



<b>Subject:</b>	Physical Projects Update - Key Achievements 2012-2016 and role of the City and Growth Committee in ensuring the economic and regenerative impacts of physical projects are maximised
<b>Date:</b>	9 <sup>th</sup> March 2016
<b>Reporting Officer:</b>	Gerry Millar, Director of Property and Projects Donal Durkin, Director of Development
<b>Contact Officer:</b>	Sinead Grimes, 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>Background</b>
1.1	Members will be aware that in February 2012 the Council launched an ambitious Investment Programme in a response to the challenges presented by the economic downturn which was supported by all the political parties within the Council. <b>However Members aspirations for the city did not stop at the Investment Programme.</b>
1.2	During the implementation of the Programme the context around the Council changed with the advent of Local Government Reform (LGR) in 2015 which brought with it more powers including planning, community planning and economic development. The success of the achievements under the Investment Programme and the enhanced responsibilities of the new Council have further strengthened the ambitions of our Members and the unique role of the Council as the place-leaders in helping to make Belfast a city of choice for investment, events and living.
1.3	However a key challenge for the Council going forward is to ensure that the investment, both the investment by the Council under the IP and ongoing investment combined with investment by partners, translates into real and tangible outcomes for the city – i.e. that it is not just about building buildings but rather that the physical programme of delivery in the city <b>becomes an enabler delivering a transformational impact and maximum economic and regeneration outcomes.</b>

1.4	This report outlines for Members a number of key achievements from 2012 till now including targets laid out in the Investment Programme and an overview of the key projects. The report also outlines the key role that the City and Growth Committee will play going forward in the ongoing monitoring and management of the physical projects which have an economic impact.
2.0	<b>Recommendations</b>
2.1	<p>Members are asked to note</p> <ul style="list-style-type: none"> <li>• the key achievements outlined in 3.3 below and that a detailed presentation will be given to Committee on the 9<sup>th</sup> on the key successes, current projects and next steps</li> <li>• that there is massive physical investment either completed, already underway or planned across the city. This includes a range of Council projects which were designed to enhance the city's economic infrastructure including the Waterfront, Innovation Factory and the North Foreshore</li> <li>• that a key role of the City &amp; Growth Committee going forward will be manage and monitor the economic outcomes of physical projects once these have been completed in line with the agreed remit of the Committee as being "<i>responsible for the development and implementation of strategies, policies, programmes and projects directed towards regeneration and growth of the city</i>" and to build on the Council's investment by encouraging and supporting greater private sector investment e.g. the boost to the hotel and hospitality sectors as a result of the investment in the Waterfront</li> </ul>
3.0	<b>Key Issues</b>
3.1	<p><b>The biggest Council investment in our city for a generation, the Programme was designed to benefit all parts of Belfast, making it a better place to live, work, visit and invest and included an ambition to invest over £150million in physical projects across the city including a wide range of projects designed to support and transform the city's economic infrastructure</b> including an extension to the Waterfront, a new Innovation Factory, infrastructure at the North Foreshore to facilitate the development of a Cleantech Park and a 'Super-connected' city.</p>

3.2 The Investment Programme was a **game changer for the Council strengthening its role as the city's civic leader and cementing its reputation as a major delivery agent of both capital** (major and smaller scale local) **and revenue projects**. Many of the targets set out in the Investment Programme (and initiatives agreed since this) have been achieved or exceeded and a number of key highlights of achievements to date are set out in below while work is still underway on a number of other projects including a number of the key physical projects. **Members are asked to note that a detailed presentation will be given to the Committee on the 9<sup>th</sup> March.**

3.3 **Headline achievements 2012-2016**

*The Council's physical programme is now worth over £340million which is more than double the initial target in the Investment Programme*

*Levered in nearly £100m in external funding for projects – nearly doubling the target set out in the Investment Programme of £50m*

*£185million of Council projects have already been completed or are underway across the city*

*Nearly 100 apprentices have been created through the social and community benefit clauses which have been included in our physical contracts*

*Named the "Most Business Friendly City of its size" in Europe for two years in succession*

*fDi*

*Since April 15 1,275 planning applications received with 1,256 decisions issued– with 7 new office schemes (£60m), 8 hotels (£120m) and 3 student housing schemes (£100m)*

*Nearly 50 students have been employed through the social and community benefit clauses which have been included in our physical contracts*

*The Physical Programme has helped to support more than 8,500 construction jobs*

*"One of the Top Ten Cities in the World for Food and Drink"*

*BA High Life Magazine*

*"One of the Top Ten Cities for a Conference"*

*Financial Times*

*Agreed over £30m of additional funding into the city through a new City Centre Fund, City Centre Social Outcomes Fund, LIF 2 and an enhanced BIF*

*For every £1 of council expenditure - 70 pence is spent or re-spent in the Belfast economy*

*Invested nearly £8m in international events between 2012 and 2015 to position Belfast on the world stage which generated a return of over £66m*

*Ranked among the top ten cities in Europe for economic potential and strategy for attracting foreign direct investment*

*fDi*

*The new facilities at the Waterfront have already helped to secure 50 conferences for 2016-2021 generating 94,000 delegate days*

*"We are at a very interesting point in Belfast, with all the new stages and studios. There is a lovely melting pot in the industry that hopefully bodes really well for the way things are going to develop here."*

*Robert Boake, Game of Thrones Location Manager, Guardian, 4th April 2014*

*40 opportunities for the unemployed have been secured through the social and community benefit clauses which have been included in our physical contracts*

3.4 As outlined above in 3.1 the Investment Programme outlined ambitions for a range of projects designed to enhance the city's economic infrastructure which were funded by EU funding. A brief update on the status of these is outlined below. Further detail on the projects will be presented as part of the presentation on the 9<sup>th</sup> March.

3.5	Project	Value	Status and overall
	Waterfront – dedicated conference and exhibition facilities	<b>£29.5m</b> ERDF - £14.5m Tourism NI - £4m Council - £11m	Officially handed over to the Council week commencing 25 <sup>th</sup> January.  Potential economic impact of £100 million for Belfast over the next five years. The new Belfast Waterfront aims to attract 55,000 delegates (35,000 outside NI) each year by 2020; twice the current rate. This will boost hotels, bars and restaurants, creating 1,500 jobs in the tourism and hospitality sector in the city
	Innovation Factory	<b>£9.1m</b> ERDF and InvestNI - £6.15m Council - £2.95m	Due to be completed by April. Procurement of operator currently ongoing.  The Innovation Centre building is a 55,284 sq ft building consisting of 32,240 sq ft lettable space <sup>[1]</sup> and 5,133 sq ft innovation space – the Innovation factory will provide grade A incubation \start up space, providing 382 workstations with the business growth and business innovation support offer extending to tenant and non tenant businesses. The centre will also include a cafe / event space and state of the art business lounge / conference and meeting room facilities.
	North Foreshore	<b>£9.5m</b> ERDF - £4m InvestNI - £2m Council - £3.5m	Due to be completed in Spring. Designed to support the creation of an innovative business cluster - a 'CleanTech Hub' - aimed at companies working in renewable energy, solar power, recycling and other environmental technologies, who are keen to invest in Belfast. We are now installing the 1,734 metres of roads to improve access and set up key services at the hub  Members will be aware that proposals for a Film Studio on the North Foreshore are now moving ahead – a separate report on this is on the agenda for discussion

3.6	<p>Members are asked to note that there are also a range of other projects which have an economic impact, for example Connswater Community Greenway, in terms of visitor numbers and tourism impact and the sale of the Maysfield site to Allstate and Concentrix creating and retaining over 2000 jobs. Construction projects in general also have an economic and regenerative impact by supporting jobs in the construction field and in the wider supply chain which helps contribute to the local economy.</p>
3.7	<p><b>However Members' aspirations for the city did not stop at the Investment Programme.</b> During the implementation of the Programme the context around the Council changed with the advent of Local Government Reform (LGR) in 2015 which brought with it more powers including planning, community planning and economic development and the prospect for new ambitions and new relationships. <b>The success of the achievements under the Investment Programme and the enhanced roles and responsibilities of the new Council have further strengthened the ambitions of our Members for the city and the unique role of the Council as the place-leaders of the city in helping to make Belfast a city of choice for investment, events and living.</b> Right now Belfast has huge potential and a unique set of circumstances that can be harnessed for long term success. This is evidenced by the further initiatives and projects which Members have agreed and which are currently underway in addition to the continued delivery of a range of projects including a city centre focus, the establishment of a dedicated city centre team and a £18.5 City Centre Fund and a £4m City Centre Social Outcomes Fund. The first major proposed investment being an equity share in the Belfast Telegraph building (see separate report on the agenda)</p>
3.8	<p>This ambition is being matched by <b>changing perceptions of Belfast from a city marked by conflict to a city buoyed by opportunities and a changing economic landscape which is altering the face of the city</b> with many development opportunities coming on board. It is estimated that there is the opportunity for up to £1billion of investment in the city on top of the work that is already underway or recently completed.</p>

<p>3.9</p> <p>3.10</p>	<p><b>Role of the City &amp; Growth Committee</b></p> <p>All of the above highlights that there is a significant level of investment already completed, underway or planned within the city. <b>However a key challenge for the Council going forward is to ensure that the investment translates into real and tangible economic, social and regenerative outcomes for the city</b> – i.e. that it is not just about building buildings but rather that the physical programme of delivery in the city, both by the Council and by wider partners, <b>becomes an enabler delivering a transformational impact and outcomes.</b></p> <p>Many of the Council’s major physical projects are now either complete and handed over or are nearing completion – this includes the ERDF funded projects as outlined above. <b>All of these projects are subject to a letter of offer which sets out conditions which need to be met for each project. A sample of project performance indicators for the Innovation Factory and the North Foreshore are set out below.</b></p>							
<p>3.11</p>	<table border="1"> <thead> <tr> <th data-bbox="225 831 432 882">Project</th> <th data-bbox="432 831 1481 882">LOOs</th> </tr> </thead> <tbody> <tr> <td data-bbox="225 882 432 1077">           Innovation Factory         </td> <td data-bbox="432 882 1481 1077"> <p><b>Projects performance indicators (as per LOO – highlights )</b></p> <ul style="list-style-type: none"> <li>To support at least 145 jobs in the Innovation Factory by 31 December 2018</li> <li>To achieve 55% occupancy in the Innovation Factory by 31 December 2018</li> <li>To achieve 71% occupancy in the Innovation Factory by 31 December 2020</li> </ul> </td> </tr> <tr> <td data-bbox="225 1077 432 1227">           North Foreshore         </td> <td data-bbox="432 1077 1481 1227"> <p><b>Projects performance indicators (as per LOO – highlights )</b></p> <ul style="list-style-type: none"> <li>To create at least 400 green collar jobs at the site by 31<sup>st</sup> December 2020</li> <li>To let 7.5 acres at the site by 31<sup>st</sup> March 2019</li> </ul> </td> </tr> </tbody> </table>	Project	LOOs	Innovation Factory	<p><b>Projects performance indicators (as per LOO – highlights )</b></p> <ul style="list-style-type: none"> <li>To support at least 145 jobs in the Innovation Factory by 31 December 2018</li> <li>To achieve 55% occupancy in the Innovation Factory by 31 December 2018</li> <li>To achieve 71% occupancy in the Innovation Factory by 31 December 2020</li> </ul>	North Foreshore	<p><b>Projects performance indicators (as per LOO – highlights )</b></p> <ul style="list-style-type: none"> <li>To create at least 400 green collar jobs at the site by 31<sup>st</sup> December 2020</li> <li>To let 7.5 acres at the site by 31<sup>st</sup> March 2019</li> </ul>	
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<p>3.12</p>	<p><b>The City &amp; Growth Committee will play a key role in the ongoing management, programming and monitoring of projects above to ensure that the Council is delivering the maximum economic, social and regenerative impacts for the city along with fulfilling the conditions agreed under the LOOs.</b> The Committee will also play a key role in the ongoing monitoring of the economic elements of the Council’s other physical projects which have a economic and/or regenerative impact for example Connswater Community Greenway; Belfast Bike Scheme and Lanyon Tunnels.</p>							
<p>3.13</p>	<p><u>Finance and Resource implication</u></p> <ul style="list-style-type: none"> <li>Financial – No direct financial implications</li> <li>Resource – No direct officer implications</li> </ul> <p><u>Equality or Good Relations Implications</u></p> <ul style="list-style-type: none"> <li>No equality implications</li> </ul>							
<p>4.0</p>	<p><b>Appendices - Documents attached</b></p>							
	<p>None</p>							

