

# Public Document Pack

Democratic Services Section  
Chief Executive's Department  
Belfast City Council  
City Hall  
Belfast  
BT1 5GS



Belfast  
City Council

## **MEETING OF CITY GROWTH AND REGENERATION COMMITTEE**

Dear Alderman/Councillor,

The above-named Committee will meet in the Lavery Room - City Hall on Wednesday, 11th January, 2017 at 5.15 pm, for the transaction of the business noted below.

You are requested to attend.

Yours faithfully,

SUZANNE WYLIE

Chief Executive

### **AGENDA:**

1. **Routine Matters**
  - (a) Apologies
  - (b) Minutes
  - (c) Declarations of Interest
2. **Presentation**
  - (a) Cyber Security
3. **Restricted Items**
  - (a) Interactive 3D City Model (Pages 1 - 14)
  - (b) Potential Land Acquisition (Pages 15 - 22)
  - (c) Belfast Zoo Report (Pages 23 - 28)

4. **Request to Present to Committee**

(a) Belfast City Centre Management (Pages 29 - 32)

5. **Positioning Belfast to compete**

(a) Routes Conference 2017 (Pages 33 - 36)

6. **Growing Businesses and the Economy**

(a) Support for Small and Medium Sized Enterprises (Pages 37 - 46)

7. **Finance, Procurement and Performance**

(a) Corporate Risk Update (Pages 47 - 56)

By virtue of paragraph(s) 4 of Part 1 of Schedule 6  
of the Local Government Act (Northern Ireland) 2014.

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<b>Subject:</b>	Belfast City Centre Management: request to present to Committee
<b>Date:</b>	11 January 2017
<b>Reporting Officer:</b>	Donal Durkan, Director of Development
<b>Contact Officer:</b>	Lisa Toland, Head of Economic Initiatives and International Development

<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 the report is to request Committee approval to invite representatives from Belfast City Centre Management (BCCM) to attend the March 2017 meeting of the Committee to set out their business plan and request for financial support from the Council in the coming financial year.
<b>2.0</b>	<b>Recommendations</b>
2.1	The Committee is asked to; <ul style="list-style-type: none"> <li>• Agree to a presentation from BCCM at the March 2017 meeting of the City Growth and Regeneration Committee.</li> </ul>
<b>3.0</b>	<b>Main report</b>
3.1	Members will be aware that Belfast City Centre Management was established as a public-private partnership to support the development of the city centre.

3.2	<p>The organisation carries out a range of services on behalf of its funders. The key public sector funders are Belfast City Council and Department for Communities. The private sector investment comes through a Service Level Agreement (SLA) with the Belfast Chamber of Trade and Commerce (BCTC) and the organisation also receives income from the Belfast One BID to cover the costs of some overheads associated with hosting the organisation in the offices of BCCM.</p>
3.3	<p>The Council is represented on BCCM Board by Councillors Craig and Dudgeon. There are also two officers sitting as Advisors to the Board, representing the Development and City and Neighbourhood Services Department.</p>
3.4	<p>BCCM played an important support role in establishing the Belfast One Business Improvement District (BID). It is also undertaking the development work on another BID which will cover the main office area around the City's Linen Quarter. The ballot for this BID is likely to take place in Autumn 2017.</p>
3.5	<p>BCCM has undergone some changes to its business model since the introduction of the two BIDS in Belfast One and Cathedral Quarter in the course of the last year. The development work on a third BID and its potential introduction from the end of 2017 will mean further changes to the role of the organisation in supporting city centre development. The establishment of the City Centre Development Team within the Council along with an enhanced focus on the City Centre as a retail, cultural and business hub for the region signifies a change in focus for the Council's activities in this area. Taking account of all of these changes in the operating context, it is important to consider how BCCM can play a useful support role for the Council going forward. The Council will also engage with DfC, as the other principal public funder, to consider the future funding implications of the organisation and its delivery role in the context of the changing support structures for the City Centre and the changing operating environment.</p>
3.6	<p>In order to understand the current work of the organisation and to set out their plans for activity in the coming financial year – including a request for funding from the Council – it is proposed that representatives from BCCM are invited to attend the March 2017 meeting of the City Growth and Regeneration Committee.</p>

3.7	<p><u>Financial and resource implications</u></p> <p>In the current financial year, Belfast City Council's funding to BCCM is £190,000. An allocation of £190,000 has been included within the Departmental estimates for the financial year 2017/18.</p>
3.8	<p><u>Equality or good relations implications</u></p> <p>No specific equality or good relations implications.</p>
4.0	<p><b>Appendices – Documents Attached</b></p>
	<p>None</p>

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<b>Subject:</b>	Routes Europe Conference 2017
<b>Date:</b>	11 January 2017
<b>Reporting Officer:</b>	Donal Durkan, Director of Development
<b>Contact Officer:</b>	Maggie McNally, Strategic Programme 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 the upcoming business tourism event taking place in Belfast in April 2017, the annual Routes Europe Conference.
<b>2.0</b>	<b>Recommendations</b>
2.1	The Committee is asked to: <ul style="list-style-type: none"> <li>Note the update on the Routes Europe Conference which will take place in Belfast for the first time on 23-25 April 2017.</li> </ul>
<b>3.0</b>	<b>Main report</b>
3.1	In October 2016, the Council agreed to commit £100,000 to support the costs of hosting the 2017 Routes Europe event at Belfast Waterfront. Routes Europe have indicated that the benefits to a city hosting the event in terms of positive PR coverage, potential new airline routes announcements and additional leisure/business tourism visitors, could be in the region of more than £50million. This is based on feedback and measurement of Routes Conferences that have been held in other cities.
3.2	The bid for Belfast involves financial contributions from a range of partners. These include:

3.3	<ul style="list-style-type: none"> <li>- Approximately £348,000 agreed by Invest NI. (In addition, they have spent £137,000 securing the Routes Conference for Belfast City)</li> <li>- Tourism Ireland (TIL) - £20,000</li> <li>- Tourism NI (TNI) - £165,000</li> <li>- Visit Belfast - £20,000</li> <li>- BWUH Ltd - £10,000</li> <li>- Local airports - approximately £100,000 each</li> </ul>
3.4	<p>In addition to these funding contributions, all partners are also making additional contributions in-kind in order to ensure the success of the event.</p>
3.5	<p>Routes Europe is a particularly attractive Conference due to the economic impact that it will have, particularly on potential new air routes. It is the largest regional gathering for all aviation-based companies operating in Europe. This major international event brings together decision makers from airlines, airports and tourism authorities to negotiate and build relationships that will shape the world's future air route networks. Routes events occupy a unique position, both in the field of aviation and as an economic development catalyst. Air transport is one of the means of regional economic development and Routes delivers to the event – and the host city – the key decision makers within the industry.</p>
3.6	<p>Routes Europe is an annual event which takes place in major European cities over a three day period. Following the successful bid by Belfast, the Routes Europe 2017 event will take place in the city on 23-25 April 2017. The delegates are considered to be 'guests' of Routes and therefore of the host city, which will provide Belfast with a rare opportunity to bring influential decision makers into the city, make them welcome, build a relationship with them and seek future partnerships.</p> <p>It is estimated that the event will attract around 1,000 delegates representing more than 100 global airlines, airports and tourism promotion agencies. In addition to the significant financial impact of the delegate spend – estimated at around £1.3million – the event presents an excellent opportunity to demonstrate the economic and tourism potential of the city of Belfast to a range of decision-makers, focusing on the key messaging identified within the emerging city narrative whilst showcasing all that is on offer for airlines, tourists, businesses and inward investors. It also provides the City with an opportunity to positively change perceptions about our airports and Belfast as a destination. There is a significant</p>



	<p>promotional campaign underway for the event at present, and one of the key recent promotional opportunities has been at the World Routes conference which took place in Chengdu, China in September 2016.</p>
3.7	<p>The main Conference and showcase will take place in the Belfast Waterfront while a welcome reception will be held in Belfast City Hall and a gala networking event in Titanic Belfast. Organisers and the local team are working closely together on a programme of supporting events across the city. This “Team Belfast” approach has ensured joined-up working with all partners. Research shows that the host city has a significant impact on delegates’ overall satisfaction and the Belfast Waterfront will be able to showcase that it can deliver well-organised meetings and a high standard of events in a luxurious, state of the art, riverside location presenting a positive impression of the city.</p>
3.8	<p>In addition to the main conference programme, the local planning group is currently looking at animating the city during the event. This may include banners as well as some cultural animation. Tourism NI is also providing four delegate tours and these will be offered as part of a side programme to the main conference.</p>
3.9	<p>The Routes Europe Conference has the potential to accelerate air route development. Previous host cities report that they have secured agreement on up to six new routes after holding the event as well as increases in airline operations over subsequent years. Members will be aware that air route connectivity has been identified as one of the most critical elements required to support future tourism and business growth. The Integrated Tourism Strategy noted that limitations in air route connections to key business destinations was one of the most significant challenges to the ambition of doubling the value of tourism. Routes Europe helps support a fundamental part of the business tourism strategy – business and leisure tourism is of key importance in growing the tourism industry and doubling tourism spend by 2020.</p>
3.10	<p>The Northern Ireland Executive has invested in a range of incentives to secure key routes from the region’s airports. Despite this, there are opportunities for further development – particularly to a number of key European business hubs – and it is considered that this event will be a critical part of work to secure these new routes. Longer-term benefits will also come from the extensive international PR coverage for Belfast that the Conference will generate and this can be used to profile the city as an attractive leisure and business tourism destination and to carry some of the key messages around the business and</p>

3.11	<p>investment opportunities in the city.</p> <p>To ensure the successful delivery of the event and ensure that the City realises the full benefits of hosting such a Conference three working groups have been set up to co-ordinate the event:</p> <ul style="list-style-type: none"> <li>- <u>Marketing/Communications group</u> Met 7 November. Working group with Event-ful Event Management company and all stakeholders to get partners up to speed on all aspects of event.</li> <li>- <u>Logistics group</u> Met 14 November. Working group with Invest NI, Visit Belfast, Event-ful Event Management, Tourism NI, Belfast International Airport, Belfast City Airport and Belfast Waterfront specifically relating to logistics, airport welcome, coach tendering and delegate transport and scheduling.</li> <li>- <u>Events group</u> Met 15 November. Working group with Invest NI, Visit Belfast, Event-ful Event Management, Tourism NI and Belfast City Council specifically relating to Welcome reception, networking event and animating the city</li> </ul>
3.12	<p>These groups will continue to meet in the run-up to the event in order to ensure that all planning details for the event are taken care of and that the City makes the most of this opportunity to showcase Belfast as a successful business and tourism destination. A further progress report on all of this work will be brought to Committee prior to the April 2017 event.</p>
3.13	<p><u>Financial and Resource Implications</u></p> <p>The £100,000 funding allocation has already been approved by the Committee and is built into the 2016/17 budget and Q2 year end forecast.</p>
3.14	<p><u>Equality or Good Relations Implications</u></p> <p>No specific equality or good relations implications.</p>
4.0	<p><b>Appendices – Documents Attached</b></p>
	<p>None</p>



<b>Subject:</b>	Initial proposals for accelerating small business growth, job creation and investment in line with the Belfast Agenda
<b>Date:</b>	11 January 2017
<b>Reporting Officer:</b>	Donal Durkan, Director of Development
<b>Contact Officer:</b>	Lisa Toland, Head of Economic Initiatives and International Development

<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 present the proposed direction of travel regarding the Council's support for Business Start-Up, Business Growth, Job Creation, Skills Development and Investment in order to meet the ambitions set out in the Belfast Agenda.
1.2	The Belfast Agenda has recently been issued for consultation, with ambitious targets to grow the Belfast economy through supporting small businesses, attracting investment, creating jobs and developing skills. Whilst Belfast City Council has been involved in the development and delivery of support services to small businesses for almost 20 years, a significant step-change is now required in the services and programmes provided within the Development Department. The transfer of enterprise powers, alongside the Community Planning powers, provides a clear opportunity for the Council to take a much more significant leadership role in this regard.
1.3	This report sets out the current thinking on significantly enhancing the small business and investment services and aligning this with the planned employability and skills programmes.

1.4	It should be noted that further reports will be brought back to Committee as specific business propositions are developed. However it is vital that there is additional investment in 2017/18 under the Belfast Agenda budget line to enable this preparatory and developmental work to be undertaken.
<b>2.0</b>	<b>Recommendations</b>
2.1	<p>The Committee is asked to:</p> <ul style="list-style-type: none"> <li>• Note and approve the direction of travel for Council support for business Start, business growth, job creation, skills development and Investment, as set out in 3.10-3.18</li> <li>• Agree to receive update reports setting out full details of the new programme activity at a future meeting of the Committee</li> <li>• Agree that a tender exercise can be undertaken at this point for a Small Business Procurement Support Programme to begin in 2017/2018.</li> </ul>
<b>3.0</b>	<b>Main report</b>
3.1	<p><b><u>Belfast Agenda Targets</u></b></p> <p>Members will be aware that inclusive economic growth is a central theme of the Belfast Agenda. Over the next five years the draft Belfast Agenda commits the Council to lead on:</p> <ul style="list-style-type: none"> <li>• The creation of 15,000 new jobs;</li> <li>• Support for 4,000 small business start-ups; and</li> <li>• Attracting £1 billion of private sector Foreign Direct Investment.</li> </ul>
3.2	<p><b><u>Current Challenges</u></b></p> <p><b><i>Low Business Start-up rates.</i></b> Members will be aware that the business start-up rate in the City lags significantly behind other locations across Northern Ireland and is also lower than other comparator cities in UK and Ireland. The recent Centre for Cities Outlook Report indicated that Business Start-up rates in Belfast were the lowest of all 63 cities considered as part of the analysis, at less than 30 people per 10,000 of population starting a business in the city. This compares to 100 in London and 56 in Bristol.</p>
3.3	<p><b><i>Low Productivity Levels.</i></b> The secondary challenge is that the productivity levels in Belfast are much lower than other cities. This has an impact on wage levels and overall city competitiveness. The deficit can be illustrated by looking at levels of innovation in the</p>

	<p>economy, as measured by the number of patents filed. In the Centre for Cities Outlook, Belfast ranks 60 out of the 63 cities in terms of patents filed by businesses. In Belfast, the figure is 1.1 patent filed per head of population. This can be set against a figure of 102 patents per head of population for Cambridge, 20 in Aberdeen and 8 in Bristol.</p>
3.4	<p><b>Not enough people with high enough skills.</b> One of the major contributory factors to a lower productivity rate is the skills levels in the City. While Belfast performs relatively well in terms of higher level skills, it ranks 62 out of the 63 cities in terms of residents who have no formal qualifications. This not only impacts on productivity levels but also creates additional social challenges within the city. Forecasts suggest that only 1 in 6 of new jobs to be created will be open to those with no or low skills levels. This presents a significant risk for those residents who currently have no or low skills in terms of their ability to access employment opportunities in the future.</p>
3.5	<p><b>Need to continue focus on FDI.</b> Whilst Belfast has over the last 7 or 8 years, performed very well in terms of inward investment (ranking second behind London in UK terms), it is vital that this success is built upon and that the proposition is developed further for a post Brexit situation, to ensure that Belfast can compete successfully with other similar cities.</p>
3.6	<p>Therefore the broader challenges in terms of business start, business growth, Investment and skills development are:</p> <ul style="list-style-type: none"> <li>• The need to grow the overall number of businesses starting up in the city</li> <li>• The need to make those businesses more viable, productive and competitive</li> <li>• The need to ensure that businesses have access to the talent pipeline and expertise and that they need to help them reach their potential</li> <li>• The need to maintain and improve the profile of the city as a dynamic, cost competitive investment location.</li> <li>• The need for implementation of a Belfast skills development strategy, linked to the Belfast Works programme</li> </ul>
3.7	<p>In developing linked programmes of work to address these challenges, the aim will be to make indigenous businesses themselves more competitive, attract more business to the City and hence create more jobs, skills pipelines and also increase the rates base.</p>

3.8	<p><b><u>What we already do</u></b></p> <ul style="list-style-type: none"> <li>• <u>Starting a business</u>: current activities include a range of targeted outreach initiatives with key groups to encourage them to consider starting a business. This includes targeted support for social enterprises and for students starting a business</li> <li>• <u>Growing a business</u>: our current support in this area is focused on a number of key projects including the Innovation Factory, export development opportunities for local businesses through our international links and initiatives to help businesses to access opportunities from public procurement</li> <li>• <u>Investing in Belfast</u>: This involves a wide range of programmes working alongside Invest NI. In the last 18 months our activities have increased extensively with a new international relations framework and more business/investment focused relationships with China, Boston and Nashville, a programme of inward visits, new marketing plans and investment portfolios.</li> <li>• <u>Skills Development</u>: In the last 18 months a new Employability and Skills Framework has been developed which includes; the development of programmes to deliver skills development and employment opportunities for those furthest from the labour market; engagement with educational institutions to support higher level skills programmes in line with employer needs; and programmes to support upskilling for those seeking to progress in employment.</li> </ul>
3.9	<p><b><u>What we are proposing to do:</u></b></p> <p>Meeting the targets outlined in the Belfast Agenda will require a significant uplift in the investment and resource commitment from the Council to ensure that, along with partner organisations, we develop a menu of the right support services and programmes.</p>
3.10	<p><b>A Small Business Support Service</b></p> <p>We propose to develop and market a comprehensive and coordinated “small business service” that will ensure that companies get access to the help they need, when they need it and that there is no duplication in provision across partner organisations.</p>
3.11	<p>In 2017/18 the development of such a service will involve:</p> <ul style="list-style-type: none"> <li>• Exploring the viability of additional financial incentives for specific target groups in starting a business e.g. young people, residents in disadvantaged areas;</li> <li>• Developing a mentoring programme for small business starts, with access to expertise and helping to support business to business links;</li> </ul>

- Collaboration with universities, Belfast Metropolitan College and Catalyst Inc. to develop a strong tech start programme. This will include looking at new models of flexible workspace provision alongside wrap-around support services in line with the business needs
- Developing large-scale enterprise education initiatives to embed the entrepreneurial culture at an early age and to promote positive role models who have started their own business. There will be a focus on new growth sectors and emerging areas.
- Expansion of Student Enterprise programmes, building on the award-winning Belfast Enterprise Academy, to help college and university students develop their business ideas alongside their academic studies
- Expansion of the core Business Start (Go for It) programme focusing on those businesses that have the greatest growth potential or that are in key growth sectors.
- Development of the Innovation Factory, with a target of creating almost 400 additional jobs by 2020 across over 100 new businesses as well as exploring opportunities for additional workspace provision, focused on key growth sectors e.g. creative and digital businesses.
- Developing a number of specific sector growth strategies. These will be based on existing specialisms and will include industries such as cyber security, financial technology and creative and digital. Key actions are likely to include generating additional international business opportunities through Sister City and wider global connections, targeted skills development initiatives in the key sectors, support for additional research and development, developing additional networking opportunities to encourage greater collaboration between local companies (and FDI businesses located here)
- Exploring potential accelerator projects and investment funds to support high growth businesses. We are currently working with Boston-based funds partners to look at the potential of running a similar programme in Belfast. We also intend to use the Resilient City global networks, which may also assist in the development of a small business commission for the city.
- Delivery of a 1-2-1 business mentoring programme for all companies interested in business growth. This will include support on issues such as marketing, doing business online, exploring export markets, managing cashflow and new product development
- Development of export development and international business opportunities,

focusing on Sister City connections.

- Helping companies to explore new business opportunities presented by public procurement. We have already delivered previous support programmes of this nature and the participating companies have accessed more than £1.5million in new business
- Exploring supply chain opportunities arising from new regeneration and development opportunities and ensuring that local businesses are aware of and positioned to take advantage of these opportunities.

#### **Investment Advice Service**

3.12 We would propose to establish an Investment Advice Service which will:

- Develop and actively market the unique “City Proposition” for international investors and aim to improve the experience of new and existing investors in the City
- Work with Sister City and other key investment destinations to promote Belfast as an investment location for key sectors and to encourage investment in the City’s future infrastructure development
- Work with London and Dublin in particular to explore business opportunities post-Brexit and to develop the City’s business proposition to exploit the future growth and investment potential.

#### **Skills Development and Employability**

3.13 The Employability and Skills Framework adopted by the committee last year, following consultation, outlines the ambition to:

- Link to the Belfast Works Programme to develop skills and employment opportunities for those furthest from the labour market,
- Engage with educational institutions to support higher level skills programmes in line with employer needs and programmes to support upskilling for those seeking to progress in employment, with particular focus on key growth sectors.
- Develop and roll-out future phases of the Hospitality Employment Academy (HEA) and development of other similar programmes in other key growth sectors.
- Develop higher skills programmes in key sectors, e.g. cyber sector, to ensure the development of world-class research leadership as well as an increased graduate talent pool for business.

**Leadership**



3.14	<p>The Council has just set up a new Economic Think Tank for the City with key anchor institutions and Belfast Business. This will be developed further into a wider Economic Forum for the City to help advise the Council in stepping up these activities.</p> <p><b>Research and Specific Support</b></p>
3.15	<p>It is proposed that a number of research pieces are undertaken to inform the proposed new interventions and also to ensure that progress is tracked. These will include:</p> <ul style="list-style-type: none"> <li>• Accessing ongoing policy support from the UU Economic Policy Centre: as a sponsor of the Centre, the Council is represented on the Advisory Board and has access to a wide range of research and analysis work that impacts on our key priority areas of work. These include economic inactivity, the impact of Welfare Reform and implications of Corporation Tax reductions</li> <li>• Research to help establish an enterprise framework for the city: this research will identify the quantum between current start-up levels and where the city needs to be in terms of volume of businesses. It will also look at how the productivity levels in the city can be improved by encouraging more high level start-ups. This will help the Council to fine-tune its own activity and will help influence investments by other partners, many of whom are also part of the Community Planning Partnership. It will shape the Business Start and Business Growth work</li> <li>• Research on barriers to starting a business: this research will help understand perceived barriers. This will be shared with partners involved in the delivery of Business Start support and will help shape future investment.</li> </ul>
3.16	<p>One of the specific programmes for which the business case has already been developed is the programme to help companies access public procurement opportunities, including opportunities from Belfast City Council. This support has been ongoing for a number of years and participating companies have benefitted greatly from their involvement. Over the last three years, 71 local companies have taken part and they have secured new business to a value of more than £1.5million – an average win of almost £22,000 per participating company.</p>
3.17	<p>The current programme will end in March 2017. It is proposed that a tender for delivery of the new programme is issued with an option for the delivery of up to 4 programmes involving up to 100 participants, subject to budget availability on an ongoing basis. The final programme costs will not be available until the procurement process is completed but it is likely that the cost for each programme will be in the region of £50,000. The</p>

	<p>amount has been set aside in budget estimates for the coming financial year and is included in the medium-term financial plans.</p> <p><b><u>Inclusive Growth</u></b></p> <p>3.18 While this programme is driven by the economic objectives of the Belfast Agenda, the need to pursue an inclusive growth agenda is also clear throughout the Agenda. This commitment will help shape the specific interventions, ensuring that, where opportunities are created, specific efforts are made to consider how Belfast residents can avail of these opportunities</p> <p><b><u>Financial and resource implications</u></b></p> <p>3.19 It is clear that this programme of work is a significant step-up from the current provision. This will require additional investment from the Council as well as the ability to lever partnership funding from other public and private sector organisations. It will also take a number of years to build up the services and to demonstrate progress.</p> <p>3.20 As part of the rate setting process, some preliminary financial assessment has taken place around the delivery of priority areas for the Belfast Agenda. At this stage officers have recommended a total of £750,000 be included in the rate to enable these services to be developed in 2017/18 along with the Belfast Works Programme and the Smart Cities Framework.</p> <p>3.21 Funding for existing programmes which are supported by ERDF funding, including Go Social, Business Start and Business Growth programmes have been built into the departmental estimates.</p> <p>3.22 The Procurement Support Programme will cost £50,000 per programme approval is required to commission up to four programmes over a four year period, subject to satisfactory performance and budget availability. This cost is accounted for in the Development Department's estimates for 17/18.</p> <p><b><u>Equality and good relations implications</u></b></p> <p>3.23 Programmes have and will continue to be designed to help remove barriers to participation and promote equality of opportunity.</p>
<b>4.0</b>	<b>Appendices – Documents attached</b>

	None

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<b>Subject:</b>	Identifying and managing risk in the City Centre Regeneration & Investment Strategy (CCRIS)
<b>Date:</b>	11 January 2017
<b>Reporting Officer:</b>	Nuala Gallagher, Director of City Centre Regeneration
<b>Contact Officer:</b>	Christopher McCracken, Programme 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	<p>This report identifies risks to the City Centre Regeneration and Investment Strategy (CCRIS). The purpose is to:</p> <ul style="list-style-type: none"> <li>• brief Committee members about these risks;</li> <li>• set out the actions required to manage these; and</li> <li>• identify any specific roles or actions required by Committee</li> </ul>
1.2	<p>Members are asked to note that this report highlights programme level risks. Within the programme individual projects will also have specific risks and issues, which will require separate action plans. Although project SRO's are accountable for risks, the City Centre Board will also monitor "red" project risks on a monthly basis to ensure an adequate level of control across the programme.</p>
<b>2.0</b>	<b>Recommendations</b>
2.1	<p>The Committee is asked to;</p> <ul style="list-style-type: none"> <li>• Note key risks that could impact on the delivery of CCRIS; the controls that have recently been put in place; and the additional risk actions that are required. The programme is currently rated as high, but the target is to lower this risk to significant following the delivery</li> </ul>

	<p>of the action plan and;</p> <ul style="list-style-type: none"> <li>Note that the risk management plan will be implemented over the next four months, and an update on delivery will be brought to Committee in May 2017.</li> </ul>
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<b>3.0</b>	<b>Main Report</b>
	<u>Background</u>
3.1	In August 2016 Chief Officers undertook a comprehensive risk review. Sixteen corporate risks were identified, including “Fail to deliver the CCRIS” (see <b>Appendix 1</b> for the corporate risk map).
3.2	<p><u>Risk Causes</u></p> <p>There are both internal and external factors that could impact the delivery of the programme. These include:</p> <ul style="list-style-type: none"> <li>a) Market failure / economic downturn</li> <li>b) Lack of buy-in / financial support from key external stakeholders</li> <li>c) Lack of clear land use policy</li> <li>d) Insufficient or ineffective use of resources</li> <li>e) Failure to comply with legal regulations e.g. State Aid</li> <li>f) Reputational damage due to lack of good governance</li> <li>g) Failure to properly define or measure outcomes.</li> </ul>
3.3	<p><u>Risk Controls</u></p> <p>A number of controls are currently in place to manage these risks including an approved strategy that sets out a clear direction of travel; a robust governance structure, including a monthly programme Board chaired by CX; and legal / policy processes around procurement and economic appraisals.</p>
3.4	There are also a number of sources of assurance, including economic data, external stakeholder groups / Project Boards; and programme and project plans with milestones and financial assessments.
	<u>Proposal</u>
3.5	To manage the risks that have been identified, and to lower the overall CCRIS risk rating from high to significant, the following risk actions are proposed.

Key Actions to be taken		Action Owner	Action Updater	Implementation Date
Action title:	<b>City Centre Investment Fund (risk causes A &amp; D)</b>	Ronan Cregan / Nuala Gallagher	TBC	31 March 2017
Action description:	Scope and analyse potential areas of market failure, and structure the city centre investment fund to facilitate effective interventions.			
Action title:	<b>Governance / Stakeholder Engagement (risk cause B)</b>	Nuala Gallagher	Chris McCracken	31 March 2017
Action description:	Risk / issue log collated and maintained for City Centre Programme Board; Advisory Board; and at Project Level.			
Action title:	<b>Planning Protocol (risk causes B &amp; C)</b>	Nuala Gallagher	Chris McCracken	31 March 2017
Action description:	Establish and agree a protocol with the Council's Planning Service for consultation on City Centre planning applications (including pre-application discussions)			
Action title:	<b>Development of City Centre Team (risk cause D)</b>	Nuala Gallagher	Chris McCracken	31 March 2017
Action description:	Establish permanent team to deliver strategy (with interim solution of additional consultancy support)			

Action title:	<b>Training &amp; Guidance (risk cause E)</b>	Nuala Gallagher	Chris McCracken	31 March 2017
Action description:	Appropriate training to be implemented at Board and team levels.  Qualified guidance (e.g. State Aid) to be arranged.			
Action title:	<b>Review and Re-enforce Codes of Conduct / Guidance for Officers (risk cause F)</b>	Jill Minne	TBC	31 March 2017
Action description:	Review and Re-enforce Codes of Conduct / Guidance for Officers involved in consultation / decision making relating to Regeneration and Investment Strategy and related interventions			
Action title:	<b>Outcomes (risk cause G)</b>	Nuala Gallagher	Chris McCracken	31 March 2017
	Need to develop a means of measuring the success of the programme (linked to wider Belfast Agenda)			

Finance and Resource Implications

- 3.6 The risk action plan will be led by the City Centre Development Team, and managed from within existing resources.
- 3.7 Additional consultancy support will be required to scope market failure and to determine outcomes, including potential assessment of economic benefits. These costs will be met from within the existing City Centre Development budgets.



3.8	<u>Equality and Good Relations Implications</u> None identified.
4.0	<b>Appendices - Documents Attached</b>
	<b>Appendix 1</b> – Corporate Risk Map, Current Risk Assessment

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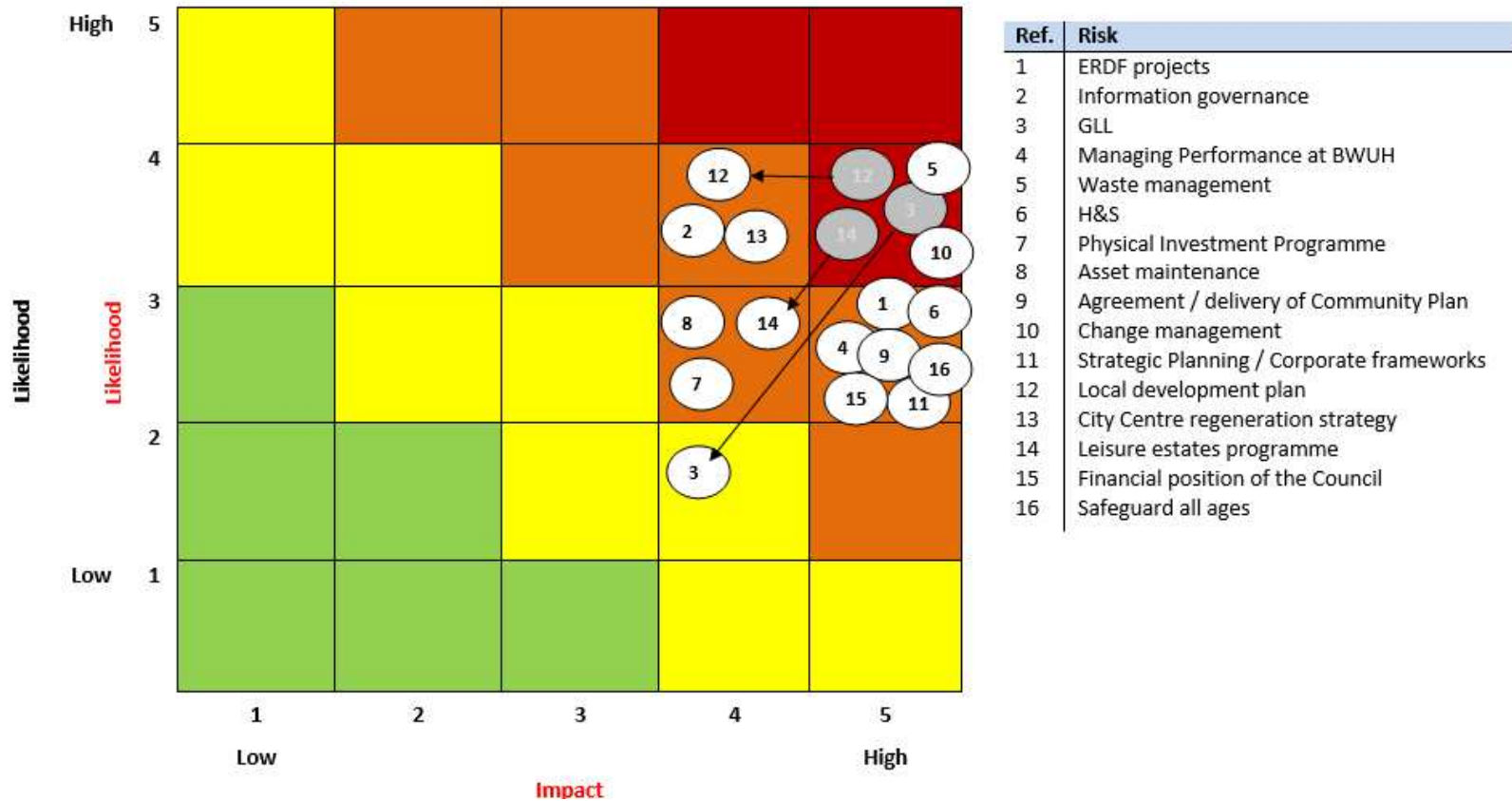


# Appendix 1

# Corporate Risk Register



# Corporate Risk Map – Current Risk Assessment



# Risk Assessment Guidance

Likelihood

5	Significant	Major	High	Severe	Severe
4	Moderate	Significant	Major	High	Severe
3	Low	Moderate	Significant	Major	High
2	Trivial	Low	Moderate	Significant	Major
1	Trivial	Trivial	Low	Moderate	Significant
	1	2	3	4	5
	Impact				

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IMPACT	1. Insignificant	2. Minor	3. Moderate	4. Major	5. Severe
Objectives / Service Delivery	The risk will not substantively impede the achievement of the objective.	Some impact on objectives resulting in slight but redeemable deviation.	The risk will cause some elements of the objective to be delayed or not be achieved.	The risk will cause several elements of the objective to be delayed or not achieved.	The risk will cause the objective to not be achieved
Financial	Minimal financial implications	Minor financial implications (e.g. within agreed year-end budget variance tolerance levels for Departments of 2% underspend and 0.5% overspend)	Moderate financial implications (e.g. within agreed in-year budget variance tolerance levels of 2% underspend and 1% overspend)	Major financial implications (e.g. outside the agreed budget variance tolerance levels by up to 5%)	Severe financial implications (e.g. outside the agreed budget variance tolerance levels by more than 5%)
H&S	Minimal injury requiring no/minimal intervention; informal investigation; very low level impact on staffing / service delivery impact; minimal financial loss; potential for rumours / public concern	Minor injury / illness requiring medical intervention and little time off; low level impact on staffing / service delivery; risk of short term loss of public confidence; small financial loss	Moderate injury requiring medical intervention and time off; formal complaint and investigation likely; moderate impact on staff / service delivery; local public / media interest; moderate financial loss	Major injury leading to longer term incapacity / disability; multiple complaints / external agency investigation; major impact on staffing and service delivery; national public / media interest; major financial loss	Major injuries leading to death and irreversible health effects; high profile investigation and enforcement; significant impact on staff and service delivery; sustained national public / media interest; significant financial losses
Reputation	Little interest	Some interest possible but likely to be localised and short term	Adverse coverage, probably on a one off basis	Significant adverse coverage, likely to recur on several occasions	Very significant adverse coverage, sustained over a considerable period.
LIKELIHOOD	1. Very Low	2. Low	3. Possible	4. Likely	5. Almost Certain
	<5%	5% - 20%	20%-50%	50%-75%	>75%
	Has not occurred before or has happened rarely.	Although unlikely, there is a chance that the risk may materialise.	The outcome is in the balance, and is almost as likely to occur as not	More likely to occur than not occur	Significantly more likely to occur than not occur

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