



Subject:	City Region Growth Deal – update
Date:	19 June 2020
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	This report is to provide an update to Committee on the progress of the Belfast Region City Deal (BRCD) in the context of the Covid-19 emergency and the importance of the Investment Programme to the region's long-term recovery plans.
2.0	Recommendations
2.1	The Committee is asked: <ul style="list-style-type: none">• Note the announcement of the £350m match funding for BRCD from the Northern Ireland Executive.• Note the update in respect of each of the pillars and the governance and resourcing arrangements in light of the Covid-19 emergency.

	<ul style="list-style-type: none"> • Note the update in respect of the BRCD Council Panel. • Note the key strategic challenges ahead when the immediate crisis has passed its peak and the importance the BRCD Programme will play in the region's recovery from the Covid-19 emergency.
3.0	Main report
	Programme Update
3.1	Due to the emergency pandemic and the increased pressure on partners, in particular local councils, in the early stages of the response to the pandemic the meetings of the BRCD Executive Board, Advisory Boards and the BRCD Council Panel were cancelled. Plans for enhanced stakeholder engagement were also postponed.
3.2	The BRCD Team however continued to engage with partners virtually to understand the immediate implications for progressing work relating to the BRCD and to seek to support continued progress in the development of business cases where practicable. Virtual meetings have now resumed although the BRCD team is mindful of the significant pressures still faced by partners in ensuring the continuation of essential services, supporting the emergency response to the crisis and ensuring the safety of their staff, customers and citizens.
3.3	The Covid-19 pandemic has had a monumental impact on people all across the world. Beyond the immediate impacts, the widespread societal and economic impact, the full extent of which isn't fully known at this stage, will create a number of challenges for the BRCD, including in relation to timelines and some areas of planned investment. However, the BRCD was developed based on a robust industrial strategic framework which aligns key economic strengths with resilient and growing areas of the economy. The BRCD is therefore well positioned to play a key role in supporting long-term economic recovery across Northern Ireland.
3,.4	The aim of developing OBCs for all the capital projects that were outlined in the Heads of Terms document by end of May 2020 has understandably had to be reviewed and will be addressed as the situation evolves and greater clarity is known. Discussions are ongoing with the NI and UK Governments and BRCD Partners in relation to the timeline to sign a 'Deal Document', with previous target being to have a Deal Document ready by end September 2020.

	NI Funding and Governance Arrangements
3.5	On 4th May 2020 the NI Executive announced £350m match funding for the BRCD, confirming the commitment to an overall investment package from the UK and NI Governments and the BRCD partners of £850M. This was a clear recognition of the role that the BRCD can play in the long-term recovery from the effects of Covid-19.
3.6	As well as announcing the match funding the Executive has also agreed to provide up to an additional £100 million for complementary projects where partners can demonstrate a viable capital project which is complementary to the City/Growth Deal proposals. The BRCD Team will liaise with officials to clarify the details of the Executive agreement including the reference to the £100m for complementary project.
3.7	The NI Executive also confirmed a commitment to match fund other City and Growth Deals in Northern Ireland and agreed NI Governance Structures for City and Growth Deals.
	Investment Priorities
3.8	The BRCD Programme Management office has continued to engage and conduct business online with partners across all pillars, and an update on progress to date is provided below.
	Tourism and Regeneration
3.9	Checkpoint sessions for Tourism and Regeneration strategic cases have proceeded during April, with strategic cases being circulated to all relevant partners for review and comment to enable progress on OBC development to continue. Progress continues to be made but the impact of Covid-19 is creating real challenges in the Tourism & Regeneration pillar given the severe implications for the tourism, hospitality and retail sectors. Engagement is ongoing with partners to achieve progress where possible and to support the further development of OBCs. The Tourism & Regeneration Advisory Board have begun to discuss the implications of Covid-19 with among others, colleagues from the Department for the Economy, Tourism NI and the Tourism Alliance, however more time will be needed before the overall impact on the sector is understood and also how the BRCD projects can best support the long term recovery.
	Innovation
3.10	The Innovation Advisory Board, is overseeing the development of plans for five global centres of excellence in the digital and creative industries, life and health sciences and advanced manufacturing growth sectors. Business cases have now been drafted following engagement with over 250 businesses and government stakeholders. The first three draft OBCs, Advanced

Manufacturing Innovation Centre (AMIC), Global Innovation Institute (GII) and Institute for Research Excellence in Advanced Clinical Healthcare (i-REACH) were submitted to UK and NI government departments for consideration and review in February 2020. Feedback from the Department for the Economy and Invest NI, has been provided and is now under consideration. A fourth OBC, the Centre for Digital Healthcare Technology (CDHT) has also been submitted in June for review.

Due to the Covid-19 response, feedback from the UK Government has been delayed and there will undoubtedly be a delay in completing the business cases. There is a desire nevertheless to progress the completion of the OBCs as soon as possible as there is a recognition in both government and industry that these projects are potentially more important than ever, as they seek to strengthen innovation and research capability in sectors that have proved resilient during the current crisis and which are well positioned to continue to grow after the pandemic.

Digital

- 3.11 The BRCD Team has been engaging with the Department for the Economy and the UK Department of Culture, Media and Sport to discuss the proposed approach to development of the digital pillar to ensure that the ambitious digital programme is sufficiently flexible to respond to the rapid nature of technological development. This will include an increased use of challenge funds to support industry innovation. The Covid19 crisis has highlighted the fundamental importance to the economy and society of the increased investment in our digital capabilities that is planned as part of the BRCD.
- 3.12 The Fraunhofer/BABLE Institute, a global leader in digital innovation and smart districts/testbeds, has been working with partners to develop an implementation plan for the main elements of the digital programme. There have been impacts from the travel restrictions imposed as a result of Covid-19 and due to the limited opportunity for detailed business engagement during the current crisis. As a result, the BABLE timetable has been revised and business engagement postponed. The outputs from BABLE, which will feed into the programme business case, will now be available at the end of June.
- 3.13 Jayne Brady has been appointed as the Digital Innovation Commissioner for Belfast and has now taken on the role of Chairperson of the BRCD's Digital Advisory Board. Jayne will be engaging with partners in the coming weeks to help shape the planned BRCD investments

so that they are effective in both tackling major societal challenges, such as digital exclusion, and boosting the digital innovation capabilities of businesses across the region.

Infrastructure

3.14 As the Department with responsibility for the delivery of the infrastructure projects, the Department for Infrastructure is leading the Infrastructure investment pillar. Engagement with the project leads to ensure the OBCs identify opportunities to integrate with the overall BRCD programme has been delayed but will recommence in the next few weeks. Key areas of integration include social value and employability & skills, recognising the critical importance of these in contributing towards inclusive growth.

3.15 As a result of Covid-19 the Infrastructure Advisory Board (IAB) planned for March was cancelled. A virtual meeting will be scheduled within the next few weeks at which interim OBCs are expected to be submitted for consideration.

Employability and Skills (E&S)

3.16 The Employability & Skills Pillar work programme has been realigned in light of Covid-19 to focus on those areas in which progress could be achieved in the current context. Significant progress continues to be made in developing programme interventions in priority areas, specialist consultants have been commissioned to develop programme proposals in a number of areas and an inclusive growth framework has also been developed for consideration by the Employability & Skills Advisory Board. Detailed engagement with partners and with industry which was postponed during the Covid crisis will start to recommence in June and will continue over the summer.

3.17 There has also been initial discussions about the potential for fast-tracking proposals for digital skills/inclusion to support the immediate COVID-19 recovery and a specific task and finish group involving all council partners has been established to progress this.

Communications & Engagement

3.18 Communication and engagement continues to be a priority both at a project and programme level. However, planned work on strategic engagement, including both business and political engagement has been postponed due to the Covid-19 crisis. Briefing documents outlining key economic and social benefits of each project and overall BRCD programme will be prepared to support the engagement activities that will take place after the current crisis.

	<p>BRCD Council Panel</p> <p>3.19 Members will be aware that the BRCD Council Panel provides a joint forum for members from all six councils to meet to jointly discuss issues, progress and benefits of the BRCD. Each council has four members on the Forum and as agreed by this committee the four nominees from BCC are the party group leaders (or their nominees) of the four largest parties. As highlighted due to the emergency pandemic, the April meeting of the BRCD Council Panel was cancelled.</p> <p>3.20 The next meeting of the panel, which was due to be held in June will also be postponed and an update report has been provided to Panel Members. The BRCD team will liaise with Council partners to identify an appropriate date for rescheduling the postponed meetings and whether a virtual meeting could be scheduled.</p>
	<p>Strategic Challenges & Next Steps</p> <p>3.21 The BRCD Executive Board and the Advisory Boards for each of the investment priorities are in process of reviewing and challenging the BRCD programmes and projects to ensure that they are effective in delivering the partners ambitions for inclusive economic growth in what is likely to be a very challenging economic climate. On completion of this work revised timelines will be developed for OBC completion and developing the associated financial and implementation plans.</p> <p>3.22 The work that has been completed to date has identified a very strong alignment between planned investments in innovation, digital and skills with what is required for an inclusive economic and social recovery. The scale of the current crisis has also further emphasised the need for strong collaboration between partners across the public and private sector and our anchor institutions. Such collaboration is a fundamental strength of the BRCD. Also, whilst is by its nature a transformative and medium to long term programme, there have been opportunities identified to aid the short-term recovery, specifically in digital capacity building, skills and inclusion. The aim of this short-term work is to align the resources of the City Deal with the plans of partners and investment from government to improve digital literacy, support the development of new digital business models and develop skills for the future economy.</p>
	<p><u>Financial & Resource Implications</u></p> <p>3.18 All costs associated with the BRCD are within existing budgets.</p>

3.19	<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	Appendices – Documents Attached
	None