



Subject:	Belfast City Centre Management Review
Date:	7 February 2018
Reporting Officer:	Donal Durkan, Director of Development
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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"/>

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

1.0	Purpose of Report
1.1	<p>The purpose of this report is to:</p> <ul style="list-style-type: none">- Update Members on the key recommendations from the Review of Belfast City Centre Management (BCCM) which was independently completed by consultants Baker Tilly Mooney Moore;- Approve an approach to support BCCM in their transition towards a commercial model; and- Consider resource and project planning implications of the proposed transition on the Council.

2.0	Recommendations
2.1	<p>Members are asked to:</p> <ul style="list-style-type: none"> - Note the findings of the independent review undertaken by Baker Tilly Mooney Moore Consultants and the planned transition by BCCM towards a commercial model; - Provide core funding of £95,000 to Belfast City Centre Management and up to £30,000 to cover Project Management costs and technical expertise within the 2018/19 financial year; - Note that throughout the transition period, dependent on need, the Council may enter into Service Level Agreements (SLAs) / commercial agreements with BCCM to ensure service continuity throughout the transition period, subject to normal procurement procedures.
3.0	Main report
3.1	<p><u>Key Issues</u></p> <p>The review focused on Belfast City Centre Management's (BCCM) Business Plan, its operating model and its alignment to Belfast's strategic and operational context. Baker Tilly Mooney Moore consultants completed the review reporting to a Steering Group with representation from BCCM, Belfast City Council, Department for Communities (DfC) and Belfast Chamber of Trade and Commerce (BCTC). The key recommendation advocates for BCCM to adopt a self-financing/income generating model.</p>
3.2	<p>A robust approach was undertaken to complete the review including consultations with 85 key stakeholders, international city comparisons (Auckland, Copenhagen, Stockholm) and considerable desk research of approaches in other locations and current research and thinking on City Centre Development models. The consultants also undertook an organisational review and analysis including value for money and definition of remit, role and City Centre Management Services across a number of organisations. As part of the review process, Party Group Briefings were held and there was broad agreement around the key findings and recommendations.</p>
3.3	<p><u>Overview of Key Findings</u></p> <p>The initial findings of the review, which were accepted by all parties, including BCCM Board were:</p> <ul style="list-style-type: none"> - The city landscape and operating environment has changed significantly with the Council

heavily involved in the development of the City Centre and taking a much more proactive role in this work;

- The strategic context has also changed with the introduction of new policies and strategies guiding city centre design, management and development;
- BCCM provides a good co-ordination role and is well connected to parts of the City Centre. Staff are well engaged and enthusiastic about their roles and the BCCM offer, however there may be a need for a new skills set to deliver the services required in the future. There is a sense that BCCM's relevancy is less than it could or should be and the value of some of its services does not add sufficient value to the City Centre development or management;
- The emergence of Business Improvement Districts (BIDs) in Belfast has altered the funding and service delivery landscape. BIDs are a common feature in most major cities in the UK and RoI. This change has led to a shift in service delivery and engagement mechanisms in all cities in which BIDs have been introduced. Two Belfast BIDs have been developed (Belfast One and Destination CQ) and a third BID will operate from February 2018 (Belfast Two), bringing further changes to the role of BCCM in supporting City Centre development (see Appendix 1 - Belfast City Centre Map);
- There is evidence of duplication of services across the City Centre while there are gaps in other areas, principally around support for Council and other partners in developing a strategic approach to City Centre development, taking account of issues such as investment, planning, regeneration and public-private partnerships
- Consultation feedback indicated mixed views on the effectiveness of current arrangements
- The current Board composition is not reflective of the key issues impacting on the City Centre and is largely focused on retail. This does not recognise the changing role and function of the City Centre and the ambition set out by the Council for this area.

Review Recommendations

The Review provides examples of services that could be continued as well as those that need to be refreshed, and has highlighted the opportunities for a focused organisation which can make a meaningful contribution to city development. The key recommendations include:

- The preferred option is to create a self-financing option for BCCM. The move towards

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this way of working will require a change in focus and structure;

- There is a core of services which BCCM could continue to deliver via SLAs and there are opportunities to compete commercially for contracts emerging from traditional funders and from other sources. The Review identified a number of commercial opportunities which a re-configured BCCM would be well positioned to compete for and generate sustainable income;
- A changed operational structure will require a refreshed governance model with associated changes to board membership, staffing roles, focus and responsibilities;
- The consultants developed an outline business case for BCCM Board's consideration as a blueprint for effecting a transition throughout 2018/19
- The Council should phase out its grant funding over the course of 2018/2019 but should be prepared to commit 50% of its existing grant (£95,000) in that financial year.

Changing roles in the City Centre

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Before BCCM was established, the Council did not have an engagement mechanism to support interaction with Centre Centre businesses and to act as a sounding board on City Centre issues. The changing landscape referred to above reflects wider changes in the Council's approach to City Centre issues. In 2015, Members agreed the first City Centre Regeneration and Investment Strategy and, since then, the City Centre Development Team has been established to support its development and delivery, including rolling out the £18.7million City Centre Investment Fund (CCIF).

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In addition, both the Development Department and the City and Neighbourhood Services Department are directly involved in a range of business support and service delivery functions impacting directly on the City Centre. Likewise, the Financial and Resources Department are collecting the levy for all three Business Improvement Districts.

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In parallel to the Council engagement, Belfast Chamber of Commerce is changing its focus to become an advocacy and lobby organisation representing the interests of Belfast businesses – with their membership drawn predominantly from city centre businesses.

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The emergence of the BIDs marks the emergence of a new series of strategy and investment partners in the City Centre. Each BID has a mandate from its levy payers to deliver on a series of priority activities that are in addition to core Council and partner services. The Council is a levy payer in all three BIDs and the total annual Council contribution across the

three BID areas is around £51,000.

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The consultants identified the potential for significant duplication of delivery in the City Centre due to these changes, as well as the changing external environment. Partners were unclear about who was delivering what and the review considered that there was a need to look again at what was being done in order to identify what specific support the Council and its partners needed to provide to support a successful, vibrant City Centre.

Impact on Services

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The recommendations of the review have been broadly accepted within the context of streamlining services, reducing duplication and ensuring efficient and effective delivery. Any changes to the current approach will have an impact on how Council services work with and through BCCM. Appendix 2 sets out the range of services provided by BCCM, the likely impact on Council Services and how Officers will work with BCCM and other partners to mitigate these risks through SLAs or commercial arrangements. Economic Development Unit will be the key interface to support BCCM's transition alongside DFC.

Financial & Resource Implications

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Belfast City Centre Management is a company limited by guarantee and currently employs ten people. Since the inception of BCCM, the Council has been a key funder (providing £190,000 annually) alongside a funding contribution from DfC and income from SLAs and contracts with BID One and Belfast Chamber of Trade and Commerce.

3.12

As the Board of BCCM embarks on a new commercial model, the review report recommends that the Council should phase out its core funding over the course of 2018/2019. As a consequence, BCCM's board of directors will need to assess the organisation's liabilities, resources and potential to raise income from other private sources. This work is already underway.

3.13

The spirit in which the Board of BCCM has adopted a change in approach is to be commended. In keeping with the review, it is proposed that 50% of the 2018/19 allocation originally set aside within the Development Department budget to support BCCM (£95,000) is allocated to the organisation to support business continuity. To assist in the transition phase, the BCCM Board has approved the recruitment of a Project Manager who will oversee the commercial development and governance changes to the organisation.

<p>3.14</p> <p>3.15</p>	<p>It is also recognised that technical professional assistance may be required for HR, legal or marketing advice. In addition to 50% core funding, it is therefore proposed that up to £30,000 is profiled in 2018/19 to support these aspects of the transition (DfC has also agreed to set aside £30,000 for this work). It is important to note that, during the transition phase, commercial contracts may be put in place with BCCM to carry out specific elements of work, subject to normal procurement procedures. This financial commitment will be met from 2018/19 Economic Development budgets.</p> <p><u>Equality or Good Relations Implications</u></p> <p>There are no specific equality or good relations implications.</p>
<p>4.0</p>	<p>Appendices – Documents Attached</p>
	<p>Appendix 1 - Belfast City Centre Map – including BID and BCCM boundaries</p> <p>Appendix 2 - BCCM's Role: assessment of impact for Belfast City Council</p>