



Subject:	City Region Growth Deal – update
Date:	22 March 2019
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 present to Committee the Heads of Term document which sets out the funding commitment for the Belfast Region City Deal (BRCD) £850M investment Programme which was announced by the Chancellor in his budget statement on 29 th October 2018.
2.0	Recommendations
2.1	The Committee is asked: <ul style="list-style-type: none">• To approve the Heads of Term document• To note the next steps in developing an implementation plan and funding agreement for the delivery of the BRCD programme and associated projects

	<ul style="list-style-type: none"> To approve the commissioning of further work to take forward the BRCD Digital pillar including the development of specific projects, identification of additional funding and delivery mechanisms and engagement with key partners at a cost of £250,000 from within existing budgets <p>Committee should note that the costs for this digital work will be allocated across the partners in the BRCD.</p>
3.0	Main report
3.1	<p>Members will be aware that in his budget on 29th October 2018 the Chancellor announced a commitment of £350m from UK government to the (BRCD), leveraging at least £350m from NI regional government, £100m from the BRCD councils and £50m from the two universities. This provides a starting funding package of £850m which will be further enhanced by at least £150m private sector investment, providing the BRCD with a 10 year £1billion Programme of Investment.</p>
3.2	<p>Heads of Term</p> <p>The next stage in the process was the production of a Heads of Term document (attached at Appendix 1) which has been drawn up by MHCLG and NIO and outlines at a high level the funding commitments from both UK and Regional governments and the partners. Once approved this document will then be signed by both governments, the six councils and the two universities.</p>
3.3	<p>The BRCD Heads of Term reflects the programme of investment presented in the BRCD proposition document and the format and level of content reflects HoT documents drawn up for other city deals. As anticipated there are caveats contained within the document relating to the absence of the NI Executive and its impact on funding allocations, and the BRCD partners will continue to work closely with colleagues in NICS to ensure the programme aligns with regional priorities and projects are focussed on key growth sectors. Also given the scale and complexity of the overall programme and associated projects it will be at least a year before full business cases can be developed and money can begin to be allocated.</p>
3.4	<p>Programme Development</p> <p>The BRCD partners have already started work on the next phase of the programme which involves the development of:</p>

- A Financial Plan and Agreement
- A Deal Document- detailed document covering all elements included within Heads of terms, including Governance Framework
- An Implementation Plan- summarising milestones for key deliverables, outputs, resources and risk mitigation for each project
- Outline Business Cases (OBCs) for the individual BRCD projects

3.5

As outlined to members at the November Committee Belfast City Council will be expected to act as the lead authority and accountable body, and therefore we are now putting in place the appropriate management structures to manage and deliver the programme and key documents required during this phase. This includes structures both across the BRCD partners as well as internal frameworks in areas including;

- Governance and Decision Making
- Financial Planning and Management
- Programme and Project Management
- Performance Monitoring and Assurance
- Communication and Engagement

3.6

All of these strands will not only need to build on the partnership arrangements already established at programme level but will have to be tailored at Investment Pillar level given the size and complexities of the projects and to ensure synergies at pillar and programme level.

3.7

In addition specific city region structures will need to be established to develop the Digital strand of the programme, given that this is not owned by a specific partner, the specialist nature of the projects and the potential for significant private sector investment. BCC Smart Belfast team has done some initial research on organisations that could help with the Digital Pillar and the Fraunhofer Institute in Germany has emerged as leading the way in digital innovation and smart districts / testbeds, having been closely involved in the recent development of the Dublin Docklands, the Prague Innovation District and Eindhoven's Brainport. It is proposed that BRCD engage Fraunhofer to support the development of the Digital strand in a two staged approach.

3.8

Stage one will be to undertake an initial scoping piece that will

- set out an approach to taking the digital projects forward,
- outline appropriate governance structures,

<p>3.9</p> <p>3.10</p> <p>3.11</p>	<ul style="list-style-type: none"> • identify level of resources and specialist advice, and • provide specific recommendations on how to engage with the private sector and secure investment. <p>The recommendations from this piece of work would form stage two of the process, developing the structures expertise and resources to take the digital strand forward and supporting the development of the Outline Business Cases which are required to release the funding. The appointment of Fraunhofer to take forward stage two will be subject to the outcome of stage one.</p> <p><u>Financial & Resource Implications</u></p> <ul style="list-style-type: none"> • external expertise to take forward the BRCD Digital strand including the development of specific projects, identification of additional funding and delivery mechanisms and engagement with key partners at a cost of £250,000. • Committee should note that the costs for this of work will be allocated across the partners in the BRCD. This is included within the existing BRCD budget. <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>
<p>4.0</p>	<p>Appendices – Documents Attached</p>
	<p>Appendix 1 – BRCD Heads of Term</p>