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

9th February, 2015

ITEMS TO FOLLOW - MEETING OF TRANSITION COMMITTEE

Dear Councillor,

The above-named Committee will meet in the Lavery Room - City Hall on Tuesday, 10th February, 2015 at 4.30 pm, for the transaction of the business noted below.

You are requested to attend.

Yours faithfully

Suzanne Wylie
Chief Executive

AGENDA:

2. Update on Economic Development Transfer of Functions (Pages 1 - 4)
3. Service Convergence - Pricing for Outdoor Leisure (Pages 5 - 8)

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Report to:	Transition Committee
Subject:	Update on Economic Development Transfer of Functions
Date:	10 th February 2015
Reporting Officer:	John McGrillen, Director of Development , ext 3470
Contact Officers:	Colin McCabrey, Economic Development Manager, ext 3805

1	Relevant Background Information
1.1	Under Local Government Reform (LGR), a number of economic development functions will transfer from DETI/Invest NI to councils. The functions transferring are a means to accelerate local economic growth, focusing on supporting business start-up and growth of micro and small businesses. These functions are currently delivered through a range of regional initiatives including the regional start initiative (RSI) or <i>Go for It</i> programme which supports start-ups and the social entrepreneurship programme which supports social enterprise start-up and growth. The overall regional budget for current activity across these areas is £3.55million. This budget will transfer to councils on 1 April 2015.
1.2	<p>While responsibility for the function is transferring to councils, this does not necessarily mean that the programmes and projects currently delivered by Invest NI will remain the same. However, in order to ensure continuity of provision, all 11 councils have signalled their agreement to continue with the regional start initiative and social entrepreneurship contracts until their expiry date. Invest NI will remain the contract holder for the rest of the term of the contracts (4 July 2015 for Social Entrepreneurship Programme (SEP) and 22 October 2015 for Regional Start Initiative (RSI)). Councils will repay an agreed sum to Invest NI, based on a target number of participants/start-ups. Separate service level agreements have been prepared by Invest NI for each of the 11 councils covering these periods. The costs and targets detailed within the Belfast City Council SLA are:</p> <ul style="list-style-type: none"> – Regional Start Initiative (<i>Go for It</i> Programme): Delivery of 335 business plans at a total cost of £119,186 – Social Entrepreneurship Programme: £66,084 (specific targets around this allocation are currently being clarified).
1.3	Members are reminded that no staff will transfer to Belfast City Council from

1.4	<p>LGR-affected councils or Invest NI.</p> <p>The draft Local Government (Performance Indicators and Standards) Order (Northern Ireland) 2015 contains a modest year 1 business start up activity target of 325 jobs to be created.</p>
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2	Key Issues
2.1	<p>The current contract for RSI is delivered by Enterprise NI – the network of local enterprise agencies. There are five delivery agents in Belfast, namely:</p> <ul style="list-style-type: none"> – East Belfast Enterprise – North City Business Centre – Ormeau Business Park – Ortus – WorkWest.
2.2	<p>At present, the offer is limited to the production of a business plan and the enterprise agency is only able to provide very limited support to the start-up. The metric used to measure participation in the programme is “business plan outputs”. Currently, there are around 600 business plans generated in Belfast each year through the enterprise agencies. Invest NI assumes that, of all those receiving a business plan, around 60% will go on to set up a business. They also consider that, given the predominantly local focus of the new businesses, each business will employ just slightly more than one person (on average), i.e. they will be mainly sole traders. Based on these assumptions, it could be considered that the regional start initiative supports around 360 new jobs each year.</p>
2.3	<p>Members will be aware that the level of start-ups in Belfast has been on the decline for some years (in line with wider trends) and there are currently more business deaths than births in the city. Economists suggest that one of the measures of a competitive city is its business mix, alongside high start-up levels. Clearly this is not the case in Belfast at present, so there is a need to use the opportunity of the transfer of enterprise functions to create a more supportive business start-up and growth environment. This means ensuring that the right support systems are in place for those interested in starting a business or growing their company.</p>
2.4	<p>Business start-ups need a range of support facilities from accommodation to connectivity, capital and staffing. Many also need access to specialist support and resources such as business planning, marketing and sales techniques, cashflow and financial management and recruitment. The challenge is to consider how companies can access the support they need at the time they need it. Our recent business survey suggests that only 15% of SMEs availed of government support for their business last year. This means that many are missing out on the opportunity to avail of support that can help them increase their productivity and competitiveness which can, in turn, impact on their ability to generate profit and increase job numbers.</p>
2.5	<p>The amount of transferring budget to Belfast City Council for delivery of the transferring functions is £411,894. While this amount is not significant – particularly given the scale of the challenge – there is an opportunity to avail of local economic development funds available through ERDF to add strategic</p>

	<p>value to replacement programmes. The notional allocation of funding to Belfast City Council under the ERDF Investment for Jobs and Growth Programme 2014-2020 for local economic development activity is approximately £300,000 per annum over the next six years. This funding is awarded at a 60% intervention rate and can attract match funding from Invest NI at an intervention rate of 20%. This means that the council contribution to any relevant activity can be at a rate of 20% of overall programme budget.</p>
2.6	<p>Invest NI currently delivers the transferring functions via regional programmes. The 11 new councils have agreed to review the feasibility of a regional business start programme as they see the merit in a collective approach to the business start activity, supported by a targeted marketing campaign. Belfast City Council is currently leading on the procurement of an economic appraisal – on behalf of all the councils – to look at the specific types of support required in any new business start programme. The appraisal will also consider issues such as whether there is a need for a financial incentive within the programme, whether a common brand is useful and what targets might be appropriate for each council area. Subject to all parties agreeing the focus of the appraisal, a collective funding application for ERDF support to deliver the agreed programme will be submitted to Invest NI for consideration. It is anticipated that this programme could be operational by the end of the calendar year, thereby minimising any gaps in service delivery between the old RSI contract and the new programme.</p>
2.7	<p>Lisburn City and Castlereagh Borough Council has offered to manage the procurement of the regional programme on behalf of all 11 councils, subject to individual council agreement of this approach. This will also be conditional on agreement on the outcomes of the appraisal and acceptance by each council of the proposed way forward. While Lisburn City and Castlereagh Borough would manage the contract for achievement of a regional programme, it is likely that operational management would be done through sub-regional clusters of councils. The geography of these sub-regions still needs defined subject to a consensus being achieved on a regional programme.</p>
2.8	<p>Should there be no agreement on a regional programme, it is likely that Belfast would partner with a number of neighbouring councils to commission delivery of a sub-regional programme. However, in the first instance, the proposed regional approach is going to be fully explored as this offers opportunities for economies of scale and the impact that can be delivered through a regional marketing campaign.</p>
2.9	<p>Councils are currently proposing that, while the business start offer may be a regional programme, smaller-scale activities such as social enterprise and business growth (post start-up support) may be better delivered at a local level in each council area, given the different sectors across the council areas. Building on work currently under way in this field, we will also evaluate our existing programmes to establish their relative merits and to consider what any new business growth initiatives should look like. It is likely that some differentiated approaches will be required for new sectors.</p>
2.10	<p>Members will also be aware of the council's investment in a range of infrastructure projects which can support business start-up and growth.</p>

	These include the Innovation Centre and proposed creative hub as well as the roll-out of the superconnected Belfast programme and the provision of high-speed broadband to local businesses. Consideration will be given to how the range of support initiatives can be packaged together. This might include developing attractive rental packages for new business starts once they complete their start-up training and ensuring that the new infrastructure projects are used for business information events and support programmes.
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3	Resource Implications
3.1	Financial resources will be met via existing budgets supplemented by the budget transferring along with the economic development function. The final budgets required will be dependent on the outcomes of the appraisal that is currently under way. A report on the full financial implications of any proposed approach will be brought back to a future meeting of the relevant committee.

4	Equality and Good Relations Considerations
4.1	All programmes will be subject to equality screening.

5	Recommendations
5.1	Members are asked to: <ul style="list-style-type: none"> – Note the content of this report – Agree in principle to the approach being undertaken to scope out a possible regional business start programme – Note the proposals for a more localised approach to social economy support and business growth support, linking to the range of infrastructure investments in the city and taking account of key growth sectors in Belfast.

6	Decision Tracking
Timeline: May 2015	Reporting Officer: Colin McCabrey

7	Key to Abbreviations
ERDF – European Regional Development Fund RSI – Regional Start Initiative SEP – Social Entrepreneurship Programme SLA – Service Level Agreement	



Belfast City Council (Shadow)

Report to:	Transition Committee
Subject:	Service Convergence Pricing for Outdoor Leisure
Date:	10 February 2015
Reporting Officer:	Rose Crozier, Assistant Director of Parks and Leisure
Contact Officer:	Pearse McCormick Ext 3426

1	Background
1.1	On 29 January 2015, a report had been submitted to the Transition Committee setting out proposals as to how the Council may wish to manage the converging of prices for comparable services currently provided by Lisburn City Council (LCC), Castlereagh Borough Council (CBC) and North Down (ND) in those areas transferring to Belfast.
1.2	To inform this report, a detailed analysis and comparison was undertaken of the scope of services, and associated scale of charges (prices) applied across the councils. The findings of this work indicated that the Belfast level of charge is generally lower than that of the other Councils.
	The analysis identified that for street trading licences the Belfast service charge is significantly higher than that applied by LCC/CBC in the transferring area. Significant had been defined as being a sudden and adverse increase in price for recurring services, as a direct result of the boundary extension, when converging the transferring area price to the Belfast price.

2	Key Issues
2.1	Following discussion, the Transition Committee agreed: <ul style="list-style-type: none"> (i) a general principle that Belfast prices would be applied to services delivered in the transferring areas which will mean that in the majority of cases transferring users and residents will experience a reduction in service prices. (ii) in relation to Street Trading Licenses, whereby a significant price difference would be experienced, that a phased approach (i.e. incremental levelling of prices over a 4 year period) would be applied. (iii) further consideration be given to the differential in prices for outdoor leisure provision, specifically 3G Pitch usage, in assets transferring from LCC and that a separate report be brought back to Committee for consideration.
2.2	The purpose of this report is to outline the position in regards to any potential differential between the charges applied by BCC for outdoor leisure: 3G Synthetic Pitch provision as compared to LCC as well as some of the key considerations which Members may need to take into consideration.

3G Synthetic Pitch																
2.3	<p>Members will note that there is only 1 asset transferring from LCC which is affected (i.e. Brooke Activity Centre). The table below sets out the current differences in charges between BCC and LCC. The greater increase in prices relates to hiring pitch (both full and half pitch) at full cost. There is insignificant increase for concession usage; however, Lisburns peak/off-peak times differ from BCC's.</p> <table border="1" data-bbox="411 344 1374 595"> <thead> <tr> <th>Description</th> <th>BCC</th> <th>LCC</th> </tr> </thead> <tbody> <tr> <td>3 G Synthetic Pitch Peak, full pitch</td> <td>£82.00</td> <td>£60.00</td> </tr> <tr> <td>3 G Synthetic Pitch Peak, full pitch - concession</td> <td>£41.00</td> <td>£40.00</td> </tr> <tr> <td>3 G Synthetic Pitch Peak, half pitch</td> <td>£41.00</td> <td>£30.00</td> </tr> <tr> <td>3 G Synthetic Pitch Peak, half pitch - concession</td> <td>£20.50</td> <td>£20.00</td> </tr> </tbody> </table> <p>In liaison with colleagues from LCC, a summary of the usage of this facility is set out below.</p> <ul style="list-style-type: none"> • Primarily School bookings during the day at the facility (concession rate)- usage of half pitch; • There are 18 weekly bookings at other times (after 5 and at weekends) – all bookings are for half the pitch in a casual, cash basis; and • 10 local teams and 8 community groups book the facility <p>If a decision is taken to retain the current LCC charging structure for any specified period post transfer of asset to BCC, it is estimated that there would be a potential loss in income of £4-5K (approx) per annum.</p>	Description	BCC	LCC	3 G Synthetic Pitch Peak, full pitch	£82.00	£60.00	3 G Synthetic Pitch Peak, full pitch - concession	£41.00	£40.00	3 G Synthetic Pitch Peak, half pitch	£41.00	£30.00	3 G Synthetic Pitch Peak, half pitch - concession	£20.50	£20.00
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Options for Consideration																
2.4	<ol style="list-style-type: none"> 1. Move to the BCC rate. BCC will work with the existing groups to consider block booking options were not currently applied. A block booking by a recognised team or community group secures usage and is exempt from VAT, reducing the charge applied to: <ul style="list-style-type: none"> ○ £68.30 for full price full pitch ○ £34.15 for concession price full pitch ○ £34.15 for full price half pitch ○ £17.10 for concession price half pitch 2. Consider the proposed BCC charges for Brooke as “significant” and phase in the increase in line with the agreed approach to other transferring council charges 3. Hold existing LCC charges for 12 months. This would not be in line with the agreed charges for other activities or services. 															
2.5	<p>Regardless of which option is agreed, P&L, via the emerging pitches strategy, are considering options for community and discounted charges. Brooke 3g pitch will be included in this exercise.</p>															
2.6	<p>Service Continuity & Bookings</p> <p>Members should note that in the interest of ensuring business continuity, Belfast have agreed to honour any bookings taken by LCC/ CBC that transcend 01 April 2015 and that the price charged at point of booking (on basis of a payment or part payment being made) will be also honoured. This mainly relates to outdoor leisure arrangements.</p>															

3	Resource Implications
	If a decision is taken to retain current LCC prices for a year period, there may be a potential loss of income of £4-5K annually.
4	Equality and Good Relations Implications
	All recommendations outlined will be taken forward within the context of the Council's equality and good relations frameworks. Communications in relation to pricing will be as per all existing Council processes and channels (e.g. City Matters, website).

5	Recommendations
	Members are asked to: <ul style="list-style-type: none"> (i) consider the contents of this report; and (ii) agree of the preferred option (as set out in section 2.4 above) to be applied for 3G Synthetic Pitch bookings linked to the asset transferring from LCC

6	Call In
	This decision is subject to Call In.

7	Documents attached
	Appendix 1: Summary of the analysis undertaken

APPENDIX1: Scale of Charges

Please Note: Highlighted lines demonstrate where there is comparative service and Belfast is the higher price

P&L: Pitches **2015/16 Prices

Description	Belfast	Castlereagh	Lisburn
Full pitch, with changing facility (adult)	£25.50	£43.50	N/A
Full pitch, with changing facility (concession)	£12.75	£24.50	N/A
Full pitch, without changing facility (adult)	£20.00	£30.50	N/A
Full pitch, without changing facility (concession)	£10.00	£22.00	N/A
Changing and Showering only (team)	£11.00	N/A	N/A
Changing and Showering only (team concession)	£5.50	N/A	N/A
Junior International Pitch (Blanchflower Stadium) <Amateur League Equivalent>	£17.50	£50.00	N/A
Junior International Pitch (Blanchflower Stadium) - concession	£36.50	N/A	N/A
Junior International Pitch (Blanchflower Stadium) - commercial	£18.25	N/A	N/A
Junior International Pitch (Blanchflower Stadium) - commercial concession	£55.00	N/A	N/A
Junior International Pitch (Blanchflower Stadium) Commercial Rate - Concession	£27.50	N/A	N/A
Junior International Pitch with use of floodlighting or social area	£75.00	N/A	N/A
Junior International Pitch with use of floodlighting or social area - Concession	£37.50	N/A	N/A
3 G Synthetic Pitch Peak, full pitch	£82.00	N/A	£60.00
3 G Synthetic Pitch Peak, full pitch - concession	£41.00	N/A	£40.00
3 G Synthetic Pitch Peak, half pitch	£41.00	N/A	£30.00
3 G Synthetic Pitch Peak, half pitch - concession	£20.50	N/A	£20.00
3 G Synthetic Pitch Peak, 7 a side/full pitch	£54.00	N/A	N/A
3 G Synthetic Pitch Concession / Off peak, 7 a side/full pitch	£27.00	N/A	N/A
3 G Synthetic Pitch Peak, 5 a side/half pitch	£27.00	N/A	N/A
3 G Synthetic Pitch Concession / Off Peak, 5 a side/half pitch	£13.50	N/A	N/A
Hard Porous Pitch	£45.00	N/A	N/A
Hard Porous Pitch - Concession	£22.50	N/A	N/A
Lagan College hockey / running track - Legacy issue	£11.00	N/A	N/A
MUGA, 7 a side/full pitch Peak	£18.00	N/A	N/A
MUGA -Concession / Off Peak, 7 a side/full pitch	£9.00	N/A	N/A
MUGA - Peak, 5 a side/half pitch	£9.00	N/A	N/A
MUGA - Concession / Off Peak, 5 a side/half pitch	£4.50	N/A	N/A
3 G Synthetic Pitch Full Pitch (Brooke) 1 Hour	N/A	N/A	N/A
3 G Synthetic Pitch Full Pitch (Brooke)	N/A	N/A	N/A
MUGA (Woodvale) - 7 a side/full pitch (adult)	£17.50	N/A	N/A
MUGA (Woodvale) - 7 a side/full pitch (concession)	£8.75	N/A	N/A
MUGA (Woodvale) - 5 a side/half pitch (adult)	£8.75	N/A	N/A
MUGA (Woodvale) - 5 a side/half pitch (concession)	£4.37	N/A	N/A