



Subject:	Update on City Region Growth Deal
Date:	20th January, 2023
Reporting Officer:	John Walsh, 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/Summary of Main Issues
1.1	This report is to provide 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 note: <ul style="list-style-type: none">i. the engagement that took place with senior government officials at the City and Growth Deals Senior Stocktake session;ii. the progress being made on the Contracts for Funding which are required for each of the capital projects delivered through the Deal and the update on project development and delivery across the pillars of investment; andiii. the update in respect of the BRCD Council Panel.
3.0	Main Report
3.1	City and Growth Deals Senior Stocktake A City and Growth Deals Senior Stocktake meeting was held in October 2022, hosted by the Department of Finance (DoF). The stocktake was chaired by the Permanent Secretary of DoF

and participants included the Head of the Civil Service, Permanent Secretaries and senior officials of a number of government departments and senior representatives of the City and Growth Deal partners. This workshop was held in order to discuss progress to date across all Northern Ireland City and Growth Deals and key issues and challenges being experienced, such as the impact of construction inflation and concerns about the complexity of arrangements and pace of delivery. A detailed discussion on the Stocktake took place at the November meeting of the Executive Board and members of the Board broadly welcomed the stocktake and in particular highlighted the need to build on the positive engagement, with a number of areas of change identified including:

- The adoption of a “Clearing House” approach to resolve key issues and challenges at leadership level at an earlier stage
- The need to reset the model of working with a stronger focus required on outcomes and opportunities across all the deals
- Agreement of a set of principles to underpin a more collaborative model of working to help ensure a focus on delivery and avoid the introduction of additional complexity
- The need to establish shared commitment to and accountability for timeframes as well as quality/cost
- The need for increased clarity in relation to the distinct roles and responsibilities of government departments and government agencies to avoid duplication and support timely decision making
- The potential to use departmental resource in different ways to support deals respond to cross-deal challenges

3.2 The Programme Director for the BRCD is engaging directly with senior officials in the key government departments to seek to agree a plan of action in line with the areas of change/action identified by the Executive Board.

Contracts for Funding

3.3 As previously noted by the Committee, 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.

3.4 It was also noted by Members that the Committee would be advised of progress to agree the funding agreements for each project. Since the last update to the Committee in November progress has continued to prepare and agree a number of contracts as outlined below:

- In addition to **Studio Ulster**, the contract for which was approved and signed in the summer, contracts have now been approved and signed for **Carrickfergus Regeneration, Bangor Waterfront, and Newry City Centre Regeneration** and a number of press releases have been issued to mark these significant milestones for deal delivery.
- The **Advanced Manufacturing Innovation Centre (AMIC)** contract is currently being considered with final approval and signing expected in the coming weeks.
- Draft Contracts for the **Institute for Research Excellence in Advanced Clinical Healthcare (iREACH)**, the **Global Innovation Institute** and **Mourne Mountain Gateway** are being actively progressed.

Progress across BRCD Pillars

Innovation

- 3.5 **AMIC** has been advanced by Queen’s University and is now nearing conclusion and finalisation of the detailed designs, RIBA Stage 3, and its associated report. The planning application for construction of the “Factory for the Future” at Global Point is also being progressed. The invitation to tender for the prime contractor for the project is also expected to be published this month.
- 3.6 **The Global Innovation Institute** is proceeding through to RIBA Stage 3 in the coming months. There has been ongoing industry engagement to inform the process and a review of the commercial model is being carried out. The **iREACH** project continues to move through RIBA Stage 2, is considering in further detail its site proposals and commercial model and has been undertaking significant stakeholder engagement on final proposals.
- 3.7 The **Centre for Digital Healthcare Technology** project is considering early procurement of equipment for the Royal Victoria Hospital Living Lab and revisions to the OBC are likely to be required to reflect this potential change of scope.
- 3.8 Construction work on Studio Ulster commenced on site in October 2022. Following the publication of the Prior Information Notice on 18th November, the procurement for the appointment of an operator and equipment for **Studio Ulster** has progressed to the next stage of the Competitive Dialogue tender process, with the tender opportunity for Studio Ulster published on 21st December.
- #### **Digital**
- 3.9 Since the last update to the Committee, the OBC for the **Venture Fund** element of the Innovation Challenge Fund has progressed well, with a Strategic case review completed with

key Government and partner stakeholders in December. Members also previously approved the commencement of a separate business case for the **Augment the City** pilot project in October 2022. Since then and following consideration by the Digital Advisory Board a draft business case has been shared with the Department for the Economy and the Belfast City Innovation team are currently reviewing the feedback received. Members will be kept updated as this project progresses. It was previously reported that the **Digital Twin** project led by Digital Catapult UK, received Ministerial approval on 28th October 2022 and it is now awaiting DoF supply approval.

- 3.10 The **i4c Innovation Centre** project, led by Mid and East Antrim Borough Council, received approval from the Economy Minister in Spring 2022 and following intensive engagement with the Department for the Economy the OBC has now been updated and was re-submitted on 22nd December 2022. The updated OBC includes an additional financial contribution, approved by Mid and East Antrim Borough Council, to address the challenges previously identified. Once final consideration by Casework Committee has been completed, the project will proceed for DoF supply approval.

Tourism and Regeneration

- 3.11 **Carrickfergus Regeneration, Bangor Waterfront, Newry Regeneration and Mourne Mountain Gateway**, either have or are progressing towards having a signed Contract for Funding and Funding Agreement in place. These projects are now ensuring that the required project resources are in place, governance is being established and the development of procurement documentation is ongoing, with a number of procurements for Integrated Design Teams expected to go live over the next few months.

- 3.12 The OBC for **Destination Royal Hillsborough** is being progressed for DoF supply approval. The contract for funding is being drafted alongside the supply approval process, to ensure that this can be agreed as quickly as possible following DoF approval.

- 3.13 The **Gobbins** attended casework in February 2022 and following extensive engagement between the Department for Economy, Tourism NI, BRCD PMO and Mid & East Antrim Borough Council a paper is to be submitted to Casework for re-endorsement, to enable OBC approvals to be progressed. The project team are continuing to develop the Integrated Consultancy Team procurement documentation for this project and Mid & East Antrim Borough Council have agreed to progress the procurement, whilst OBC approvals are being obtained.

3.14	<p>Belfast Stories, the Council's flagship project, continues to progress against the agreed programme with OBC submission and casework review anticipated later this year. The procurement of professional services has commenced, with an encouraging level of interest in the prequalification stage which is now nearing completion. A public consultation has now been completed which received positive feedback and will inform the design brief for the project. A Belfast Stories Benefits Framework is in also in place and will continue to be refined as the project evolves and opportunities to maximise social value including employability, skills and education are being considered at each project stage.</p> <p>Employability and Skills (E&S)</p>
3.15	<p>As Members will be aware, the E&S pillar developed and trialled a skills assessment process to understand the labour and skills implications of the city deal investment projects. Analysing the employment potential of the city deal investments, the prevalent labour and skills conditions and reviewing to what extent the existing employability and skills ecosystem is equipped to respond. The first assessment focusing upon the construction opportunities arising through the city deal investment has recently been completed. Findings from this process which are being reviewed by the E&S Board, highlight the key challenge in terms of labour and skills availability the sector is currently facing and identify a number of practical recommendations that could be taken forward by the city deal, its associated partners and wider stakeholders.</p>
3.16	<p>A further assessment is also underway for the advanced manufacturing sector aligned to AMIC, as well as wider manufacturing focused city and growth deal investment projects, it is expected this assessment will be completed in February/March 23. Recognising the potential of this model to undertake Northern Ireland wide assessments spanning across the four city and growth deals, it has been agreed that a Cross Deal Skills Group should be established in order to oversee and manage a series of skills assessments at a Northern Ireland level, focusing upon key sectors where city deal investment is aligned. The group will comprise of representatives from across each city deal in Northern Ireland and also representatives from relevant government departments. BRCD is playing a leading role in the development of this group, developing terms of reference and its initial work programme, as well as fulfilling the role of secretariat.</p>
3.17	<p>In relation to the Digital Transformation Flexible Fund the business case has been submitted to Invest Northern Ireland, the project is currently undergoing economic appraisal with the view to progressing to casework. Concurrently Newry, Mourne and Down District Council who will lead the delivery of the project are progressing with critical with pre-development work to establish the application and funding process for businesses applying to the fund, which will enable the project to mobilise quickly post departmental approval.</p>

3.18	<p>Work continues to maximise efforts to deliver inclusive growth and to create access to the opportunities arising through the deal. Engagement is underway with the Construction Employers Federation to explore a joint event aimed at raising awareness of future procurement opportunities and profiling the employability and skills support available to contractors, the need for which was one of the findings from the recent construction skills assessment.</p> <p>Infrastructure</p> <p>3.19 Work is continuing on three Infrastructure projects, Belfast Rapid Transit Phase 2, the Lagan Pedestrian and Cycle Bridge and the Newry Southern Relief Road. There are no significant updates from this pillar since the last meeting.</p> <p>BRCD Council Panel</p> <p>3.20 A hybrid meeting of the BRCD Council Panel is due to be held on 25th January which will be hosted by Newry, Mourne and Down District Council. The Panel Members will be considering a detailed programme update and will receive presentations on the BRCD investments in Newry, Mourne and Down and on Communications and Engagement, which will include an overview of the newly developed BRCD Website.</p> <p>3.21 The minutes of the previous Panel meeting hosted by Mid and East Antrim Borough Council will be considered at the Panel meeting on 25th January and will be included for notation in the next update report to this Committee.</p>
3.22	<p><u>Financial and Resource Implications</u></p> <p>All costs associated with the BRCD are within existing budgets.</p> <p><u>Equality or Good Relations Implications/Rural Needs Assessment</u></p> <p>3.23 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>None</p>