



## Belfast City Council

<b>Report to:</b>	Strategic Policy and Resources Committee
<b>Subject:</b>	Forthriver Innovation Centre – update
<b>Date:</b>	22 February 2013
<b>Reporting Officer:</b>	John McGrillen, Director of Development, ext 3470
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<b>1</b>	<b>Relevant Background Information</b>
1.1	Members will be aware that, at the 21 September 2012 meeting of the Strategic Policy and Resources Committee, an update report on the Forthriver project was presented for information.
1.2	Members were advised that, instead of progressing the project by means of a development brief (which had been the original intention), Invest NI had just provided confirmation that the only means by which the Council would be guaranteed the £4 million European Regional Development funding towards the project was for the Council to undertake the construction of the building itself. This would mean that the Council would undertake to build the premises and retain it in its ownership, however, a separate contract would be developed for another agency to operate the scheme.
1.3	The Committee agreed this approach, namely that the Council undertake the construction of the Forthriver Innovation Centre, following which a separate contract would be drawn up to seek expressions of interest for a third party to operate the building.
1.4	In order to ascertain the viability of the proposed scheme and to consider the cost implications, the Development Committee approved a budget for a feasibility study and business case at its meeting on 20 November 2012. Capaxo Ltd were appointed to carry out the work and the timeframe for completion was mid-February 2013. This was to allow the submission of a funding bid to Invest NI in advance of the 28 February 2013 deadline.

<b>2</b>	<b>Key Issues</b>
2.1	As part of the feasibility study and business case process, meetings were held with a range of potential end-users (both through direct engagement with companies and through trade bodies such as Momentum) as well as key statutory partners (Invest NI, universities, Belfast Metropolitan College, DETI, DCAL), other enterprise partners (Argyle Business Centre, Ortus, Workwest, Northern Ireland Science Park) and other relevant parties such as MATRIX and the Strategic Investment Board.
2.2	A workshop was also organised for elected Members in the areas immediately adjacent to the site and other political briefings were also held.
2.3	The feasibility study suggests that there is both demand and support for a development at this site and that it could have a significant regeneration impact for the area and act as a catalyst for the wider site development. However it acknowledges that there are challenges not only in relation to the physical site in terms of both contaminants that are likely to remain from the previous industrial use and perceptions about how accessible the site is and its distance from the city centre, but also given that this is an interface site. In this regard, it recognises the need for cross-community support to ensure that it is a neutral employment location.
2.4	The study suggests that there are significant opportunities for collaboration with e3 and other enterprise support partners (e.g. NISP, Argyle, Ortus) to ensure a steady flow of potential tenants and to support collaborative business support programmes and initiatives which can improve business productivity.
2.5	It is proposed that the target audience for the development is those businesses in growth-focused sectors that are innovative (i.e. using new processes and techniques or developing new products) and that are open to collaboration with other partners.
2.6	It is suggested that the building finish should be of a high quality – in line with the e3 development. There should be flexibility as to tenant terms and conditions as well as the internal fabric of the building (flexible space, informal meeting areas etc.). The building should have appropriate catering facilities (which could be open to the public).
2.7	The feasibility study suggests that the operating model should be that the building remains in Council ownership (this will also be a stipulation of the external funder) and that the management and business support services are outsourced (again, through public tender). It notes that consideration should be given to the governance structures, possibly involving an advisory committee that is not responsible for the delivery function but that guides the strategic development of the centre, to ensure maximum economic and social regeneration impact.
2.8	Finally, based on the available budget, the feasibility suggests that a development of 40,000-45,000 sq ft may be possible (including business space and open space) and that this scale of development could accommodate up to 200 jobs.
2.9	The feasibility study provides all supporting information required to make the funding application for the end February 2013 deadline.

<b>3</b>	<b>Resource Implications</b>
3.1	It is anticipated that the development can be completed within the £8million allocated budget (based on the current designs).

<b>4</b>	<b>Equality and Good Relations Considerations</b>
4.1	No specific equality and good relations implications.

<b>5</b>	<b>Recommendations</b>
5.1	Members are asked to note the update on the key findings of the feasibility study and business case for the Forthriver project and to endorse the submission of a funding bid to Invest NI on the basis of the findings, based on a total maximum project costs of £8million.

<b>6</b>	<b>Key to Abbreviations</b>
DCAL	– Department for Culture, Arts and Leisure
DETI	– Department of Enterprise, Trade and Investment
NISP	– Northern Ireland Science Park