



Subject:	City Region Growth Deal – update
Date:	17 th August 2018
Reporting Officer:	Ronan Cregan, Deputy Chief Executive and Director of Finance and Resources
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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)that a meeting of the Joint Members Forum hosted by Mid and East Antrim will be held in mid September.

2.2	<ul style="list-style-type: none"> • A communication and engagement event has been planned to take place in Westminster on 24th October 2018 <p>The committee is also asked to agree to party group briefings and a possible special SP&R committee meeting to be held in early September to discuss specific projects and the emerging shape of the BRCD proposition for negotiation with UK and Central Government.</p>
3.0	Main report
3.1	<p>At the last SP&R committee meeting members were provided with the following framework documents that were prepared in support of the Belfast Region City Deal (BRCD)</p> <ul style="list-style-type: none"> - Draft Proposition document - Industrial Strategic Framework - Digital Vision and Strategy - Initial Employability and Skills Proposition - Draft Belfast Region Infrastructure Investment Framework -
3.2	<p>These documents provided the evidence base for the BRCD including the key pillars for investment, which build on the region's strengths and will support ongoing economic growth.</p>
3.3	<p>Members were also advised that projects that had been identified for possible inclusion in the BRCD proposition had been discussed with officials from both UK and Regional government departments and based on their feedback and ongoing discussions around affordability the BRCD partners were focussing on a reduced list of primary projects for further development.</p>
3.4	<p>Programme Update</p> <p><u>Innovation / Digital</u></p> <p>As outlined to committee, it is anticipated that the Innovation and Digital pillar will be a 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. Future Cities Catapult supported by the SMART Belfast team in the council have been working intensively with the universities and the BRCD councils to continue to develop projects in this pillar and to define the overall digital / innovation proposition for the city region. This has involved intensive discussion and consultation with UK government departments who have provided some positive feedback on a number of a proposals and also suggested areas where further development is required. FCC have also hosted a number of stakeholder engagement events, including</p>

direct engagement with the private sector, and are actively working with partners to identify additional / alternative sources of funding.

3.5

Tourism

The BRCD continues to make the case that tourism is a specific growth sector that requires significant investment to ensure the potential economic benefits are realised. The sector has suffered from lack of investment in the past and still under performs in comparison with other UK regions and the ROI but visitor numbers continue to increase and there are significant job opportunities which could be realised across the sector.

3.6

Members will be aware that work is almost complete on the development of an OBC for the Belfast Story gallery and film Centre which is a priority project for BCC and a number of potential tourism products have also been identified in other council areas. Tourism NI are chairing the tourism steering group and supporting BRCD in the development of a Tourism Product Narrative and Development Framework and have undertaken market testing of proposals to help inform the projects with the best potential to help the sector grow.

Other Infrastructure and Regeneration

3.7

DfI are supporting the BRCD in the identification and development of key Infrastructure projects which may form part of the deal and will most likely be funded by regional government.

3.8

The primary projects for Belfast highlighted to members were the Belfast Rapid Transit phase 2- linking the north & south of the city and York Street Interchange. It is becoming increasingly likely that York Street Interchange will not require funding through City Deal and therefore there may be potential for an element of the Lagan Bridges and Links project to be included in the city deal proposition. 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. A number of regeneration projects across the other council areas are also being developed with support from DfC.

3.9	<p><u>Employability and Skills</u></p> <p>The Employability and Skills Steering Group is updating the initial Employability and Skills proposition based on the capital projects likely to be included in the BRCD and will propose an ongoing partnership to develop 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. This will be informed by the new analysis available through the Regional Skills Barometer prepared for the City Deal partners by Ulster University's Economic Policy Centre.</p>
3.10	<p>Specific priority areas and programmes are being developed to support the key pillars for investments in areas such as;</p> <ul style="list-style-type: none"> • Careers Enhancement, • Apprenticeship Hub, • Graduate Development, • Employability for All, • Economic Activation, • Business Productivity. <p><u>Programme Development</u></p>
3.11	<p>An intensive programme of work for phase 3 of the BRCD has continued at pace over the summer months with the NICS and UK Government. This process includes; 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.</p>
3.12	<p>This will allow the BRCD partners to progress towards a shorter list of priority projects which will form the basis of an overall negotiating proposition being developed by the end of September 2018. Given the tight timeframe it is recommended that party group briefings are held at the beginning of September to discuss the priority projects including indicative costs, and the emerging shape of the negotiating proposition. A special meeting of SP&R may also be required early in September to approve the negotiating proposition. This proposition will</p>

form the basis of discussions with Central and Regional Government with a view to reaching a Heads of Terms agreement in advance of the Autumn Budget statement.

Next Steps

3.13 Finance and Governance

The Director of Finance and Resources is working with local government colleagues and officials from DfP to develop a possible financing strategy for an emerging deal. Cost consultants have been working with the programme team to validate financial information and work is also ongoing to identify funding streams and ensure affordability. The financial make up of any potential deal will inform the governance and delivery structures and options for these are also being considered.

3.14 Communication and Engagement

As the shape of the deal develops it is important that engagement at all levels continues so that we maximise the benefits across the region both with partners and local businesses. A communication and engagement plan has been developed by the six partner councils and a number of events will be held over the coming months.

3.15 Specifically committee should note that a Joint members Forum, hosted by Mid and East Antrim, will be held with members from all six councils mid September to discuss progress and consider the projects and the emerging shape of the deal. A Communication and Engagement Event is also planned for all BRCD partners on 24th October 2018 in Westminster and details will be presented to members at the September Committee meeting.

3.16 Further meetings will be held throughout October with members and officers when feedback is expected from UK and Regional government on the BRCD position and the elements that may be included in a Heads of Term document.

3.17 Financial & Resource Implications

Finance for the development of the Belfast City Region Deal has been included in the revenue estimates.

Equality or Good Relations Implications/Rural Needs Assessment

3.18 To be considered in preparation of Belfast City Region Deal.

4.0	Appendices – Documents Attached
	None