

Development Committee

Tuesday, 8th May, 2012

Meeting of Development Committee

Members present: Councillor Stalford (Chairman); and
Councillors Maskey, Stoker, Austin, Hartley, Keenan,
Kelly, Kingston, Kyle, Mallon, McVeigh, Mac Giolla Mhín,
Ó Muilleoir, Reynolds, Robinson, Spence, Webb and
McKee

In attendance:

Apologies

Apologies for inability to attend were reported from Alderman Ekin and Councillor Hendron.

Minutes

The minutes of the meetings of 3rd and 17th April were taken as read and signed as correct. It was reported that those minutes had been adopted by the Council at its meeting on 1st May.

Declarations of Interest

Regarding item 10, viz., 'Democratising Governance in Transition', Councillor Maskey reported that he was associated of one of the organisations partaking in the Programme.

Requests for Deputations

It was reported that no requests had been received.

Forthriver Innovation Centre

The Committee considered the undernoted report:

"1 Relevant Background Information

- 1.1 Members will be aware that, at the 27 September 2011 meeting of the Development Committee, it was agreed that an application for ERDF (European Regional Development Fund) funding in respect of a proposed Innovation Centre project at Springvale/Forthriver should be pursued. The Strategic Policy and Resources Committee at their meeting on 23 September 2011 also agreed to support the application for this project and agreed in principle to meeting the Council contribution from the Council's City Investment Fund and/or capital programme.**
- 1.2 The Forthriver Innovation Centre project is included as an emerging Council-led project in the Council's Investment**

Programme 2012–2015. It is intended that this will complement the recent investment by Belfast Metropolitan College in their E3 campus at Springvale. This campus – which was just handed over to Belfast Met at the beginning of April – is to be the base for the college’s project-based learning activity, involving students working with local businesses on company-based projects. In tandem, the students will be provided with entrepreneurship training and there will be facilities for students to work on their own business ideas. It is intended that, should the students require additional space and facilities, they may then consider locating in the new innovation centre. This will help build a critical mass of new growth businesses in this location and will create a positive regeneration project at this site, which currently attracts significant levels of anti-social behaviour.

- 1.3 The Forthriver site is owned by Invest NI and is a serviced site which has been set aside for use by Invest NI eligible businesses. It has been vacant for some considerable time. Invest NI are now also responsible for the management of EU funding for local economic development and, in this capacity, they have engaged with the council to look at how maximum resources can be drawn down to support a project of this nature.
- 1.4 Given the capital investment, procurement and contract management implications of this development, a report was presented to the Strategic Policy and Resources Committee on 25 April 2012 to seek approval to progress with the project in compliance with the process established by Invest NI.

2 Key Issues

- 2.1 A number of discussions have taken place with Invest NI in order to clarify the process for drawing down EU funding to support this programme. The proposed approach – as recommended by them – is:

Belfast City Council to submit “scoping document” to Invest NI, outlining the proposed terms of the project and the potential outcomes and economic considerations, in order to get initial feedback from Invest NI on potential viability and suitability for funding under the LED measure.

- If feedback is positive, (and if members are in agreement), a development brief will be issued. This process would entail the Council offering the site on the market for disposal (usually by way of long lease) and subsequent development. A development agreement would be entered into with the successful applicant/developer requiring them to develop within a certain timeframe and subject to certain criteria, and on practical completion title would be granted.
- The Development Brief would contain criteria in terms of both the economic objectives and anticipated outcomes

(aligned to the Council's economic objectives and LED funding constraints) as well as the usual financial and property related criteria. It would be open to potential end users/operators to respond to the brief accordingly; subject to any funding conditions in terms of the end user.

- If members are agreeable to progressing via this route, it is proposed that a Steering Group with member representation could be involved in the Development Brief process in terms of drawing up criteria and the subsequent evaluation of bids. Land disposal, procurement and legal advice will also be required. Reports would however still be brought to Committee for approval to all stages of the process.
- The preferred submission under the Development Brief would be subject to the successful outcome of a funding application to DETI/Invest NI for the EU and possible Invest NI match funding. This application would be made by Belfast City Council. One key element of the application process is an economic appraisal which will be carried out by an externally-appointed organisation.
- The Council would only enter into an agreement with the bidder for the site once all of these processes had been completed and on transfer of the land from Invest NI.

2.2 Clarification is currently being sought from both Invest NI and DETI (as the managing agent for the EU funding) to confirm specific conditions around end users, namely whether this project is open to the general market or whether it is only accessible to voluntary and social enterprise businesses.

2.3 Members should note that there is likely to be significant demand on the EU funds and therefore any significant delays in the application process could jeopardise the availability of this funding source.

2.4 The funding is viewed by Invest NI as being 50% EU funding, 25% Council funding and up to 25% third party – which could be Invest NI if the project aligns with their objectives.

2.5 Invest NI would require the Council to purchase the land (by way of a 999 year lease) and have indicated a value of circa £130,000 per acre and are prepared to make 2 acres available, therefore total cost £260,000. The lease and the grant would have conditions in terms of user clawback etc.

2.6 The previous SP&R and Development Committee reports indicated an estimated total cost for Forthriver at £8m with potential funding at £6m (£4million EU; £2million Invest NI) and a council contribution of £2million. Agreement in principle was given to fund from the Council's City Investment

Fund and/or capital programme. However further, more detailed cost calculations will need to be undertaken in order to have a clearer picture around costs of the proposed development.

3 Resource Implications

3.1 Finance

Until a fully worked out business case is completed and detailed costings are obtained it is not possible to state with certainty the financial contribution required from the Council towards this project; however it had been previously estimated that the total cost of the project was circa £8million with potential funding of £6million and a Council contribution of £2million. The Council's contribution could include the land acquisition or land value and other eligible costs. The Council will however be required to purchase the land from Invest NI at an estimated site valuation of £260,000.

3.2 Depending on how the Council proposes to eventually dispose or sublease the land to the end operator, and subject to Invest NI advice on how this would be treated in terms of the grant application, a rental income and or capital premium may be payable by the developer/end operator. A further report will be brought back to Committee on this and the overall financial details in due course.

3.3 Human Resources

There will be a significant staff resource in developing and managing this project, primarily from Property & Projects Department; Economic Development Unit and Legal Services section.

3.4 Asset and Other Implications

The development of this site should lead to improved social, economic and regenerative benefits.

4 Recommendations

Members are asked to:

- i) Note the update as provided above and the proposed next steps in the grant funding application**
- ii) Note and approve this project being progressed on the basis of the Development Brief process as outlined**
- iii) Note that a further report will be brought back to Committee in due course to update on the application process and to advise on financial requirements.**

5 Recommendations

5.1 It is recommended that Members note this report.”

During discussion, a number of Members welcomed the proposed establishment of the Innovation Centre and indicated that it would be essential that meaningful engagement was undertaken with local communities throughout the development. The point was made that there existed an onus on other bodies and agencies to become more proactive and to work with the Council to ensure that the project was delivered successfully and provided meaningful benefits to local communities. It was proposed that briefings on the development be provided to those parties who so wished to avail of them.

After discussion, the Committee noted the information which had been provided and agreed that briefings be provided to those parties who so wished to avail of them.

Dance Awards and Design Performance

The Committee was advised that the Council had been invited to nominate Elected Members to attend two awards ceremonies in London, the first on 11th July, with the second on 13th July, for projects to which the Council had contributed funding to over the past two years.

The Committee agreed, since the ceremonies coincided with the July recess and holiday period, that it would be represented at the ceremonies by the Director or his nominee.

Global India Conference

The Committee considered the undernoted report:

“1 Relevant Background Information

- 1.1 Belfast City Council and Invest NI have been approached by an international event management company, Horasis, to establish if the organisations would be interested in Belfast hosting the annual Global India Business Conference in April 2013.**
- 1.2 Global India Business is a major international networking event which brings together over 350 chief executives from major Indian companies with their European counterparts to examine the potential for trade development and investment between the two regions.**
- 1.3 The key personnel at Horasis are former organisers of the World Economic Forum which takes place in Davos, Switzerland each year and have since set up their own business focused on developing business relationships with the emerging economies of India, China, Russia and the Middle East.**
- 1.4 The Global India Business Forum is the foremost annual gathering of Indian business leaders and their global counterparts. The event is open to CEO's of the world's leading companies. Horasis has a partnership with leading Indian firms and uses this network to connect with other leading companies across the globe. The 2012 Global India event is due to take place in Antwerp, Belgium on 24-25 June. Other cities which have recently hosted the event include Munich, Madrid and Naples.**

2 **Key Issues**

- 2.1** **Members will be aware that India is now considered one of the emerging global market opportunities. Belfast, through Invest NI, already has substantial links with Indian firms and continues to focus activity here with outward and inward trade missions supported at Ministerial level. The First and Deputy First Minister are just back from a recent mission to India in the last few weeks organised through Invest NI's permanent regional office in Mumbai and will be leading another multi-sectoral trade mission to Mumbai from 14-18 October 2012. Belfast is home to several companies of Indian origin at present, including namely HCL Technology, Polaris, Tech Mahindra, L&T Infotech, Firstsource and Andras House who collectively have accounted for investment of over £180m and created some 3,500 jobs locally.**
- 2.2** **Total trade in goods and services between the UK and India was in excess of £13billion in 2010 with exports accounting for £5.6billion of this trade. Belfast companies currently doing business in India include Delta Print & Packaging who have developed a specialist joint venture in India and Hall Black Douglas Architects who have recently been appointed to provide specialist design services in collaboration with Indian architectural practice Studio 55 for the redevelopment of a retail and leisure complex for the highly respected Mumbai property developer Oberoi Realty.**
- 2.3** **There has also been significant work undertaken to develop strategic linkages between the universities in Belfast and their counterparts in India to explore educational partnerships and help develop university links between India and Northern Ireland. As a result of these efforts, The University of Ulster has developed alliances with the University of Madras in Chennai and the Institute of Technology in Mumbai and the Queen's University of Belfast has formed relationships with the Indian Institute of Immunology, JNU in Delhi and the University at Hyderabad.**
- 2.4** **There is a vast untapped potential to benefit much more from strengthening and deepening relationships between Belfast and India as part of international relations currently under review but also specifically for Belfast to work alongside Invest NI more closely in future in helping attract new investment to this area.**
- 2.5** **Invest NI Have indicated their willingness to co-host this major event as they recognise the opportunity to:**

- Promote Belfast as a location for both Indian and European investment
 - Promote Belfast as important business hub for Indian companies wishing to trade with Europe
 - Present export opportunities in India for Belfast based companies
- 2.6 By agreeing to co-host this event, Belfast would be pitching to a highly valuable network of leading private sector companies from India capable of considering new operations or joint ventures with local companies here. Belfast would be given the opportunity to directly address the audience and to showcase the economic and competitive advantages of Belfast as well as the quality of life.
- 2.7 Should Members consider it appropriate it may be valuable in attending the Global India Business Meeting in Antwerp from 24-25 June 2012 to bid for Belfast 2013.

3 Resource Implications

- 3.1 The total cost of hosting the event is in the region of £200K. Invest NI have agreed in principle to provide 50% of the costs leaving a balance of around £100k for Belfast City Council to resource. Council officers will seek to find alternative funding in the interim period to keep the Council's contribution to a minimum.
- 3.2 The cost of attending the Global India Business Meeting in Antwerp is approximately £785 per person.

4 Equality and Good Relations Considerations

- 4.1 Hosting this event provides a valuable opportunity to connect with the local Indian community as well as promoting business opportunities in a significantly growing global market.

5 Recommendations

- 5.1 It is recommended that Members agree to support the co-hosting of the Global Indian Business Meeting in Belfast in June 2013 and agree to provide up to 100k toward the event.
- 5.2 It is recommended that the Chair and Deputy or their nominees attend the Global India Business Meeting for 2012 in Antwerp along with the Director, or his nominee, to bid for Belfast to host the event in 2013, costs not exceeding £2,355."

The Committee adopted the recommendations.

The Committee noted the contents of a report which provided an overview of the City of Festivals and Creative Legacies projects, funding for which had been secured by the Department's Tourism, Culture and Arts Unit under the Special European Unit Programmes Body's Peace III Programme.

Mourne Coastal Route - Signage

The Committee was reminded that the Northern Ireland Tourism Board, under its Strategic Framework for Action, sought to work in partnership with a range of key stakeholders to develop, promote and market Northern Ireland as a distinctive destination. The Framework consisted of ten programmes, one of which was the promotion of a range of driving routes across Northern Ireland.

The Director reported that the work had been completed on the design stage of the Mourne Coastal Route, which encompassed the County Down coast from Newry to Belfast. He indicated that the cost of the associated signage would be in the region of £370,000, 75% of which would be met by the Northern Ireland Tourist Board, with each council within the route contributing to the remaining amount. He indicated that the cost to Belfast would be £12,600 and pointed out that, in agreeing to contribute, the City would enhance its profile and role as the gateway to Northern Ireland. The Director pointed out that the City would become a natural starting and ending point for tourists using the route and that visitor numbers would be increased through the signage scheme.

The Committee agreed to the expenditure as outlined.

Democratising Governance in Transition Programme

The Committee was reminded that the Council was represented on the above-mentioned programme by the Community Services Manager. It was pointed out that the programme was delivered by Groundwork NI and Intercomm and funded by the Special European Unit Programmes Body's Peace III Programme. The Director outlined the aims and objectives of the programme which sought to empower local communities to address issues of dereliction and shared space, with a particular emphasis on addressing the issue of interfaces in Belfast.

It was reported that the organisers of the programme had extended an invitation to participants to attend a training programme which would be facilitated by Stanford University in California during June. The training would be delivered by a range of experts and would be tailored to address specific issues of relevance to Northern Ireland. The Director outlined the range of organisations which would be attending the training and requested that the Committee consider authorising the attendance at the training of the Community Services Manager, which, if approved, would cost the Council £1,500.

The Committee agreed that the Community Services Manager be authorised to attend the training course at a cost of £1,500 and agreed further that a report be submitted to a future meeting which would provide an overview of the benefits accrued in participating on the training programme.

Chairman