



Report to:	Development Committee
Subject:	Forthriver Innovation Centre – project update
Date:	16 October 2012
Reporting Officer:	John McGrillen, Director of Development, ext 3470
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1	Relevant Background Information
1.1	An update on the proposed economic development project at Forthriver was presented at the Strategic Policy and Resources Committee on 25 April 2012. At that meeting, Members gave approval to the project being progressed on the basis of a Development Brief process (subject to a successful ERDF grant application outcome). Members were advised of the stages in the funding application process and it was noted that the next step required the submission of a scoping document to Invest NI for consideration.
1.2	Members were also informed that a further report would be brought back to that Committee in due course, following consideration by Invest NI of the scoping document and to seek further approvals in relation to the proposed Development Brief criteria and process, as well as advising on the financial requirements.
1.3	As part of the development work, subsequent discussions with Invest NI in early September 2012 identified the potential need to consider an alternative approach for the development of the site.

2	Key Issues
2.1	The scoping document for the Forthriver project was subsequently submitted to Invest NI and this was approved in June 2012. The proposed next step, at that stage, was to prepare the Development Brief. It was proposed that this brief would be for an economic regeneration scheme on the site to create employment opportunities; support economic growth within key priority sectors, as identified in the Northern Ireland Economic Strategy; provide a development that will deliver regenerative benefits and create a landmark scheme which promotes excellence in design and sustainability.

	<p>The Brief was to make the proposed scheme conditional on the Council being successful in drawing down the ERDF funding and on it receiving a positive economic appraisal.</p>
2.2	<p>A meeting was held with Invest NI in early September to tie down the detail of the funding process and to address a number of outstanding queries identified in the process of pulling together the brief. In the course of the discussions, DETI officials suggested that the proposed development brief approach would trigger regional aid stipulations. This would mean that the amount of public funding available for the project would be between 10 and 30% of total project cost.</p>
2.3	<p>It was suggested that the means by which the funding leverage could be maximised was for Belfast City Council to undertake the construction work. The ongoing management of the project could then be given over to an operator, through a separate contract.</p>
2.4	<p>The Strategic Policy and Resources Committee was informed of this advice from DETI at the 21 September 2012 meeting and the Committee agreed to pursue the latter option, namely for the Council to be the developer and to then issue a separate contract for the operation of the building.</p>
2.5	<p>Officers are involved in ongoing discussions with officials in DETI and with other partners to clarify the detail of this process. Once the issues are addressed, a funding application for the build costs will have to be made to Invest NI. The latest date by which this funding application can be submitted in February 2013.</p>
2.6	<p>Consideration will also have to be given to the future operating model at the site. This will involve taking account of the conditions placed on any funding as well as the need to support the regeneration at this site in a way that creates tangible, sustainable economic benefits for the wider area.</p>
2.7	<p>Further reports will be brought back to this Committee and to the Strategic Policy and Resources Committee once clarification is provided on the outstanding points.</p>

3	Resource Implications
3.1	A capital budget of up to £8million has been identified within the Investment Programme for this project.

4	Equality and Good Relations Considerations
4.1	No specific equality and good relations implications.

5	Recommendations
5.1	Members are asked to note the update on the economic development project at Forthriver.

6	Key to Abbreviations
DETI – Department of Enterprise, Trade and Investment	