

OPPORTUNITIES FOR INVESTMENT IN BELFAST



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SECTION I INTRODUCTION

- I.1 Rooney Smith Associates ("RS") were commissioned by Belfast City Council ("BCC") to design and facilitate a stakeholder engagement exercise which would identify opportunities to attracting investment in Belfast, to outline how these could be addressed and to provide recommendations as to steps that can be taken to deliver an effective and strategic approach to increasing investment.
- I.2 The methodology for this service is detailed in Section 3. The in-depth interviews with key stakeholders produced a strong and consistent view on the key positive aspects about Belfast but showed a greater diversity in the responses to the other four questions. It also produced some interesting individual suggestions which we considered worthy of tabling in Section 6.
- I.3 Whilst our analysis of the responses is set out in a tabular format in Section 4, we have tried in the Executive Summary to provide a more useful in-depth interpretation. We have also included in Section 9 a table of the key actions which BCC, in collaboration with other key stakeholders, could consider to improve the attractiveness of Belfast for investors.
- I.4 Importantly, we have obtained from some large multi-national organisations details of the criteria which they use when choosing destinations for investing. These are companies who outsource globally and the criteria they use are very informative in the context of the brief of this report. The key criteria which they use are summarised in Section 7.
- I.5 In Section 2 of the Executive Summary we have considered the implications of investment policy on rates, given the importance of this issue to the Council.

SECTION 2

EXECUTIVE SUMMARY

2.1 The response to Question 1 (The positive aspects about Belfast which encourage investment) certainly gives cause for some optimism and suggests that, given how recently we have emerged from the "Troubles", Belfast has been doing a lot of the right things to make us more attractive to investors.

The top mark was the low cost base which is the consequence of many recent economic factors rather than direct policy intervention. The important message from this is that we need to be mindful that controlling our cost base is an important factor, in particular for external investors, and that awareness of this need crosses over into policy decisions. A more complex aspect of the cost base issue is that if we have an ambition to improve our economy then higher value business sectors must be targeted to handle the inflationary tendencies of economic growth.

The next highest mark was the good skills base and the general quality of the workforce, which is something we have created and nurtured successfully. There was some criticism however that the skill sets on offer were not always ideally matched to the needs of inward investor organisations. More dialogue needs to take place between the Department of Education, the educational institutions and the business sector on this subject to ensure compatibility between supply and demand. Greater consideration could be given to in-house training by larger business organisations supported by the Universities/Further Education Colleges.

The Universities are seen as vital stakeholders who have a major contribution to make. The relocation of the University of Ulster was seen as a key positive step. Some respondents expressed the opinion that Queen's University should be more engaged in Belfast City issues and that we could leverage much more from the presence of two high profile Universities in the City.

The quality of life in Belfast scored well and included positive comments about the high quality cultural lifestyle offer, including theatres, music venues, festivals, restaurants etc. BCC have worked hard in this area. The investment appears to be paying off and is creating a distinctive advantage which can be so important when competing with other locations. All of this directly benefits tourism as well as the local population.

2.2 In replying to Question 2 (The negative aspects about Belfast which discourage investment) every respondent cited the civil unrest and sectarian interface issues with the recent flag protest often being mentioned. Whilst this is a wider government/society issue, BCC has a key role to play in helping to reduce tensions in the City.

Several of the respondents were concerned that, compared to other competing cities, Belfast lagged behind in that it failed to offer a one-stop shop approach to making life easier for prospective investors. This is a complex area and there was a feeling that larger job-creating inward investors did receive priority treatment through Invest NI but other types of investors had to face a complex uncoordinated process which was off-putting. Examples were cited of other cities where they had single point of contact development departments or Csars capable of helping investors through the processes if there was a consensus that the investor's proposal was in the interests of their city. The planning system in particular received a lot of criticism and the degree of bureaucracy and indecision were noted.

The lack of development finance from the local banking sector was raised as was also the lack of Grade A office space readily available for inward investing companies in the city.

There were some concerns raised about high car parking charges and problems with the general transport infrastructure, although many respondents felt that the ease of mobility around Belfast and its good connectivity to airports and other towns was positive.

Just over a quarter of the respondents expressed strong concerns about the level of rates, particularly in the retail sector where rental levels were falling and vacancies were rising fast. Some suggested that we should adopt some of the initiatives on rating adopted by other UK cities.

2.3 On Question 3 (Policy initiatives that need prioritised), the top suggestion was the creation of Enterprise Zones. The very recent announcement from Prime Minister Cameron, along with the First and deputy First Ministers, offers an opportunity to address this. Other suggestions included regeneration grants, rates incentives and the use of direct BCC funding participation in preferred development schemes in partnership with the private sector.

There was a call for focussing on supporting a smaller number of stronger business sectors instead of trying to cover too many, and some respondents called for BCC to be more pro-business. It was suggested by some that the city centre should be prioritised when locating new investment. One respondent suggested that it was important that the majority of large business organisations should be present in the city.

The need for strong leadership with appropriate powers was raised and three respondents suggested the creation of a development corporation for the city. The issue of creating an effective process to drive the development of the city forward is important. Whilst there is a wide recognition that BCC has generally done an excellent job in difficult circumstances, the present system/process with many agencies operating, sometimes in silos, does not offer the optimum solution. In order to improve things, either BCC powers should be extended on matters relating to the development of the city, or some kind of overarching development corporation body, comprising the key stakeholders but with clearly defined authority, needs to be created. In terms of competing on a level playing field with some other similar UK cities, as well as many international cities, the current processes to support the encouragement of investment in Belfast lag behind.

The political structure of BCC, which has a long history, is not the ideal one for supporting the drive for investment. The fact that the Lord Mayor holds office for only one year does not help in terms of continuity. Whilst many of the Lord Mayors, particularly in recent years, have demonstrated a good understanding of this responsibility, it has not always had sufficient prominence in the Mayoral selection process. Another complication is that politically motivated agendas can sometimes tend to get in the way of sensible decisions to facilitate the investment agenda, particularly in regard to councillors lobbying for investment in their areas which may not be the optimum locations. BCC executive team has evolved to provide excellent direction to the council on investment issues but there is a need for councillors to have a better understanding of their responsibilities in this area. The creation of a new process with powers, whether it is part of the BCC administration or a new stakeholder body, will go a long way to bring improvement and to help us compete better.

2.4 On Question 4 (Key development projects which need prioritised) the Royal Exchange, the University of Ulster relocation and Titanic Quarter were cited by most respondents. Some felt that the Royal Exchange concept currently proposed was not ambitious enough and that there was an opportunity to make a bolder statement. The UU relocation was warmly welcomed, but some felt that it was important to maximise the leverage for the City centre from this primary development and more needed to be done to ensure this. Given the proximity of the Royal Exchange to the new UU campus, there is some logic in examining the potential for combining aspects of the developments.

Titanic Quarter was seen as having a successful initial phase. However, concerns were expressed at its lack of connectivity to the City centre and as to what was the optimum way to progress its development in the interests of the City. Several respondents felt that we should build quickly on the success of the Paint Hall and invest in developing a hub for the creative industry sector on the back of it.

2.5 On Question 5 (Initiatives witnessed in other cities worthy of consideration), those respondents who did not offer suggestions in terms of initiatives tended to mention successful locations. Manchester in particular was referred to as an example with its positive attitude, pro-business focus and streamlined processes. In all the successful examples, the city authorities were able to successfully engage other key stakeholders to provide a unity of purpose. For successful City initiatives see Appendix A.

2.6 Rates. It is important to fully understand the relationship between investment policy and the rates revenue for Belfast. The first stage is to measure the current rates income by sector so as to establish an accurate base line and be in a position to understand better the impact of variations in future rates patterns. This helps to inform the development strategy for the City in that it provides a clearer understanding of the impact on rates of investment decisions. It is of course difficult to control the impact of market forces on rateable values but it is helpful to understand the likely impact of variations in demand on rates income so that the investment strategy can at least try to minimise the net impact of falling demand in any sector.

With investment decisions there is always calculated risk in accepting short term reductions in rates income to achieve long term growth, but this should be a measureable risk and a Rates Impact Factor should be applied to all significant investment/redevelopment decisions and policies.

SECTION 3

METHODOLOGY

RS identified in its original brief to BCC a proposed list of stakeholder groups as follows:

- Representative Bodies (such as CBI, IOD, etc)
- Government Departments with city centre responsibility
- Financial Organisations (such as Banks etc)
- Large Consultancy practices (such as Management Consultants, large Estate Agencies etc)
- Property Developers
- Universities and Further Education Colleges
- Private Equity and Institutional Investors
- Large City Centre Property Holders
- Political Parties (economic advisors)
- Key Experts (such as economists etc)

Prior to commencement of the research project, RS met with BCC to finalise the list of parties to be contacted. A total of 27 individuals/organisations were identified as “key stakeholders” to be interviewed. A further 27 individuals/organisations were identified as “other stakeholders” to be issued questionnaires.

The interview/questionnaires took a structured format and all parties were asked the same set of 5 questions below:

- Q1. List what you think are the positive aspects about Belfast which encourage investment.
- Q2. List what you think are the most negative aspects which discourage investment.
- Q3. Please list any policy initiatives which the City Council and/or other Statutory Agencies could do to encourage investment.
- Q4. Please list any key development projects which need to be prioritised in the City.
- Q5. List any initiatives which you have witnessed in other cities and which should be considered by Belfast.

The structured format was to allow a detailed quantitative analysis of the responses. No attempt was made by RS to suggest potential answers or to steer responses and participants were free to answer as they wished.

Interviews/questionnaires were requested in March and April 2013 and carried out/received between March and May 2013.

SECTION 4

SUMMARISED ANALYSIS OF FEEDBACK

A total of 24 interviews were carried out and 9 questionnaires received back. A list of those who attended interviews and provided responses is detailed in Section 10 of this report.

RS has worked with the majority of the key stakeholders in the past on investment/development matters and this facilitated the high response rate with the key stakeholders (89%).

The response rate for the questionnaires was 33%.

RS carried out a quantitative analysis of the responses to collate the response data into common themes/areas. This analysis is detailed in full in Section 6 of this report and a summary of the analysis is listed below.

33 stakeholders provided responses. The most common responses for each question together with the number of respondents are:

Q1. Positive aspects about Belfast:

- Low cost base across multiple facets (rents/housing/labour/business costs) (25)
- Skilled workforce (20)
- Quality of life (13)
- Transport links and accessibility to external markets (12)

Q2. Negative aspects about Belfast:

- Sectarian/political issues/civil unrest (25)
- No political leadership/leader for city (10)
- Problems with banking/finance (8)
- Problems/delays with planning system (8)
- Lack of skills relevant to requirements (8)

Q3. Policy initiatives that need prioritized:

- Enterprise zones (10)
- Promotion of city (9)

- Corporation Tax (7)

Q4. Key development projects which need prioritized:

- Royal Exchange (9)
- University of Ulster (8)
- Titanic Quarter (8)

Q5. Initiatives witnessed in other cities:

- Manchester (7)
- Edinburgh (3)
- Chicago (3)
- Glasgow (3)
- Barcelona (3)

As can be seen from the above, there was much greater commonality from the stakeholder responses in respect to the general questions of positive and negative aspects of Belfast for investors (Q1&Q2) when compared to the more specific questions on policy development projects and external initiatives (Q3-Q5).

SECTION 5 DETAILED RESPONSES

This section of the report details the aggregated views of the 32 interviewees/ questionnaires completed (where 2 or more stated similar responses were provided).

Q1. The positive aspects about Belfast which encourage investment?

Response	No. of responses
Low cost base (across housing/rents/labour/business costs)	24
Skills base/quality of workforce	19
Quality of life	13
Transport links/accessibility to external markets	12
Two universities	8
Cultural amenities	8
Part of/close to EU	6
Strong education	6
Compact city	5
Invest NI	5
Attractive environment	3
English language	3
UK legal/tax system	3
Clusters in key industries	3
Good IT Infrastructure	3
Cultural compatibility (with investors)	2
Capital city	2
Young population/workforce	2
Good conference location	2
Good communication infrastructure	2
City council	2

Q2. The negative aspects about Belfast which discourage investment?

Response	No. of responses
Sectarian/Political issues/Civil unrest	24
No political leadership/leader for city	10
Problems with banking/finance	8
Problems/delays with planning system	8
Lack of skills relevant to requirements	8
High rates	7
Bureaucracy	6
Lack of Grade A office space	5
Transport infrastructure	5
No strategic vision	5
Large public sector/over reliance on state	4
Corporation Tax	3
High energy/utility costs	3
Expensive car parking	3
Dereliction/blight	3
Investment linked to location (political considerations) rather than economic reasons	3
Belfast a commuter city with major exodus to suburbs	2
Public sector over-accountability/risk averse	2
Problems with bus lane policy	2
No culture of delivery	2
Lack of a pro-business culture	2
High inequality	2
Under achievement in schools/basic literacy skills	2
Need to utilise Belfast/Dublin connection better (including Dublin Airport)	2
Lack of funding to support investment	2
Limited direct air access	2
Weak economy	2
Macro-economic conditions	2

Q3. Any policy initiatives which the City Council and/or other statutory agencies could do to encourage investment?

Response	No. of responses
Enterprise Zones	10
Promotion of city	9
Corporation Tax	7
Focus on strong sectors	5
Leadership	4
Pro-business culture	4
BCC to use resources for financing	4
Need for coordination between BCC and Government	4
Reduction of rates	3
Need for one clear voice for Belfast	3
Resolve political disputes	2
Rental guarantees	2
Need for strategic vision	2
Improve transport links	2
Need to learn from other cities	2
Improve planning system	2
Regeneration grants	2
Rates incentives	2
Titanic Quarter	2
Improve public areas/public realm	2
Need for spectacular major project	2
Focus education on skills needs	2
Business Premises Renovation Allowance (BPRA)	2
Focus on a compact city centre	2

Q4. Any key development projects which need to be prioritised in the City?

Response	No. of responses
Royal Exchange	9
University of Ulster	8
Titanic Quarter	8
Tourism	7
Creative Media	7
Financial services/back office	7
Film industry	6
IT/Data Centres	5
Student Housing	3
Digital	3
Media	3
Sirocco Site	3
Innovation/Entrepreneurship	3
Grade A Office Space	3
Increase Population of City	3
Core City Centre	2
Connected Health	2
Telecommunications	2
Northern Ireland Science Park	2
Queen's University	2
Cycling	2
Girdwood	2
Rapid Transport	2
Improve Connectivity	2
New Lagan Bridges	2
Build on successful sectors	2

Q5. Initiatives witness in other cities which should be considered by Belfast?

Response	No. of responses	Specific schemes noted
Manchester *	7	Good example of a city with a can do attitude and pro-business focus; Salford Media City; City Investment fund; good for city marketing.
Edinburgh *	3	
Chicago	3	A city which has a unity of purpose and is not fighting internal battles.
Glasgow	3	Heavy decline in industry/manufacturing; now one of top 10 financial centres in Europe; rebranding of city; heavy investment in attracting new businesses; need for a better quality area plan.
Barcelona	3	Good for public areas.
San Diego	2	Life sciences; IT; digital.
Austin, Texas	1	Created an attractive distinctiveness.
Liverpool	1	New city centre JV between council and Grosvenor Developments
London (Battersea)	1	TIF's
Nottingham	1	Business Improvement Districts
Bilbao	1	
Knowledge triangle Cambridge, Oxford & London	1	
Philadelphia	1	
Pittsburgh	1	Decline of the steel works; major decrease in population; massive swathes of brownfield sites targeted for regeneration; focus on new businesses (health, hi-tech, robotics, biomedical); in 2011 was ranked most livable city in US; better infrastructure provided by public sector to support major development sites.
Hamburg	1	
Copenhagan	1	
Malmo	1	
NW England	1	Successful emphasis on science and industry
ROI	1	Tax break to encourage international trade
Scotland	1	New board to fund infrastructure projects; focus on speedy resolution of major planning projects and ensuring that economic factors are material when processing applications.

* See Appendix A

SECTION 6

SELECTED INDIVIDUAL SUGGESTIONS OF INTEREST

- Need vision for 2030
- City is under populated
- Sunday experience for visitors needs to be improved
- Develop the Lagan Banks up to Shaw's Bridge
- Massive tree planting/landscaping programme
- Make city more youthful
- Remove cars/buses from shopping areas
- Remove restrictive licensing laws
- Rates suspension/reduction traded against capital expenditure on projects
- New bridges across Lagan
- Build new flagship BCC HQ (possibly in Royal Exchange)
- Dedicated bus services around outer ring
- More high quality city centre residential
- Need for bordering councils to see the benefit of bigger Belfast
- Provide city centre schools
- We do not exploit US links enough
- Need to educate media in new priorities (normal society)
- Need to encourage alternative use for vacant city centre buildings
- Remove city centre bus parking and provide new bus park near centre
- Create more designated areas with special interest
- Engage more with private sector
- Introduce Barclay's bike scheme
- Have a more positive attitude to students living in city
- Incentivise living over shops
- Consider TIF's
- Pick themes to reinforce and build on existing capabilities
- Learn from successful cities and organise more visits for politicians

SECTION 7

INVESTMENT CRITERIA USED BY SELECTED MAJOR GLOBAL ORGANISATIONS

We obtained details of the criteria used by some large, global businesses when considering investment locations for outsourcing. Whilst we agreed not to identify these organisations, they do carry out in-depth studies of all locations as the scale of their investment can be quite substantial and its success is ultimately important to their overall performance in an increasingly global market.

Main Criteria

- Good operating environment
- Low cost structure
- High quality English speaking (for English speaking outsourced business)
- Low political/economic risks
- Good education system
- Good IP/data security
- Good government incentives
- Cultural compatibility
- Good labour pool with ability to scale up
- Good workforce attitude/good industrial relations/low churn record
- Good developed legal system
- Good physical and IT infrastructure
- Efficient, non-bureaucratic government

Belfast scores well when measured against the criteria and it would appear that whilst we still have sporadic civil unrest this is no longer a significant barrier to an informed audience. We do however have to compete hard against other attractive locations, in particular India, and we need to market our advantages relentlessly. It is important to understand that the benefit of high participation in this sector does not just offer the benefits of employment but is vital in trying to rebalance our public/private sector ratios.

SECTION 8

WHAT AN INVESTIBLE BELFAST LOOKS LIKE

Low cost base

Competitive government incentives

Good workforce attitude and industrial relations

Stable Political Environment

Well educated workforce

Good skills base targeted towards growth sectors

Good infrastructures

Good transport system

Good I.T. infrastructure

Ready supply of finance for business growth and for development

Efficient planning system

Good attitude to risk

Outward looking with strong links to international investors

Absence of derelict/abandoned properties

Strong Vision

Presence of clusters

One stop shop for investor inquiries

Attractive environment

Good cultural offer

Strong engaged Universities/ FE colleges

Available office and industrial space

Reasonable car parking costs

Strong Marketing strategy

Distinctiveness

Excellent public realm

Strong Council Leadership

Ambitious development projects

Buzz

Strong residential population in centre

Good public/private sector engagement

Positive support from government

SECTION 9

KEY STAKEHOLDER ACTIONS TO IMPROVE ATTRACTIVENESS OF BELFAST TO INVESTORS

	Action	Stakeholder
1	Match skill sets to business needs	All
2	Support higher value business sectors	All
3	Universities to be more engaged in City	UU; QUB; DE; BCC
4	Resolve interface sectarian incidents	All
5	Create one stop shop Development Agency	BCC; Government Departments
6	Sort out development finance supply	Bank; Government
7	More flexible rating policy	DFF; BCC
8	Inform Councillors on investment priorities	BCC
9	Ambitious plans for redevelopment sites	BCC; Private Sector
10	Follow best practice from other successful cities	BCC
11	Sort out planning system	DSD
12	Introduce innovative funding mechanisms	BCC; DFP
13	Increase population of Belfast	All
14	Create larger city centre residential population	BCC; Private Sector
15	Sort out declining retail sector	All
16	Provide available Grade A office space	DETI; BCC; Private Sector
17	Remove bureaucratic barriers to investment projects	All
18	Develop strong clusters	All
19	Increase cooperation between public and private sectors	All
20	Support a strategic vision for Titanic Quarter	BCC; BHC; TQ
21	Create a strong unity of purpose	All

SECTION 10

BCC FOLLOW UP ACTIONS

10.1 Single Point of Contact for Investors

One of the most significant concerns expressed by Respondents was the absence of a centralised unit with appropriate powers to deal with prospective investors. Belfast is perceived as having over bureaucratic processes with a tendency to unreasonably delay key decision making. Other successful cities have this “one stop shop” facility which can both encourage and successfully process development/investment projects which are deemed to be good for their Cities. This in turn is valued by prospective developer/investor clients who know that they will be dealing with a problem solving agency and that their expensive lead –in costs have less risk attached to them. Developer/Investors are very tuned into successful models and will naturally gravitate towards them.

There are various models which can fulfil this requirement but the key to success is that all the key stakeholders must buy in to the agreed model, accept delegated authority and fully support it by their actions.

One option would be to create a unit within the BCC. This could be a unit with a suitably skilled head with enhanced powers but the key stakeholder government departments/agencies would need to agree to fully support this and vest powers where appropriate.

Another option would be to create a Development Corporation model in which all the key stakeholders and their agencies had representation. The geographic reach of such a body as well as appropriate delegated powers would need to be agreed.

Whichever model is to be adopted it would need an adequate budget sufficient to deliver front funding in the early stages as well as the capacity to offer some financial instruments.

Action:

Set up a Liaison Group among the key Stakeholders to agree an appropriate model for endorsement by BCC and central Government.

10.2 Leveraging the Universities

The relocation of the University of Ulster to the City centre offers not just a great opportunity to create a significant city centre development but also the opportunity to explore the potential benefits of a productive on-going relationship between the BCC and the Universities/FE Colleges to the mutual benefit of all. These are several examples where universities at the heart of cities can greatly enhance the cities through better leverage of the presence of the universities.

Improved communication would help make the Educational Establishments become more like stakeholders in the shaping of the City and BCC could become a conduit to help inform them of future skills demands and many other issues which would be helpful to them.

Action:

Establish an informal Liaison Group comprising BCC, the Universities, Belfast FE Colleges and the Department to discuss greater co-operation

10.3 The Impact of Civil Disorder on Investment

By far the biggest negative factor which Respondents felt threatened inward investment was the continuation of headline grabbing civil disorder and, in particular, the ongoing interface violence and the recent flag protests. Whilst the solution to this is very much related to macro political activity BCC and other public stakeholders have a key role to play in reducing tensions and tackling root causes. It is important that all citizens of Belfast have a sense that improved investment will impact positively on all including bringing benefit to socially deprived areas by way of tangible investment and job creation. This message needs to be articulated both in public awareness activity and in investment policy and greater effort must be made to communicate better the collective responsibility of improving our investment prospects. The best incentive to prevent someone from damaging investment prospects is conveying the sense that they will be directly affecting their personal opportunities.

Action:

Organise a process to ensure that the whole community understands the potential benefits of improving inward investment and its role in assisting. Ensure that investment policy positively impacts all.

10.4 The Importance of Quality Open Spaces

The need to improve open spaces by landscaping etc. received brief mention in the Questionnaire responses. Quality open spaces play an important part in the general attractiveness of cities to visitors and investors as well as improving the quality of the city experience for users and residents. Most successful cities are noted for the quality of their open spaces and Belfast has the opportunity to improve in this area. Well developed open space helps a city deal with environmental challenges and has a positive impact on health and well-being.

Action:

Secure Framework for the Development of Open Spaces for the City and ensure that future Development Proposals are informed by this Framework

10.5 Development of Appropriate Skills and Tackling Low Educational Attainment

The shortage of skills to match investor needs was highlighted by some Respondents. Whilst the development of skills to support developing demand is the primary responsibility of Government departments, BCC can play an important support role in relation to Belfast council area. The low educational attainment in many city deprived areas is a major negative for an aspiring city and contributes towards many social problems which affect investment prospects.

Action:

Work with stakeholders to bring improvement in the skills shortage and low educational attainment in the City.

10.6 Developing and Consolidating the Events Programme

Belfast has made great strides in initiating/supporting a great variety of events, something which many of the Respondents noted. This cultural offer not only greatly assists the tourism drive but is an important dimension in attracting investors.

Action:

Establish a clearer policy for cultural and sports events including establishing formal processes for stakeholder engagement, creating adequate budget levels and robust evaluation processes.

10.7 Diversity

Belfast has organically become multi-cultural in recent decades but still suffers from unacceptable levels of racism and active prejudice against minorities. An investible city needs to be known as a tolerant city to attract both investors and global talent.

Action:

Set up a study group to examine the link between attracting and creating a multi-cultural city.

Establish a policy for providing greater support to minorities and for building on current multi-cultural initiatives and activities.

10.8 Access and Connectivity

Whilst most Respondents seemed content with transport links and access it is important to monitor and to review the recently introduced city centre traffic arrangements. Parking costs and availability were noted by some as unhelpful in encouraging city centre development and protecting the retail offer. The connectivity of Belfast for air travel needs to be improved to support the investment drive.

Action:

Carry out a study of the impact on Investment potential due to Access and Connectivity issues.

10.9 Agreed Vision for Belfast as Regional Capital

One issue which was raised was the conflict in investment terms between the need to prioritise Belfast as the regional capital versus a strong regional policy which tries to spread the investment throughout the towns and cities across the region. This is a complex policy issue and there is a need to have a proper debate about it among the responsible stakeholders.

Given how long it has been established as a major industrial regional capital it is somewhat surprising that Belfast has not grown bigger and whilst there may be many factors governing this including the impact of the Troubles, one of the major ones is the nature of regional policy, in particular in recent years. The present infrastructure of Belfast would support growth and connectivity to other towns and cities is reasonable. We believe that the region as a whole would benefit from a bigger Belfast and that Belfast's offer to investors would be more attractive if the City were bigger.

Action:

Propose a dialogue between BCC, OFMdFM, DETI, DRD, DSD and DFP to discuss this issue, to try to agree in principle the need for prioritising investment in Belfast and to consider the policy implications.

10.10 Neighbourhood Centres

Another tension which exists is the conflict between directing investment to Belfast centre or towards outlying parts of the City and this was articulated by some respondents. Local political representatives lobby hard to try to direct job creating investment from the City centre towards their voter base areas in greater Belfast. In some ways this has parallels with the Belfast/Regional tension covered in Paragraph 10.3 above.

A strong, vibrant city centre is important for the whole economy but there is a need to create appropriate development throughout greater Belfast. To achieve this there is a need to create a template for quality Neighbourhood Centres to help plan and stimulate a better overall city. Neighbourhood Centres should attract suitable local investment and provide suitable facilities to cater for local needs but they should not compete with the City centre in investment terms.

Action:

Set up a process to create a template for Neighbourhood Centres.

10.11 Re-examine the opportunity for Royal Exchange

The Royal Exchange was regarded as the most important development project in the City by most respondents but some expressed concerns that the development concept under current consideration lacked ambition. Whilst it has been difficult to date to deliver a viable development proposal for the Royal Exchange site in the current economic environment we would agree that how this site is developed is key in terms of the ambition of the City and it is important to get it right. The fact that the University of Ulster is developing alongside creates an opportunity to look harder at the broader re-development of the whole sector and this should shape a fresh look at the Royal Exchange site.

Action:

Carry out a process to determine the optimum retail provision in the City centre in liaison with DSD and develop a new concept for the development of the greater site leveraging the UU relocation to the maximum.

10.12 Funding Mechanisms

BCC has established and substantially committed to its view of development priorities. We believe that whilst capital expenditure needs to be available to pump prime and shape re-development it is also important to provide creative funding facilities for prospective developers/investors similar to those offered by other successful cities.

Considerable work has been done on this including the recent report "Belfast Investment Strategy" by Colin Stutt but there is a need to decide on which funding instruments and programmes will be made available.

Action:

Complete information gathering and evaluation of funding mechanisms and set up firm proposals to be offered to developers/investors.

10.13 Private Sector Liaison

There was a general impression from the interviews with the private sector respondents of a lack of connection with BCC and a low awareness of much of the activities and initiatives being carried out by BCC to boost the City's economy.

Most successful cities have strong links between the City authorities and the private sector and an engaged private sector acts as an advocate for a City's opportunity to a wider audience.

Action:

Establish a process to create stronger links between BCC and the private sector.

10.14 Benchmarking against other Successful Cities

BCC has gathered considerable knowledge of the models used by other successful cities by various means. We would recommend that this information is collated in a format which is easily accessed for reference purposes ,is updated regularly and is added to as necessary. This would help to inform policy on an ongoing basis.

Action:

Create and update a Benchmarking of Successful City Initiatives process.

10.15 Establish links with Global Organisations

Whilst Invest NI has a primary responsibility to communicate with prospective global business organisations which it seeks to invest here there is also a need for BCC to maintain its own links. Such links would include organisations from the broader investor market which is not necessarily targeted by Invest NI. Building on existing contacts and broadening BCC's reach will help establish BCC as a primary point of contact and a facilitator.

Action:

Establish and maintain Global Client Register.

10.16 Establish an agreed vision for Titanic Quarter

Titanic Quarter (TQ) has already transformed part of the former Shipbuilding site at Queen's Island. This mixed use development project has been successful in securing investment into different land uses including Ireland's largest visitor attraction (Titanic Belfast) and the Film Studios. There is now a crucial mass of development which has the capacity to grow and expand over the next decade. It is therefore imperative that BCC work alongside the TQ team to shape and support future investment in TQ. The aim should be to ensure cohesion of development objectives for TQ within the investment strategy for Belfast City Centre.

Action:

Establish and support an agreed strategy for Titanic Quarter.

10.17 Establish a closer relationship with Northern Ireland Science Park.

Science, technology and innovation are integral in ensuring Northern Ireland's competitiveness in an increasingly knowledge driven global economy. The Science Park has become one of the top ten science parks in the UK and Ireland and is recognised internationally. Through a combination of world class fibre optic ICT connectivity, innovative workspace and successful mentoring programmes, the Science Park continues to be a fundamental sponsor of entrepreneurialism in N Ireland.

Action:

Establish good working relationship with NISP.

10.18 Developing City Quarters

Many successful cities have developed organically from a number of distinct quarters. Belfast whilst it has some strong clearly identified Quarters needs to look harder at the potential benefits of reinforcing the badging of existing Quarters and developing more. Quarters help stimulate economic activity, support the tourism drive and build the personality of the city.

Action:

To set up a group led by BCC but including DSD, DETI and DCAL to establish a policy on developing city quarters.

10.19 Advisory Panel for Belfast

The aim of this panel of experts is to support and advise the Council on investment related issues. Ideally its membership should be drawn from individuals with a proven track record and knowledge of securing investment both at a local national and international level.

Action:

Set up advisory Panel

SECTION II

LIST OF INTERVIEWEES

Rooney Smith would like to thank the following individuals for participating in interviews for the research project:

A Lonnergan & A Carlton, Deramore

Alan Clarke, CEO, NITB

Andrew Creighton, Partner, Ewarts

Andrew Marsden, Partner, Lisneys

Angela McGowan, Senior Economist, Danske Bank

Bernard Eastwood, Principal, Black Cube

Bill Kennedy & Jonny Millar, Colliers

BTW Shiells

David Gavaghan, CEO, Titanic Quarter Ltd

David Sterling, Permanent Secretary, DETI

Glenn Roberts & Jackie Henry, Deloittes

Gordon Irwin

Jacob Himmerlich, Centrebridge Partners

James Sackett, CarVal Investors

John Healy, CITI

John Moore, Retailer

Martin Haran, University of Ulster

Michael Graham, Director of Corporate Real Estate, Titanic Quarter Ltd

Nick Rose, Partner, RHM

Nigel Smyth, Director, CBI

Norman Apsley, CEO, NISP

Ronnie Hanna, NAMA

Roy Adair, CEO, Belfast Harbour Commissioners

Will Haire, Permanent Secretary, DSD

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Brian Ambrose, CEO, Belfast City Airport

Geraldine McAteer

Gerry McGinn

Hugh Black

Invest NI

Linda Brown, Director, IOD

Martin Smithson

Prof Richard Barnett, Vice Chancellor, University of Ulster

Prof Sir Peter Gregson, Vice Chancellor, Queen's University