



Belfast City Council

Report to:	Strategic Policy & Resources Committee
Subject	Forthriver Innovation Centre
Date:	21 September 2012
Reporting Officers:	Gerry Millar, Director of Property and Projects John McGrillen, Director of Development
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1	Relevant Background Information
1.1	Members will recall that an update on the proposed development 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 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.

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. This confirms the broad parameters of the project, namely that it will be an economic regeneration project which, in order to draw down the available funding, will need to focus on promoting business growth and innovation.
2.2	The next step in the process is to prepare the Development Brief. In essence the Development Brief is for an economic regeneration scheme on the site that will 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. The Brief will make the proposed scheme conditional on the Council being successful in drawing down the ERDF funding and on it receiving a positive economic appraisal.

2.3	<p>The Development Brief will incorporate a number of general technical issues which would be included in any Development Brief as well as a number of issues specific to this site. In general terms these include:</p> <ul style="list-style-type: none"> • Compliance with Invest NI and LED criteria around funding which seeks to support smart, sustainable and inclusive growth focusing on expanding the private sector and creating a world class business climate in Northern Ireland. • Requirement to develop a high quality building - in line with recent investments in this locality (E3 development). • Need to take account of alignment with the Belfast Met E3 development and potential for synergy with the work being undertaken at this site (linking training and employment opportunities). • Need to consider how local people may be able to access work placement, training and employment opportunities within the development. • Need to consider community engagement issues in the development and operation of the project. The developer will need to clearly demonstrate community support for their proposals and economic benefit to the adjoining communities both commercially and socially • The site has being identified as one of the ultra-fast digital zones within the Super Connected Broadband applications (funding decision awaited). • Access issues - need to ensure pedestrian access is maintained through Workman Avenue (access is managed as part of a Department of Justice contract and no changes are expected) and that other access issues are also addressed. • Alignment with the Council's Investment Programme 2012-15 where the development of the Forthriver site is a key project in developing the city's economic infrastructure.
2.4	<p>Potential developers, as part of their submission, will be required to provide detailed development proposals, financial information; funding details including projected capital and revenue costs; financial bid; proposed development/legal framework; development programme; economic benefits; analysis of risks; environmental considerations and consultation and engagement proposals. The developer will have to satisfy the Council, Invest NI and DETI of the suitability of their proposals, taking into account all relevant planning, site conditions, accessibility, community and environmental issues.</p>
2.5	<p>Subject to approval from committee, it is hoped that the Brief will be ready for issue in October 2012, with a view to a preferred bidder being appointed (following evaluation of the submissions) before the end of the year. Details of all submissions received will be brought back to the Strategic Policy & Resources Committee. Notification to the preferred bidder will however confirm that the offer is wholly conditional on a full assessment of the bid and an economic appraisal, to be carried out by DETI. In tandem, Invest NI will seek approval from their Board for the match funding element of the scheme. It is anticipated that the timescale for this process is likely to be around six months. The assessment by DETI will consider the economic viability of the project and assess whether there is any overlap in provision across government and other funded activity.</p>

2.6	<p>Subject to a satisfactory outcome of the funding process, the site layout for the actual development will then be agreed between Invest NI, the Council and the developer. Invest NI currently own the land but propose to dispose to the Council by way of long lease. The Council would enter into an Agreement for Lease and would be required pay a 10% non refundable deposit at this point. The Council, in turn, would enter into a simultaneous Development Agreement with the developer which would allow them to construct the building, with title to the land being granted to them on practical completion of the building. The work must be completed by mid-2015 in line with the timelines for the grant funding. This will be a condition of the agreement with the developer.</p>
2.7	<p>Preliminary discussions have already taken place between the Council and Invest NI in relation to the land acquisition but this will not complete until confirmation is received from Invest NI that the funding is to be made available for the whole scheme. The costs of the land (estimated to be in the order of £260,000) can count as part of the council's contribution to the scheme.</p>
2.8	<p>In recognition of the sensitivities of this site and the fact that it is located at an interface, it will be important for the project developer to take account of community issues. A Springfield Interface Working Group has been established and meets monthly at E3 and officers have presented at this and will continue to provide project updates, as appropriate. In addition, a number of individual community groups including Forthspring, Clonard Residents and Ainsworth residents have requested briefings on the proposals and these are being undertaken at present. It is also proposed that regular updates can be provided to the Community Safety Partnerships in West Belfast and Shankill, both during the project development phase and during implementation.</p>
2.9	<p>At the 24 April 2012 meeting of the Strategic Policy & Resources Committee, it was proposed that a Steering Group with Member representation could be involved in the Development Brief process and evaluation of bids (but with reports back to Committee). It is therefore proposed that the Chair of the Strategic Policy and Resources Committee and the Chair of the Development Committee (or nominees) are the political representatives on this group.</p>
2.10	<p>In terms of indicative financial requirements, it is impossible to provide a specific amount at this stage, in the absence of a project submission. However an indicative total project cost of around £8million has been referenced in the Investment Programme. Officers have engaged with the other potential funders of this scheme (Invest NI and DETI) and they have confirmed that they have taken account of these figures in their forward budgets.</p>

3	Resource Implications
3.1	<p><u>Finance</u> Until the business case is complete, it is not possible to state with certainty the financial contribution required from council however, at this point it is estimated that £2 million of funding could be required.</p>
3.2	<p><u>Human Resources</u> Staff resource, primarily from Development, Property & Projects & Legal Services departments will be required.</p>
3.3	<p><u>Asset & Other Implications</u> The development of this site should lead to improved social, economic and regeneration benefits in the area.</p>

4	Equality & Good Relations Considerations
4.1	None at this time.

5	Recommendations
<p>Members are asked to:</p> <ul style="list-style-type: none"> (i) Note the update on progress as provided above. (ii) Approve the issuing of a Development Brief with reference to the criteria and process outlined. (iii) Approve the involvement of the Chairs of Development and Strategic Policy and Resources Committees (or their nominees) on the project steering group. 	

6	Decision Tracking
Report to Committee following receipt and evaluation of submissions received in response to Development Brief.	

7	Key to Abbreviations
ERDF European Regional Development Fund DETI Department for Enterprise Trade and Industry LED Local Economic Development measure	

8	Documents Attached
None	