



Subject:	Update on City Region Growth Deal
Date:	18th November, 2022
Reporting Officer:	John Walsh, Chief Executive
Contact Officer:	Damien Martin, Programme Director

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/Summary of Main Issues
1.1	This report provides the Committee with an update on the progress of the Belfast Region City Deal (BRCD).
2.0	Recommendations
2.1	The Committee is asked to: <ul style="list-style-type: none">i. note the update on progress being made now that the Deal is in the delivery phase, including in relation to:<ul style="list-style-type: none">• agreeing the Contracts for Funding which are required for each of the capital projects delivered through the Deal; and• project development and delivery across the pillars of investment; andii. note the update on the BRCD Council Panel.

3.0	Main Report
	<p data-bbox="272 197 464 230">Deal Delivery</p> <p data-bbox="272 297 592 331">Contracts for Funding</p> <p data-bbox="165 347 1490 533">3.1 Before funding can flow to projects for which Outline Business Cases (OBCs) have been approved, Contracts for Funding need to be agreed between departments and the Accountable Body and Funding Agreements agreed between the Accountable Body and Project Sponsors.</p> <p data-bbox="165 600 1490 884">3.2 Since the last update to the Committee and following the signing of the first individual Contract for Studio Ulster in July, progress has continued to prepare and agree a number of contracts. As previously noted by Members the Framework Contract was agreed by the BRCD Executive Board and it was agreed that subsequent agreements would be made between the relevant parties without needing specific individual Board approvals. It was also noted that the Committee would be advised of progress to agree the funding agreements for each project.</p> <p data-bbox="165 952 1490 1236">3.3 The Contract for the Advanced Manufacturing Innovation Centre (AMIC) is nearing completion with the Contract now finalised and agreed with the relevant department and partners and is expected to be signed during December following University approvals. Draft Contracts for the Institute for Research Excellence in Advanced Clinical Healthcare (iREACH) and Momentum One Zero (formerly the Global Innovation Institute) have been shared by the Department for Economy and are being considered.</p> <p data-bbox="165 1303 1490 1590">3.4 Following agreement of the Contract with the Department for Communities, Mid & East Antrim Borough Council received approval to sign the Carrickfergus Contract for Funding at their Council meeting on 7th November and this will be signed by the middle of November. Three of the Contracts for projects within the Tourism & Regenerations pillar, namely Newry City Centre Regeneration, Bangor Waterfront and Mourne Mountain Gateway, are also now being actively progressed.</p> <p data-bbox="272 1657 699 1691">Progress across BRCD Pillars</p> <p data-bbox="272 1758 424 1792">Innovation</p> <p data-bbox="165 1807 1490 2092">3.5 Following signing of the Contract for Funding for Studio Ulster in July, construction at the site in Belfast Harbour commenced on 3rd October following a media launch. When complete in July 2024 it will include world-class commercial Virtual Production stages, fully supported by an integrated R&D and Innovation Centre of Excellence in real-time and virtual production. In the coming months Ulster University are due to complete the Pre-Qualification stage for the Studio Ulster Operator and Delivery Partner.</p>

3.6	<p>The Advanced Manufacturing Innovation Centre (AMIC) has been advanced by Queen's University through to the detailed design stage and it was recently announced that Sam Turner, Chief Technology Officer at the High Value Manufacturing Catapult would be seconded into the position of CEO for AMIC to drive forward plans for delivery, which include the construction of the "Factory for the Future" at Global Point. AMIC also recently launched its NI Technology Roadmap and the Invitation to Tender for its construction contractor is expected to issue in late 2022 or early 2023.</p>
3.7	<p>Momentum One Zero (formerly known as the Global Innovation Institute) is reaching the end of RIBA Stage 2 (concept design) with approval to proceed to detailed design being sought in the coming months. The IREACH project also continues to move through RIBA Stage 2, is considering in further detail its commercial model and has been undertaking significant stakeholder engagement.</p>
3.8	<p>The Centre for Digital Healthcare Technology project has undertaken a feasibility study to consider an alternative to the proposed demolition and rebuild option, driven by the net zero carbon agenda and by cost. Early procurement of equipment is being considered in relation to the Royal Victoria Hospital Living Lab.</p>
3.9	<p>The Committee is asked to note that, as part of plans to utilise the BRCD funding to leverage additional investment in support of our growth ambitions, a letter of support has been provided for a bid by the Health Innovation Research Alliance (HIRANI), supported by local industry, Invest NI, Universities and other partner Councils, to become one of 10 regions to partner with Innovate UK to define launchpad support to grow the economic value of established clusters- in this case life and health sciences. This is not direct funding but unlocks £7.5M in-kind and commercial Innovate UK grants for revenue funding to overcome barriers to commercialisation and support local business-led innovation, collaboration and growth, over 2 years (2023-25). This will build from existing and emerging local clusters such as homes for health ageing and precision diagnostics and help support the long-term investments in innovation in life and health sciences planned in each of the City and Growth deals. The bid does not involve any direct financial or resource ask from Belfast City Council.</p>
3.10	<p>Digital</p> <p>Members will be considering a separate report on the Smart Belfast Urban Innovation Framework which reflects the importance of the BRCD investments to delivering the City's and the indeed the Region's digital innovation ambitions. However, a brief update is provided below on key developments in the digital pillar since the previous report.</p>

3.11	Following Executive Board approval in October, the OBC for the Digital twin project led by Digital Catapult UK, which will see a digital twin hub for the UK being established in Belfast, attended Casework Committee on 19th October 2022 and received Ministerial approval on 28th October 2022.
3.12	Since the last update to the Committee, consultants have been appointed to commence the development of the OBC for the Venture Fund element of the Innovation Challenge Fund and a Case for Change workshop took place on 9 th November.
3.13	The i4c Innovation Centre project, led by Mid & East Antrim Borough Council received approval from the Economy Minister in Spring 2022 and the Council have been working intensively with the Department for the Economy to address challenges such as construction inflation and will now be proceeding to seek Department of Finance supply approval.
3.14	In relation to the Advanced Wireless business case, engagement has now taken place with key officials in the Department for the Economy in order to discuss options for the project following feedback on the draft OBC. The next steps are now being considered and these will be presented to the Digital Advisory Board for consideration.
	Tourism and Regeneration
3.15	The OBC for Destination Royal Hillsborough was considered at Casework Committee on 25th October 2022 with a recommendation for Ministerial approval, which was then secured on 28th October 2022 from the Economy Minister. The project will now proceed for Department of Finance supply approval.
3.16	Members will be aware that Belfast Stories is the Council's flagship project and is due to open in 2028 and that the Committee approved the extension of the Project Director for 5 years in line with this timescale. Progress against the agreed programme is ongoing with procurement of professional services now in place to progress design to RIBA 2 and enable a full OBC to be developed. The casework review is anticipated to be held in 2023. A Public consultation exercise has also been ongoing which includes elements of the Stories Collection Framework and will in turn inform the design brief for the project. The key findings of the consultation exercise will be presented to Members at a future meeting along with recommendations and next steps for the project.
	Employability and Skills (E&S)
3.17	Further to the update to Members in September, all Councils have approved their contribution to the Digital Transformation Flexible Fund and pre-development work has commenced. This will enable the key resources that supported the Full-Fibre Network to be retained by Newry,

	<p>Mourne and Down District Council to support the OBC and establish the necessary arrangements to operate the fund from 1 April 2023 (subject to business case approval).</p> <p>3.18 To better understand the labour market and skills implications resulting from the jobs created through the city deal investment a significant piece of work is underway through a process of skills assessments. Delivered through a task and finish approach, with input from projects, city deal partners (as deliverers of employability and skills interventions), industry and wider stakeholders are undertaking a deep dive to understand the nature of jobs likely to be created and to identify if and where there is a need to evolve the existing skills offer in response. To date a construction skills assessment is nearing completion, a further assessment is underway focusing upon advanced manufacturing linked to AMIC and additional assessments expected to commence in the forthcoming months will focus upon the digital and creative industries.</p> <p>3.19 Experience to date suggests that the outcomes of skills assessments are likely to result in recommendations that could have implications for BRCD, (particularly partners as deliverers of employability and skills interventions) industry and government departments. The output from this work will inform plans developed through Labour Market Partnerships and the NI Skills Council. The absence of revenue funding to support the E&S priorities of city and growth deals will require consideration as to how partners could '<i>bend the spend</i>', i.e. realign existing resources to the needs identified.</p> <p>Infrastructure</p> <p>3.20 The Infrastructure Minister published the consultation report on Belfast Rapid Transit Phase 2 in October and announced the preferred routes. Departmental officials have appointed consultants to deliver the procurement phase of the Lagan Pedestrian and Cycle Bridge to facilitate the detailed design and construction. It is expected that it will take approximately three and a half years to deliver the procurement, detailed design and construction phases of the project. Design of the Newry Southern Relief Road continues and preparation of the draft Statutory Orders, along with an Environmental Impact Assessment Report (EIAR), in advance of statutory public consultation is ongoing.</p> <p>BRCD Council Panel</p> <p>3.21 A hybrid meeting of the BRCD Council Panel was held on 28 September, hosted by Mid and East Antrim Borough Council. Panel Members considered a detailed programme update and received a presentation on the work that is being undertaken to ensure that social value criteria are being integrated into future BRCD procurements and that social value benefits are then realised.</p>
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3.22	As part of the update, the Panel also discussed in detail some of the key challenges currently facing the programme, including in particular in relation to construction inflation and the impact of the complexity of governance and approvals processes, which can result in delays to project progression and increased costs. In recent weeks senior level engagement has been taking place with government departments and across City and Growth deals with the aim of developing collaborative solutions to these significant and ongoing challenges, which arise at a time of significant economic and financial uncertainty.
3.23	The minutes of the previous Panel meeting hosted by Lisburn and Castlereagh City Council were approved by the Panel and are attached. The next meeting will be hosted as a hybrid meeting by Newry, Mourne and Down District Council on 25th January 2023.
3.24	<p><u>Financial and Resource Implications</u></p> <p>All costs associated with the BRCD are within existing budgets.</p>
3.25	<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	<p>Documents Attached</p> <p>Minutes of the BRCD Council Panel 22 June 2022</p>