



<b>Subject:</b>	Innovation Factory update
<b>Date:</b>	12 October 2016
<b>Reporting Officer:</b>	Donal Durkan, Director of Development
<b>Contact Officer:</b>	Colin McCabrey, Economic Development Manager

<b>Is this report restricted?</b>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
<b>Is the decision eligible for Call-in?</b>	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

<b>1.0</b>	<b>Purpose of Report</b>
1.1	The purpose of this report is to update Members on progress on the Innovation Factory (IF) Project which plays a key role in growing the city economy – the Council’s flagship new development to support new business starts and to encourage existing companies to grow and become more productive.
<b>2.0</b>	<b>Recommendations</b>
2.1	The Committee is asked to note: <ul style="list-style-type: none"><li>– how this project encompasses the Council’s aspiration for Growing the Economy under the Belfast Agenda;</li><li>– the work undertaken to mobilise the centre towards opening to the public on 29 September; and</li><li>– how community benefit and good relations has been incorporated into the operation of the centre as a model of best practice.</li></ul>

3.0	<b>Main report</b>
3.1	<p>The Innovation Factory is located at Forthriver Business Park and offers ‘Grade A’ standard business accommodation in the form of a 55,000 sq. ft. building comprising 32,240 sq. ft. lettable space and 5,133 sq. ft. innovation space. It is the first development on the wider 14 acre business park which was previously the site of James Mackie and Sons Engineering Works.</p>
3.2	<p>The Innovation Factory project characterises a local economy, community, place and situation which the Council hopes can be achieved on a city-wide scale. By this we mean:</p> <ul style="list-style-type: none"> <li>- A socially responsible centre where contract and management arrangements act as a catalyst for the local economy in terms of wealth generation, jobs, skills and employability, contributing to inclusive economic growth and the Council’s anti-poverty agenda;</li> <li>- A mix of ingredients for businesses to start, grow and innovate: infrastructure (telecoms and data storage), support, quality design of accommodation, access to other markets;</li> <li>- Capital investment leads to increased civic pride, shared space &amp; good relations, enhanced public realm, access to quality services and improved living environments;</li> <li>- Access to finance; and</li> <li>- Collaboration and innovation leading to a longer-term sustainable economy.</li> </ul>
3.3	<p>The centre will be a significant contributor to the Council’s job creation target of 50,000 jobs and 5,000 new businesses supported. The current draft of the Belfast Agenda sets out these targets for the next 20 years. These targets are still work in progress but the Innovation Factory will accommodate 382 workstations across 111 business units. It will support at least 145 jobs in the operation of the centre by December 2018 and 187 by December 2020. It will provide support annually to over 100 businesses and create 5 collaborative networks. It will promote and encourage social and economic regeneration, encourage local and foreign direct investment and act as a catalyst for further development of Forthriver Business Park.</p>
3.4	<p>Belfast City Council accepted hand over of the centre from the contractor Heron Bros Ltd on 18th April 2016 ahead of the scheduled capital completion date of 6th May 2016. The project was also completed in budget.</p>

3.5	<p>In parallel with the construction contract, the centre operators – Oxford Innovation Limited – were appointed via a competitive dialogue procurement process. The Service Contract with Oxford Innovation came into effect on 1<sup>st</sup> June 2016 and since that point they have been mobilising to get the centre open for business at the end of September.</p>
3.6	<p>Oxford Innovation Ltd is responsible for overall centre management. A range of operational services will be sub-contracted locally and/or delivered via existing or newly created social enterprises where opportunity exists. To support local supply chains, Oxford Innovation have held ‘Meet The Buyer’ sessions, with over 30 local businesses engaged to date. These have provided an opportunity to meet with potential suppliers of some of these sub-contracted services and a number of these contracts are now in place.</p>
3.7	<p>The Innovation Factory will not only provide business space. The centre will also offer business programmes and mentoring support to centre tenants (and non-tenants) to be provided by Full Circle Management Consultants (Belfast-based company).</p>
3.8	<p>Social regeneration impacts (including social enterprise development) will be delivered by Time Associates and GEMS NI. GEMS NI has a clear focus and track record in moving people from long-term unemployment, economic inactivity and worklessness to work and has been a partner of the Council on a range of initiatives since its establishment during the development of the Gasworks.</p>
3.9	<p>Since June 2016 Oxford Innovation and the Council have been working in partnership to get the centre ready for opening. This work has included:</p> <ul style="list-style-type: none"> <li>– Recruitment: local recruitment of an Innovation Director, Centre Manager, Assistant Centre Manager, Community Engagement Officer and two Centre Support Assistants;</li> <li>– Installation of telecoms infrastructure;</li> <li>– Development of brand guidelines for the centre and website;</li> <li>– Agreeing policies for the operation of the centre (e.g. finance manual, staff, procurement and lettings policies);</li> <li>– Agreeing the capital expenditure plan for the fit-out of the centre;</li> <li>– Agreeing the business growth and business innovation services delivered at the centre; and</li> </ul>

3.10	<p>– Agreeing the Good Relations and Shared Space Policy and Social Integration and Community Engagement Plan for the Centre.</p>
3.11	<p>The Innovation Factory’s Good Relations and Shared Space Policy and Social Integration and Community Engagement Plan demonstrate a commitment to ensuring that the centre will have a positive impact on local communities. These plans set out the Innovation Factory’s vision, namely:</p> <p><i>“The promotion of the social and economic regeneration of the Springfield Road and Shankill Road areas and surrounding locality, providing employment opportunities and acting as a catalyst for further development in the area.”</i></p>
3.12	<p>There are seven key priorities, each of which contain timed actions for delivery. The priorities are:</p> <ol style="list-style-type: none"> <li>1. To devise a clear and explicit policy based on the principles of Good Relations and Shared Space that ensures the IF remains a safe and welcoming environment where all members of the community, tenants, users, visitors feel comfortable and safe;</li> <li>2. To assist and support local businesses to tap into supply-chain ‘spin-off’ opportunities arising from the operation of the Innovation Factory;</li> <li>3. To facilitate skills development work placements and permanent employment opportunities for long term unemployed / economically inactive people living within the local community;</li> <li>4. To provide school children from the Springfield Road, Shankill area and surrounding locality with first hand exposure to Innovation and Entrepreneurship with the aim of inspiring the next generation;</li> <li>5. To engage actively with the local community to show-case operations including promotion of social enterprise activity and corporate social responsibility;</li> <li>6. To encourage positive local engagement aligned to the ethos of the Innovation Factory that can extend its core services to include under-represented groups; and</li> <li>7. Actively target, exploit and monitor potential sources of external support funding / other opportunities related to social regeneration.</li> </ol> <p>Progress on each of these areas will be reported at quarterly management meetings between the operator and Council officers. The payment mechanism for the operator contract has been set up in such a way that the operator must demonstrate progress not only on the commercial elements of the centre (% occupancy, agreed rental) but must also show that they are meeting their social regeneration obligations.</p>

<b>4.0</b>	<b>Appendices – Documents Attached</b>
4.1	None