



Subject:	Creative and Digital Industry (CDI) Initiatives
Date:	9 November 2016
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Is this report restricted?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Is the decision eligible for Call-in?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>

1.0	Purpose of Report
1.1	The Draft Programme for Government (PfG) Framework 2016-2021 aims to support a more innovative, creative society. It includes an ambition to have more people working in better jobs and connecting people and opportunities through our infrastructure. Many of the associated outcomes in PfG relate to building confidence and an increased desire to work, live and visit Northern Ireland. This is reflective of The Belfast Agenda and the Growing the Economy “pillar” in particular which identifies key growth sectors and clusters to help achieve the City’s ambition.
1.2	Recent investments by Creative and Digital Industry (CDI) companies in Belfast demonstrate that the sector can be globally competitive, attracting international investment and generating indigenous businesses that can compete in global markets.
1.3	The purpose of this report is to update Members on emerging areas of work within the Council that can contribute to the further growth of the sector in the City and to secure approval to move forward on these initiatives.

2.0	Recommendations
2.1	<p>The Committee is asked to:</p> <ul style="list-style-type: none"> – Support the work to explore the role for Council intervention in co-working space and develop a learning pilot for delivery of co-working space for Creative and Digital Sector Businesses, at a total cost of £50,000 (refer to sections 3.9 to 3.12). – Agree to make a contribution of £20,000 towards the costs of hosting the Cartoon Business event in May 2017, subject to Belfast being chosen as the preferred location for the event (refer to sections 3.15 to 3.18). – Note the proposal to develop a programme of activity and support a trade mission to SXSW Austin, Texas in partnership with Invest NI and Generator NI (10-19 March 2017) with a Council contribution of £20,000 towards an overall £50,000 funding package and agree that the Council should be represented at the event by the Chair of City Growth and Regeneration Committee or their nominee and one Officer (refer to sections 3.19 to 3.23). – Approve support for delivery of the Output Conference and music showcase in February 2017 in partnership with Ulster University, private sector partners and Generator NI, with a £20,000 contribution from the Council towards an overall funding allocation of £55,000 (refer to sections 3.24 to 3.28)
3.0	Main report
3.1	<p>Belfast is increasingly becoming a centre for professional services, software development and creative and digital technology. Research suggests that the City has specialisms in a number of areas including TV, film, gaming, animation and music as well as financial services technology, software development and cyber security.</p>
3.2	<p>While the City has been extremely successful in many areas, it is recognised that that this success can only be sustained if there is ongoing investment by all relevant partners. This requires an integrated approach to planning and investment which, to date, has been limited. Members will be aware of proposals to establish an Economic Forum for the City in order to move forward on some of the economic priorities identified within the Belfast Agenda. The buy-in and professional expertise of the Economic Forum will be fundamental to informing how the City supports sector and cluster development for our growth industries of Financial Technology, Financial and Legal Services, Cyber, Creative and Digital Industries, Green Technology, and Health and Life Sciences while, at the same time, ensuring that this growth is inclusive.</p>

3.3	<p>In August 2016, US-based financial technology company Tullett Prebon chose Belfast as the location for a major technology centre to create 300 new jobs contributing over £9.9m in additional salaries to the NI economy each year. Cyber Security is another growing sector with US firm Black Duck Software being the most recent investor to announce 58 new forecast jobs in Belfast contributing over £2 million annually in additional salaries to the local economy. There are currently 1,200 people working in the cyber security sector and the ambition is to continue to grow this to 5,000 over the next 10 years.</p>
3.4	<p>Key economic drivers behind these investments are the local talent pool, competitive overheads, excellent telecommunications infrastructure and research excellence.</p>
3.5	<p>Companies in this field are now working in global markets. In order to ensure that Belfast and its businesses can continue to play a role in these growing sectors, it is important to ensure that there is ongoing investment in infrastructure and support services to maintain and accelerate the rate of innovation and growth.</p>
3.6	<p>A number of emerging developments including the Belfast Story Visitor Attraction, the investment propositions accompanying the Belfast Transport Hub, the relocation of the BBC, the proposed refurbishment and extension of Belfast's Central Library, the Innovation Factory and North Foreshore Film Studios will each help underpin that growth.</p>
3.7	<p>A primary purpose of the Belfast Agenda is to ensure that actions under the "Growing the Economy" pillar are co-ordinated so that the requisite infrastructure and skills are available to meet demand, and that investments stimulate social inclusion. As a starting point to developing the Council's role in the Creative and Digital Sector and to ensure strategic fit with partner stakeholder interventions, research was undertaken by Deloitte to understand the key ingredients for an internationally competitive creative and digital sector. These included:</p> <ul style="list-style-type: none">– Infrastructure: including telecommunications and transport connectivity– Networking: opportunities to engage with like-minded businesses to share ideas and support collaboration– Skilled Workforce: there are some specialist technical skills that are needed to compete in the highly-competitive sector– Finance and Funding: creative businesses often need access to non-traditional finance or they need investment to pump prime development in the early years

	<ul style="list-style-type: none"> – Internationalisation: creative and digital businesses generally work in national and international markets; they are rarely focused on local markets only – Access to Markets: given the international nature of the business, access to new markets and international clients and partners is critical – Culture and Atmosphere: creative and digital businesses thrive in environments with a high degree of collaboration and opportunities for interaction – Mentors, Advisors and Support System: these are critical for providing targeted interventions to address growth challenges.
3.8	<p>The research noted that, while many of these ingredients were already in place in Belfast, there was a need for greater coordination and investment if the potential was to be fully exploited.</p>
3.9	<p>Collectively the Council is delivering cross-departmentally against many of these ingredients, in particular through the work of the City Centre Development, Smart Cities, International Relations, Employability and Skills and City Events teams as well as our partner engagement with Invest NI, Visit Belfast and Tourism Ireland.</p>
3.10	<p>Taking account of the work of our partner organisations, and focusing on areas in which the Council can provide added-value or those in which other partners are not directly engaged, it is proposed that a number of new initiatives will be taken forward to support the further development of the CDI sector in the City in the coming six months.</p>
3.11	<p><u>Infrastructure & Networking: Proposal for Co-working Space</u></p> <p>As Appendix 1 demonstrates, there are a number of providers of business workspace and business support initiatives to support the development of the Creative and Digital sector. Some of these are sector-specific: others are more generic but do tend towards higher-growth sectors, many of which are technology-focused. While there is now much more support available than in previous years, the scale of the demand is still outstripping supply. This is largely driven by work undertaken at Catalyst Inc. (formerly NI Science Park) as well as additional support in the Universities and Belfast Metropolitan College to encourage knowledge-based start-ups and new business growth.</p>
3.12	<p>The early concept work on the Belfast Story Visitor Attraction identifies the opportunity to support a number of complementary creative elements. In addition to the Belfast Story narrative, there are proposals for the integration of a cinema, performance space and studio</p>

	<p>space. Likewise, the adjacency to Ulster University is considered to provide opportunities for creative workspace to support spin outs and new business starts in the area identified in the City Centre Regeneration and Investment Strategy as the “Regional Learning and Innovation Centre”.</p>
3.13	<p>While this project is still some time off, it is proposed that further analysis is undertaken to understand how the Council (potentially with other partners) might add value in the interim in the provision of co-working space. This phased work will identify the need, inform the specification for any property solution and identify commercial terms through which the Council may engage and potentially develop a project in tandem with a third party, with a view to developing a sustainable solution. This project will be complementary to the work being undertaken by the City Centre Development Team to explore options for the use of vacant space.</p>
3.14	<p>Whilst analysis and development of a long-term co-working space solution advances there is also an opportunity for the Council to facilitate provision of accommodation and a support programme for small creative businesses in parallel. This will target new (less than two years old) micro businesses in the creative sector. This interim solution (approx. 6 months) will provide businesses with co-working space and business coaching support. Belfast City Council will invite established local creative companies to provide space for use by up to 40 individuals or new starts that do not currently have a base. The larger business will also be contracted by the Council to provide some business support and mentoring to the micro businesses. In addition, Officers will look at how venues such as the Innovation Factory can be used for masterclasses and showcasing events for participating businesses, in order to support the key elements of the creative support ecosystem and test out what works, in order to inform any future investment.</p>
3.15	<p><u>Internationalisation: Hosting major business events</u></p> <p>Cartoon Business is an annual international business event focusing on securing finance for film and television series. It has been running for more than 20 years and has taken place in many cities around Europe including Dublin, Utrecht, Paris and Barcelona. The 2017 event will take place on 9-11 May and the organisers have issued a call for cities interested in hosting the event. Belfast City Council, DCAL and Invest NI supported the event in 2013.</p>
3.16	<p>Cartoon Business regularly attracts around 250 European animation professionals and addresses topics around sources of financing and how producers can increase revenues</p>

	<p>from their animated TV production. Public and private funding, new business models, licensing and merchandising and legal issues are also explored to allow professionals to capitalise on their investment and maximise opportunities for economic return.</p>
3.17	<p>The Conference is a three day event at which key speakers from the film and television sector share experience on a range of topics. By hosting the Cartoon Business Conference in Belfast, local animation companies will have the opportunity to improve their knowledge and skills, and help them understand the market to maximise the return on their productions. The Conference will also provide the opportunity for local studios and production companies to attend high level training at a reduced cost and animation students also have the opportunity to attend the sessions and face the key issues of the industry. Visit Belfast has forecast that the Conference will generate £230,000 to the local economy in terms of bed nights and visitor spend.</p>
3.18	<p>Partners from the Department of Communities, NI Screen, Ulster University and Visit Belfast have committed to provide financial assistance of up to £54,000/€60,000 towards the costs of the event. The partners have asked Belfast City Council to be part of the funding partnership, at a level of £20,000. The remaining amount will be contributed by the other partners – as set out in 3.29. A decision on the location for the 2017 event will be made in November 2016. If Belfast is chosen as the location for the event, it will take place in the Belfast Waterfront.</p>
3.19	<p><u>Internationalisation & Access to Markets: showcasing</u></p> <p>The Council's research work highlights the need to communicate the City's assets and strengths to key international markets and investors whilst promoting access to markets for local businesses.</p>
3.20	<p>South by Southwest (SXSW) in Austin, Texas remains the key US showcasing, deal striking, networking and media forum for the international media industry attracting 15,000+ attendees. Belfast City Council has participated in the event in previous years to promote music and digital industries and to profile Belfast as a key investment location and hub for new creative start up businesses. Fourteen Belfast businesses and three Belfast bands attended in 2016 leading to two new company/app launches, £185,000 sales and three USA Booking Agents confirmed. The 2017 event will take place from 10-19 March 2017.</p>
3.21	<p>Taking account of lessons learned from attendance at previous events, and recognising</p>

changes to Invest NI support for trade mission engagement, the proposed 2017 mission will involve the Council supporting five local micro businesses who are not Invest NI clients to attend. Since earlier this year, Invest NI has restricted its financial support towards trade mission activity to focus on Invest NI clients only. In line with its expanded role in supporting small business, the Council will identify five companies with the potential to export that are not currently active in export markets. The companies will receive mentor support before their visit in order to prepare them to make the most of engagement in the event. They will also be supported during the event and will have access to a post-event programme of support to ensure that they are able to follow up on opportunities identified. Invest NI and Generator NI (the music industry support body) will support twenty additional companies and four artists at SXSW 2017 by providing up to 50% of the travel, accommodation and Conference pass costs. Belfast participants supported by Invest NI or Generator may also avail of the Belfast pre and post trade mission support. This approach is supported by Invest NI and Generator.

3.22 Over the next 12 months, Digital Catapult NI will be developing Creative and Digital Clusters to engage in a stream of activities to support and help build on NI's capability in this sector. Belfast City Council is therefore working with Digital Catapult to maximise local participation at SXSW, particularly those new businesses that have never attended the event but that could benefit from engagement. By partnering with Digital Catapult on the Immersive Tech NI launch and Hackathon (taking place 4-5 November 2016 at The Hive PwC), it is hoped that new talent will be identified for participation at SXSW.

3.23 In addition to the company engagement, Belfast City Council will work with Invest NI and Generator NI to deliver a Creative Belfast Meet The Buyer event, a music showcase and networking event. The Belfast team can also participate on the UK Trade and Investment (UKTI) exhibition stand. The cost for the Council contribution will be £20,000 with another £20,000 being provided by Invest NI and £10,000 by Generator NI.

3.24 Atmosphere and Culture: support for key events

Output Belfast is a music Conference, showcase and performance event. The second annual event took place in February 2016 welcoming a daytime audience of 350 persons and 75 national and international guests. The evening showcase had an overall audience figure of 1,250, spread across 9 different venues. It was primarily hosted in The Mac and Oh Yeah Music Centre but also across multiple venues in the Cathedral Quarter.

3.25	Output Belfast is the island's largest one day music Conference, catering for the wider creative industries, and a one-night showcasing event of over 30 of Northern Ireland's most exciting new bands. The event is developed and hosted by Generator NI and Belfast City Council with additional support from the PRS for Music, BMI, Invest NI, Ulster University and the creative sector.
3.26	The Conference was designed to share knowledge using industry focused workshops, panels and networking events hosted and presented by national and international music industry leading figures.
3.27	Based on the successes of previous events, it is proposed that Output 2017 will be scaled up to attract 500 daytime delegates, 30 music showcases and a minimum audience at the evening showcase event of 1,400 persons. The provisional date for the event is 18 February 2017.
3.28	The overall cost of the event is £55,000. The proposed Council contribution to the event is £20,000. Other commitments include £15,000 from the private sector, £15,000 from Generator NI and £5,000 from Ulster University.
3.29	<p><u>Financial & Resource Implications</u></p> <p>The total cost for delivery of these initiatives for Belfast City Council is £110,000 broken down as follows:</p> <ul style="list-style-type: none"> – Co-working space development: £50,000 towards the research piece as well as the pilot project working with “host” businesses to support new creative start-ups – Cartoon Business Conference: Council contribution towards a total cost of €60,000 (£54,000) is £20,000. The remainder will be met by Department for Communities (£20,000); NI Screen (£10,000), Ulster University (£2,000) and Visit Belfast (£2,000) – South by Southwest, including pre and post trade mission mentor support to participants: Council contribution towards a total cost of £50,000: £20,000. Remainder to be met by Generator NI (£10,000) and Invest NI (£20,000) – Output: Belfast City Council-led activity: £20,000. Remainder of programme cost met by Ulster University £5,000, Generator NI £15,000 and Private Sector £15,000).
3.30	This budget is included within the Economic Development Revenue Budgets for 2016/17. As the Cartoon Business Conference is scheduled for May 2017 it is proposed that part of the funding will be included within the 2017/18 estimates process for the Department subject to

3.31	Belfast being confirmed as the host City for the event. <u>Equality & Good Relations Implications</u> No specific equality or good relations considerations.
4.0	Appendices – Documents Attached
	Appendix 1 - Emerging CDI Focal Points and Key Players