



Belfast City Council

Report to:	Development Committee
Subject:	Economic Development Update
Date:	Wednesday 15 October 2008
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Relevant Background Information

Co-financing for European Social Fund (ESF) applications

At the May 2008 meeting of the Development Committee, Members voted to reject three applications for co-funding of European Social Fund projects. At the June meeting of Council, members voted to re-consider this decision and asked for the report to be taken back to the June meeting of the Development Committee. At this meeting, Members agreed that they would ask for a meeting with the DEL Minister to discuss the matter. This meeting took place on 4 September 2008.

Belfast participation at MIPIM

MIPIM is the world's largest real estate trade fair. The 2009 event takes place in Cannes, France from 10-13 March 2009. Preliminary discussions with partner organisations confirm an interest in participating in the 2009 event.

Belfast participation in London Financial Services meeting: 29 October 2008

Belfast City Council has been invited to participate in an Invest NI led business breakfast in the City of London on 29 October 2008. The aim of the invitation-only event is to promote the opportunities for outsourcing elements of financial services work from the city of London to Northern Ireland.

Sales Growth Programme

A sales growth initiative was included as part of the Departmental Plan presented to the Development Committee in May 2008. A tender for the delivery of this initiative to 20 local businesses was issued in August 2008.

Shopmobility – request for support

Members will be aware that the Shopmobility scheme has been supported by Council since 1995 as part of its local economic development plan. To date, funding of over £220,000 has been allocated to the scheme. A proposal for financial support of £25,000 for the current year of operation has been submitted for consideration.

Key Issues

Co-financing for European Social Fund (ESF) applications

A meeting took place between a cross-party delegation from the Development Committee and the Minister for Employment and Learning on 4 September 2008 to discuss the requests for co-funding for European Social Fund (ESF) projects received from East Belfast Enterprise and Training for Women Network.

At this meeting, the Minister confirmed that one of the projects from East Belfast Enterprise was to proceed using its own funds as match funding for this year (although the project promoter has not yet confirmed this with us). He also confirmed that the Training for Women Network was still pursuing a number of co-funding options, including some funding from DEL. The second East Belfast Enterprise application did not have match funding in place at that time.

Members are reminded that the match-funding required for all three projects was in the region of £120,000 each year. The Committee's decision of May 2008 was that these requests for co-funding should be rejected.

Belfast participation at MIPIM

Since 2002, Belfast has been represented at MIPIM - the world's largest real estate trade fair which takes place in Cannes, France each year. The dates for the 2009 event are 10-13 March 2009. Belfast had one of over 2,000 exhibition stands at the event and this brought together a range of public and private developers, service providers (solicitors, estate agents, architects) to present a common message for the city. Despite difficult conditions for the industry, preliminary discussions with partner organisations suggest that most would be keen to participate again this year.

At the 2008 event, Belfast also organised an evening reception which was attended by around 200 key influencers from all across the world. This provided an invaluable opportunity to present a positive message about the development opportunities in the city.

It is proposed that the stand and event be organised again this year, in conjunction with local partners. A tendering exercise for the stand design and construction is to be issued in October 2008. In order to expedite the procurement process, members are requested to delegate authority to the Director of Development, in consultation with the Chair of the Development Committee, to accept the most advantageous tender for the works, within the overall available budget. Resources for this work were approved by the Development Committee in May 2008.

Belfast participation in London Financial Services meeting: 29 October 2008

As a follow up to the US-NI Investment Conference in Belfast in May 2008, Invest NI identified the opportunity for financial services companies in the City of London to outsource some of their activity to Northern Ireland. They accept that if investment comes to the region, it is likely that it will be based in either Belfast or Derry.

Derry City Council has undertaken a number of collaborative cultural activities with the City of London, given the historical linkages between the two cities.

Invest NI have invited up to three representatives from Belfast City Council and three from Derry City Council to participate in a meeting with a small group of targeted financial services businesses based in the city of London. At this stage, the format for the breakfast is that there will be brief presentations from the First and Deputy First Ministers, the US Ambassador based in London and some financial services companies currently based in NI (likely to be Citi and Allstate). It is likely that there will be a maximum of 40-50 people in attendance in total. Derry City Council is planning to send their Mayor and two senior officers. It is proposed that the Lord Mayor of Belfast, along with two officers from the Development Department, attend this event.

Sales Growth Programme

A sales growth initiative was included as part of the Departmental plan presented to the Development Committee in May 2008. On 8 August 2008, a public advertisement was placed inviting tenders for the delivery of the programme. Responses were received from seven companies. Following evaluation and interview in conjunction with the Procurement Unit, the most robust and economically advantageous tender was judged to be that submitted by Full Circle Management Solutions.

Shopmobility – request for support

Shopmobility currently operates from six locations within the city, including its new location in Victoria Square. It is also working to extend its facilities to a number of other venues including Belfast City Council parks, Belfast Zoo and the local hospitals. The service currently provides 44 scooters, 3 electric wheelchairs and 86 wheelchairs at events and venues all across Belfast.

The charity's annual operating budget is around £200,000. Income to support the scheme includes:

- Department for Regional Development - £75,000
- Belfast Trust - £26,000
- Environment and Heritage Service - £24,000
- Department for Social Development - £25,000
- Wheelchair hire - £6,000
- Private/other income – £20,000

The Development Committee, over the last decade, has committed over £200,000 to the organisation. While the organisation is operating in the Council's parks, no funding has been provided by the Parks Committee. Any funding provided from the Economic Development budget cannot draw down match funding from DETI for this activity.

Resource Implications

ESF applications:

If Committee was to co-fund the three projects planned by East Belfast Enterprise and Training for Women Network, it would cost in the region of £120,000 in the current financial year. Such an amount is not available in the budget without adversely affecting other schemes.

Belfast participation at MIPIM:

£30,000 contribution from Belfast City Council approved by Development Committee in May 2008 (overall costs likely to exceed £100,000 – other funding to come from private

sector).

Belfast participation in London Financial Services meeting:

Budget included as part of Development Department's plan approved by Committee in May 2008 – costs not likely to exceed £1,000 for three people.

Sales Growth Programme:

Tender costs are £44,855; total budget of £45,000 approved by Development Committee in May 2008.

Shopmobility:

Request for £25,000 funding.

Recommendations

It is recommended that Members:

- Uphold the original decision of the May 2008 Development Committee not to match fund the ESF applications from East Belfast Enterprise and Training for Women Network
- Delegate authority to the Director of Development, in consultation with the Chair of the Development Committee, to accept the most advantageous tender for the design and construction of the Belfast stand at MIPIM
- Approve the participation and any associated costs of the Lord Mayor and two officers at the Financial Services event in London on 29 October 2008
- Approve the appointment of Full Circle Management Solutions as the successful contractor for the provision of a Sales Growth Programme – subject to a form of contract being drawn up by Legal Services
- Refer the request for support from Shopmobility to the Parks and Leisure Services Committee.