Subject:	Request to Present - Cyber Security
Date:	7 December 2016
Reporting Officer:	Donal Durkan, Director of Development
Contact Officer:	Lisa Toland, Head of Economic Initiatives and International Development

Is this report restricted?		**Yes**		**No**	X
Is the decision eligible for Call-in?		**Yes**	X	**No**	

1.0	**Purpose of Report**
1.1	The purpose of this report is to request Committee approval to receive an update on recent research undertaken on the cyber security sector in the city, setting out the potential scale of growth in the sector and identifying an action plan for future investment.
2.0	**Recommendations**
2.1	Committee is asked to • agree to a presentation from the working group on cyber security at the January 2017 meeting of the City Growth and Regeneration Committee.
3.0	**Main report**
3.1	The MATRIX Digital ICT report, launched in February 2016, identified cyber security as one of four areas where Northern Ireland has potentially world-class strength. The report argued that if we have the skills and strategy correctly aligned, we can take full advantage of opportunities in these fast growing global markets.

3.2	The global context for this investment is that: – There is to be a projected 38% growth in business spending on cyber security software, services and hardware between now and 2020 (source: International Data Corporation) – Employment opportunities in the cyber security sector are projected to grow from 1 million currently to 1.5 million in 2019.
3.3	The focal point for the sector in Belfast is the Centre for Secure Technologies (CSIT) – the UK's innovation and knowledge centre for cyber security. It is the largest centre of its kind in the UK. On the back of the research expertise at the centre, there have been 8 FDI Investments in the sector, the most recent being Black Duck, based in Boston. Market research indicates that there is significantly more growth potential in this area if industry, academia and government can work more closely together going forward.
3.4	In order to identify key areas for collaboration and to set out the priority actions to achieve the growth potential, an action plan is currently being developed by the Cyber Working Group, of which BCC is a member. This action plan will clearly set out opportunities, and what Belfast partners will need to do to deliver on the skills and strategy alignment, encourage more business starts, business growth and Foreign Direct Investment (FDI). Members will be aware that the Belfast Agenda's Growing the Economy theme focuses on fostering business growth, creating employment and opportunities and attracting investment into the city. The development of the cyber security sector can make a significant contribution to all of these objectives.
3.5	The MATRIX work recognised that cyber security impacts across a range of disciplines and noted that cross-sectoral engagement will be required to ensure that the action plan can deliver on a series of economic and social ambitions. In the context of Belfast, this could generate the following benefits: – CSIT's vision is to grow the cyber sector in Northern Ireland to 5,000 jobs in the next ten years (there are currently 1,200 people working in the sector). The vast majority of these jobs will be in Belfast, given the access to research facilities at CSIT – Attracting those additional jobs will generate a demand for an additional 400,000 sq ft of Grade A accommodation. In addition to the permanent roles, these will support almost 500 jobs during the construction phase – Cyber security jobs tend to pay significantly above the Northern Ireland median –

	typically up to 50% more.
3.6	The research work will feed into the Programme for Government consultations, scheduled to close on 23 December 2016. It will be used to influence government policy and investment decisions in the coming financial years. It is proposed that the key findings and recommendations are presented to the January 2017 meeting of the City Growth and Regeneration Committee in order to help Members understand the potential scale of the sector in the City and to consider how the Council, in conjunction with other partners, might support its future development.
	Financial and resource implications
3.7	No specific financial or resource implications at this point. The Director of Development is currently part of the Cyber Working Group.
	Equality or good relations implications
3.8	No specific equality or good relations implications.
4.0	**Appendices**
	None.