



Subject:	Innovation Factory update
Date:	11 March 2026
Reporting Officer:	Keith Forster, Director of Economic Development
Contact Officer:	Nial Borthistle, Enterprise and Business Growth Manager

Restricted Reports	
Is this report restricted?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
If Yes, when will the report become unrestricted?	
After Committee Decision	<input type="checkbox"/>
After Council Decision	<input type="checkbox"/>
Some time in the future	<input type="checkbox"/>
Never	<input type="checkbox"/>
Please indicate the description, as listed in Schedule 6, of the exempt information by virtue of which the council has deemed this report restricted.	
Insert number <input type="checkbox"/>	
<ol style="list-style-type: none">1. Information relating to any individual2. Information likely to reveal the identity of an individual3. Information relating to the financial or business affairs of any particular person (including the council holding that information)4. Information in connection with any labour relations matter5. Information in relation to which a claim to legal professional privilege could be maintained6. Information showing that the council proposes to (a) to give a notice imposing restrictions on a person; or (b) to make an order or direction7. Information on any action in relation to the prevention, investigation or prosecution of crime	

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

1.0	Purpose of Report or Summary of main Issues
	The purpose of this report is to provide members with an update on the ongoing work of the Innovation Factory (IF), the council-owned enterprise workspace operated on behalf of Belfast City Council by Oxford Innovation since 2016.
2.0	Recommendations
	<p>The Committee is asked to:</p> <ul style="list-style-type: none"> • Note the contents of the report, including current performance at the Innovation Factory and the planned activity for the year ahead • Agree to receive an update from the centre management team at a future Committee meeting to provide an overview of the work of the centre and plans for the coming year.
3.0	Main report
3.1	The Innovation Factory opened in 2016 on the site of the former Mackie's factory on Springfield Road. The project was designed to address historically low levels of entrepreneurship in West Belfast, inspire young people considering self-employment, and act as a catalyst for wider regeneration of a site that had been derelict for more than two decades.
3.2	Oxford Innovation has operated the centre since opening. The original five-year contract included three optional three-year extensions. The centre is currently in year two of the second extension period (year three will be 2026/27). Over the past year, council officers have worked closely with Oxford Innovation to streamline processes, review targets, and capitalise on collaboration opportunities. This work has focused on reducing duplication of effort, improving operational efficiency, and identifying opportunities for shared delivery with council teams and partner organisations in order to maximise revenue generation and reduce the financial liability to the council for the centre.
3.3	The Innovation Factory comprises 115 small offices spaces – capable of accommodating anywhere from 2-20 people – as well as hot-desking and communal working space. There are also a number of meeting rooms on site, and these are used by both tenants and by external organisations. The building is around 50,000sqft in total – with around 35,000sqft of net lettable space.

3.4	<p>As we approach the end of the financial year, the current occupancy rate within the centre is around 91% which is the highest level achieved since the centre opening. The new tenants come from a range of sectors including financial services, beauty services, artists and media services. Strong interest from production companies continues and they often take multiple rooms with the centre which boosts the occupancy rate and income levels. However, the downside of the production companies is the short-term nature of the lettings and the need to build a strong backfill pipeline to plug the gap once they move on.</p>
3.5	<p>The forecast outturn for 2025/26 is a net expenditure of £80k compared to an agreed Business Plan and approved budgeted surplus of £47k. The forecast deficit is as a result of reduced income, due to lower-than-expected occupancy levels (particularly in the early part of the year) and less income than planned for business support services (e.g. co-working space, re-charges for services such as cleaning). The approved budget for the 2026/27 financial year is a surplus of £47k which is in line with the agreed Financial Model and Business Plan. The annual service plan for the coming year contains a series of actions to ensure achievement of these financial targets and progress will be monitored through regular engagement with the Enterprise and Business Growth team as well as quarterly Board meetings involving OI senior management.</p>
3.6	<p>Tenants benefit from a range of business support provided directly by on-site staff and through external partners. Council teams also deliver events at IF and encourage delivery partners to use the centre to support tenant growth. Collaboration continues with other local workspace providers in the area such as WorkWest, Ortus and Argyle. A newly appointed Centre Director has begun a programme of engagement with key stakeholders, strengthening local partnerships and exploring opportunities to support early-stage FDI prospects and indigenous start-ups.</p>
3.7	<p>Given the nature of the location as an interface site, the team has always been keen to actively engage with local communities – particularly through schools-based and employability-based activities. The core service delivery plan is underpinned by a range of social and economic regeneration activities including providing work placements in tenant businesses. There are currently three business in the centre that take on local apprentices annually and twelve tenants have provided a range of work placement opportunities this year. The Centre also contracts local companies to carry out maintenance, cleaning and catering services, thereby retaining the spend in the local area.</p>

3.8	<p>Oxford Innovation has submitted its annual service plan for 2026/27. Given the broader economic context and Council's increasing focus on asset efficiency, priorities for the incoming year include:</p> <ul style="list-style-type: none"> • Maintaining strong occupancy levels in a challenging market • Achieving financial stability on behalf of Council • Strengthening the pipeline of prospective tenants to manage more effectively the "drop-off" from production companies and other larger tenants • Delivering targeted business support events to increase footfall • Enhancing engagement with professional services and commercial real-estate partners to generate leads and collaboration opportunities.
3.9	<p>It is proposed that the Centre Management Team attends a future meeting of the Committee to give a more detailed overview of the work of the centre and plans for the coming year.</p>
4.0	Finance and resource implications
	<p>The financial provision to meet the 2025 / 2026 and 2026/2027 financial commitment for the operation of the Innovation Factory is included in the recurring Enterprise and Business Growth Unit Budget.</p>
5.0	Equality or Good Relations Implications/Rural Needs Assessment
	<p>The centre is located on an interface site and is accessible to all communities.</p>
6.0	Appendices
	<p>None.</p>