



## Belfast City Council

<b>Report to:</b>	Strategic Policy and Resources Committee
<b>Subject:</b>	Shaping Belfast 2011-2015
<b>Date:</b>	4 March 2011
<b>Reporting Officer:</b>	Peter McNaney, Chief Executive
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### 1.0 **Relevant Background Information**

- 1.1 Even though it is not the planning or regeneration authority there is no doubt that the Council has through the utilisation of its resources and assets played an important role in shaping the face of Belfast over the past decade and with its continued commitment to investing in the City and the services which it provides it can continue to substantially contribute to the overall development of the city. Some examples of the Council's contribution include:
- the Waterfront Hall which anchored private sector investment in Layon Place, the Hilton and BT tower;
  - St George's Market which brings welcomed vitality to that area of the city at weekends;
  - the award winning regeneration of the Gasworks which has resulted in £160million of private sector investment in the City and the creation of 4,000 jobs;
  - the revitalisation of historic buildings such as the City Hall, Ulster Hall, Albert Clock and a number of Gasworks buildings to help retain some of the city's character;
  - the Belfast Welcome Centre which anchored the city's tourism offering; and created a successful partnership relationship with NITB and the private sector;
  - the award winning redevelopment of the Falls Swim Centre and the ground breaking multi-purpose Grove Well Being Centre;
  - upgrades of various community centres and leisure facilities including multi-use games areas (MUGAs);
  - four state of the art recycling facilities;
  - a number of land disposals for social housing; and
  - environmental enhancements along a number of arterial routes within the city.

### ***Members' Direction on City leadership***

- 1.3 At the recent workshop on the new Corporate Plan for the period 2011-2015, Members set out a clear ambition for the Council in moving into its new electoral term; stating the need for strong city leadership and the willingness to work in partnership/form strategic alliances to ensure the continued investment in the City during this period of austerity and to secure necessary resources to make things happen, with a greater focus on delivery. Members raised a number of strategic questions which can be paraphrased as follows:
- What is the cluster of projects which the Council wishes to prioritise and focus its efforts in supporting **delivery** across the City?
  - How do we innovate to maximise the potential investment/funding in the City?
  - How can we lobby for resources?

	<ul style="list-style-type: none"> <li>• Who are the Council's key strategic partners at home and abroad?</li> <li>• How can we most effectively influence to Belfast's advantage?</li> </ul>
2.0	<b><u>Key Issues</u></b>
	<b><i>What is the Challenge?</i></b>
2.1	There is no doubt that the current economic climate and budgetary pressures (cutbacks) facing the entire public sector within Northern Ireland will have an adverse impact upon the future level of investment within the City. The Council's response to the NI departmental budget proposals set out Member's concerns across a number of key areas which have the potential to threaten investment in the City. Members also picked this up as part of the recent Ministerial meetings, identifying in particular the need to ensure the prioritisation of capital investment for Belfast.
2.2	City investment is important in terms of growing the city's rate base, which provides some 74% of the Council's income. Investing in necessary infrastructure also provides a platform for growing the City's economic competitiveness, while the rates growth allows enhancement of public service delivery and further improvements to quality of life. Evidence of the decline in the city centre's office occupancy rates and pressure on local businesses provides a further impetus for action.
2.3	The seriousness with which Members take the issue of continued investment in the City was evident in their concern to protect capital spend in the recent budget setting process.
2.4	<p>Two important enablers underpinning the Council's continued commitment to investing in the City are its Capital Programme and City Investment Fund.</p> <p><b>1) Capital Programme</b></p> <ul style="list-style-type: none"> <li>▪ Funded through a mixture of loan and grants, this is a rolling programme of capital investment which either improves/replaces existing facilities/assets/infrastructure (e.g. parks improvements; leisure; civic buildings) or provides new facilities/investment property (e.g. Gasworks, leisure provision, pitch provision etc).</li> <li>▪ While there are growing affordability pressures on the capital programme and an ongoing need to secure greater efficiencies, Members have recognised the importance of taking a long-term strategic approach and continuing to invest in the development of our City and Council facilities. Major issues such as safety, healthy lifestyles, culture, tourism, sport, the environment can all be usefully supported via the capital programme.</li> </ul> <p><b>2) City Investment Fund</b></p> <ul style="list-style-type: none"> <li>▪ The City Investment Fund which has, to date, committed £16million investment by the Council in four iconic projects (including Connswater Community Greenway; Titanic Signature Project; Lyric theatre and the Mac), has helped to lever in some £153million of public and private sector investment in the City. One of the first initiatives of the new Strategic Policy and Resources Committee, the CIF can be considered as a success and is a clear demonstration of the Council's commitment to action and desire to contribute to the vibrancy, prosperity and competitiveness of the City. The TSP alone is projected to attract around 400,000 visitors per annum and contribute 30-40million income into the local economy. Moreover, these key city assets add value to the rate base.</li> </ul>
2.3	Members will recall the debates which took place in late 2010 as part of the development of the new Corporate Plan and capital programme; and which sought to examine and identify potential projects and interventions which the Council may wish to consider in particular quadrants of the City. There were a number of consistent messages coming out of these debates which are worth remembering in moving forward:-

- Things don't just happen, they need to be made to happen and in this regard political leadership is essential
- Cities are not physically changed by plans but by projects – masterplans, regeneration plans and strategies with out resources and delivery mechanisms will remain unrealised and unfairly raise expectations that cannot be delivered on.
- Regeneration is largely recognised to be a combination of economic, social/community and physical enhancements. The trigger to making this happen in a particular area requires leadership from the community, professionals/experts and the mandated politicians.
- The need for regional recognition of the importance of the city as the key economic engine and gateway for the city and region, shop window for visitors, tourists and investors and the importance of a vibrant city centre which contributes most of the city's rate base.

The common thread in this is the necessity for strong and proactive leadership to focus the political will, resources and energy of the Council on those projects that are deliverable and have the greatest impact for the city.

### ***How do we move forward?***

2.4 As stated by Members, things don't just happen; they need to be made to happen. Therefore, a number of core workstreams (as set out below) have been pulled together, drawing upon initiatives already approved by Members and set within the context of the new Corporate Plan and Members' ambition to get things done in the City.

- i) **Medium Term Financial Plan** - this will underpin the financial direction of the council and support the delivery of Members' ambitions for the city over a period of time. It will require:
  - the development of a capital financing strategy which will fund the agreed capital programme;
  - the identification of the proposed indicative rates and efficiency targets for three financial years;
  - the development of a Treasury Management Strategy; and
  - the implementation of the Prudential Code as part of the new Finance Bill.
- o **Resources Strategy** – this is a key element of the medium term financial plan. The purpose of this strategy is simple - to raise more funds for investment in the city. The strategy will cut across the whole council and will include:
  - the maximisation of collectable rate income;
  - enhancement of the rates base through tackling issues such as vacant office accommodation and business premises;
  - the re-alignment of the council's economic development work to support the strategy;
  - approaches to increasing income from fees and charges, rents and revised pricing policies;
  - a strategic approach to accessing major funding streams such as the EU and National Lottery;
  - the development of new partnership arrangements with the private and public sector to access additional funds (linked to external relations strategy below)
- ii) **Alternative funding mechanisms** – as directed by Committee, work is underway to identify and explore alternative financing tools which may be utilised by the Council

and/or its partners to deliver the investment priorities for the City and the development of an action plan which would deliver against these priorities

In terms of pursuing potential strands of external funding (e.g. from special funding bodies, government departments, Europe and/or the private sector) it will be important that the Council has a clear vision of what it wants to achieve so as to provide the necessary confidence to potential funders.

- iii) **City Projects (Belfast Agenda)** - Members previously authorised officers to initiate discussions with other public service providers (including Government Departments and the Strategic Investment Board) to discuss the potential of creating a joint framework for city investment and to identify and scope the delivery potential of key strategic projects for the City (e.g. provision of rapid transit system; stadium; tourism & cultural infrastructure; further regeneration of the City Centre; investment in gateways etc). It is important to recognise the key levers which the Council possess to support project delivery including the provision of direct funding and/or assets, providing expertise and capacity, advocacy and asserting influence.
- iv) **Strengthening the leadership and advocacy role of Members on behalf of the City** - Members will be aware that the Committee previously agreed to the establishment of a cross-party City Investment Working Group who would engage with relevant Ministers and government departments to discuss the current economic challenges facing the City, potential risks to future infrastructure investment and to explore how joint delivery may be progressed. Whilst the Ministerial engagement has been useful and progressive, it will be important that the Council build upon this and reinforce its relationship with the NI Executive and government departments in pursuance of a Belfast agenda.
- v) **External Relations Strategy** – will set out how the Council will engage with and create strategic alliances with key stakeholders/service delivery agencies to ensure a more integrated and focused approach is taken to delivering the priorities for the City. In this regard the Council will have to prioritise its present set of relationships and work to add value to others contribution to city development.
- vi) **Belfast Masterplan/City Regeneration Plan** – provide a platform and important focus for the Council’s broad approach to the continued regeneration/revitalisation of the City.
- vii) **Neighbourhood Investment** – a pilot project threw up a number of issues which will require to be addressed to enable effective delivery of projects at a neighbourhood level. Further reports on the learning of the last project will be brought to Committee in due course.
- viii) **Acquisition of additional Place Shaping Powers** – As Members are aware the RPA proposals have been placed in abeyance, awaiting the formation of a new Executive. If the Council actively wants to Shape the Future of the city it needs to accept responsibility for the key place shaping powers of planning and regeneration. The new Council will have to determine whether it wishes to enter into a planning pilot programme with the Department of the Environment and consider how it can develop a joint city regeneration framework with the Department of Social Development and Regional Development.

2.6 There is no doubt that these are challenging issues which will require the focus and effort of Members and officers over the coming period. At the meeting, Members will be asked to give their views on these proposals which are intended to drive forward Members’ city leadership agenda and to identify any other issues which they may wish to have addressed in this context. It would be the intention that the officials will facilitate discussion on these issues at the Committee and provide further information, so that Members can then give their views.

### **3.0 Resource Implications**

There are no Human Resources or financial implications contained within this report.

### **4.0 Equality Implications**

All emerging strategies and plans will be assessed in line with the Council's equality scheme and policies.

### **5.0 Recommendations**

Members are asked to:

- iii) note the contents of this report and, in particular, further reports will be submitted for the future consideration of the Committee on the identified workstreams; and
- iv) provide their views on how they would wish to be engaged in taking forward these important issues and in providing strong city leadership