



Report to:	Development Committee
Subject:	Forthriver Innovation Centre – feasibility study and business case
Date:	20 November 2012
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1	Relevant Background Information
1.1	Members will be aware that, at the 16 October meeting of the Development Committee, an update report on the Forthriver project was presented for information.
1.2	This confirmed that, following recent engagement with Invest NI, it had become apparent that the only means by which the ERDF funding leverage could be maximised was for Belfast City Council to undertake the construction work, as opposed to issue a development brief for an external developer (the original proposed way forward). The ongoing management of the project could then be given over to an operator, through a separate contract. The Strategic Policy and Resources (SP&R) Committee had been informed of this advice from DETI at the 21 September 2012 meeting and the Committee agreed to pursue this approach.

2	Key Issues
2.1	Officers have been involved in ongoing discussions with officials in DETI and Invest NI to clarify the detail of the application process. They have confirmed that the final date for a full application is February 2013.
2.2	In order to develop the concept around the potential end-use of this site, it will be necessary to undertake a feasibility study and a business case. This will help determine the need for such a facility and will also produce outline costs for the development of the site, based on the land that is being made available by Invest NI. This report will form the basis of the funding application.

2.3	Once the funding application is submitted, Invest NI will then commission its own economic appraisal of the proposal. However the feasibility study and business case will provide useful background and supporting information for the appraisal. It will also provide assurances to Belfast City Council – as well as the other funders – that the proposed model is financially viable and that it will support the future economic growth in the city – as well as supporting economic regeneration in that part of Belfast.
2.4	In order to progress this project, it is proposed that an independent feasibility study and business case is commissioned. The timetable for this work will be commissioning in early December; with an expected completion date by the end of January 2013. This will then form the basis of the submission to Invest NI in February 2013. It is expected that this application process will take around six months, with a decision on funding expected in August 2013.
2.5	In parallel with this process, officers in Property and Projects Department are working on the project plan for the capital works. A separate report is to be presented to the 23 November meeting of the SP&R Committee, with a view to considering potential financial implications of preparatory works, in advance of a decision on the funding.

3	Resource Implications
3.1	It is anticipated that the budget for the feasibility study and business case will not exceed £25,000.

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 asked to; <ul style="list-style-type: none"> 1. note the update on the economic development project at Forthriver and 2. approve a budget of up to £25,000 for a feasibility study and business case on the project, to be used as part of the funding application.

6	Key to Abbreviations
DETl – Department of Enterprise, Trade and Investment SP&R – Strategic Policy and Resources	