



Subject:	Update on Belfast Region City Deal
Date:	26th June, 2023
Reporting Officer:	John Walsh, Chief Executive
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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"/>
Sometime in the future	<input type="checkbox"/>
Never	<input type="checkbox"/>

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

1.0	Purpose of Report/Summary of Main Issues
1.1	This report provides the Committee with an update on the progress of the Belfast Region City Deal (BRCD) and seeks approval of the first Annual Report.
2.0	Recommendations
2.1	The Committee is asked to: <ul style="list-style-type: none">i. approve the BRCD Annual Report for 2022/23;ii. note the update on project development and delivery across the pillars of investment;iii. note the update in relation the Implementation and Financial Plan;iv. note the updates on key pieces of work in relation to Net Zero and Green Growth; andv. note the update in respect of programme communication and the BRCD Council Panel.

3.0	Main Report
3.1	<p data-bbox="272 152 595 190">Annual Report 2022/23</p> <p data-bbox="272 208 1490 389">As previously reported to the Committee, the agreed reporting arrangements for all City and Growth Deals requires the production of an Annual Report and the requirement to meet with the Northern Ireland Delivery Board in order to discuss deal progress as part of an 'Annual Conversation'.</p>
3.2	<p data-bbox="272 456 1490 745">This is the first annual report produced for BRCD and outlines the significant progress made moving the deal from development to delivery stage in a period during which the partners have faced the considerable challenges of inflation, economic and political uncertainty and constraints on the public finances, alongside the complexities of City Deal financing and governance. The report provides an update on the progress of all the BRCD projects across its pillars of investment and key highlights include:</p> <ul data-bbox="323 813 1490 1966" style="list-style-type: none"> <li data-bbox="323 813 1490 898">• A total of 11 Outline Business Cases (OBC) have now been approved, with 3 more at advanced stages of the approval process <li data-bbox="323 965 1490 1352">• The first contract was signed by Ulster University for the Studio Ulster project in July 2022 and has been followed in recent months with contracts signed with Council partners for Carrickfergus Regeneration, Bangor Waterfront Regeneration and Newry City Centre Regeneration. In the latter part of 2022/23 contracts were signed with Queen's University for the Advanced Manufacturing Innovation Centre (AMIC) (also supported by Antrim & Newtownabbey Borough Council and Ulster University), The Global Innovation Institute (GII) and Institute of Research Excellence for Advanced Clinical Healthcare (iREACH) projects <li data-bbox="323 1420 1490 1505">• The seven contracts for funding that have been signed will enable the delivery of projects with an approximate value of £430m. <li data-bbox="323 1572 1490 1711">• The Lagan Pedestrian and Cycle Bridge and Newry Southern Relief Road - which will be financed directly through BRCD funds available to the Department of Infrastructure - also have the approvals necessary to move into the delivery phase. <li data-bbox="323 1778 1490 1966">• The first funding drawdown requests for the BRCD have now been submitted to the Department for Economy (DfE) and Department for Communities (DfC) and the first claim to a BRCD partner has been completed, marking significant milestones for deal delivery.

- Another key milestone for deal partners was commencement of construction on the first project, the 57,000ft² Studio Ulster site at Giant's Park in October 2022.
- 2022/23 also saw work commence on the skills assessment process to understand and respond to the labour and skills implications and opportunities of the city deal investment projects. The first assessment, focusing on the construction opportunities arising through the investment, has already informed a series of recommendations both for BRCD partners, and other stakeholders.
- A Task and Finish Group looking across Northern Ireland at skills for advanced manufacturing has completed its work, with a draft report due in the summer of 2023.
- In January 2023 the BRCD partners launched the new BRCD website to assist in increasing awareness and understanding of the deal, its ambitions and the benefits it will deliver.

3.3 The Annual Report, which was approved by the BRCD Executive Board on 14th June 2023 is attached at Appendix 1 for Members' consideration. The individual BRCD partners will also be seeking approval for the Annual Report through their own governance structures. The report will only be published after all approvals have been obtained.

3.4 The report will be shared with the Department of Finance (DoF) in advance of the Annual Conversation which is scheduled to take place in early July.

Implementation Plan and Financial Plan

3.5 The overarching deal document is supported by both an Implementation Plan and Financial Plan which were agreed with the UK and NI Government departments. The Implementation Plan provides detailed information on the projects including key milestones, financial information and funding flows, risks and outcomes. It also forms the basis of the monitoring and reporting information required for each project. The Financial Plan sets out the overall financial framework including stewardship, protocols and controls and the role of the accountable body. The plan also details the financial forecasts and predicted funding flows and timelines and forms the basis of the financial reporting and profiling arrangements.

3.6 The Programme Management Office has been engaging closely with partners to produce an annual review of both plans alongside the production of the Annual Report. Both plans have been considered by the Finance Directors Group and following consideration by the Executive Board, will be submitted to DOF by the end of June, as required by the Contract for Funding. Also, in line with Contract for Funding Requirements Quarterly Performance Reports and

Quarterly Financial Reports will continue to be submitted to the respective Accountable Departments for projects which have signed Contracts for Funding.

Progress across BRCD Pillars since Previous Report

Innovation

3.7 **AMIC** has received planning approval for the Factory of the Future site at Global Point in Newtownabbey and has now concluded its procurement and awarded a contract for the Pre-Construction period under the Early Contractor involvement approach. Work has commenced in relation to its Full Business Case.

3.8 As previously reported to the Committee, construction work on **Studio Ulster** commenced on site in October 2022. Following the conclusion of the Pre-Qualification phase and publication of the Invitation to Participate in Dialogue, competitive dialogue is now well underway with the intention to appoint an operator for Studio Ulster in summer 2023 and the conclusion of the Full Business Case.

Digital

3.9 Since the last update to the Committee, **the i4c Cleantech Centre**, led by Mid and East Antrim has received positive news with the re-endorsement of its updated OBC by the DfE Casework Committee. The project will now proceed to consideration by DoF Supply.

3.10 There has also been positive progress on the **Augment the City** project, led by the Council's City Innovation team, which has now received approval from the Department for the Economy. Work will now commence in relation to a funding agreement and transition will move towards implementation of the project.

Tourism and Regeneration

3.11 Following a number of delays, there has been positive progress in relation to approval of OBCs with **Destination Royal Hillsborough** receiving DoF approval and following completion of a Financial Review **the Gobbins Phase 2** was re-endorsed by the Economy Casework Committee and awaits DoF Supply approval.

3.12 The Contracts for Funding for **Mourne Mountain Gateway, Destination Royal Hillsborough and Gobbins Phase 2** have been drafted and engagement with Government Departments is ongoing to finalise.

3.13	<p>Work is also being undertaken in parallel with the drafting of the Contracts for Funding for the Tourism Projects to complete subsidy control assessments arising from the requirements of Subsidy Control Act 2022</p>
3.14	<p>Progress in relation to procurement continues with the development of procurement documentation for Integrated Consultancy Teams (ICTs) and Integrated Supply Teams (ISTs) and a number of key project procurements are now live.</p>
3.15	<p>Belfast Stories, the Council’s flagship project continues to progress against the agreed programme. The procurement of professional services continues with the pre-qualification stage completed and Invitation to Tender documents published. Members should also note that a detailed update was considered by the City Growth and Regeneration Committee at its June meeting.</p>
	<p>Infrastructure</p>
3.16	<p>As previously reported, feasibility studies are being completed and the OBC is being updated by Department for Infrastructure for Belfast Rapid Transit Phase 2. The procurement of the design and build contract for Lagan Pedestrian and Cycle Bridge will commence in the summer with appointment expected early in 2024.</p>
	<p>Employability and Skills (E&S)</p>
	<p><u>Skills Assessments</u></p>
3.17	<p>Our skills assessment process - developed through the BRCD E&S pillar to understand the labour and skills implications of the city deal investment projects – is continuing to progress. As reported in March the first ‘skills assessment’ looked at the construction opportunities arising through the city deal investment. The outworkings of this work then informed a series of recommendations for BRCD partners and other stakeholders. This approach worked well and the intention had been to extend it to other sectoral areas relevant to the BRCD</p>
3.18	<p>However, following engagement with our partners in Government – and our colleagues in other deal areas - we have since adopted a cross-deal approach to skills assessment to ensure a streamlined approach that reflects the full programme of activity planned through all 4 city and growth deals. As a result a new Cross Deal Skills Group held a meeting in May to consider the projects emerging across all 4 Deals to inform a full schedule of sectoral based skills assessments.</p>

3.19	<p>Two further skills assessments, aligned to Advanced Manufacturing and Creative Industries sectors, are already now well developed utilising this approach. An Advanced Manufacturing Assessment – completed with AMIC - will be shared with partners over the coming weeks with a view to approval in the Autumn. The Creative Industries (Virtual Production) assessment will begin to refine its emerging recommendations this month, with the intention of a final report to the Task and Finish Group in August.</p>
3.20	<p>We are currently planning recruitment of a new E&S programme manager to replace the previous post holder. This will allow us to continue to progress our ongoing programme of skills assessments to include Digital Skills, Life and Health Sciences and Tourism.</p>
3.21	<p>To ensure that local businesses understood the opportunities arising from the construction pipeline of the BRCD investment programme – particularly over the next year – we held two events in March at which we also communicated both the inclusive growth and social value ambitions of the Deal, and the employability and skills support available through our council, college, and university partners to help the sector respond to labour and skills challenges. The events were both well attended and very well received.</p>
3.22	<p><u>Digital Transformation Flexible Fund (DTFF)</u></p> <p>In May 2020 a collaborative cross city and growth deal bid was made to the City and Growth Deal Complementary Fund for the creation of a Digital Transformation Fund. The aim was to address the financial barriers micro businesses and SMEs face when looking to benefit from the economic opportunities of digital transformation, by establishing a capital grant fund to support investment in capital equipment (hardware and software) critical to business strategic digital transformation plans.</p>
3.23	<p>The OBC for the £7.5m DTFF project (with £6m from the Complementary Fund, £1.1m from DAERA and £451K from Derry and Strabane City Deal) involving all 11 Councils, led by Newry, Mourne and Down District Council, was approved through Invest NI Casework on 10th May 23 and just last week was considered by the DfE Casework Committee, with positive feedback received and the expectation that it will move forward to Dof Approval.</p>
3.24	<p>Derry City and Strabane District Council (DCSDC) does not have access to the City and Growth Deal funding until its Deal is signed. However, government partners are content for businesses in DCSDC to be access DTFF funding from the Complementary fund/DAERA funding initially whilst the Derry and Strabane City Deal is progressing towards approval. On deal signing, £451k from the Derry and Strabane City Deal will then be allocated from the digital pillar of the deal to the DTFF.</p>

3.25	<p>Newry, Mourne and Down District Council, on behalf of the partners has been making preparations for the launch of the fund whilst the business case has been going through the approvals process and so, subject to final approval, the first call is expected to be launched in Sept 23.</p> <p>Net-Zero and Green Growth</p>
3.26	<p>Work has been undertaken with partners and with government departments in order to understand how the BRCD can respond to the challenge of net-zero.</p>
3.27	<p>A Green Growth Workshop was hosted in March 2023 by the Department of Finance and the Department for the Economy involving a representative from each of the City and Growth Deals. This was an initial workshop to seek to support deals in considering how to respond to the net-zero challenge and as well as hearing about plans for the first NI Climate Plan from the Department of Agriculture and Rural Development and each of the deals about how they are seeking to respond to net-zero challenges. Colleagues from North Wales Deal gave a presentation on their work to guide Growth Deal projects in North Wales to improve biodiversity and reduce operational and embodied carbon impacts from the outset of a project. A cross-deal working group will now be established to take forward this workstream, The BRCD Programme Director and Climate Commissioner have been invited to the initial meeting of the working group and an update on terms of reference, membership and workplan will be provided following this meeting.</p>
3.28	<p>Members were previously advised that partners had commissioned an assessment of the decarbonisation priorities for the Belfast region. Professor Andy Gouldson, Leeds University was appointed to develop a robust evidence base for Partners. This work titled “An Analysis of Net Zero Options for the Belfast Region” has now been completed and the results of which were presented to the Executive Board in May and a copy shared with partners.</p>
3.29	<p>The report does not focus specifically on the BRCD programme but provides evidence on the scale of the challenge for the region and the potential options for delivery. It is intended that the analysis will:</p> <ul style="list-style-type: none"> • Assist the individual BRCD Partners in development of local net zero planning; • Help BRCD collectively consider future economic opportunities arising from net zero requirements and support the development of proposals for funding to allow such opportunities to be taken and integrated into the BRCD programme; • Support planned engagement with NI departments in relation to net zero integration across NI City and Growth Deals, that will be led by the Working Group being

	<p>established by the Department for the Economy as outlined above. This will support projects to integrate net-zero considerations into project development and delivery.</p> <p>3.30 As outlined above given that the analysis is intended to assist BRCD partners in the development of their local net zero planning the final report will be considered by the Climate and City Resilience Committee at its meeting in August.. The Executive summary is attached at Appendix 2 for Members' information.</p> <p>Programme Communication</p> <p>3.31 The progress across the deal in recent months has been reflected in significant positive coverage in broadcast and social media. Major announcements and developments are included in the section of the BRCD website on News & Events.</p> <p>3.32 In the last week, the benefit and impact of the most advanced projects in the deal were widely reported following the announcement by AMIC of £1million of Innovate UK funding to support NI businesses and the announcement that a consortium led by Ulster University has been selected by the UK Government to host one of four new labs specialising in the future of virtual production at the BRCD funded Studio Ulster project.</p> <p>BRCD Council Panel</p> <p>3.33 The Council panel meeting due to be held in April and hosted by Ards and North Down Borough Council was postponed due to the Local Government Elections. Ards and North Down Borough Council will now host the September meeting due to take place on 27th September. The minutes from the panel meeting of 25th January are attached at Appendix 3.</p>
<p>3.34</p> <p>3.35</p>	<p><u>Financial and Resource Implications</u></p> <p>All costs associated with the BRCD are within existing budgets.</p> <p><u>Equality or Good Relations Implications/Rural Needs Assessment</u></p> <p>The approach taken to develop the City Deal has been subject to independent equality screening and rural proofing and states that;</p> <p><i>'BRCD is inherently inclusive, affording an opportunity for the region to grow in a way that will benefit the economy of Northern Ireland as a whole, thereby enhancing the lives and well-being of its citizens. If during further development of the programme it becomes apparent that there may be an adverse impact on certain groups or communities then the partnership commits to carrying out further Section 75 work and including screening and EQIAs as and when appropriate.'</i></p>

4.0	Documents Attached
	<p>Appendix 1 – BRCD Annual Report – RESTRICTED</p> <p>Appendix 2 – Executive Summary - An Analysis of Net Zero Options for the Belfast Region</p> <p>Appendix 3 - Minutes of the BRCD Council Panel 25 January 2023</p>