



Belfast City Council

Report to:	Strategic Policy and Resources Committee
Subject:	City Investment Strategy
Date:	Friday 13 th June, 2008
Reporting Officer:	Gerry Millar, Director of Improvement
Contact Officer:	Gerry Millar, Director of Improvement

1.0	<u>Relevant background information</u>
1.1	Members, as part of their Corporate Planning deliberations, have indicated their support on a number of occasions for the creation of a City Investment Strategy and Fund. The intention of the Strategy is to provide tangible examples of the Councils leadership role within the city and create a lasting legacy for future generations.
1.2	A series of Party Group briefings took place in April in regard to the City Investment Strategy, the associated Asset Strategy (refer to Paper 2.b) and the linked Capital Programme (refer to Paper 2.c). Members will accept that these strands of activity are not divorced from one another and are mutually reinforcing, with the City Investment Strategy giving expression to the impact that the Council wants to make within the city, with its deliverability to be considered within the context of financial affordability.
2.0	<u>Key Issues</u>
2.1	Members will accept that Belfast is now at an important stage of development where a further step change in its fortunes is possible. The Council can help to facilitate and deliver these changes through its vision and leadership which enables things to happen through the efficient and innovative allocation of its resources. Real hands on civic leadership can now be applied to push Belfast over the tipping point to consolidate prosperity by focusing resources on a limited number of strategic projects within the city.
2.2	Why a City Investment Strategy
2.2.1	A key characteristic of the City Investment Strategy, as identified by Members, is the idea of growing and maximising revenue from the city's rate base. Members have stated that a key benefit of the Investment Strategy is its potential to create a virtuous cycle whereby the Council's investment grows the rate base and provides income to improve services and connect more people to the opportunities which emerge and, thereby, improving the quality of life within the city and attracting further investment (refer to Appendix 1).
2.2.2	It is the intention that the City Investment Strategy would support the development of a number of landmark capital schemes within the city and would pump-prime or lever additional investment into the city. It will be a clear demonstration of the Council's commitment to action and its wish to contribute to the vibrancy, prosperity, culture and attractiveness of the city.
2.3	What criteria will be used
2.3.1	Overall the City Investment funding needs to be used strategically with a view to securing the Council's overall strategic objectives and vision for Belfast and ensure a positive return for the city. In that context, Members have agreed the following criteria for the City Investment Strategy. Overall criteria: <ol style="list-style-type: none"> 1. Contribute to the Council's corporate priorities and vision for the city. 2. Encourage investment from and engagement of public, private and voluntary sectors, in the achievement of that aim. 3. Create a focal point for the Council to play a leading role in the development of the city; creating a 'can do' attitude amongst its citizens and a sense of place and pride in the city.

	<p>The above criteria allow the Council to take a lead role and to work in partnership with others for mutual and civic benefit and invest in projects which are deliverable in the short to medium term.</p> <p><i>Scheme/Project specific criteria:</i></p> <ol style="list-style-type: none"> 4. Promote the image of Belfast as a place to visit 5. Enable and/or promote the city as a place in which to do business 6. Bring financial or other economic returns on investment which benefits the city 7. Promote Belfast as a city in which its citizens have pride and belief in a brighter future. 8. Enhance the city's strategic, social, cultural and environmental infrastructure 9. Provide a lasting legacy for future generations.
2.3.2	Members will note that the agreed criteria for the City Investment Strategy will be the subject of an equality screening process. They will also take on board legal and accounting arrangements to meet Legal Vires, Equality and Audit requirements.
2.4	Potential projects for consideration
2.4.1	A number of project proposals have already emerged as part of the ongoing discussions with Members which are put forward as part of the City Investment Strategy (please refer to Appendix 2). It is important to note that in many instances the Council has given their support to a number of projects through either emerging strategy and policy frameworks (e.g., Open Space Strategy, Local Economic Development Plan, Integrated Cultural Strategy, the Council's commitment to the Southwood Report) or through direct funding commitments (e.g., support for the Lyric under the auspices of the Council's Cultural Legacy Fund).
2.4.2	Appendix 2 benchmarks the proposed projects against the Council's emerging Strategic Objectives for the city and provides an initial consideration of the potential deliverability of the projects in terms of the current levels of commitment, timing and cost.
2.4.3	<p>In terms of the current status of projects and the financial commitment provided by the Council, Members will note the following:</p> <ul style="list-style-type: none"> ▪ Connswater Community Greenway – the Council has agreed to provide £4.2m funding towards a £30m Connswater Community Greenway project; ▪ Lyric Theatre – the Council has agreed to provide £1.5m funding towards the realisation of a £17million new iconic Lyric Theatre within the city which will significantly improve the city's cultural and tourism offering; ▪ North Foreshore – a draft 'Concept Regeneration Framework' (masterplan) for the development of the entire North Foreshore site has been prepared and the associated funding structure is being currently worked up; ▪ Titanic Signature Project – due diligence exercise underway to assess the appropriateness and feasibility of the Council committing £10m funding towards a Titanic Signature Project; ▪ Lagan Canal – the Council has secured, in principle, £1m funding from the Ulster Garden Villages Trust towards the development of a Lagan Canal project. The funding is subject to match funding being secured and predicated on a feasibility study being undertaken.
2.5	<u>Funding Strategy</u>
2.5.1	The Council will need to satisfy itself that the City Investment Strategy can be afforded without adversely affecting the stability of its financial position or its ability to deliver appropriate services to the citizens of the city. The impact on the level of rates will also need to be minimised.
2.5.2	Members will recall that the Committee, at its meeting on the 14 th December 2008, agreed the three-year financial framework for funding the City Investment Strategy as set out in Appendix 3. The largest revenue contribution for the City Investment Strategy will be funded through a more proactive approach to the management of Council assets and the identification, profiling and potential sale of surplus assets. It is intended that a proportion of the capital raised from

	the rationalisation of surplus assets will be re-invested in the city as part of the City Investment Strategy. A separate paper on the development of an Asset Management Strategy and associated policies is enclosed (refer to Paper 2.b) for Members consideration.																					
2.5.3	Members will note that the Council will not expend any funding in respect of the City Investment Strategy until the funds for the Strategy are realised.																					
2.6	<u>Current Financial Position</u>																					
2.6.1	Table 1 below provides a breakdown of the current financial position of the City Investment Strategy. <table border="1" data-bbox="363 479 1369 819"> <thead> <tr> <th></th> <th>Fund</th> <th>Source</th> </tr> </thead> <tbody> <tr> <td><i>Current</i></td> <td>£1.075million</td> <td>Rent Reviews</td> </tr> <tr> <td></td> <td>£1million</td> <td>Reserves 2007/2008</td> </tr> <tr> <td></td> <td>£1million</td> <td>Reserves 2008/2009</td> </tr> <tr> <td><i>By year-end</i></td> <td>£0.5million</td> <td>efficiency savings – year-end</td> </tr> <tr> <td></td> <td>£1.25million</td> <td>Boucher Rd – Westlink</td> </tr> <tr> <td>TOTAL</td> <td>£4.825million</td> <td></td> </tr> </tbody> </table>		Fund	Source	<i>Current</i>	£1.075million	Rent Reviews		£1million	Reserves 2007/2008		£1million	Reserves 2008/2009	<i>By year-end</i>	£0.5million	efficiency savings – year-end		£1.25million	Boucher Rd – Westlink	TOTAL	£4.825million	
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2.6.2	Members will note that work is ongoing regarding examining potential opportunities for the sale of surplus assets which could provide additional funding for the City Investment Strategy.																					
2.6.3	The development, control, management and delivery of the City Investment Strategy is a key priority for the Council to ensure that public money is used wisely, best value is secured, maximum impact achieved (social, economic and environmental), equality legislation is pursued and the decision-making process is clearly understood and taken at the right level.																					
2.6.4	If Members give their continued support towards the City Investment Strategy and the process for its development, it would be the intention to initiate a process of discussion with potential partners within the city to determine the scope for leveraging additional resources to support the realisation of the emerging projects.																					

3.0	Resource Implications
	<u>Financial and Human Resources</u>
	<ul style="list-style-type: none"> ▪ There are no <u>additional</u> Financial or Human Resource implications contained within this report. ▪ Whilst there is clearly substantial Human Resource implications attached to the development and implementation of the Council’s City Investment Strategy and the projects contained therein, it will be difficult to quantify until a detailed programme of projects are agreed within the context of the emerging Corporate Plan and new ways of working. ▪ In terms of financial implications, Members had agreed previously that the City Investment Strategy would be a £29million fund over three years.

4.0	Recommendations
	Members are asked to agree to the further development of detailed project proposals within the context of the City Investment Strategy with regular feedback to Committee on this basis for Members consideration and approval.

5.0	Documents Attached
	Appendix 1: Investment Diagram
	Appendix 2: City Investment Strategy – Project Proposals
	Appendix 3: City Investment Strategy Funding Structure

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