

# Causeway Coast and Glens Borough Council

To: Leisure & Development Committee

## Economic Development Projects Update

12<sup>th</sup> January 2016

For Information

Report to Committee

Linkage to Interim Corporate Plan	
Strategic Themes	Prosperity Health & Wellbeing Cohesive Community
Lead Officer	Paul Beattie – Head of Prosperity and Place
Cost: (If applicable)	N/A

The purpose of this report is to provide Members with an update on the current position regarding various aspects of ongoing work within the economic development unit, which includes:

- Regeneration Projects
- Alchemy
- Regional Start Initiative
- Rural Development Programme
- Enterprise Zone Marketing

### 1. Update on Ongoing Regeneration Projects

#### (i) Portstewart Environmental Improvement Scheme

Geda Ltd is the project's main contractor. The project has progressed as planned through the pre-construction phase with the Construction Notice being subsequently issued to Geda.

The contractor will commence construction on 7<sup>th</sup> January and to be completed by 20<sup>th</sup> May 2016. The main identified risks to the project remain as the weather and the depth of services on the landside.

The Project Board met on 3<sup>rd</sup> December and was appraised on their role and the project profile. A successful pre-construction Information Event was held for both businesses and the public on 15<sup>th</sup> December. Around 60 persons attended. Individual briefings have also been undertaken with businesses.

A further and final visual perspective of the scheme has been commissioned for appropriate media release in mid-January following confirmation of the final scheme design. Transport NI has agreed to attend all Steering Group meetings which is particularly helpful.

There are no key issues outstanding at this point.

## **(ii) ReVitalise**

### **Portstewart:**

The final account is agreed with the Department for Social Development and the project is now closed.

### **Coleraine:**

A total of 12 Letters of Offer have been made, totalling £26,752.63. An additional 7 applications are still pending and a further 8 properties still have to submit an application. The next assessment panel will meet on the 12<sup>th</sup> January 2016. The steering group are also considering options for marketing activity, signage and refurbishment of the car park area at Railway Place.

### **Ballycastle:**

62 Properties are eligible in the target area of The Diamond, Ann Street and Quay Road. 50 applications have been received with 45 Letters of Offer issued to date and 1 application considered ineligible (26 acceptances returned to date – with a deadline of 6 January for remainder)

Four applications will be assessed at the Steering Group meeting to be held on Thursday 7<sup>th</sup> January. Total funding committed to date = £105,809.92 (including projections of costs for applications still to be assessed)

Both schemes remain on course to be concluded in March 2016. This will 'finalise' Ballycastle in terms of ReVitalise. DSD's Derry/Londonderry office is considering further funding for Limavady, and both that town and Coleraine will be moving forward with further mapping. A similar exercise will be undertaken in Ballymoney in anticipation for further funding becoming available.

## **(iii) Heritage Lottery Fund bid for Lansdowne**

The Stage1 submission to the HLF is scheduled for February 2016. The in-house Steering Group – comprising Prosperity and Place, Community and Culture, and Environmental Services - continues to meet regularly with the procured consultancy support of the Paul Hogarth Company.

Key stakeholder consultations are scheduled for January 2016 culminating with a public consultation on Wednesday 27<sup>th</sup> January in Portrush Town Hall convened in partnership with the Portrush Heritage Group. The purpose of the consultation is to ensure early broad engagement with Portrush interests by requesting initial views for the Stage 1 submission in the maritime, social and environmental heritage context.

The Steering Group believes an initial public consultation together with a series of key stakeholders meetings, including the Portrush Heritage Group, will both raise awareness and ensure interested persons have the earliest reasonable opportunity to participate. This is simply the first public meeting of several anticipated if the project meets with both HLF and Council approval.

Outcomes and issues raised will be fed back to Council shortly afterwards, as part of the ongoing submission to Heritage Lottery Fund.

## **(iv) Portrush Harbour - extended technical feasibility study**

The Department for Social Development is supporting Council with funding towards completion of an extension to the initial draft feasibility Study which was also undertaken by RPS Ltd. The Harbour Key Users Group, convened in 2011, is assisting with the initial design considerations. The

work will conclude in January 2016 with an additional design option(s) being available for consideration and presented to Council thereafter.

## 2. Update on Regional Start Initiative

Members are reminded that the current contract for the Regional Start Initiative (business start programme), remains with the local enterprise agencies, while collectively, the Councils prepare to re-tender the programme in 2016. The current arrangements will run until at least March, and possibly through to October.

The Councils have prepared an application for funding this programme to the new EU Local Economic Development funding stream which will come in 2016.

The key outcome measures for the proposed programme are:

- number of new businesses created
- number of business surviving after one year
- number of jobs created
- cost per job

The Councils will commission the delivery of the service through a **single regional contract through a public tender process**, achieving maximum economies of scale and ensuring consistency of delivery. The contract will articulate the full range of services to be delivered (as defined above) and Councils will retain responsibility for delivery of the necessary central services.

The total anticipated project cost across Northern Ireland will be £8,729,859, with a total contribution from all councils of £1,745,972. While the programme will have a range of targets, the vital targets for the programme are as follows:

### Business Plans

NIBSUP	Year 1	Year 2	Year 3	Year 4
<b>Business Plans</b>	<b>2,644</b>	<b>2,850</b>	<b>3,000</b>	<b>3,000</b>

❖ *Assumption: business plans converted to actual business starts at a rate of 68%;*

### Actual Business Starts

NIBSUP	Year 1	Year 2	Year 3	Year 4
<b>Actual Starts</b>	<b>1,824</b>	<b>1,966</b>	<b>2,070</b>	<b>2,070</b>

❖ *Assumption: each business start should create an average of 1.13 jobs (minimum) per start;*

❖ *Assumption: a survival rate of 85% (minimum) beyond 12 months of trading.*

This yields a cost per job of around £1000, a target imposed on Councils for EU funding outputs. It is worth noting that in the Councils' own joint economic appraisal on Regional Start initiative, that comparative costs across similar programmes in the UK showed the following:

- cost per gross job for Business Link in the east of England was £12,471
- cost per gross job in East Midlands was £2,679
- cost per net job in London was £11,723

**The imposed cost per job target of £1000 is one that will require very stringent monitoring. There may be claw-back issues if this target is not maintained, and it also imposes serious restrictions on Council's ability to use EU funding for other initiatives which are not job-intensive.**

In terms of the current programme, progress has been good, with targets well on course for full achievement.

The area is currently at 65% of its target for the October to March period, with 118 jobs promoted for the 2015/16 period – 95% of the total required for the current programme, with three months still left to run of the current financial year.

### **3. Alchemy Update**

The Alchemy programme continues to grow in popularity as it is rolled out across the new Borough.

A short summary of assistance offered so far is included here to give members an idea of the breadth of support which is available as well as the variety of companies who seek assistance.

The target for involvement this year is **45 businesses to receive one to one mentoring, with a minimum of 1% increase in cumulative profit 5 businesses to move into INI's export support structure.** A further update on progress will be brought for consideration in March which will report on actual qualitative and quantitative outcomes.

<b>Client</b>	<b>Recommendation</b>
<b>Adonis Fitness Limavady</b>	1.5 days to support a growth plan focused on job creation.
<b>Alloy Clinic Ballymoney</b>	3 days support with the development of a growth and marketing plan with research to allow him capture a greater part of the market share across NI.
<b>Altec Renewables Limavady</b>	3 days support Market Research for Scotland and ROI and to assist the business link this market planning into a Growth Strategy for Energy Storage solutions. 1 day to assist support website/marketing tendering.
<b>Arcade Bar Dungiven</b>	2 days support to an existing business location to review viability of new business set up locally and options in context of the licencing needs.
<b>Atlantic Lenses, Portstewart</b>	The business is seeking support of 2.5 days marketing to assist the business grow and capture greater market share in local area and across NI.
<b>Ballyness Caravans Bushmills</b>	The business is seeking support 3 days support with designing a strategic development and growth plan with marketing to support the business grow and capture greater market share across the UK and Europe as well as in NI.
<b>Bellisle Spa, Macosquin</b>	A formal business plan and overall review of business operations with a specific outcome being a marketing plan to assist the business grow and capture greater market share locally and across Ni for its high quality luxury offerings.
<b>Blok 51 Kilrea</b>	3 days support Marketing for business grow and capture greater market share NI, UK and Europe and Growth Strategy around the potential for new business.

<b>Bob and Berts Ballymoney</b>	The business is seeking 2 days General marketing support.
<b>Bradagh Interiors Dungiven</b>	1.5 days Review of roles of Directors and growth planning. 3 days to devise a specific marketing plan in line with building a brand. The business owners believe they have greater potential to win contract business locally across NI and in ROI via better marketing.
<b>Café Piazza Limavady</b>	2 days support with devising a formal growth development plan aligned with marketing and it would be advantageous to have HR support to review staff contracting etc in moving forward towards growth and employing full time staff.
<b>CAN, Ballymoney &amp; Coleraine</b>	Marketing – 1 day Strategic planning /financial management – 3 days Aims at sustaining business as well as reviewing and focusing on realistic growth prospects & potential new business to sustain grow employment.
<b>Coleraine Van Centre</b>	Marketing to assist the business grow and capture greater local market share as well as support to review the website as an effective marketing tool.
<b>Dexter &amp; Gordon</b>	Marketing support to assist the business grow and capture greater market share in NI leading to a Growth Strategy and look at potential contract business via Tendering.
<b>E &amp; M Associates Coleraine</b>	2 days support with devising a formal growth development plan aligned with marketing and it would be advantageous to have HR support to review staff contracting etc. in moving forward towards growth and employing full time staff.
<b>E Henry Engineering Ballymoney</b>	3.5 days support for a strategic Growth Strategy around the potential new business – looking at cost reductions and it would be useful to look at site utilisation at Ballybrakes - need new staff for growth and may require some HR input going forward.
<b>Edenroe B&amp;B Dungiven</b>	2 days support to devise a plan to become a viable full time business with marketing awareness and planning to generate greater market capture and ability to trade and invest for growth.
<b>Fiona McToal Millinery Ballymoney</b>	Business planning and marketing support for 2 days to establish if this is a viable business going forward.
<b>Glenballyemon Eggs Cushendall</b>	3 days support with Marketing and generating a formal plan to assist the business bid for Invest NI funds for the automated equipment to permit continued growth and capture greater market share in NI.
<b>Hilltop Landscapes Greysteel</b>	2 days support for marketing and 1.5 days support for tendering with an option for another day if necessary combining efforts to support the business strategically focus on growth with tendering and marketing.
<b>KA Toning Kilrea</b>	3 days support to enhance business pitch/negotiating skills and financial modelling for new Product launch in European and World Markets.
<b>Kane Ecology Balamore</b>	Mentoring support with tendering and looking at marketing the business – a package of 2.5 days support would be beneficial as there are prospects for some 35 new contracts via DOE and NIEA in 2016.

<b>Maine Surface Finishing Coleraine</b>	3 days support for Maine Surface Finishing to support with review and planning needs so that the business can remain and expand on current site with growing the number it employs from the current 85 employees to 160-170 employees within 3 to 5 years. Expansion plans will involve engagement with Planning and Regulatory requirements associated with the implementation of this growth strategy.
<b>McMullan Funeral Directors Ballymoney</b>	2 Days support with Marketing & Growth Strategy – how more cost effective could the business be and potential for new business needed to sustain an additional employee.
<b>North Coast Smokehouse Ballycastle</b>	2 days support with General business / sales growth and financial management.
<b>Northern Ceramics Drumurn</b>	2 days support with designing an online marketing campaign and adding to its business plan with a focus for growth in capturing cross border trade.
<b>Patrick Bradley Craigall Quarry Coleraine</b>	An existing Invest NI client and may gain support via this channel but that needs to be determined. The business has been approved 3 days support with marketing and the possible HR input of 2 days if needed.
<b>Pizza Palace Dungiven</b>	Support deferred to Rural Development Programme for Idea and business planning.
<b>Ramada Portrush</b>	2.5 days support with HR - Train the Trainer & Customer Experience Management.
<b>Relieve Ltd Portrush</b>	2.5 days support for Market Research / Formal business plan capturing an emerging market from health trusts and in general in NI- recruit or associate herself with additional people/employment to meet potential contract business for specialised Neuro OT services.
<b>The Popcorn Factory Coleraine</b>	2.5 days support with Marketing and general business planning to grow sales and capture new and greater market share in NI.
<b>Triovia Media Coleraine</b>	3 days support looking at its overall business development and growth plan with marketing to support the business grow international customers.
<b>Ursa Minor Café Ballycastle</b>	2.5 days support with Financial Management on a new venture and growth plan with marketing.
<b>Valley Roofing</b>	½ day to support overview of existing website and advice on procurement of new website if necessary. 2 days for a Marketing Plan for the development and promotion of the new sales room – the first of its kind in Northern Ireland. 1 day support to assess how a stock control system can be linked to sales and the current networked computers and ½ day to advise on Sage usage.

#### **4. Rural Development Programme – submission update**

The purpose of this Summary Document is to provide an overview of the key elements of the Causeway Coast and Glens Local Action Group Interim Local Rural Development Strategy. The document was submitted in mid-December after extensive work with the Local Action Group and key stakeholders.

The strategy sets out the vision of the LAG for the next five years, in spending around £7m on developing the Borough's rural areas, communities and businesses. The document provides a summary of analysis, key findings, allocation of funding and a synopsis of the themes, actions and budgets for each.

This is a "living document" and will be subject to ongoing review and monitoring, not least because the Local Action Group wishes to ensure an even spend where possible across the whole rural area of the Borough.

Should members require sight of the full submission, which was made to the Department of Agriculture and Rural Development in mid-December, copies are available from the Rural Development Manager or via email from [Suzanne.irwin@causewaycoastandglens.gov.uk](mailto:Suzanne.irwin@causewaycoastandglens.gov.uk)

#### **5. Update on Enterprise Zone Marketing**

While Council still awaits formal designation for the Enterprise Zone, officers have been working with the Strategic Investment Board on developing initial branding and marketing initiatives in anticipation of this designation.

The base of this work is the brand. The brand is essentially "a promise to the market and a means to differentiate from competition".

As a promise, the brand will tell potential customers what they can expect from the product. As a means of differentiation, the brand will tell potential customers that they are with a better product or service provider. The Enterprise Zone is unlike any other venture that Council has undertaken – it is inherently interlinked with our economy, our landscape, our people and our community, but it is very different from all of them – it is aimed at a different market with very different parameters from usual marketing efforts.

In order to deliver a compelling and effective proposition, which will create a space for the Enterprise Zone in an international market, Council needs the development of a strong and effective brand that will clearly differentiate the Causeway Coast and Glens area from other locations in UK and Ireland.

Coleraine and the wider area are not known as a digital location at present, though this is a market sector that Council wishes to target. Other issues identify that existing sectors of tourism, retail and the public sector are not digitally-focused, and there will be a need to develop higher awareness of digital potential in the area.

There will be a need for more interaction from the University and Colleges in terms of developing the wider digital economic landscape. And as the Enterprise Zone itself develops, there will need to be a renewed focus on the Digital Causeway offer and our Foreign Direct Investment proposition.

In terms of starting to move this pre-designation project forward, officers from Council and Strategic Investment Board have looked at, and visited, other enterprise zones, all of which are much bigger and have more enhanced offerings than what is available under the proposed zone here. The following analysis was used as a starting point:

<p><b>Key Messages</b></p> <ul style="list-style-type: none"> <li>• Designated Enterprise Zone.</li> <li>• Pilot – unique offer in the area.</li> <li>• Link to Ulster University.</li> <li>• Enabler – new direction. <ul style="list-style-type: none"> <li>• Link to Digital Causeway.</li> </ul> </li> <li>• Project Kelvin.</li> <li>• Quality of life / area.</li> <li>• Employment &amp; Opportunity.</li> </ul>	<p><b>Business Objectives</b></p> <ul style="list-style-type: none"> <li>• Create a digital offering.</li> <li>• Securing anchor tenant.</li> <li>• Securing full tenancy.</li> <li>• Benefit realisation. <ul style="list-style-type: none"> <li>▪ Economic Regeneration.</li> <li>▪ Local economy.</li> <li>▪ Jobs /skills.</li> <li>▪ Increased GVA.</li> <li>▪ Refocus Education offering.</li> </ul> </li> </ul>
<p><b>Marketing &amp; Communications Objectives</b></p> <ul style="list-style-type: none"> <li>• Cultural shift in how the area is perceived – Digital offering.</li> <li>• Raise awareness of what it offers <ul style="list-style-type: none"> <li>▪ EZ benefits</li> <li>▪ Enhanced capital allowances</li> </ul> </li> <li>• Possible change to corporation tax.</li> <li>• Project Kelvin.</li> <li>• Present an attractive digital offer.</li> <li>• Associated Lifestyle.</li> </ul>	<p><b>Product Offer</b></p> <ul style="list-style-type: none"> <li>• 20 acre EZ site with potential to expand.</li> <li>• Significant interest from data centre – potential anchor tenant.</li> <li>• Enabled site.</li> <li>• Environment <ul style="list-style-type: none"> <li>○ Natural cooling – climate.</li> <li>○ Geographically stable.</li> </ul> </li> <li>• Kelvin – 80% underutilised.</li> <li>• Ulster University <ul style="list-style-type: none"> <li>○ Cloud Computing platform.</li> <li>○ Conversion (cooling) course.</li> </ul> </li> <li>• Skilled workforce.</li> <li>• Commitment with the council.</li> <li>• Strong lead business support.</li> <li>• Lifestyle the area offers.</li> </ul>

£30,000 was set aside within this year’s economic development plan to begin this work, in terms of fashioning brand and message, with a view to having initial material available for dissemination before the end of the financial year.

Evidence from other developments has shown that the typical time frame for the commencement of marketing was around 18 months in advance of final site opening; it is therefore imperative that this work moves ahead as quickly as possible.

Initial work with the Strategic Investment Board was focused on developing the brand and the key issues around it. Following this, quotations have now been sought which will fulfil the following tasks:

- Market Analysis (Desk-based research) including potential clients, competitors, the current market and business environment.
- Branding - Building upon the market research, develop a visual identity, style and brand guidelines, key messages which are aligned to the market, including copywriting for marketing channels including social media and website.
- Website Development whereupon once a brand is agreed, development of new website will begin – this needs to include to the production of a promotional video, 3D animations of site plans and computer generated images; it will also have social media integration and search engine optimisation.



In conjunction with Strategic Investment Board, quotations are sought from a range of brand development companies, with a closing date of 15 January 2015.

In addition, officers are investigating the potential for further promotion and marketing around the ICONS Festival which occurs annually in Belfast focussing on global tech, music and screen. If initial discussions show this to be a potential option for marketing, it could prove to be a very impactful avenue for engagement with the wider tech community.

Officers are also working on a short promotional strategy for any period immediately after the announcement of the designation of the zone.

In summary, this is an important first step for initiating marketing activity, which will come after the brand development. Members are also reminded that Council set aside £300,000 for marketing and communications after designation and agreement of an anchor tenant. Undertaking this brand development now will give Council a head start before commencing wider marketing work later.

At the same time, Council is also redefining its Foreign Direct Investment proposition, and in tandem, revisiting the Digital Causeway initiative. All this work now interlinks in a way that can only benefit marketing efforts for the wider Causeway Coast and Glens.

The outcome of the tender as outlined above will be brought for members in February.

#### **Date for Members' Diary**

Members are reminded that a meeting with staff from OFCOM is scheduled for 18<sup>th</sup> February, 2016, between 5:30 and 6:30pm. This is open to elected members, local action group members and stakeholders from the Enterprise Agencies.