



<b>Subject:</b>	Belfast Region City Deal – update
<b>Date:</b>	19 <sup>th</sup> January 2024
<b>Reporting Officer:</b>	John Walsh, Chief Executive
<b>Contact Officer:</b>	Sharon McNicholl, Director of Corporate Services and Deputy Chief Executive

<b>Is this report restricted?</b>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
<b>Please indicate the description, as listed in Schedule 6, of the exempt information by virtue of which the council has deemed this report restricted.</b>	
Insert number <input type="checkbox"/>	
<ol style="list-style-type: none"><li>1. Information relating to any individual</li><li>2. Information likely to reveal the identity of an individual</li><li>3. Information relating to the financial or business affairs of any particular person (including the council holding that information)</li><li>4. Information in connection with any labour relations matter</li><li>5. Information in relation to which a claim to legal professional privilege could be maintained</li><li>6. Information showing that the council proposes to (a) to give a notice imposing restrictions on a person; or (b) to make an order or direction</li><li>7. Information on any action in relation to the prevention, investigation or prosecution of crime</li></ol>	
<b>If Yes, when will the report become unrestricted?</b>	
After Committee Decision	<input type="checkbox"/>
After Council Decision	<input type="checkbox"/>
Sometime in the future	<input type="checkbox"/>
Never	<input type="checkbox"/>

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

<b>1.0</b>	<b>Purpose of Report or Summary of main Issues</b>
1.1	This report is to provide an update to Committee on the progress of the Belfast Region City Deal (BRCD).

<b>2.0</b>	<b>Recommendations</b>
2.1	<p>The Committee is asked to:</p> <ul style="list-style-type: none"> <li>• Note the progress on project development and delivery across the pillars of investment.</li> <li>• Note the update on the Council's Augment the City SME Challenge Competition</li> <li>• Note the update in respect of programme communication and the BRCD Council Panel</li> </ul>
<b>3.0</b>	<b>Main report</b>
3.1	<p>As previously reported to the Committee, the BRCD Programme is now well into delivery with significant progress made to date. Belfast City Council (BCC) as the Lead Authority and Accountable Body has continued to support the delivery of the programme. A total of 15 Outline Business Cases (OBC) are now approved, with eight Contracts for Funding (CfF) signed and first £3m of claims paid to individual projects.</p> <p><b>Progress across BRCD Pillars since previous report</b></p> <p><b>Innovation</b></p> <p>3.2 OBC approvals and CfFs are in place for four of the five innovation projects, with a number now moving quickly towards to construction and operation.</p> <p>3.3 Following approval for planning for the Factory of the Future site at Global Point in Newtownabbey and contract award for the Pre-Construction, the Advanced Manufacturing Innovation Centre (<b>AMIC</b>) has now formally submitted its Full Business Case to the Department for Economy (DfE) for review and approval, with plans for construction work commencing on site in Spring 2024. AMIC has also now completed its Gateway 3 Investment Decision review and was provided with a green RAG rating.</p> <p>3.4 Construction work on <b>Studio Ulster</b> also continues to progress well at the Belfast Harbour site and a competitive dialogue process has commenced for the appointment of a supplier for the design, development, supply &amp; installation of equipment for Studio Ulster which will now be operated by Ulster University, via Studio Ulster Ltd. Detailed work has commenced in relation to the Full Business Case which will be submitted to the DfE for review and approval in the coming weeks.</p> <p>3.5 <b>iREACH Health</b> has continued to progress well through RIBA Stage 4. In December, Queen's University (QUB) awarded a contract for its works contractor under the Early Contractor Involvement approach. QUB has also submitted its planning application for the Lisburn Road site and are progressing work around site acquisition. Work on the Full Business Case has also commenced.</p>

3.6	In relation to <b>GII</b> , QUB are nearing completion of RIBA Stage 3 and is working to launch its Industry Advisory Board. Discussions are ongoing relating to utilities to support the development.
3.7	Following approval by the Executive Board, the <b>CDHT OBC2</b> was submitted to Government partners by Ulster University and following detailed review successfully received approval from DfE– the OBC is now being reviewed by the Department of Finance.
	<b>Digital</b>
3.8	The <b>i4c Cleantech Centre</b> at St Patrick’s Barracks, received approval for its OBC in November 2023. Mid and East Antrim Borough Council (MEABC) have continued to work at risk to progress and published the ITT Documentation for its Integrated Consultant Team in December 2023. Work has now commenced in relation to drafting the CfF.
3.9	The Council has now signed a £928,373 contract for Belfast Region City Deal Digital funding with the Department for Economy to deliver the ‘ <b>Augment the City’ SME challenge competition</b> . The competition, which will launch in early Spring 2024 and run for one year, will provide R&D funding to up to ten local companies, to work with Belfast’s tourism partners to develop cutting-edge immersive technologies (such as Virtual or Augmented Reality) that could enhance future tourism investments.
3.10	The companies with the most promising proposals will also have the opportunity to test their prototypes directly with visitors to the City Hall Visitor Exhibition later in 2024. Funding has been provided under the contract to equip three rooms in the exhibition space with the necessary wireless connectivity to support these state of the art technologies.
3.11	Members should note that under the terms of the contract with DfE, Belfast City Council has signed an Operating Partnership Agreement with the Centre of Procurement Excellence for Small Business Research Initiatives to effectively manage the competition.
3.12	Members are also asked to note that following a public procurement process, a contract has now been agreed with Digital Catapult to provide the necessary technical expertise to support the companies, and the city’s tourism partners to maximise the research and commercialisation impact of the competition.
3.13	A draft business case in relation to a potential <b>BRCD Venture Fund</b> is being developed and engagement is taking place on this with Invest NI. A partner workshop, involving representation from all BRCD partners, Government and industry (and facilitated by Catalyst Inc) was held in

	<p>December 2023 in order to initiate the development of proposals for an R&amp;D Grants programme to support SMEs across the region. This is also being led by the Council's City Innovation team.</p>
3.14	<p>As reported previously to SP&amp;R, BCC was also successful in securing £3.8m funding to support the Belfast Region as a 5G Innovation Region.</p>
	<p><b>Tourism and Regeneration</b></p>
3.15	<p>As reported previously, OBC approvals and CfFs are in place for the Carrickfergus, Newry City Centre and Bangor Waterfront regeneration projects.</p>
3.16	<p>The <b>Gobbins</b> received approval for the OBC in November 2023, a significant milestone for this project. Following receipt of this approval, work has been progressing with Tourism NI and DfE to agree the CfF for this project by February. MEABC have progressed the procurement of the design team for this project at risk and following completion of the ITT moderation in December, the final tender reports are being prepared and MEABC will be in a position to appoint the ICT by mid-February following Council approval and providing the Contract for Funding has been agreed.</p>
3.17	<p>Following OBC approval the procurement strategy for <b>Destination Royal Hillsborough (DRH)</b> has been agreed and the procurement documentation for the design teams is being prepared. Work has also been progressing with Tourism NI and DfE to agree the CfF for this project by February.</p>
3.18	<p>Following the unprecedented flooding across the Newry, Mourne and Down District and the priority given to supporting recovery from this incident, Newry, Mourne and Down District Council (NMDDC) have not been in a position to progress the addendum to the <b>Mourne Mountain Gateway Project (MMGP)</b> OBC as expected. NMDDC have however progressed with procurement of the design team and the procurement documentation was issued to market last week.</p>
3.19	<p>Progress in relation to procurement of Integrated Consultancy Teams (ICTs) and Integrated Supply Teams (ISTs) continues across the tourism and regeneration projects:</p> <ul style="list-style-type: none"> <li>• <b>Bangor Waterfront</b> have completed the pre-qualification process for the ICT for Ballyholme Yacht Club and Pickie Fun Park. The ITT documentation has been issued for Ballyholme Yacht Club and the ITT documentation is being prepared for Pickie Fun Park for issue in March to align with Operator appointments. Ards and North Down Borough Council have engaged external support to assist in the procurement of the Operator for the Marina and Pickie Fun Park so that Operators are in place to input into</li> </ul>

the design development process for both projects. The pre-qualification process for the Operator for the Marina concluded in December with ITT documents to be issued this month and pre-qualification documentation for Pickie Fun Park is to be issued at the end of January.

- **Belfast Stories** appointed their ICT and Design Assurance teams in November and design development has commenced.
- **Carrickfergus** appointed their ICT in December and project initiation meetings are underway. MEABC have also set up a Working Group and have appointed Excellence in Work to develop the preferred Operating Model for Carrickfergus, which is also likely to include Gobbins and the final recommendation is expected over the coming months.
- The ITT documents for the IST for the Theatre and Conference for **Newry Regeneration** were issued in December and the pre-qualification moderation for the Civic Hub was completed in December with ITT documentation being finalised for issue this month. A planning application has been submitted for both projects and engagement with planners is ongoing to provide any supplementary information required.

### **Subsidy Control**

3.20

As previously discussed, following introduction of the Subsidy Control Act 2022 and the subsequent legal advice to government departments on the need for subsidy assessments to be completed before signing of the CfF, significant work on development of subsidy assessments, has been ongoing in parallel with the drafting of contracts for the tourism projects.

- The subsidy assessment for the MMGP was referred as a Subsidy of Particular Interest to the Competition and Market Authority (CMA) in November and the CMA published their report on the subsidy assessment on Friday 12<sup>th</sup> January.
- The subsidy assessment for Gobbins has been prepared and following consideration of the CMA report on the MMGP subsidy assessment, the Gobbins subsidy assessment will also be referred to the CMA as a Subsidy of Particular Interest. A draft assessment is at an advanced stage of preparation and will be completed following review of feedback on the assessment for the MMGP.
- Following discussions with the CMA, DfE State Aid Unit and BCC Legal advisors, Legal advice is being taken to determine whether the projects within the DRH programme can be considered separately as separate Subsidies of Interest. If agreed, a subsidy assessment against the seven principles will still be required for each project, but the subsidy assessments would not require a mandatory referral to the CMA, instead the details of the subsidy would be uploaded to the transparency database only, allowing quicker progression to signing CfF.

3.21	<p>In addition to the work progressed above for Tourism projects, the Innovation projects which are at or are approaching FBC submission stage have progressed work and have sought advice in relation to Subsidy Control (including AMIC and Studio Ulster).</p> <p><b>Infrastructure</b></p>
3.22	<p>As previously reported the OBC is being updated by Department for Infrastructure (DfI) for <b>Belfast Rapid Transit Phase 2</b> and feasibility studies are being completed on the extensions to Glengormley and Carryduff as requested by the last Minister. Work is also ongoing to determine the city centre routes in order to align with the Eastern Transport Plan, Bolder Vision for Belfast and proposed public realm projects.</p>
3.23	<p>An external peer review exercise, similar to a Gateway 2, was completed for <b>Lagan Pedestrian and Cycle Bridge</b> in preparation for procurement of a design and build contractor. The resulting action plan has been circulated and the programme was updated and the current target to appoint a design and build contractor is late 2024. The pre-tender cost was developed in September and has identified significant cost increases for this project. An addendum to the OBC has been prepared to reflect this increased cost and DfI have submitted a proposal to cover the funding shortfall from the active travel budget.</p>
3.24	<p>Following confirmation from DfI that its preferred option for the bridge on the <b>Newry Southern Relief Road</b> is a non-opening 50m fixed bridge, work is proceeding to finalise the draft Statutory Orders and Environmental Impact Assessment Report in advance of their publication and statutory public consultation, currently anticipated for publication in Spring 2024. Prior to completion of the final design stage, DfI held a Community Information Event from 16-18 October, to provide an opportunity for stakeholders to view the emerging final scheme proposals for the Road.</p> <p><b>Employability and Skills (E&amp;S)</b></p>
3.25	<p>The <b>skills assessment</b> process which is now being conducted on a cross-deal basis to understand the labour and skills implications of the city deal investment projects is continuing to progress, but timeframes have been impacted by the vacancy in the E&amp;S Programme Manager post. As reported previously two further skills assessments, aligned to Advanced Manufacturing and Creative Industries sectors, are nearing completion utilising this approach. An Advanced Manufacturing Skills Assessment has been completed and will be shared for approval with the BRCD E&amp;S Board in the coming weeks. The Creative Industries (Virtual Production) assessment is refining its emerging recommendations, with the aim of a final report to the Task and Finish Group this month.</p>

3.26	<p>The £7.5m <b>Digital Transformation Flexible Fund</b> 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, has been approved and was formally launched in November 2023. Newry, Mourne and Down District Council, on behalf of the partners, are also working with Council colleagues to ensure alignment with the new Enterprise Support Service, Go Succeed.</p> <p><b>Communications &amp; Engagement</b></p>
3.27	<p>As the deal is now in delivery stage it is important to refocus on communication and engagement at both programme and project level. Support has been commissioned to support the development of a Strategic Engagement Plan with an initial focus on local businesses and industry. The first Industry Engagement event is a business breakfast scheduled for Thursday 29 February 2024. Further plans will also be developed to engage with elected members across the region to update on progress and identify further priorities and areas of future investment.</p> <p><b>BRCD Council Panel</b></p>
3.28	<p>The next meeting of the Council Panel will be held on 31<sup>st</sup> January 2024, hosted by Belfast City Council. At the meeting members will be provided with a programme update, an overview of the plans for strategic engagement and a presentation on Belfast City Council's flagship tourism project Belfast Stories. Following the meeting there will be an opportunity to take a tour of Belfast Stories.</p>
3.29	<p><u>Financial &amp; Resource Implications</u></p> <p>All costs associated with the BRCD are within existing budgets. As outlined additional resources have also been leveraged from other funding sources to extend the impact of the deal.</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	<p><b>Appendices – Documents Attached</b></p>
	<p>None</p>