



Subject:	Update on City Region Growth Deal
Date:	19th February, 2021
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"/>
Sometime 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), including an update on the development of Outline Business Cases (OBCs) and progress on agreeing a phased deal with the NI and UK Governments.
1.2	The Committee will also be separately considering a report on the Belfast Destination Hub, Belfast's key project under the tourism and regeneration pillar which outlines the progress made in relation to the Destination Hub Outline Business Case.
2.0	Recommendations
2.1	The Committee is asked to note: <ul style="list-style-type: none">the programme overview and the progress that has been made in Outline Business Case (OBC) development for all projects and on the development of an agreed approach with the NI and UK Governments to the delivery of a phased deal; and

	<ul style="list-style-type: none"> the update in respect of the BRCD Council Panel and the minutes of the BRCD Council Panel held on 25th November, 2020.
3.0	Main Report
	Programme Overview
3.1	<p>In December, the Committee received a detailed update on progress across the programme and were advised that Outline Business Cases (OBCs) were due to be completed for all projects by the end of December. Partners have now passed a major milestone with draft OBCs prepared across all the pillars of Investment. However, as previously reported it is recognised that further revision of OBCs may still be required for projects that are at an earlier stage of development. Formal submission of OBCs to NI and UK Governments will commence in the coming weeks.</p>
	Deal Document and Timeline
3.2	<p>Members were also updated on the ongoing discussions between partners and the NI and UK Governments in relation to agreeing a phased deal. The phased approach recognises the varying states of readiness of projects across the programme, allowing the Deal Documentation to be completed & agreed and phased delivery to commence. This approach has now been agreed in principle by the NI City/Growth Deals Delivery Board. Once the details of the phased deal are agreed with government partners a further update report will be brought back to Members.</p>
3.3	<p>Detailed work is now being progressed with the Department of Finance on the development of the deal document, which is required in order that funding can begin to flow. The document will outline the impact of the City Deal (outcomes, benefits, economic impact) along with a summary of the programme and projects. It will also include an implementation plan, financial plan, governance framework and communications protocol. Proposals for the content of the document are now being developed and will be brought to the Executive Board for further discussion over the coming months.</p>
	Investment Priorities
	Tourism and Regeneration
3.6	<p>Partners have worked intensively to develop a Tourism & Regeneration (T&R) programme that not only supports the delivery of inclusive economic growth but will play a key role in the recovery of the tourism industry and our town and city centres, following the impact of Covid-19. Following extensive OBC development and engagement with partners and Departments the Executive Board has now approved the Tourism and Regeneration programme which recommends seven projects for inclusion in the Deal Document. These are Belfast Destination</p>

Hub, Bangor Waterfront, Destination Hillsborough, Carrickfergus Regeneration, The Gobbins, Mourne Mountain Gateway and Newry Regeneration. Members should note that these projects are at different stages of development/state of readiness and this will be defined in the deal document.

Innovation

3.7 The innovation projects have been significantly rescaled and are now in line with the funding available to support this Pillar. OBCs for the Advanced Manufacturing Innovation Centre (AMIC), Global Innovation Institute (GII) and Institute for Research Excellence in Advanced Clinical Healthcare (i-REACH) will now be formally submitted to NI and UK Governments. Initial feedback has now been received from key stakeholders for the revised OBC for the Centre for Digital Healthcare Technology (CDHT) and is being considered. A first draft OBC for the Screen Media & Innovation Lab (SMIL) has now been submitted for review and consideration by the UK and NI Governments following consideration by the Executive Board.

Digital

3.8 The draft Digital Innovation Programme Business Case and the OBC for i4C digital innovation project have been submitted to NI and UK Government for review and consideration and some initial feedback has been received which is currently being addressed. As previously reported the programme business case will prioritise a flexible 'funds-based' approach with the increased use of Challenge Funds alongside an Infrastructure Enabling fund which will support connectivity and other enabling infrastructure. It will also ensure that innovation support reaches across priority sectors across the region, through investment in Regional Innovation Hubs.

Infrastructure

3.9 Interim OBCs for the Newry Southern Relief Road and Belfast Rapid Transit Phase 2 have now been reviewed by the Department for Infrastructure Economists. Interim OBCs have been produced for these projects due to the very early stage of their development, in advance of the necessary consultations on route development. Given the early stage of development of Newry Southern Relief Road and Belfast Rapid Transit Phase 2 there are high levels of optimism bias included in their financial cases and this has contributed to the affordability challenges. An OBC has been completed for the Lagan Pedestrian & Cycle Bridge and approved by DoF. Discussions are taking place with the Department for Infrastructure and Department of Finance on proposals for an Infrastructure pillar level budget, which would enable the Lagan Pedestrian and Foot Bridge to progress and enable further development of both the Newry Southern Relief Road and Belfast Rapid Transit projects, whilst additional funding sources continue to be explored.

Employability and Skills (E&S)

3.10 A draft Employability & Skills Proposition has been created incorporating three core component elements of an Employability & Skills Partnership (including an E&S Hub), a core E&S programme and approach to deliver inclusive growth. Engagement sessions have been ongoing with partners along with key industry stakeholders to review the proposition. Feedback is being addressed and it is anticipated that it will be submitted for approval to the Executive Board in the weeks ahead.

3.11 Simultaneously, work continues on developing and implementing partnership projects in advance of the overall E&S programme. The Committee was updated previously on the Digital Futures programme and since then a range of promotional activities has taken place to engage employers across the region. Equally, developmental work is underway with council partners to develop a new digital transformation programme for businesses. Funding has also been secured through the Department for Economy's Apprenticeship Challenge Fund to undertake developmental work enabling exploratory work to be undertaken within high value sectors on the development of new apprenticeship pathways. Work is underway to explore the need for new apprenticeship pathways aligned to BRCD priority sectors, as well as undertaking research to inform the development of a virtual apprenticeship platform. Delivery of this project is being undertaken by BRCD partners on a cost recovery basis, the larger partner contributor is Belfast Metropolitan College with an allocated funding budget of up to £37,000. The Committee will be updated as this work progresses.

BRCD Council Panel

3.12 Members will be aware that the BRCD Council Panel provides a forum for members from all six partner councils to meet to jointly discuss issues, progress and benefits of the BRCD. Each council is represented on the Forum by four members and, as previously agreed by this Committee, the four BCC nominees are the party group leaders (or their nominees) from the four largest parties.

3.13 Virtual meetings of the Panel were held in November 2020 hosted by Mid & East Antrim Borough Council and January 2021 hosted by Newry, Mourne and Down District Council (minutes of the November Panel meeting approved at the January meeting are attached. At these meetings, the Panel received detailed updates on progress across the programme and the ongoing discussions between partners and the NI and UK Governments in relation to agreeing a phased deal and a Deal Document. Members also discussed the Tourism & Regeneration programme recommendations at the January meeting. The next meeting will be held on 21st April 2021 and will be hosted by Ards and North Down District Council.

3.15	<p>Next Steps</p> <p>The BRCD is now entering a critical stage with formal submission of the most developed projects for consideration to NI and UK Governments. In parallel, detailed work will now be progressed with the Department of Finance on the development of the deal document, based on the agreed approach to the delivery of a phased deal. Work is also ongoing to support profiling, affordability & deliverability across the Deal. The Deal Document will include agreed pillar, and as appropriate, project budgets alongside indicative capital financial profiles and implementation timescales. Strategic engagement with key stakeholders is crucial and engagement with key political and business representatives is due to commence.</p>
3.16	<p><u>Financial and Resource Implications</u></p> <p>All costs associated with the BRCD are within existing budgets.</p>
3.17	<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>
4.0	<p>Document Attached</p> <p>Minutes of the meeting of the BRCD Council Panel of 25th November 2020.</p>