




Subject:	Growing the Economy – City Support & Investment Advice Service for Belfast
Date:	9 November 2016
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Is this report restricted?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Is the decision eligible for Call-in?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

1.0	Purpose of Report
1.1	<p>The Committee has recently received updates on progress with the current Committee Plan and the emerging areas of work that are being explored to support the delivery of the Belfast Agenda, which has inclusive growth at its core. This included proposals to grow the Belfast economy by supporting more business starts, helping existing businesses to grow in export markets and attracting Foreign Direct Investment (FDI). ‘Growing the Economy’ to maximise the benefits for the city and for all communities requires a co-ordinated and city-wide approach, securing buy-in from city partners and stakeholders. This will require a city-wide approach to be developed for each stage in the process of:</p> <ul style="list-style-type: none">- promoting Belfast as a place to invest and do business;- supporting business start-ups and business growth for indigenous businesses and attracting FDI companies- providing appropriate support and after-care service to those committed to investing in Belfast; and- investing in the relevant infrastructure to attract and retain investment
1.2	<p>In an increasingly competitive global environment, Belfast must emphasise its distinct competitive advantage if it is to continue to compete and successfully attract FDI, and tourists to the city as well as encouraging more businesses to start and support those existing businesses to grow in the city. Members have emphasised the importance of</p>

1.3	<p>continuing to attract and support FDI to Belfast and the Council has been delivering on the Tourism Strategy Action Plan, developing a 'Go to Market' plan and working with city stakeholders in the development of the International Relations Framework to ensure that this is focused on attracting investment and positive profile for Belfast.</p> <p>The purpose of this report is to outline a proposal to secure professional expertise to assist in developing a costed and resourced scope of services that could be provided by Belfast City Council, with partners, to augment the existing services and incentives to support, attract, secure and sustain business starts, business growth and investment. This will also be designed to provide assurance that future approaches are additional and complementary to those services and support that is already provided by city partners.</p>
2.0	<p>Recommendations</p>
2.1	<p>The Committee is asked to:</p> <ul style="list-style-type: none"> • Agree to the development of the city investor advice proposal as outlined in the report.
3.0	<p>Key issues</p>
3.1	<p>Members are aware that the Belfast Agenda has at its core a commitment to inclusive growth. The scale of Belfast's ambition is set out in the draft Belfast Agenda which aims to grow the city's population by an additional 70,000 people and for the city's economy to support 50,000 more jobs by 2035. To focus our efforts on growing the Belfast economy, a number of ambitious and challenging targets have been set for 2021:</p> <ul style="list-style-type: none"> - Creating 15,000 new jobs - Attracting £1 billion of private sector Foreign Direct Investment - Supporting 4,000 small business start-ups
3.2	<p>The pillars summarising the city priorities (below), demonstrate the importance of fostering business growth, attracting investment and making Belfast an easy place in which to do business to implementing the agenda.</p>  <p>The image displays four vertical pillars representing city priorities:</p> <ul style="list-style-type: none"> Business and economy (purple header): <ul style="list-style-type: none"> • Attract more investment into Belfast • Foster more business growth in Belfast • Strengthen business relationships • Make Belfast easy to do business with • Maximise impact of city region • Reduce poverty and economic inequality Living here (teal header): <ul style="list-style-type: none"> • Improve the city living experience • Improve neighbourhoods • Improve community relations • Reduce health inequalities • Create active and empowered citizens • Provide fit-for-purpose city services Working and learning (blue header): <ul style="list-style-type: none"> • Address the educational inequalities • Attract and retain even more skilled people • Match skills and employability to opportunity across Belfast City development (red header): <ul style="list-style-type: none"> • Attract tourists to Belfast • Promote and position the city to compete • Develop the city infrastructure • Drive physical regeneration of the city centre • Key strategic projects and policies
3.3	<p>Belfast economy</p> <p>Last month Committee received an economic briefing which highlighted the importance of rebalancing the economy, creating jobs and tackling the skills and employability issues in</p>

the city. Belfast's indigenous business population is dominated by micro and small businesses (96% of businesses) and Committee is aware of the challenges for the city with limited numbers of export-led businesses and low levels of business starts. However, Belfast has developed a successful track-record in attracting FDI to the city in recent years and a number of specialisms are emerging in the fields of Financial Technology, Financial & Legal Services, Creative & Digital Industries, Cyber Security, Green Tech and Life & Health Sciences.

- 3.4 The attractiveness of Belfast as a business investment destination is evidenced through accolades such as:
- Belfast is the number 1 destination for financial technology investments (FT Fdi Markets 2015)
 - Belfast is Europe's leading destination for new software development projects (FT FDi Markets 2015)
 - Belfast named as the most Business Friendly City of its size and is in the Europe's top 10 cities for business friendliness of any size (FT FDi Cities of the Future 2015)

- 3.5 75% of investors choose to reinvest in Northern Ireland. Research carried out on behalf of the Council (2014) reported that those who have already invested in the city consistently report the positive aspects of the skilled workforce, the competitive cost base, quality of life, connectivity and the scale of city which makes it accessible. Accelerating investment in Belfast will require greater collaborative campaigns for the city to augment the City's strengths and services.

- 3.6 Officers have been exploring opportunities for securing and re-aligning resources to support the ambitions set out in the Belfast Agenda for 'Growing the Economy' to ensure that there are no major gaps in the provision of support for businesses starting up, those who wish to grow their business and those foreign owned businesses who may choose to locate in Belfast. This includes improving signposting for businesses to ensure that they get the help they need when they need it; better packaging the support that Council as a whole provides to businesses and investors; exploring potential incentives to encourage additional businesses and investment (including financial incentives, business accommodation and business support services) and exploring opportunities for greater alignment between the Council's investment in business support programmes and city development and infrastructure plans.

- 3.7 The recent opening of the Innovation Factory, the refreshed International Relations Framework; as well as the 'Go to Market' plans and the preparation for MIPIM which are also being considered by Committee; provide fresh impetus to consider how the City can begin to embed and sustain this collaborative and outward-focused approach to deliver on the City ambitions in the Belfast Agenda.

- 3.8 A key challenge moving forward is how Belfast can collectively meet the needs of FDI and indigenous businesses to make it easier to start up and grow businesses and encourages new investment in the city. This will enable us to identify gaps and augment current provision, to define the nature and scope of services required to provide an end-to-end service to support businesses and investors in Belfast.

3.9	Based on initial discussions with city stakeholders and following a review of investor / business support service provision in other UK and ROI cities (e.g. Edinburgh, Dublin, Manchester), there is an opportunity to enhance the current offer and provision in Belfast; however this requires more detailed scoping and testing. Appendix 1 includes an example of the type of services and support provided by other Councils.
3.10	<p>It will be necessary to secure external professional expertise to deliver the following which would form the basis of the terms of reference:</p> <ul style="list-style-type: none"> - Identify and propose a package of potential support measures and incentives that Belfast City Council can offer to business start-ups, existing businesses wishing to grow and foreign owned businesses that might consider Belfast as an investment location. This should augment existing supports and incentives that are available through other agencies such as Invest NI in order to support the city's ambition to attract £1bn of private sector FDI, businesses and developers to invest and grow their business in the city - Specify a realistic scope of services to be provided through a 'City Support & Investment Advice Service' to meet the needs of FDI, developers and indigenous businesses who may choose to start up, grow and invest in Belfast. - Recommendations for the establishment of a 'City Investment Advice Service' team; including an assessment of the level of resources (budget, staffing, ICT and data requirements) and proposed structure required to successfully deliver. This should take account of the role of the Council and key services in delivering the service, with our partners.
3.11	While this is referred to as a 'City Support and Investment Advice Service', this is a working title only at this stage. Through the consultation and benchmarking we would expect that this work would identify a title for the service that is distinctive and impactful, reflecting the nature of service offered, without replicating what has been done elsewhere.
3.12	As previously noted by Members, any proposals would need to demonstrate added value and complement the existing support to businesses and investors provided by Council and partners, such as Invest NI. As such, this work will include a critique of the current support and incentives available when promoting Belfast as a place to start a business, for existing businesses to grow in export markets and as a place for foreign owned businesses to invest and do business. Consideration will also need to be given to how such a service can be resourced and operationalised to ensure that it supports the delivery of plans, strategies and frameworks such as the developing programme of work to grow the Belfast economy, the City Centre Regeneration & Investment Strategy, International Relations Framework and Employability & Skills Framework. A wide range of options for management of the service include in-house and more arm's length support.
3.13	This city service and suite of measures and incentives will form a key asset in the city's future pitch and offer to those interested in starting a business, those who wish to grow their business and those foreign owned businesses that may choose to invest in Belfast. Enhancing the existing city offer and service is expected to directly contribute to the city's

	ambition to attract £1bn of private sector FDI, create 15,000 more jobs and support 4,000 small business start-ups by 2021.
3.14	Taking on board previous research this type of investor support service is likely to impact on several Council services such as City Centre Development, Planning as well as Development but it will also be important to tie in to the work of City & Neighbourhood Services who also support businesses across a range of operational areas including waste, food safety, health & safety, licensing, etc.
	<u>Financial Implications</u>
3.15	The estimated cost for commissioning the work would be £29,950, within the quotation limits of Council's procurement guidelines, and would be allocated from the existing departmental estimates.
3.16	The recommendations arising from this work will include the identification of resource considerations and proposals for taking this forward.
	<u>Equality and Good Relations Implications</u>
3.17	Equality and Good Relations implications will be considered as this work progresses and in consultation with the Council's Equality & Diversity Officer.
4.0	Appendices – Documents Attached
	Appendix 1 – Outline of Potential Services