service development will lead to more efficient and effective decision making and delivery. To support this aim, we will build on efforts to introduce the strategic role of design thinking in Government as a joined-up approach to problem solving and stimulating innovative and integrated solutions. This aims to support Government departments and agencies in addressing complex challenges that demand new ways of working across departmental boundaries.

The Department of Health in GB asked the Design Council to bring designers, manufacturers and frontline NHS staff together to see if they could come up with new ideas that would help the NHS improve hospital environments and the experiences of patients. Called "Design for Patient Dignity" this project considered the whole patient experience while in hospital, including what patients wear and how they interact within the hospital. Six teams of designers and manufacturers, as well as healthcare design specialists came up with innovative new designs that show how different privacy and dignity issues could be solved.

The Design Council reports that as a result of this project new products and services have been developed that are supporting the NHS making lasting improvements to the "care environment" and are helping it organise care around patients' needs and expectations.

To support innovation in companies, we need to seize opportunities for public sector delivery. This is more important in the context of financial constraints and slow growth.

Delivery from alternative sources is also part of the rebalancing agenda and the move away from an economy that is dependent on the public sector. **We will therefore develop and implement an Innovation Programme for the Northern Ireland Civil Service. This will develop and test solutions to the challenges facing communities and public services. It will equip people with the skills, knowledge, tools and experience to innovate, and contribute to a wider cultural change in the Northern Ireland Civil Service, making it more open to ideas and better able to work with citizens.**

Stimulating Social Innovation

The Executive recognises the social economy as an important emerging sector with the potential to make a valuable contribution to employment and the local economy. Creating a supportive and enabling environment for the sector to thrive will play an important role in regenerating communities and helping to create a balanced economy. **We are committed to developing social economy policy and development of the sector, to be supported within the context of the Economic Strategy.**

Bryson Charitable Group continues to be a champion of best practice in the field of social enterprise, delivering 25,000 services per day to families and individuals right across Northern Ireland and County Donegal. Bryson House uses a modern social business model to address many of the main social issues facing society for example; aging population, ethnic diversity, sustainable waste management, energy use and unemployment.

Communication and Access to Knowledge

One of the main barriers for Northern Ireland companies, particularly our SMEs, who want to innovate and grow, is accessing the right knowledge at the right time. To help fill this gap in our innovation ecosystem **we will develop a ‘focussing on innovation’ communication strategy for business**, which will:

- Demonstrate the benefits of innovation;
- Identify key support mechanisms for companies who wish to engage in innovation;
- Identify current innovation research and opportunities both locally and globally;
- Increase connections and spill-over knowledge from one sector to another;
- Inform society of the benefits of using new technologies;
- Celebrate our innovation successes.

Key Actions

- 1** We will seek to establish an Innovation Council.
- 2** We will establish a Chief Scientific Advisor role for Northern Ireland.
- 3** We will develop a new Innovation Communication strategy.
- 4** We will develop new models, in tandem with the business community, to support innovation and to manage higher levels of risk in return for higher returns to the economy.

Question 6: Are there any additional actions to those identified in the Cultural Change Section, necessary to deliver the aims of this strategy?

6. Measuring Progress

The Innovation Strategy is one of the key strategies that supports the Northern Ireland Economic Strategy (2012). The Economic Strategy will publish annual reports on progress and this will also include an annual assessment of the wider health of the NI economy including its innovation performance.

Performance Indicators & Monitoring Progress

A detailed portfolio of specific innovation performance indicators have been identified to measure progress on the key themes of this Strategy.¹⁹ A monitoring methodology, set out in Figure 5, has been developed, based on:

- Long-term strategic goals based on regional benchmarking and increased employment in knowledge-intensive sectors; and
- Medium-term indicators based on the broad Innovation Strategy themes designed to provide clarity and focus on the three themes of successful innovation.

All 12 medium-term indicators have been set out under the three themes of knowledge generation, exchange and exploitation. Although the indicators are allocated to individual themes, in reality innovation is a non-linear process and many of the indicators will be relevant for more than one theme. It is therefore, the twelve indicators as a whole, rather than the theme that they are listed under which is of most importance.

Prioritisation

While each of the indicators will have an impact on improving performance across all the long-term objectives, some will impact on more than one area and will therefore have a greater impact. As shown in Table 2, prioritisation has been given to the indicators depending on their influence on long-term goals.

Monitoring Arrangements

The monitoring of actions, indicators and targets will allow us to gauge the delivery and effectiveness of these actions. It also allows for any reprioritisation of resources and interventions, particularly given the continued uncertainties in the local and global economy. An annual progress report on implementation of this Strategy will be presented to the Executive Sub Committee on the Economy.

¹⁹ Further analysis and details on the indicators can be found in the accompanying evidence slide pack www.detini.gov.uk/innovationstrategy

Figure 5: Innovation Strategy Indicators and Current Performance

LONG TERM GOALS		Current	Ambition
European innovation scoreboard ranking		8 th (of 12)	Top 5
UK regional innovation ranking		11 th (of 12)	Top 6
Employment in the knowledge economy		32,200	47,000

MEDIUM TERM KNOWLEDGE GENERATION	NI	MEDIUM TERM KNOWLEDGE EXCHANGE	NI	MEDIUM TERM KNOWLEDGE EXPLOITATION	NI
Firms with innovation activity <i>(% of total firms)</i>	27%	Co-operation on innovation by firms <i>(% of innovation)</i>	45%	Turnover from innovative goods and services <i>(% of total turnover)</i>	25%
Total R&D expenditure <i>(£millions)</i>	568	HE income from collaborative activities <i>(£millions)</i>	87	Firms reporting innovation protection <i>(% of firms)</i>	8%
BERD by indigenous SMEs <i>(£million)</i>	83	Drawdown from EU FP7/H2020 <i>(£millions)</i>	56	Private equity investments <i>(per 1000,000 VAT businesses)</i>	16
Number of R&D companies	430			HE spin-offs active after three years <i>(per million persons)</i>	27
Annual STEM graduates*	7,119				

* Narrow STEM plus Medicine & subjects allied to Medicine

Table 2: Prioritisation of Medium-Term Indicators

HIGH	% of firms who are innovation active
	% of innovative firms who co-operate
	Total annual R&D expenditure
	Annual HE STEM graduates
MEDIUM-HIGH	BERD by indigenous SMEs
	HE income from collaborative activities
	% of firm turnover from innovative goods and services
	Firms applying for any form of innovation protection
MEDIUM	Number of companies investing in R&D
	Drawdown from EU Framework Programme / H2020
	University spin-offs active after three years
	Private equity backed firms

Question 6: Do you consider that the performance indicators and proposed monitoring arrangements are appropriate to provide timely indications of progress?

Summary of Key Actions

Knowledge Generation	<ol style="list-style-type: none"> 1. Prioritise R&D funding towards opportunities identified in the Programme for Government and the Economic Strategy 2. Undertake a new research and technology capabilities study across the public and private sectors 3. Develop a foresight programme that will identify new and emerging technologies and key future markets for local companies 4. Develop a Creative NI Framework to foster and nurture a culture of 'creativity and design thinking'
Knowledge Exchange	<ol style="list-style-type: none"> 5. Enhance our support to companies to engage in open innovation activities, either through the development of an Open Innovation Centre or the provision of a new support service 6. Increase our investment in establishing industry-led collaborative networks, particularly those focused on market opportunities identified in the Economic Strategy 7. Increase our investment in programmes and initiatives that support collaboration between businesses and academia 8. Increase our support to local companies and research organisations to secure at least €100m from Horizon 2020
Knowledge Exploitation	<ol style="list-style-type: none"> 9. Fund a new world-class business accelerator 10. Become a strategic partner of the Open Data Institute and develop an engagement strategy to support local companies create new products and services from open data 11. Establish a central fund to co-fund SBRI projects 12. Support the expansion of the Science Park
Cultural Change	<ol style="list-style-type: none"> 13. Seek to establish an Innovation Council 14. Establish a Chief Scientific Advisor role for Northern Ireland 15. Develop a new Innovation Communication Strategy 16. Develop new models, in tandem with the business community, to support innovation and to manage higher levels of risk in return for higher returns to the economy

Glossary

BERD	Business Expenditure on Research & Development
CHIC	Connected Health Innovation Centre
C-TRIC	The Clinical Translational Research and Innovation Centre is a unique facility promoting and facilitating translational and clinical research, the primary objective of which is to reduce both the time to market and the costs associated with research and development of innovative health technologies, medical devices and therapeutics
DEL	Department for Employment and Learning
DETI	Department of Enterprise, Trade and Investment
DHSSPS	Department of Health, Social Services and Public Safety
EAG	Economic Advisory Group
ECIT	Institute of Electronics, Communications and Information Technology was established in 2003 to commercialise world-class research and expertise in a variety of enabling digital communications technologies at the School of Electronics, Electrical Engineering and Computer Science at Queen's University Belfast
ESP	Employer Support Programme
eSTEAM	Enterprise, Science, Technology, Engineering, Arts and Maths
EU	European Union
FDI	Foreign Domestic Investment
FE	Further Education
FP7	EU's Seventh Framework Programme for Research
GVA	Gross Value Added
HALO	Halo is the business angel network for Northern Ireland and is sponsored by InvestNI and Intertradelreland. Its role is to match companies with growth potential with high net-worth individuals – the angels – who may wish to invest in them.

HEI	Higher Education Institution
HEIF	Higher Education Innovation Fund
HSC	Health and Social Care
H2020 / Horizon 2020 Programme	Term for a new simplified and focussed EU Framework Programme
ICT	Information Communication Technology
IIC	Industry Innovation Community
IP	Intellectual Property
ISO	International Office for Standardisation
KTN	Knowledge Transfer Network
KTP	Knowledge Transfer Partnership
MATRIX	MATRIX, the Northern Ireland Science Industry Panel, which is a business led expert panel formed to advise Government on the commercial exploitation of Research and Development, science and technology in N Ireland
MoU	Memorandum of Understanding
NESTA	National Endowment for Science, Technology and the Arts
NIACE	Northern Ireland Advanced Composites and Engineering Centre is a technology hub for the research and development of advanced engineering and advanced materials technologies across a range of industrial sectors
NHS	National Health Service
NISP	Northern Ireland Science Park
NISP Connect	NISP CONNECT is an independent and a non-profit making organisation. The organisation fosters entrepreneurship by accelerating the growth of promising technologies and early stage companies.

NISPO	Northern Ireland Spin Out - supports start-up and early stage businesses in Northern Ireland. The support includes a £5 million venture capital fund, the Invest Growth Fund, which is provided by Invest Northern Ireland and focuses on seed and early stage businesses with high growth potential. NISPO also includes a £3 million proof of concept fund, the Invest Growth Proof of Concept Fund, which is funded by Invest Northern Ireland to provide funding to very early, non-university projects
NITB	Northern Ireland Tourist Board
QR Funding	Quality-related Research Funding
R&D	Research and Development
SBRI	Small Business Research Initiative
SME	Small and Medium Enterprises - Businesses with fewer than 250 employees
SPICE	Specialist Provision for Industry using College Expertise
STEM	Science, Technology, Engineering and Mathematics
Third Sector	Part of an economy or society comprising non-governmental and non-profit making organisations including charities, voluntary and community groups
TNA	The National Archives
UKAS	UK Accreditation Service

Your Views

Your views are important to us and we would welcome any comments or suggestions you might have relating to this strategy. In particular we are interested in your views to the questions detailed within the document.

In addition, we would welcome any other comments or additional information you wish to provide relating to the draft NI Innovation Strategy.

There are several ways you can provide feedback. You can:

- Go online by visiting our website – **www.detini.gov.uk/innovationstrategyni** and complete an electronic feedback form; or
- Email us at **innovationpolicyunit@detini.gov.uk**; or
- Telephone us on 028 9052 93999 to request a paper copy of the feedback form or to get more information on accessing electronic feedback.

Appendix 2

Consultation on the Draft Innovation Strategy for Northern Ireland 2013 – 2025: proposed Belfast City Council response

Introduction

Belfast City Council welcomes the opportunity to respond to the consultation on the Draft Innovation Strategy for Northern Ireland 2013 - 2025. The council is currently in the process of implementing a range of projects and initiatives that have innovation at their core. These include the Super Connected Cities project, the design and build of a state of the art innovation centre, the establishment of a creative hub and the provision of a range of support services for Belfast based SMEs working in the technology and digital content sectors.

At a strategic level, we are currently working with our partners Invest NI to develop an integrated economic strategy (IES) for the city of Belfast. This work has created a strong baseline identifying the key strengths and areas of challenge for the city. It is also helping identify a number of interventions which are critical for the city's future economic growth. This work will inform our future corporate priorities and approach to economic regeneration in the city and will help us target our resources and identify opportunities for collaboration to maximise the return on investment. Business growth, infrastructure development and supporting engagement in innovation by SMEs will be key priority areas for the Council as we progress our activities under the current European Regional Development Fund (ERDF) programme. We anticipate that these will continue to be important as we move into next programme 2014 – 2020.

In responding to the current consultation, we identify the role that innovation can play in helping with the economic growth of the region and specifically for the city of Belfast. Through our economic development support activities, the generation and exploitation of new ideas has been a key priority for the Council, with targeted support for the advanced manufacturing, creative/digital, environmental and hi-tech

sectors. Innovation will continue to play a key role in the Council's activities over the next two years as we implement some of the largest and most significant projects the Council has undertaken to date.

Belfast City Council's Super Connected Cities project is one such initiative that will see over £13 million invested into the technology infrastructure across the city. By 2015 we will provide:

- Belfast connection voucher scheme - vouchers to allow businesses and charities to install high speed fibre connections to their premises
- Metro wireless - improved wireless and Wi-Fi access across the city
- Public Wi-Fi hotspots - additional Wi-Fi facilities in public buildings

We will support the infrastructure development in the city with a programme of demand stimulation for SMEs which aims to assist them to implement new ways of working via broadband technologies, develop new ideas and processes using technology for business start-up and growth and develop innovative partnerships within the public sector by opening up access to data.

The development of an Innovation Centre to support hi-tech start-ups located beside Belfast Metropolitan College's E3 campus as well as the establishment of a creative hub facility for digital content companies beside the new University of Ulster campus, further illustrate the commitment we have made to encouraging greater innovation and creativity among all businesses in the city.

All of these activities are being developed in close collaboration with partner organisations including University of Ulster, Queen's University, Northern Ireland, Invest NI, Digital Circle and Belfast Metropolitan College. We are committed to developing these relationships further over the coming years and concur with the need for greater coherence around the business support infrastructure in this field, as outlined in this draft strategy.

Question 1: Do you agree with the vision set out in the draft innovation strategy?

We agree with the overall vision that “Northern Ireland, by 2025, will be recognised as an innovation hub and will be one of the UK’s leading high-growth, knowledge-based regions which embraces creativity and innovation at all levels of society.”

This vision aligns with the emerging Belfast Integrated Economic Strategy (IES) that Belfast City Council is producing in partnership with Invest NI.

The IES identifies the opportunity sectors for Belfast as telecoms and ICT, professional and administrative services (including in particular legal and financial administration), advanced manufacturing (including renewable energy and low carbon technologies), the creative and cultural industries and tourism. It is these sectors that offer Belfast and the region the greatest opportunities and there is significant overlap between these and the priority sectors identified in the draft innovation strategy.

We fully welcome the suggestion in the strategy that innovation is much broader than R&D. The inclusion of changes to products and processes, business models and entering new markets are essential elements of business growth through innovation and have been the focus of much of the Council’s support to SMEs through our work in local economic development. Our recently completed Belfast Business Survey indicates that 73% of businesses expected to stabilise or grow in the coming year, with 41% expecting an increase in turnover. However only 33% of businesses surveyed had exported their products or services in the last year – and 25% of those were to the Republic of Ireland¹. This demonstrates the scale of the challenge for local small businesses and reinforces the need for targeted support to address this issue when it comes to innovation.

We also welcome the recognition and recommendation that innovation should be embraced across all sectors and not just those operating in the hi-tech or medical

¹ The Belfast Business survey was a telephone-based survey of 612 businesses across the Belfast City Council area. The sample was representative of the business size profile as well as business sectors and geographical location across the city

sectors. Increasing the number of companies engaged in innovation in different sectors will help facilitate collaborative working and the sharing of new practices and ideas. We recognise and concur with the barriers to innovation that are identified in this document. We consider that we can help reduce some of these barriers – particularly knowledge barriers, markets, skills and cultural changes – through existing and planned business support interventions such as the demand stimulation support activity that we will roll out in conjunction with the provision of access to ultrafast broadband technologies.

We welcome the elaboration of the vision, setting out what this will mean in tangible terms. We recognise that these targets are challenging but consider that, given the re-focusing of investment and intensive work with local businesses, they can be achieved. We recognise that there is a need to explore further to identify how each of the targets can be achieved but we are committed to aligning our activity to ensure that we can make a tangible contribution to help realise these ambitions.

We acknowledge the idea that this is a strategy whose ambitions can only be achieved through collaborative working across a wide range of partners. We recognise and acknowledge the challenges that this can present but we commit to partnering with the Northern Ireland Executive and other agencies to make this happen.

We consider that the scale of the targets can only be achieved by widening the sphere of engagement with companies and encouraging those not currently active in innovation activities to become involved. We currently work with around 1200 companies a year across a range of business support initiatives and consider that we can therefore be a useful conduit for engaging with micro businesses in the expanded Belfast City Council area.

Question 2: Do you consider the key themes in the draft Innovation Strategy are appropriate to ensure that businesses are better supported to engage in innovation?

We consider the key themes are sufficiently broad to encompass all the key areas of challenge in the coming years. They provide a simple yet clear framework around which to focus activity in the lifetime of this strategy. We agree with the concept that while knowledge is generated in the form of ideas and exchanged through various interactions between individuals, companies, academics and government agencies, the innovation does not happen and cannot be measured successfully until a value can be attributed to it. This, the Council believes, is the essential component of the strategy and underpins the key thematic areas.

We also agree with the proposal that the thematic areas are underpinned by the need for cultural change. This has been a focus of much of the Council's support for SMEs over the past number of years, with initiatives such as the Creative Entrepreneurs Club and the Belfast Entrepreneur Network (www.belfastcity.gov.uk/business), providing a platform for new and existing SMEs to network and share ideas for economic growth. Helping establish an entrepreneurial and collaborative working culture among SMEs is crucial for the local economy and through interventions such as these, we have seen new companies be established and new products developed and exploited, in turn changing the cultural landscape for business development and growth within the city.

Further comments on the individual themes are detailed in the sections below (questions 3-6).

Question 3: Are there any additional actions to those identified in the Knowledge Generation Section, necessary to deliver the aims of this strategy?

We agree with the aim of this theme to create an environment which encourages research and creativity to equip young people and the workforce with the skills and attitudes to succeed. Given the range of existing provision in this field, we consider

that it is wise to look at support that is currently available and to assess if enhancements to this could encourage greater innovation among SMEs.

Mentoring and the introduction of innovation audits are both good ways of assessing and developing innovation levels within both new and existing SMEs and again we would stress the need to provide this support to all SMEs without restrictions on size or sectors. The Council's work on the Super Connected Belfast project and the demand stimulation activity around mentoring and implementing new technology solutions for business growth and product development will directly help support the aims of encouraging companies to invest in innovation and R&D identified under this theme.

Historically, innovation & R&D have been the preserve of larger firms with SMEs experiencing considerable and often insurmountable barriers to engaging in innovative related activity. This is more prevalent in the manufacturing sector with SMEs accounting for less than 20% of manufacturing R&D. In order to generate the "step change" identified in the innovation strategy, we welcome the emphasis on enhancing SME capacity and capability in this regard and in seeking to simplify the processes by which SMEs can access support for innovation. With SMEs accounting for over 95% of the local business base, there is much potential to make a significant impact on the innovation related targets identified in the Northern Ireland Economic Strategy and the Draft Innovation Strategy. Our 2011 business survey suggests that 84% of businesses in the city had availed of no government support in the previous year, despite the range of services that are available from a number of agencies. Our experience of working with SMEs – and particularly micro businesses – suggests that they find it difficult to navigate the spectrum of agencies and programmes on offer and therefore tend to avoid getting involved in many support initiatives which are created for them. We welcome, therefore, the proposed mentoring support as a means by which SMEs can be guided through the innovation process and be directed to the support most relevant to their business and product.

We also agree with the need to focus on key sectors that already invest in R&D and to support those companies who have the potential for growth and to scale quickly. We note the proposal to undertake a new research and technology capabilities study

to identify priority sectors for investment. However we would also suggest that there is now a significant degree of convergence across sectors and that it is often difficult to compartmentalise companies into one sector or another. Innovation is now accessible to all businesses who utilise technology and as such is no longer confined to a science base. Technology companies such as Kainos are now active in the health and medical space and e-learning and games companies such as Fable are innovating in education and nanotechnology.

Again, we support the development of new global opportunities and growing the export capacity of our local companies. However, as above, we would recommend this not to be confined to a specific sector or discipline. The Council has just completed our first trade mission to the west coast of the USA, which was attended by our two universities and 18 local SMEs. Companies ranged from those innovating in 3D animation and mobile applications to point of sale software and web platforms and solutions. Feedback from the visit has been overwhelming and it was clear that Belfast's SME sector was innovating at a global level but lacked access to the relevant opportunities for them to exploit their ideas. We consider that this is an area that merits further investigation and development.

We support the need to enhance the research base locally through our further and higher education institutions and we would welcome the opportunity to work with government departments and agencies to look at how access to innovation and R&D for small businesses could be enhanced. While schemes like innovation vouchers have worked for some small businesses and have undoubtedly contributed to the growth in R&D among these businesses, feedback suggests that there is sometimes an imperfect fit between the needs of the businesses and the resources of the particular education institutes with whom they engage.

We would also welcome the opportunity to examine how best we identify potential new business starts coming out from postgraduate and PhD places as identified in the strategy and to link them with opportunities such as the Council's Innovation Centre, the Creative Hub and the Super Connected Belfast programme. Research in the Integrated Economic Strategy suggests that the number of business deaths was lower than the business birth rate in 2011 – both in Belfast and in Northern

Ireland. This is a scenario that has been evident since 2008. While capital cities are often the centres of business innovation and creation, most UK cities have experienced the same scenario as Belfast in the last three years. With its two universities and one further education college, Belfast should be the location for more high tech businesses and we are supportive of any development activities which can contribute to a growth in these types of company.

The reference to creativity and design for innovation is a welcome addition to the strategy and one Council is fully supportive of. Belfast City Council has been actively supporting the development of the creative sector for over nine years and has made great advances in ensuring the appropriate infrastructure and mechanisms are in place for the sector to grow. We would welcome the opportunity to contribute to the Creative Northern Ireland Framework and once developed we would be keen to participate in its implementation as and when required. However, as with innovation, we consider that there is often a wide range of views as to how “creativity” is defined. We would suggest that, when this framework is developed, careful consideration is given to the definition in order to make it meaningful for those who might engage in its development and delivery.

We strongly support the proposed investment in a Design Service for improved businesses performance due to the strong link between design, innovation, productivity and quality. Notwithstanding Invest NI’s recent commitment to engaging across the business base, we believe that design support services, particularly the Design Advice and Design Development Programmes (as outlined in the recent ERDF consultation) should be accessible by all businesses across the region. In the absence of universal accessibility to design support services, we consider that Local Authorities, through their respective local economic development plans, should be free to develop and deliver their own project offering in this field, complementary to what is proposed in the Programme proposals.

We would also recommend that the Executive consider utilising the Northern Ireland Design Alliance and the Creative and Cultural Skills Council in these discussions and actions and to collaborate on activities as and where relevant.

With regard to the skills issues, we note the successes of initiatives such as the “Software Testers Academy”. However we consider that these are often focused on re-training those who have studied in a non-STEM discipline and consider that there needs to be further work done to encourage young people to study these courses in the first place. We acknowledge that this is a challenge that needs to start with education providers. However we consider that there are a range of ways in which this can be achieved, including incentivising students to choose these areas of study and encouraging greater employer engagement in creating positive role models. Given the significant challenge to upskill those with level 2 qualifications and below, we consider that there is a need to look at vocational pathways into new areas of work, as opposed to traditional points of entry through university study.

Question 4: Are there any additional actions to those identified in the Knowledge Exchange Section, necessary to deliver the aims of this strategy?

We agree with the aim of this section that innovative economies are outward-focused and collaborative, and as such, success will be dependent on the ability to identify and develop effective private, academic and public sector collaborations that can deliver economic growth.

We fully support the commitment as stated in the strategy to help more local companies to be open to and to participate in new collaborations and share ideas and practices as a means of encouraging greater economic growth. We would also agree that, in order to access some of the larger global markets, SMEs need to collaborate in order to compete effectively. The commitment from Invest Northern Ireland to ensure collaborative projects are industry-led and that investment in industry led collaborative networks will increase is to be strongly supported. Belfast City Council would welcome the opportunity to promote and to help facilitate any specific collaborative networks based in the city that can complement key Council projects such as the Innovation Centre, the Creative Hub and the Super Connected Belfast project. However we would also acknowledge the difficulty that small businesses have in accessing these networks, both because of the time commitments required and also because of the cultural change that these entail – namely being open with other companies about new ways of supporting business

growth. We consider that additional support is required to ensure that the collaborative networks are accessed by a range of companies including small businesses but acknowledge that they need to take ownership of these activities themselves if they are to fully benefit from the results.

While we acknowledge the continuation of the Knowledge Transfer network with the Technology Strategy Board and the innovation voucher scheme, we would request that additional information on the proposed Creative Credit Vouchers as mentioned briefly in this section. A scheme of this nature could have a very positive effect on our local creative industry sector as well as providing new opportunities for the creative and design schools from our colleges and universities. While the sector is relatively buoyant and, according to our recent business survey, creative companies are significantly more optimistic than other sectors about their future growth prospects, the sector is still relatively small and companies are generally operating on tight margins and are often sole traders or micro businesses. This hampers their ability to expand into new areas.

Finally, we would support the aim of attracting new EU funding to support international collaboration and R&D. While Horizon 20/20 potentially provides additional resources to finance innovation through researchers in companies, institutes and HSC organisations, we would again encourage the value proposition of innovation as a key action that is missing in this section. While the proposed action is to secure at least 100m euro from Horizon 2020, it would be useful to have an action point in relation to the value placed on the innovation – this is critical in terms of measuring the economic impact of the action. Equally, we are aware that SMEs have had difficulty in accessing previous EU funded research funding. We acknowledge the role of the contact points and would ask that consideration is given to how they cannot only help lever funding for their respective research institutes but also for small businesses in these areas.

We understand that the Northern Ireland Executive plans to develop an open innovation centre as a resource to bring the diverse range of support services together. We support this approach and have built this into our new business development programmes, albeit that these do not focus specifically on company

innovation support. While we would be content for these to be located as part of our planned infrastructure developments in the innovation centre or creative hub, we acknowledge that they may equally be virtual services and can see the value in this offer. However in order for these to be effective, the calibre of the innovation advisors is critical: they should be fully informed of all the relevant services on offer and should be independent in providing advice to companies to help them access the support services most relevant to their needs.

Question 5: Are there any additional actions to those identified in the Knowledge Exploitation Section, necessary to deliver the aims of this strategy?

Belfast City Council believes that this is theme potentially can have the most significant impact on achieving the ambitious targets set out in the innovation strategy.

We strongly agree that we need to help support more local companies access finance to exploit their knowledge and Intellectual Property and to help those with products and ideas that can be turned into commercial successes. Historically, Innovation & R&D have been the preserve of larger firms with SMEs experiencing considerable and often insurmountable barriers to engaging in innovative related activity. Key deterrents for SMEs in terms of their propensity for engaging in R&D include the financial risk and the bureaucratic logistical processes involved in accessing the funding. In our experience, larger businesses find it easier to access bank financing than SMEs plus the larger businesses tend to have internal resources not available to SMEs to engage in R&D projects and innovation work.

Access to finance is constantly cited as one of the key obstacles faced by small businesses in trying to grow beyond their current structure. In our recent business survey, an average of one third of businesses was finding it difficult to access finance and to maintain cashflow. We believe therefore that, should the right funding mechanisms be made available, there would be significant take-up from small businesses. We agree with the action of looking at new approached to support

companies to access finance and while the strategy references interventions from NISPO, Halo, NISP and the Co-Investment fund, access to this support is often denied to SMEs due to their nature and size. As such, we would strongly recommend re-looking at the current support mechanisms to consider how these funds can be managed and adjusted to enable a greater number of SMEs to access this support.

We welcome the commitment by the Executive to fund a world-class business accelerator to foster the growth of early stage and high tech start-ups. We have visited a number of best practice models of accelerators from RocketSpace in San Francisco to Wayra and the NDRC in Dublin and can see the potential that these provide as part of an ecosystem to support innovation exploitation. We would also be keen to look at how the creative hub and the innovation centre can potentially contribute to this ecosystem. We acknowledge the planned expansion and recognise the value of the current facility in promoting innovation. We plan to work closely with NISP in developing both facilities in order to ensure a mutual understanding of priorities and to minimise duplication.

We agree with the action to develop an engagement strategy to support local companies create new products and services from accessing open data and we would welcome the opportunity to work closely with the Open Data Institute to ensure Belfast based SMEs have access to their support projects. Open Data and the exploitation of e-commerce are key areas of activity planned by Belfast City Council through the Super Connected Belfast project and will be important areas in strategic terms for the Council as we develop a Digital Strategy for the city over the coming year. The Super Connected Belfast project will enable SMEs to access greater broadband capability for business development purposes and the installation of Wi-fi across the city will enable greater access to information for all. However we are also determined to use this project to look at how the exploitation of data can provide opportunities for SMEs in terms of new products and services, and we have committed to looking at how we can make our datasets available for this purpose.

Question 6: Are there any additional actions to those identified in the Cultural Change Section, necessary to deliver the aims of this strategy?

We strongly agree that transforming the innovation performance of local SMEs will require a sustained commitment and long-term focus. The actions laid out in this strategy and the push to change the culture of the local SMEs and within Government, the third sector and academia, will need a champion at the helm, to ensure the strategy and its objectives are achieved. This will not be achieved over the short term.

We agree with the commitment of the Northern Ireland Executive to provide visible leadership to drive this strategy forward and strongly support the inclusion of both public and private sector in delivering these ambitions. The development of a Northern Ireland Innovation Council seems like a logical and effective method of ensuring the strategy is delivered and is fit for purpose and again we would strongly advocate the inclusion of private sector in driving this forward. Belfast City Council would welcome the opportunity to feed into this process as and when required in relation to our future economic development plans and the development and implementation of the Innovation Centre, the Creative Hub and the Super Connected Belfast project.

We note the intention to appoint a Chief Scientific Advisor for Northern Ireland. The governance arrangements around this process are unclear from the document and we would therefore welcome greater clarity on this point, given the earlier references to the complex nature of the existing structures. In particular, we would welcome clarification around how this sits with the MATRIX structure and whether it is focused on publicly-funded R&D only.

We recognise the need for further investment in leadership capability and recognise the current gap, particularly among the SME base. We would welcome the development of innovative approaches to this, given that SMEs feel unable to commit the time and resources to this type of activity.

Question 7: Do you consider that the performance indicators and proposed monitoring arrangements are appropriate to provide timely indications of progress?

We are in broad agreement with the proposed indicators included in the strategy and acknowledge the research behind these to be able to establish relevant and appropriate targets.

We consider that these will only be achieved through a collaborative approach to support services for innovation and therefore welcome the fact that they will be reported through the Executive Sub-Committee on the economy. While local councils will not be directly answerable to the committee, we would be willing to account for how our support activities have contributed towards the achievement of these goals.

In terms of prioritisation, we also consider that the level of BERD by indigenous SMEs should be a high priority. This is critical given the comparatively low base at present and the scale of the challenge if this is to be increased. By making it a priority, it can contribute to a re-focused of efforts to support this activity. This can be done either as a stand-alone or as a component of the “total annual R&D expenditure” measure.

As stated earlier in the response, while accessing finance from the EU framework programme / Horizon 2020 can provide a useful resource for local companies, we would recommend emphasis and measurement be put on the amount of new finance, company starts and jobs created this finance has secured, as opposed to only measuring the funding levered.

We note the absence of any job creation targets within the strategy. Given the focus on economic growth, we consider that there may be merit in exploring whether a numerical or % target could be placed on new jobs within innovation active companies (or compared to those non-innovative active companies).



Report to:	Development Committee
Subject:	Transport Issues Update
Date:	3 December 2013
Reporting Officer:	John McGrillen, Director of Development, ext 3470
Contact Officers:	Keith Sutherland, Urban Development Manager, ext 3478

1	Relevant Background Information
1.1	<p>This report provides an update for the Committee in relation to a number of transport proposals and initiatives for Belfast including:</p> <ul style="list-style-type: none"> - Belfast Rapid Transit; - The Transport Hub proposal; and - The DRD Christmas Transport Measures.
1.2	<p><u>Belfast Rapid Transit</u></p> <p>The Department for Regional Development completed an Outline Business Case for Belfast Rapid Transit in May 2012. The recommendations of the Outline Business Case were as follows:</p> <ul style="list-style-type: none"> - The introduction of a high quality, bus-based rapid transit system operating on the following routes: <ul style="list-style-type: none"> - CITI Route - from Queen Elizabeth Bridge along Queen's Quay and Queen's Road to Titanic Quarter and returning to the city centre via Queen's Road, Queen's Quay, Station Street, Bridge End and Queen's Bridge; - EWAY route from the city centre along Albertbridge Road and Upper Newtownards Road and terminating at a park and ride site in Dundonald; and - WWAY route from the city centre along Divis Street, Falls Road, Andersonstown Road, Stewartstown Road and terminating at a park and ride site near Dairy Farm or McKinsty Road Roundabout. - The Belfast Rapid Transit route in the city centre has been facilitated by the Department's Belfast on the Move Transport Masterplan. - The delivery of the majority of the design and infrastructure works for Belfast Rapid Transit through the existing expertise within the Department's Roads Service. - The award of the contract to operate Belfast Rapid Transit to Translink, subject to clarification on performance and contractual issues.

1.3	In November 2012, the Executive supported progression to the detailed design and implementation of the pilot Belfast Rapid Transit system based on the recommendations from the Outline Business Case.
1.4	<u>The Transport Hub</u> DRD propose to create a new integrated Transport Hub for Belfast, taking in the current Europa Bus centre and Great Victoria Street Train Station and part of the surrounding area. The site covers 22 acre and is considered a prime location just west of Belfast's commercial district.
1.5	<u>Christmas Transport Measures</u> In recent years, the Department for Regional Development have introduced transport measures to help residents, shoppers and traders access the city centre during the Christmas period.

2	Key Issues
2.1	<u>Belfast Bus Rapid Transit</u> The Department is currently developing the detailed designs for the new Belfast Rapid Transit system which will link East Belfast, West Belfast and the Titanic Quarter via the city centre. As the detailed designs for individual sections of the routes are completed, it is intention of the DRD to undertake local information events at a number of locations along the routes. This will provide an opportunity for local residents and traders to view the detailed proposals and speak to DRD officials.
2.2	The DRD anticipate that the initial implementation works will commence in 2014, subject to the completion of the necessary statutory processes. These works will include the provision of new Park & Ride facilities and work to the roads on which Belfast Rapid Transit will operate. The works will be of benefit to existing public transport services in advance of the Belfast Rapid Transit system becoming operational.
2.3	The specification of the Belfast Rapid Transit vehicles and the design of the Belfast Rapid Transit halts are due to be completed in 2014. Between 2015 and 2017, DRD aim to complete the infrastructure works, procure the vehicles, finalise the operations plan and formally award the operating contract.
2.4	The pilot Belfast Rapid Transit network is scheduled to come into operation in 2017, subject to the availability of funding in the next budget period and the successful completion of the statutory processes.
2.5	The first of the public information events for sections of the EWAY route is due to take place in Ballyhackamore Library on Thursday 28 th November 2013 between 9.30am and 8.00pm and on Friday 29 th November between 9.30am and 3.00 pm. The notification letter is attached in Appendix 1.
2.6	<u>Transport Hub</u> The proposed Transport Hub will be located on the site of the existing Europa Buscentre and Great Victoria Street Station. DRD propose to develop a signature transport facility that will bring benefits to passengers across Northern Ireland, the Republic of Ireland and beyond into central Europe.

2.7	Translink hope to operate the majority of the trains including the cross border Enterprise train services from the new Transport Hub. This will mean passengers will have greater connectivity with train, bus and coach options offering more attractive, integrated and accessible travel choices. There will also be greater opportunity to increase service and capacity as part of the proposal.
2.8	The new transport hub is intended to support economic growth through increased access to the city centre and improved connections across the whole of the region.
2.9	Translink is now in the process of appointing an integrated design team for the new Hub. The aim of the project is to contribute to the regeneration the city quarter by developing the 22 acre site for a range of commercial opportunities which could also encourage investment in the wider neighbouring area.
2.10	<u>DRD Christmas Transport Measures</u> Transport Minister Danny Kennedy announced on the 13 th November, a festive package of public transport measures to help residents, shoppers and traders in the run up to Christmas. The measures will include the expansion of Park and Ride services, free of charge Park and Rides, fare promotions and an embargo on road works over the Christmas period.
2.11	The aim of this package of measures is to make public transport more accessible, low-cost and more attractive for people coming into city centres over the Christmas period.
2.12	The measures aim to make it easier for those who need to use a car to park and drive within the major cities across Northern Ireland. Park and Rides in Belfast, Lisburn, Newry and Derry/Londonderry will be free of charge and will operate for longer hours during late night shopping days and also on Saturdays. Translink will offer a number of fare deals and promotions for bus and rail travel during this period.
2.13	All planned road works on key arterial routes in the Greater Belfast area will cease during the Christmas period. This includes the utility companies, as well as Roads Service. Only emergency works will take place if absolutely needed. The road works embargo will happen in the Greater Belfast area from 25 November 2013 until after Christmas

3	Resource Implications
3.1	None

4	Equality and Good Relations Considerations
4.1	There are no Equality and Good Relations considerations attached to this report.

5	Recommendations
5.1	Members are requested to: <ul style="list-style-type: none"> - note the update on transport proposals and initiatives for Belfast; and - note that DRD will undertake local information events on Belfast Rapid Transit at a number of locations along the proposed routes which elected members will be invited to attend.

6	Decision Tracking
There is no decision tracking attached to this report.	

7	Key to Abbreviations
DRD - Department for Regional Development	

8	Documents Attached
Appendix 1 - Belfast Rapid Transit Notification Letter	

Appendix 1

FOR INFORMATION



Mr Barry Flynn
Clerk to the Development Committee
Belfast City Council
Democratic Services
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Date: 21 November 2013

Dear Mr Flynn

BELFAST RAPID TRANSIT

The Department for Regional Development is currently developing the detailed designs for the new Belfast Rapid Transit system. As the designs for individual sections of the routes are completed it is our intention to undertake local Public Information Events at a number of locations along the routes. These events will provide an opportunity for local residents and traders to view the proposals and speak to officials.

The first of these Public Information Events is due to take place in Ballyhackamore Library on Thursday 28 November 2013 between 9:30am and 8:00pm and on Friday 29 November between 9:30am and 3:00pm. This event will provide details of the proposals for the section of the Belfast Rapid Transit Route between Sandown Road and Knock Road. The dates of future Public Information Events will be communicated to the Committee as soon as these are available.

Committee members are welcome to attend any, or all, of the Public Information Events.

Work is due to commence on the routes and the provision of Park & Ride facilities in 2014. As always, the Department would be happy to update the Development Committee on the project at any stage.

Yours faithfully



ROBIN TOTTEN
Project Manager



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Report to:	Development Committee
Subject:	Belfast City Council response to Revised Draft Planning Policy Statement 15 'Planning and Flood Risk'
Date:	3 December 2013
Reporting Officer:	John McGrillen, Director of Development, ext 3470
Contact Officers:	Keith Sutherland, Urban Development Manager, ext 3478 Briege Coyle, Planning & Transport Assistant, ext 3671

1	Relevant Background Information
1.1	The Department of the Environment (DOE) published the revised draft Planning Policy Statement (PPS) 15 'Planning and Flood Risk' in October 2013 for public consultation. The Department has requested comments on the guide before the closing date on the 10th January 2014.
1.2	The revised draft Planning Policy Statement 15 'Planning and Flood Risk' sets out the Department's policies in order to minimise the risk of flooding to people, property and the environment. The main objective of the revised draft is to prevent inappropriate new development in areas known to be at risk of flooding, or that may increase the flood risk elsewhere.
1.3	In addition, the revised draft seeks to ensure that the most up to date information on flood risk is taken into account when determining planning applications and zoning/designating land for development in development plans.
1.4	The revised draft identifies 4 main sources of flooding: <ul style="list-style-type: none"> - Flooding from rivers whereby the water overtops the river banks; - Coastal flooding can occur due to a combination of high tides, wave action and storm surges. - Surface water flooding occurs as a result of high intensity rainfall which is unable to drain away through the normal (natural or manmade) drainage system. - Flooding from reservoirs or dams as a result of overtopping or failure of the impounding structure.
1.5	In 2008, the Rivers Agency published Strategic Flood Maps for Northern Ireland. The maps are being regularly updated with more detailed flood hazard and risk data.

2	Key Issues
2.1	PPS 15 will apply to any building or infrastructure works undertaken by the Council that requires a planning application. The onus will rest on the Council to identify and assess the potential flood risk of the development by referring to the Strategic Flood Maps. The Strategic Flood Maps indicate that areas of the City Centre along the River Lagan are at risk from flooding.
2.2	An assessment of flood risk will have to be undertaken if the proposal is located within or adjacent to a flood risk area. The revised draft seeks to protect development that is permitted within flood risk areas by ensuring that adequate and appropriate measures are employed to mitigate and manage the flood risks. A drainage assessment may have to be undertaken if there is a risk of surface water flooding. In this regard, PPS 15 promotes the use of Sustainable Drainage Systems (SuDs) to minimise potential surface water flooding.
2.3	It is noted that from reviewing the Strategic Flood Maps, the North Foreshore site appears not to be affected by potential flooding. However, due to its coastal location, PPS 15 may require a planning application for development of the North Foreshore site to be accompanied by a Flood Risk Assessment to demonstrate that there is no risk of flooding. The Council is proposing to implement SuDs on the site to manage the volume of surface water.
2.4	Where flooding is identified as a potential development constraint and it is considered within PPS 15 that there may be no justification for the development to proceed, the Council will be required to give consideration to an alternative site.
2.5	The Council has responsibility for a significant area of “green” land in the City and may come under pressure from developers and others (Rivers Agency) to allow Council owned land to be used for flood alleviation measures. This could involve swales, attenuation ponds etc and may restrict future use of the land. This will need to be considered when wider development is planned and also could affect future proposals for use of the land.
2.6	Upon the reform of local government and the transfer of planning functions, PPS 15 will have implications for the Council as the Council will be required to assess the flood risk of planning, regeneration or community proposals to determine if the development is feasible or appropriate.
2.7	PPS 15 explains that if flood risk changes with higher frequencies being experienced, the Development Plan may be reviewed and amended to restrict future development. In this regard, the Council would require further clarification on the future role and relationship with Rivers Agency in relation to their input into the preparation of development plans. Paragraph 4.7 highlights that the Strategic Flood Maps are available on the Rivers Agency website however further information is requested on how the maps will inform and be integrated into the plan
3	Resource Implications
3.1	No revenue cost associated with the request

4	Equality and Good Relations Considerations
4.1	There are no specific Equality and Good Relations Considerations attached to this report.

5	Recommendations
5.1	Members are requested to consider the content of the proposed draft response to Revised Draft Planning Policy Statement 15 'Planning and Flood Risk', as set out in Appendix 1, and if appropriate endorse this as the formal response to the Department of the Environment.

6	Decision Tracking
Submission of an agreed response following consideration and agreement of the Committee.	

7	Key to Abbreviations
DOE - Department of the Environment PPS - Planning Policy Statement SuDs - Sustainable Drainage Systems	

8	Documents Attached
Appendix 1 - Belfast City Council response to Revised Draft Planning Policy Statement 15 'Planning and Flood Risk'	

**Appendix 1: Belfast City Council response to revised draft Planning Policy Statement (PPS)
15 Planning and Flood Risk**

Background

- 1.1 Belfast City Council welcomes the opportunity to comment on revised draft PPS 15 Planning and Flood Risk. Recent flooding incidents within the Belfast City Council area have resulted in increased attention on flood risk and prevention of flooding, particularly in densely populated urban areas. These events triggered the Council to undertake flooding research in conjunction with external consultants in 2009.
- 1.2 The existing PPS 15 informed this research which also addressed the various flooding emergency response recommendations, flooding emergency plans and work on flooding alleviation schemes/drainage studies that are either being developed or have been implemented over the past few years. Accordingly the Council welcomes the revised PPS 15 and the efforts to prioritise protecting areas within flood plains and areas known to be at risk from flooding.

General Comments

- 1.3 The revised draft PPS 15 sets out the Department's policies in order to minimise the risk of flooding to people, property and the environment. It acknowledges the role of landuse planning in flood risk management by influencing where development takes place and also preventing development in areas at risk from flooding. The main objectives of the revised draft are therefore to prevent inappropriate new development in areas known to be at risk of flooding, or that may increase the flood risk elsewhere.
- 1.4 In addition, the revised draft seeks to ensure that the most up to date information on flood risk is taken into account when determining planning applications and zoning/designating land as part of the process for the proposed development plans. In future planning authorities will be required to consider a catchment wide approach to flood risk management (i.e. River Lagan Catchment from source to Lough). With the reform of local government and the transfer of planning functions, PPS 15 will also have implications for the Council, which will be required to assess the flood risk of planning, regeneration or community proposals to determine if the development is feasible or appropriate.
- 1.5 PPS 15 explains that where flood risk changes with higher frequencies being experienced, the Development Plan may be reviewed and amended to restrict future development. In this regard, the Council would require further clarification on the approach to such modifications being proposed and the formal relationship with Rivers Agency in relation to their input into the preparation of development plans. Paragraph 4.7 highlights that the Strategic Flood Maps are available on the Rivers Agency website however further information is requested on how the maps will inform decision making and be integrated into the plan.
- 1.6 PPS 15 will apply to any building or infrastructure works undertaken by the Council that requires a planning application. It is recognised that the onus will rest on the Council to identify and assess the potential flood risk of the development by referring to the Strategic Flood Maps. The Council notes that the Strategic Flood

Maps indicate that areas of the City Centre along the River Lagan are at risk from fluvial and coastal flooding.

- 1.7 It is noted that an assessment of flood risk will have to be undertaken if the proposal is located within or adjacent to a flood risk area. The revised draft seeks to protect development that is permitted within flood risk areas by ensuring that adequate and appropriate measures are employed to mitigate and manage the flood risks. A drainage assessment may have to be undertaken if there is a risk of pluvial flooding.
- 1.8 Furthermore, where flooding is identified as a potential development constraint and it is considered within the policy that there may be no justification for the development to proceed, the Council will be required to give consideration to an alternative site.
- 1.9 The Council has responsibility for significant areas of “green” land in the City and may come under pressure from developers and others (Rivers Agency) to allow Council owned land to be used for flood alleviation measures. This could involve swales, attenuation ponds etc and may restrict future use of the land. Whilst this will need to be borne in mind when future developments are planned for Council assets, the ownership of these areas should not be assumed to contribute to the mitigation or alleviation of risk associated with other non-Council developments.
- 1.10 It is noted that from reviewing the Strategic Flood Maps, the Council owned North Foreshore site appears not to be affected by potential coastal, fluvial or pluvial flooding. The site will have a minimum height of c7 metres OD and maximum height of c24m OD. Nevertheless, due to its coastal location, PPS 15 may require a planning application for development of the North Foreshore site to be accompanied by a Flood Risk Assessment to demonstrate that there is no risk of flooding. The Council is also proposing to implement Sustainable Drainage Systems (SuDs) on the site to manage the volume of surface water.
- 1.11 In terms of implementing the policies within PPS 15, the Council would encourage early identification by the Department of potential flood risk assessment issues within development proposals and early notification of these issues to the development sector/ applicants in order to achieve expedient processing of planning decisions and an approach that should seek to provide certainty for land owners.
- 1.12 The Council also welcomes the inclusion of new Reservoir legislation which is due to come into effect next year.

Specific Comments

- 1.13 Policy FLD 1 “Development in Fluvial (River) and Coastal Flood Plains” sets a presumption that no development will be permitted in areas of high flood risk. Exceptions may include:
 - a. Development of previously developed land protected by flood defences that are confirmed by DARD;
 - b. New development within the coastal floodplain where the land is raised to an acceptable level above the flood plain;
 - c. Replacement of an existing building;
 - d. Development for agricultural use, transport and utilities infrastructure which for operational reasons has to be located within the flood plain;

- e. Water compatible development which for operational reasons has to be located within the flood plain;
- f. The use of land for sport and outdoor recreation, amenity open space or for nature conservation purposes; or
- g. The extraction of mineral deposits and necessary ancillary development.

- 1.14 Policy FLD 1 explains that a Flood Risk Assessment is required to demonstrate that:
- a) all sources of flood risk to and from the proposed development have been identified;
 - b) There are adequate measures to manage and mitigate any increase in flood risk arising from the development.

The Council would suggest providing further clarification to the wording to reflect that both elements will need to be provided.

- 1.15 Development proposals of overriding regional or sub-regional economic importance may also be permitted subject to:
- demonstrating the exceptional benefit to the regional or sub-regional economy;
 - demonstrating that the proposal requires a location within the flood plain and justification of why possible alternative sites outside the flood plain are unsuitable.

The Council would again suggest providing clarification if applicants will be required to meet either or both criteria. In addition, the Department should assess whether the proposed development will require the modification of the flood plain boundary.

- 1.16 Policy FLD 2 “Protection of Flood defence and Drainage Infrastructure” explains that development will not be permitted if it would impede the operational effectiveness of flood defence and drainage infrastructure or hinder access to enable their maintenance. The Council recognises the important role of well maintained gulleys and drainage channels in the reducing the risk and impact of flooding. The continued maintenance of the on-street infrastructure and protected access for regular cleaning are important considerations for proposals in sensitive or at risk areas.

- 1.17 Policy FLD 3 “Development at Surface Water (Pluvial) Flood Risk Outside Flood Plains” identifies development proposals which will require a Drainage Assessment. The policy states that where there is potential for surface water flooding, it is the developer’s responsibility to assess the flood risk and drainage impact and to mitigate the risk to the development and any impacts beyond the site. The explanatory text (paragraph 6.37) suggests that consideration should be given to the use of SuDs as the preferred drainage solution. In an effort to promote greater use of SuDs and to minimise potential pluvial floods, it is recommended that a reference to SuDs should be incorporated into the main policy outlined in FLD 3.

- 1.18 The annexes are considered to be very comprehensive covering all aspects of flooding impact and mitigation including emergency preparedness, individual property protection and insurance for those properties already flooded or at risk in flood plains.

- 1.19 Annex B (B7) explains that flood insurance in Northern Ireland was provided for through a temporary agreement between the Association of British Insurers (ABI) and the Northern Ireland Assembly. This ensured that subject to conditions, private

flood insurance remained widely available as a standard feature of domestic property insurance and where possible at an affordable price. It is noted that this agreement expired in June 2013 and is unlikely to be renewed. Consequently, those living in flood risk areas will either have to pay significantly more for flood insurance or could be denied cover. The Council recognises that this could potentially affect commercial investment decisions, and may naturally deter any new commercial development in high risk areas.

- 1.20 In addition, the section on SuDs is very comprehensive and is an area where significant progress and improvement is essential. Uptake of SuDs in Northern Ireland for new development is less than 5%. We are now dealing with the consequences of massive surface water run-off from new development and also from existing properties where permeable gardens and surfaces have been replaced by hard non-permeable surfaces. As noted above, it is suggested that there should be greater effort to promote the use of SuDs therefore the priorities in Annex C should be incorporated into Policy FLD 3.

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Report to:	Development Committee
Subject:	Party Briefings: Community provision in the Olympia/Windsor/ Village Area: Option Appraisal Report
Date:	3 December 2013
Reporting Officer:	John McGrillen, Director of Development ext 3470
Contact Officers:	Cate Taggart, Community Development Manager, ext 3525

1	Relevant Background Information
1.1	Members will recall that the SP&R committee agreed 'in principle' to progress both the Olympia and Andersonstown Leisure Centres to Stage 2 of the Capital Programme to form the first phase of the citywide leisure transformation review
1.2	In order to inform the investment decision for the Olympia project, in June members agreed that external support should be commissioned to carry out an optional appraisal on community provision and support requirements for the area. The research should; <ul style="list-style-type: none"> - develop options; - determine the strengths and weaknesses of the identified options; - ensure options are framed within the overall strategic framework and action plan for area wide development - provide outline costs for each viable option and to highlight and explore the potential sources of capital and revenue funding - identify the resources required to carry through and ultimately the prospects for success.
1.3	The report outlining the shortlist of options was presented to committee in October. Given the complexity, committee requested the report to be deferred to allow for party briefings. The purpose of this paper is to summarise any comments and / or concerns in relation to the identified options for the future delivery of community centre and service support for the Olympia/Windsor/Village area of the city in the context of the broader regeneration of the Olympia/Windsor stadium.

2	Key Issues
2.1	The option appraisal was commissioned in order to inform any Development Committee decision on the best approach to address any gap left in community service provision as a result of the planned closure of the Olympia CC as part of the broader Stadia Development.
2.2	The consultants completed an area profile in order to inform supply and demand and communicated findings from their community engagement exercise. To summarise, this identified 6 options around 3 primary areas:

2.3	<p>1. <u>Do nothing</u>: This is based on the current council consideration to develop the site i.e. where there would be no Council-managed community centre or services on site (with the exception of the play areas accommodated within the stadium redevelopment) and no replacement centre or services elsewhere in the local area.</p>
2.4	<p>2. <u>Extend Existing Service Provision</u>: Options 2 & 3 relate to the relocation and extension of existing service programmes both within other BCC community centres, bookable space in the new Leisure facility and other community sector facilities in the area. These options relate to any conclusion that there is adequate current provision for community bookable space in the area.</p>
2.5	<p>3. The remaining options relate to any alternative conclusion which proposes there is a demonstrable need for <u>additional community space</u> in the area. The report considers 2 potential methods: support for existing community organisation's plan to extend community space (Option 4) or alternatively council consideration of new community build (2 possible locations – Options 5 & 6)</p>
2.6	<p>Following monetary assessment, risk assessment and optimism bias adjustments, the consultant's recommendation is to support Option 4: namely supplementing the proposed further use of Council and community sector buildings in the area with the provision of additional community space via the refurbishment of St Simon's Hall. Their assessment suggests this proposal will meet local need and demand and will do so at a much lower cost level (both capital and recurrent) than the new build options at Tate's Avenue and the Village area respectively</p>
2.7	<p>The primary issues raised at the Party Briefings are summarised as:</p>
2.8	<p><u>Current Service Users</u></p> <ol style="list-style-type: none"> 1. Elected members sought clarity on the ongoing needs of the current users of the Olympia Community Centre. They noted that the majority of the block bookings were from regional groups or individual providers and that these users could be accommodated elsewhere within the community and leisure centre estate in the city. 2. They sought assurance that the proposals set out at option 3 would meet the needs of the remaining user groups who would need / wish to continue to access local services at the new planned development. 3. All parties discussed how the Development Committee might inform the programming of the community facilities within the new building to ensure that the community space identified within the plans facilitate local community provision. They further considered how to ensure that related booking systems, etc would not be detrimental to community access.
2.9	<p><u>Additional bookable Community space</u></p> <ol style="list-style-type: none"> 4. Parties noted the preferred option to address the perceived need for additional bookable community space in the Village area, however, some parties did so within the context of the variety of current community service providers all of whom are financially supported through the service grant programme. 5. In considering the balance of service need and provision in the area, elected members sought clarity on how the sum £1.3m was identified for replacement community facilities currently included in the strategic outline case for the Stadium development. They recognised is a provisional planning

	<p>figure based on the cost for similar council community facilities, uplifted for inflation.</p> <p>6. Members noted that Option 4 presents an alternative solution which does not require capital build but would require capital investment of approximately £520,000.</p> <p>7. While Members were generally supportive in principle of this approach they stated that any future capital investment in St Simon's Hall should be tentative and subject to a full economic appraisal.</p> <p>8. Some parties felt that any future capital investment decisions for community centre provision should be part of a city wide needs analysis.</p>
2.10	<p>The Development Committee received a deputation of representatives from the recently formed Olympia Community Centre Support Group at the November meeting. Group representatives summarised their assessment of community need and asked committee to favour Option 5 (new build: Tates Avenue) which they contend is ranked second in the consultants assessment. The recommendation noted in the consultancy report however ranks Option 5 third of the 3 options which they shortlisted for appraisal (pg 38 section 11.1 Preferred Option).</p>
2.11	<p><u>Summary</u> All parties agree that the programming within any replacement leisure facility must accommodate articulated community needs. Parties considered an opportunity for the South Area Working Group to influence the level of community programming and related community facing systems.</p>
2.12	<p>Based on the independent needs assessment and the sought assurance re the community programming above, there was no support for any new community build option in the Tates Avenue area (Option 5).</p>
2.13	<p>The majority of parties supported the recommended Option 4 to extend bookable community space in the village area. Members should be aware this will require a potential council contribution for capital costs which have been estimated at £520,000 but would necessitate more detailed financial appraisal.</p>
2.14	<p>The majority view was therefore to support the mix of options (Option 3 & 4) on the basis this would ensure there would be no displacement of service provision for the local users from the immediate area while also allowing for a future decision to meet the demand for additional accommodation in the village area.</p>

3	Resource Implications
3.1	The resource implication will be fully dependent on the preferred option.

4	Equality and Good Relations Considerations
4.1	There are no equality or good relations implications attached to this report.

5	Recommendations
5.1	Members are asked to note the contents of the report and to agree any related recommendation for associated capital investment to the SP&R committee.

6	Decision Tracking
Reporting Officer: Cate Taggart	

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Report to:	Development Committee
Subject:	Investment Programme - Achieve: Belfast Bursary Award
Date:	3 December 2013
Reporting Officer:	John McGrillen, Director of Development, ext 3470
Contact Officers:	Shirley McCay, Head of Economic Initiatives and International Development, ext 3459

1	Relevant Background Information
1.1	Members will be aware that Belfast City Council made £300,000 available through the Investment Programme for the Achieve: Belfast Bursary Fund. The Fund is administered through Belfast Metropolitan College (Belfast Met) and The Prince's Trust. Hundreds of young people are supported in the city to take part in further education and training and to improve their employment prospects.
1.2	The Prince's Trust bursary (with funding allocated through the charity's Development Awards programme) is open to young people aged 16-25 residing in the city who are not in education, training or employment. The scheme aims to help recipients overcome barriers which may prevent them from undertaking training and education or moving into employment.
1.3	At Belfast Met, full-time students who began their first year of study, who are resident in the Belfast City Council area, aged between 16-24 years and whose annual household income is £23,820 or less were eligible to apply for grants of up to £500. This award applied to students on one of the 10 recognised Achieve: Belfast Bursary Fund training courses. The courses identified were at Levels 2-5 and in some of the future growth sectors including IT, multimedia, renewable energies, science, tourism and hospitality. This is the first year of the programme and Belfast Met was allocated £120,000 to administer 240 awards at £500 each.
1.4	The Belfast Met scheme has just closed to applications but only around 50 applicants met the criteria for the bursary. Following engagement with the college, it is proposed that consideration be given to widening the bursary to other courses, still within the priority growth areas.

2	Key Issues
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2.1	<p>Applications for the Achieve: Belfast Bursary Fund opened on 2 September 2013 and closed on 15 November 2013. A targeted promotion and awareness campaign was undertaken to extensively advertise the Bursary Scheme from August to November 2013. The Bursary was promoted in the Belfast Met prospectus, on Belfast Met's website within the Student Finance section, online within Student's Blackboard Learning resource, through word of mouth and on notice boards. Belfast Met and Belfast City Council worked together to produce promotional flyers and application forms. These were distributed to the relevant course co-ordinators. Student Finance Officers gave presentations in classrooms and provided application forms to students enrolled on the 10 courses. All staff and students were sent an email reminding them of the closing date. The Bursary was promoted on Belfast City Council's website and Belfast Business Info Facebook page and ran alongside Belfast Met's Facebook promotion. Students were encouraged to apply for the award and also advised of the forthcoming closing date.</p>																		
2.2	<p>Despite extensive advertising and promotion, Belfast Met gave the following analysis as to why take up was lower than expected:</p> <ul style="list-style-type: none"> - Given that Achieve: Belfast Bursary Fund is a new pilot initiative, it was difficult to predict uptake levels of the award, particularly around the income level criteria at or below £23,820; - Belfast Met recruits a high percentage of students from outside the Belfast area who travel each day to the college. This is up to 50% in some of the courses identified and this has limited the pool of students who are eligible to apply for the Bursary; - It was difficult to determine the number of applicants as students typically tend to submit application for bursaries just a few days before or, on an award's closing date. All 350 printed applications were taken by students and a further reprint was required; - A large number of students on the two Access courses fell outside the 16-24 age range which restricted the number of eligible applicants; and - If the closing date was extended among students on the existing 10 courses, Belfast Met does not believe this would attract significant additional applicants, given the volume of promotion. 																		
2.3	<p>The following table shows the number of applicants received who met the criteria for each of the eligible 10 recognised courses.</p> <table border="1" data-bbox="331 1554 1362 1998"> <thead> <tr> <th data-bbox="331 1554 448 1682">Level</th> <th data-bbox="448 1554 1171 1682">Qualifying Courses Title</th> <th data-bbox="1171 1554 1362 1682">Number of eligible applicants</th> </tr> </thead> <tbody> <tr> <td data-bbox="331 1682 448 1720">2</td> <td data-bbox="448 1682 1171 1720">Edexcel BTEC Diploma in Travel and Tourism</td> <td data-bbox="1171 1682 1362 1720">1</td> </tr> <tr> <td data-bbox="331 1720 448 1800">2</td> <td data-bbox="448 1720 1171 1800">Edexcel BTEC Diploma in Creative Media Production (Games, Web and iMedia)</td> <td data-bbox="1171 1720 1362 1800">12</td> </tr> <tr> <td data-bbox="331 1800 448 1879">3</td> <td data-bbox="448 1800 1171 1879">Edexcel BTEC Extended Diploma in Electrical/Electronic Engineering</td> <td data-bbox="1171 1800 1362 1879">9</td> </tr> <tr> <td data-bbox="331 1879 448 1917">3</td> <td data-bbox="448 1879 1171 1917">Edexcel BTEC Extended Diploma in Hospitality</td> <td data-bbox="1171 1879 1362 1917">6</td> </tr> <tr> <td data-bbox="331 1917 448 1998">3</td> <td data-bbox="448 1917 1171 1998">Edexcel BTEC Extended Diploma in Creative Media Production (TV and Media)</td> <td data-bbox="1171 1917 1362 1998">7</td> </tr> </tbody> </table>	Level	Qualifying Courses Title	Number of eligible applicants	2	Edexcel BTEC Diploma in Travel and Tourism	1	2	Edexcel BTEC Diploma in Creative Media Production (Games, Web and iMedia)	12	3	Edexcel BTEC Extended Diploma in Electrical/Electronic Engineering	9	3	Edexcel BTEC Extended Diploma in Hospitality	6	3	Edexcel BTEC Extended Diploma in Creative Media Production (TV and Media)	7
Level	Qualifying Courses Title	Number of eligible applicants																	
2	Edexcel BTEC Diploma in Travel and Tourism	1																	
2	Edexcel BTEC Diploma in Creative Media Production (Games, Web and iMedia)	12																	
3	Edexcel BTEC Extended Diploma in Electrical/Electronic Engineering	9																	
3	Edexcel BTEC Extended Diploma in Hospitality	6																	
3	Edexcel BTEC Extended Diploma in Creative Media Production (TV and Media)	7																	

2.4	5	Edexcel BTEC HND Diploma in Computing and Systems Development	1
	3	Access Certificate in Foundation Studies Maths and Computing (QUB)	1
	3	Access Diploma in Computing with Business and Multimedia (UU)	3
	5	Foundation Degree in Building Services and Renewable Energies	3
	5	Foundation Degree in Product Design and Development	0
		Total number of eligible applicants	43

Belfast Met have undertaken further analysis of their registrations and have identified a potential 284 additional students on a further 27 courses within IT, multimedia, renewable energies, science, tourism and hospitality sectors.

Level	Course Name	Number of Belfast residents 16-24 years
2	BTEC First Diploma ICT Practitioner	18
2	BTEC Diploma Engineering (Electrical)	5
2	BTEC Ext Diploma Procom (Systems Support)	22
2	BTEC Diploma in Applied Science	14
3	BTEC Extended Diploma in Applied Science	22
3	BTEC Extended Diploma in Creative Media Production (Media)	16
3	BTEC Extended Diploma in IT	41
3	BTEC Extended Diploma Creative Media Production (Interactive media)	12
3	BTEC Extended Diploma Creative Media Production (Games Development)	15
3	BTEC Extended Diploma Creative Media Production (Games Development)	15
3	BTEC Extended Diploma Creative Media Production (Games Development)	15
3	BTEC Extended Diploma Creative Media Production (Games Development)	15
3	BTEC Extended Diploma Construction and Built Environment	8
3	Access Biological/Biomedical Science	15
5	BTEC HND Applied Science (Biology)	7
5	BTEC HND Applied Science (Chemistry)	3
5	BTEC HND Diploma in Graphic Design	6
5	Foundation Science Degree in Hospitality and Tourism Management	6
5	Foundation Science Degree in Event Management for the Tourism Industry	8
5	BTEC HND Diploma in Creative Media Production (Computer Games Design)	12
5	BTEC HND Diploma in Electronic Engineering	5
5	Foundation Degree in I Media	7
5	Foundation Degree in Architectural Technology	3

2.5		with Sustainable Design	
	5	Foundation Degree Software Engineering	26
	5	Foundation Degree Travel and Tourism Management	5
	5	Foundation Degree in Sustainable Construction	3
	5	BTEC HND Electrical and Electronic Engineering	5
		Total	284
2.6	<p>The College's database has been used to collate information on the current intake of students and the following details have been considered:</p> <ul style="list-style-type: none"> - The numbers of students who meet the age and Belfast domicile criteria who are studying full-time and in first year at the College; - More than 50% of students on the proposed courses live outside the Belfast City Council area and projected figures represent a potential pool of Belfast residents; - It is not possible to identify student income and whether it is likely to be above or below the £23,820 threshold. 		
2.7	<p>In the early planning stage of this bursary programme, a longer list of eligible courses had been included but this had been scaled back to 10 on the advice of Belfast Met staff who considered that the numbers could be met within the 10 identified courses. However staff now suggest that, this year in particular, there has been a significant increase in students from outside Belfast.</p> <p>Subject to Council approval, Belfast Met also propose to undertake immediate and extensive promotion of the Bursary Fund to students on the 27 additional courses and to set the closing date for end January 2014 to engage students' attention and ensure maximum participation. Current eligible applicants will have their funds administered as per existing arrangements before Christmas.</p>		

3	Resource Implications
3.1	An overall budget of £300,000 was allocated to Achieve: Belfast Bursary Fund over a 3 year period 2012-2015, with Belfast Met allocated £120,000 to date.

4	Equality and Good Relations Considerations
4.1	No specific equality and good relations considerations at this stage.

5	Recommendations
5.1	Members are asked to consider the request to extend the Achieve: Belfast Bursary Fund to a potential 27 courses in IT, multimedia, renewable energies, science, tourism and hospitality sectors to meet the targets set for sign-up.

6	Decision Tracking
6.1	An update on numbers, outcomes, progress and budget spent during year 1 of the programme will be brought back to Committee in March 2014.

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