



Subject:	City Region Growth Deal – update
Date:	22 June 2018
Reporting Officer:	Suzanne Wylie, 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"/>
Some time 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 or Summary of main Issues
1.1	To update Committee on the ongoing development of a Belfast Region City Deal Proposition including engagement and negotiation with Northern Ireland Civil Service (NICS), Ministry for Housing, Communities and Local Government (MHCLG) and Treasury on emerging projects and next steps.
2.0	Recommendations
2.1	The Committee is asked to note; <ul style="list-style-type: none">• The progress made in developing the Belfast Region City Deal (BRCD)• The following draft documents prepared in support of the BRCD<ul style="list-style-type: none">- Draft Proposition document

<p>2.2</p> <p>2.3</p>	<ul style="list-style-type: none"> - Industrial Strategic Framework - Digital Vision and Strategy - Initial Employability and Skills Proposition - Draft Belfast Region Infrastructure Investment Framework <ul style="list-style-type: none"> • The plans for the next meeting of the Joint Council Forum on 25 June 2018 • The next steps in the development of the deal leading to the development of a Heads of Term document during the month of September. <p>The Committee is also asked to approve:</p> <ul style="list-style-type: none"> • The commissioning of external expertise to support the further development of the BRCD proposition including specialist economic modelling and prioritisation, project development and proposition design at a cost of approximately £250,000 from within existing budgets. • The commissioning of further work to take forward the BRCD Digital and Innovation Strategy including the development of specific projects, identification of additional funding and delivery mechanisms and engagement with key partners at a cost of £270,000 from within existing budgets. <p>Committee should note that the costs for both of these pieces of work will be allocated across the six councils in the BRCD, based on the EPP, meaning that the actual cost to Belfast City Council will be approximately £190,000, a third of the total contract costs outlined above.</p>
<p>3.0</p>	<p>Main report</p>
<p>3.1</p> <p>3.2</p>	<p><u>Background</u></p> <p>Members will be aware that a major programme to enable the development of the BRCD, in accordance with the requirements of the Ministry for Housing, Communities and Local Government, is now in full operation.</p> <p><u>Programme Update</u></p> <p>At the last SP&R committee meeting members were provided with an update on the progress made in working with partners to develop the strategic policy frameworks that are required to underpin and support the BRCD and of the work completed to define the key strands of the BRCD in relation to Innovation, Digital, Infrastructure, Tourism and Employability and Skills. Members were also advised that a meeting was planned with senior</p>

officials from the lead UK and NI Government Departments to update them on the work completed, test emerging projects for possible inclusion in the deal, discuss financing and economic modelling and agree next steps in the negotiations to ensure the city region is on track to secure a deal by the autumn statement.

3.3 A number of draft documents were prepared for discussion at the meeting of senior officials and the following drafts are attached for information.

- The draft proposition document which summarises the progress to date in developing the BRCD, the business case for investment and the medium list of projects for potential inclusion in the deal.
- The draft industrial strategic framework for the region which seeks to establish a shared vision for sustainable and inclusive growth of the Belfast Region based on a robust analysis of the competitive strengths and the key economic challenges facing the Region and evaluate how to use our competitive advantages to respond to the key challenges for the Region in the context of UK and NI industrial policy
- The draft digital vision and strategy for the Belfast region, developed with the partners by Future Cities Catapult
- The draft Belfast Region Infrastructure Investment Framework, developed with partners by ARUP
- The initial employability and skills proposition proposing the development of a more integrated regional model for planning, resourcing and delivering employability and skills in the Region

3.4 At the meeting with senior officials, the progress made in developing the proposals for the BRCD, including preparation of the necessary strategic frameworks to ensure alignment with the draft NI and UK industrial strategies, was very much welcomed. Officials reiterated the commitment of the UK Government to the Belfast Region City Deal and the desire to now work directly with partner Councils and the NICS to put the Belfast Region in strongest position to achieve our ambitions for a City Deal.

3.5 There remains support at UK and NI level for the ambitions for inclusive growth in the BRCD and for the key pillars of investment in relation to Innovation/Digital and Infrastructure. A critical message emerging from the meeting was that to achieve the aim of agreeing Heads of Terms for a BRCD in September there is a need to move rapidly into a new phase during which there is a need to focus intensively on developing sufficient detail on a smaller number of priority projects, their costs, benefits and deliverability to enable inclusion in the BRCD.

3.6 Based on the feedback from officials in the UK Government and the NICS in relation to the nature of projects likely to be supported by a City Deal, and issues of affordability and deliverability, BRCD partners are therefore working to identify a reduced number of 'primary' projects that will be the focus of intensive project development. 'Secondary' projects will not be removed from the City Deal process, and can be re-introduced at any point where there is a challenge for the overall Programme to meet its objectives, including geographic spread of projects and delivery of inclusive growth. In addition, alternative sources of funding may be sought for some of these projects.

Innovation/Digital

3.7 As in other recent City Deals, it is anticipated that the Innovation and Digital pillar will be major focus for the BRCD as it is likely to attract more funding from UK Government given the projects contribution to the UK Industrial Strategy. Therefore at this stage a number of significant innovation projects from the two universities, which are designed to support job growth and productivity gains in our key sectors continue to be included. In addition, the digital proposition led by Future Cities Catapult (FCC) has now identified significant digital innovation projects, which not only support the key objectives of inclusion and job growth but also have the potential to cut across the whole of the Belfast City Region supporting both businesses and local communities. The initial proposed list of Digital / Innovation projects are

- Global Innovation Institute
- Financial (and Legal) Technology Centre
- Academic Medical Research Institute
- Centre for Digital Health Care
- Creative Industries Centre of Excellence
- Pre Cog
- 5G Smart District
- Regional Connectivity Fund
- Digital Innovation Platform
- Makers Network

3.8 These are ambitious and challenging proposals which will require prioritisation and significant development and identification of new ways of working in a short space of time. However they have the potential to attract investment, additional sources of funding, create jobs, support skills development and make our region one of the most connected in the Europe. The City Deal is a one off opportunity to kick start this process and in order to maximise this it is recommended that further support is commissioned to develop the key projects to SOC level and the overall Innovation / Digital 'ask' in the deal. This will also include working in

consultation with the universities and officials from the relevant UK and NI government departments to refine and prioritise the list of projects.

3.9

Tourism

Work is being progressed on the development of an OBC for the Belfast Story gallery and film Centre which is due to be completed by the end of June 2018. Work is also continuing on Tourism products in other areas such as the Gobbins II and Access to the Mourne. A Tourism Product Narrative and Development Framework and market testing of proposals have been commissioned and will be the basis for identifying primary projects for development. Members will also be aware that the City Growth and Regeneration Committee have commissioned a piece on Neighbourhood Tourism Development that will sit alongside any emerging tourism proposals from the City Deal. The initial phase of this work is almost complete and it is therefore recommended that the Tourism Product Narrative and Development Framework from the City Deal and the Neighbourhood Tourism Framework are presented to the City Growth and Regeneration Committee in August 2018.

3.10

Other Infrastructure and Regeneration

The number of projects included in this pillar is potentially 3 times more than the likely overall value of the BRCD . It would not be possible to work the large number of projects included in this pillar to the level of detail required by the NICS and UK Governments for inclusion in a City Deal in the Autumn. Based on city deal funding, deliverability/state of readiness and feedback from the NICS, the primary infrastructure projects being developed for Belfast include, Belfast Rapid Transit phase 2- linking the north & south of the city and York Street Interchange. Secondary projects include Lagan Bridges and Links (which potentially includes Lagan Bridges - Clarendon to Titanic, Gasworks to Ormeau Embankment and Corporation Street to Odyssey Quays and Dunbar and Bankmore Links), Transport Hub phase 2 (Weavers Cross) and Living with Water. Initial work on the Lagan Bridges and Links has been done through the City Centre Regeneration Strategy and a number of the city's masterplans and it is therefore proposed to review this along with DfI to assess deliverability, scheduling and state of readiness to see if any of the bridges may move up to the primary list.

3.11

Employability and Skills

The key to the success of the employability and skills approach for BRCD is the development of a more integrated approach to prioritising and planning interventions across the region and respective Council areas in relation to skills for growth and skills for inclusion.

Specific priority areas and programmes are being developed to support the key pillars for investments in areas such as;

- Careers Enhancement,
- Apprenticeship Hub,
- Graduate Development,
- Employability for All,
- Economic Activation,
- Business Productivity.

3.12 **Programme Development and Delivery**

An intensive programme of work for phase 3 of the BRCD has been agreed with the NICS and UK Government to enable the BRCD to progress towards agreement of Heads of Terms in September 2018. This will involve the creation of a virtual team of officials from the BRCD partners, the NICS, and the UK Government to ensure that the programme remains on track and to bring in expert advice from UK government departments to help inform and shape our final proposition. Steering Groups are now being established in relation to four key pillars of investment- Innovation/Digital, Infrastructure, Tourism and Employability and Skills- to direct the rapid development of the primary projects to Strategic Outline Case. The Steering Groups will comprise the council partners and key City Deal partners such as the NICS, Future Cities Catapult (FCC), key agencies, universities and colleges.

3.13 The steering groups will need to deliver initial outputs by July to allow economic appraisal of priority projects in line with the appraisal methodology employed by the relevant central government departments. The appraisal process will necessarily focus on assessing the benefits in terms of jobs and productivity but will also seek to take account of the need for benefits in each of the partner Councils and for account to be taken of the need for the new jobs that are being created to be accessible by people living in deprived communities.

3.14 Steering Groups will also be established on finance and governance. These groups will be tasked with undertaking affordability assessments, developing the financing strategy and developing governance options for the delivery phase which are capable of providing the necessary assurance to the UK Government, the NI Government and the local authority partners that decisions will be made in accordance with the requirements and commitments detailed in the Head of Terms.

Resource for Programme Support

3.15 Given the intensity of the work required, a dedicated programme office is being established to support phase 3 of the BRCD programme. All partners have been asked to identify project sponsors/leads for each primary project, who will then represent their organisation in the relevant steering groups, and a programme liaison/coordinator who will ensure that partners are progressing their projects and commitments in accordance with the agreed quality standards and timescales.

3.16 However to meet the requirements for the BRCD and to enable progress on the BRCD by September 2018 further specialist support is required to develop the proposition in relation to project and programme development and economic appraisal. This will include; providing assurances on the affordability element of projects and ensuring any projects going forward to the deal will have robust costings from both a capital and revenue perspective; developing financing considerations at both a project and programme level including assessing affordability, borrowing requirements and alternative sources of funding; ensuring the approach being adopted is compliant with Northern Ireland Civil Service and HM Treasury requirements to help build a prioritised programme of schemes which will take account of economic benefits, impact, value for money and inclusivity considerations. The timeframe for the development of Heads of Term during September means that this work need to start immediately and subject to committee approval, officers will work with colleagues in legal services on the most appropriate procurement approach.

Next Steps

3.17 A Joint members Forum, hosted by Antrim and Newtownabbey Borough Council, will be held with members from all six councils on 25 June to discuss progress and to help shape the next phase of the BRCD. At this meeting Members will discuss the next phase, including the ask and potential prize, the challenges and how we work together to achieve the best deal for the Belfast City Region. Gordon Matheson, a former leader of Glasgow City Council will chair this session. As the timeframe for the Heads of Term is fast approaching it is recommended that further meetings are planned in August, October and December, with the focus of the August meeting being on progress made towards the Heads of Terms and programme development.

3.18	<p><u>Financial & Resource Implications</u></p> <p>Committee is being asked to approve:</p> <ul style="list-style-type: none"> external expertise to support the further development of the BCRD proposition including specialist economic modelling and prioritisation, project development and proposition design at a cost of approximately £250,000 and further work to take forward the BCRD Digital and Innovation Strategy including the development of specific projects, identification of additional funding and delivery mechanisms and engagement with key partners at a cost of £270,000 from within existing budgets. <p>Committee should note that the costs for both of these pieces of work will be allocated across the six councils in the BCRD, based on the EPP, meaning that the actual cost to Belfast City Council will be approximately £190,000, a third of the total contract costs outlined above.</p> <p>Finance for the development of the Belfast City Region Deal has been included in the revenue estimates.</p>
3.19	<p><u>Equality or Good Relations Implications</u></p> <p>To be considered in preparation of Belfast City Region Deal.</p>
4.0	<p>Appendices – Documents Attached</p>
	<p>Appendix 1 - Draft BRCD Proposition document</p> <p>Appendix 2 - Draft Belfast Region Industrial Strategic Framework</p> <p>Appendix 3 - Digital Vision and Proposition</p> <p>Appendix 4 - Initial Employability and Skills Proposition</p> <p>Appendix 5 - Draft Belfast Region Infrastructure Investment Framework</p>