



Subject:	City Growth Deal – advocacy update and next steps
Date:	07 December 2016
Reporting Officer:	Suzanne Wylie, Chief Executive
Contact Officer:	Caroline Wilson, Neighbourhood and Development Manager

Is this report restricted?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
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	The purpose of this report is to provide an update on recent advocacy activities in relation to developing the case for a Growth Deal for the Belfast city-region, and to outline next steps.
2.0	Recommendations
2.1	<p>The Committee is asked to:</p> <ul style="list-style-type: none">• Note the feedback from the ongoing advocacy programme in relation to securing a Growth Deal for the Belfast city-region;• Agree that the Chief Executive develops a programme of co-operation and collaboration with the City of London Corporation, in line with the agreed International Relations Framework, with a particular focus on Growth Deals;• Note the proposed work with the Belfast Partners' Network;• Agree to invite the core cities group to Belfast in 2017 to hold one of their regular meetings• Initiate a series of roundtables and research papers to examine the connectivity issues in relation to the Dublin-Belfast economic corridor, as part of the development of a Belfast city-region Growth Deal; and

	<ul style="list-style-type: none"> Building on the advocacy to date, commission a feasibility study which will quantify the scale and scope of a Belfast city-region Growth Deal, in preparation for detailed negotiations with government partners.
3.0	Main report
	<p>Political meetings</p> <p>3.1 Further to a workshop with the Belfast Party Group Leaders, party briefings with group leaders from neighbouring councils have taken place, facilitated by ResPublica. The purpose of these sessions has been to explore the assumptions underpinning the Growth Deal, and to seek their broad support for engaging in more detailed work on a city-region basis. This runs in parallel to ongoing discussions with the respective Chief Executives, examining economic opportunities for the city-region, to be presented to Committee in due course.</p> <p>3.2 It is still proposed that a cross-party workshop for group leaders will be held in early 2017, subject to the final party briefings taking place.</p> <p>Westminster briefing</p> <p>3.3 On 16 November, over 80 people attended a briefing hosted by the four Belfast Members of Parliament. There was a broad political spectrum represented, including six former NIO Ministers/shadow Ministers, as well as the current Secretary of State and sitting members of the NI Select Committee. The ‘take-away’ document for the event is appended. In addition, there were also a number of high-profile representatives from the business sector who spoke very positively about Belfast and the political ambition for the city, but that there remained an urgent need to accelerate its growth agenda. The importance of a single, powerful regeneration body was stressed on a number of occasions. In wider discussions, there was broad support for a Growth Deal – in particular noting that Belfast is one of the very few UK cities now to not have this package of additional investment and responsibilities. This was highlighted as a substantial limitation in an increasingly competitive environment, where other UK cities have the flexibility to optimally position themselves in preparation for the exit from the European Union. A similar briefing event is planned for Stormont MLAs on Tuesday 6 December and a verbal update will be provided on the key issues highlighted at that briefing.</p> <p>London City Corporation</p> <p>3.4 As part of the itinerary for the Party Group Leaders while in London, a number of meetings were held with the London City Corporation, including with The Rt. Hon. the Lord Mayor, Dr Andrew Charles Parmley, as well as their economic development team. In the course of</p>

these meetings, a number of key priorities for the Corporation were highlighted:

- Nurturing a favourable business 'eco-system' – ensuring that there is a single point of contact for businesses based in the City, streamlining where possible processes for locating investment and development in the City, while also being actively connected to wider UK investment sector;
- Lobbying for infrastructure – global competitor cities have had infrastructure in place for a number of years and there is an urgent need in context of Brexit to ensure that London is well-positioned in this regard;
- Talent management – both growing your own, and also remaining attractive to new talent. Considering the potential for bespoke London arrangements to address identified sectoral shortfalls;
- Lord Mayor's programme – the civic engagement programme is a national and international tool for the Corporation's economic agenda, using the role as a platform to promote investment and economic development in the City; and
- Liveability – ensuring that growth is inclusive, by actively working with the business sector to encourage local responsibility e.g. inclusion of SMEs in procurement processes, and raising aspiration and achievement in local schools.

In terms of synergies directly linked to Belfast City Council's emerging Growth Deal agenda, there are a number of key areas of potential mutual interest:

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- In order to mitigate investor and business sector uncertainty, direct bi-lateral relationships between cities and with countries have increased importance in context of exit from the European Union. The Corporation is actively developing strong relationships with Brussels, Dublin and beyond;
- City-region governance – through Central London Forward, the Corporation is engaged in a sub-regional partnership, working collaboratively with 8 neighbouring authorities on a city deal for London, with an immediate focus on skills devolution and working with the business sector;
- Increasing social impact – consolidating inclusive growth outcomes through a broad range of programmes including '*Heart of the City*' which supports a wide range of businesses to contribute to social outcomes through local responsibility programmes, and the '*City Bridge Trust*' which tackles disadvantage through social investment and grant-making;

	<p>Raising aspiration and educational achievement – working closely with The Honourable The Irish Society, the Corporation has a number of programmes working in and with schools, as well as Ulster University, to promote access to education; and</p> <p>Financial and technological services sector – there is direct connection between some of the specialisms in Belfast (e.g. cyber-security; legal services) and the financial services sector located in City of London, that could be further developed in terms of talent flows and off-shoring/near shoring mid/back-office support.</p>
3.6	<p>Overall, the Corporation is keen to pursue a mutually beneficial city-to-city programme of co-operation and collaboration, particularly in the context of both cities' Growth Deal agenda and the common interests in relation to galvanising and stimulating both cities as growth engines, as the UK exits the European Union.</p>
3.7	<p>It is proposed that over the coming months, the Chief Executive will work with her counterpart at the Corporation to develop this programme, in line with the International Relations Framework, approved by the City Growth and Regeneration Committee at its November meeting, to build strategic alliances with partners in both London and Dublin and report regularly back to committee.</p>
3.8	<p>One focus of this will be that the Lord Mayor of Belfast will host the City of London Lord Mayor Dr Andrew Parmley in March 2017. Work is ongoing to develop a productive schedule, with a particular focus on economic development and cross-border linkages.</p> <p>Belfast Partners Network</p>
3.9	<p>In a similar endeavour, the Council has been approached to be involved in the Belfast Partners network in the City of London. This is an independently-run business networking initiative that seeks to make business linkages between companies and leaders in both cities.</p>
3.10	<p>A launch of this network is planned to take place in London at the end of February 2017. This event will be hosted at the headquarters of the global communications business Thomson Reuters in Canary Wharf. It will be attended by more than 150 interested individuals from both cities and there will be an opportunity for the Council to make a positive pitch about the real estate investment opportunities available in Belfast as well as promoting the opportunities for foreign direct investment, particularly the emerging and growing specialisms such as cyber security, legal services and business and professional services. It is suggested that the Lord Mayor, Chair of City Growth and Regeneration and</p>

	Party Groups Leaders attend the event.
3.11	The purpose of the network is to engage various business leaders in many sectors who may consider growing businesses in the city of Belfast in future. It will provide an overview of the economic outlook for the city and the current sector strengths and opportunities.
3.12	<p>Core Cities</p> <p>Further to SP&R Committee's decision in August, officers have initiated the application process for Belfast to become a member of the Core Cities Group. The Chief Executive has undertaken a number of bi-lateral meetings, as well as attending the most recent meeting of all Core Cities' Chief Executives. As part of these discussions, Belfast's success in attracting Foreign Direct Investment is of particular interest to the Group. The Group may consider coming to Belfast in 2017 to further explore this issue.</p>
3.13	Given the involvement of Core Cities' political representatives, it is proposed that this visit is hosted by the Lord Mayor, along with the Chairperson and Deputy Chairperson of the City Growth and Regeneration Committee.
	<p>Belfast-Dublin Co-operation</p>
3.14	Further to the special meeting of the Council on 4 July, the Council asked the UU Economic Policy Centre (UUEPC), to carry out initial research summarising the key issues and implications of the UK leaving the EU and to outline the potential issues Belfast will need to consider and manage. In early analysis, a number of significant areas for Northern Ireland to consider have been identified, including the impact on cross-border trade.
3.15	As a consequence, discussions with the International Centre for Local and Regional Development (ICLRD) have been initiated to explore the issue of connectivity and the strengthening of cross-border physical and economic infrastructures. ICLRD has a unique network of academics and researchers who are committed to best practice in spatial planning as a key component of sustainable economic and social development. The Centre has worked over a number of years with local government and is widely recognised for its work in supporting sustainable regional development and have an in-depth understanding of the central role of Local Government in driving and achieving this.
3.16	It is proposed that a piece of work is commissioned to understand shared priorities and common needs, and the progression of an economic/innovation corridor along the Eastern seaboard. This would also be of interest to Derry City and Strabane District Council and

Newry, Mourne and Down District Council. This would include a series of roundtables and research papers to examine the connectivity issues in relation to the Dublin-Belfast economic corridor, as part of the development of a Belfast city-region Growth Deal.

Next steps – negotiating the Growth Deal

3.17 As a consequence of these various briefing events and Ministerial engagements, it is clear that there is broad support for the concept of a ‘city deal’ for Belfast. However, in order to meaningfully negotiate the scale of and detail for a deal, it is also clear from feedback and engagements that the Council now needs to prepare a much more detailed business case for presentation to the NI Executive and Treasury.

3.18 Looking towards the Glasgow and Clyde Valley deal, their partnership went through a detailed feasibility study process. Using this, they were able to negotiate and agree:

- Secure £1 billion of Scottish Government and UK Government capital funding to support proposed infrastructure investment programme for the area. This will be complemented by a minimum of £130 of investment from Glasgow and Clyde Valley local authorities
- Leverage in an estimated £3.3 billion of private sector investment into the proposed infrastructure investment programme
- Spread the benefits of economic growth across Glasgow and Clyde Valley, ensuring deprived areas benefit from this growth. In terms of access to jobs for the most deprived wards, it will be above the average for the city-region.

The Glasgow and Clyde Valley feasibility study modelled a permanent uplift of 4.4% in the regional economy, with an overall increase in the economy of around 29,000 jobs in the city region.

3.19 Funding agreed by the UK Government and the Scottish Government will be paid over a twenty year period in annual instalments. This funding will be unlocked in five-year blocks, subject to Glasgow and Clyde Valley meeting agreed outputs and outcomes assessed through a Gateway Review mechanism. Further detail is provided in the summary appended.

3.20 It is therefore suggested that Belfast uses a similar approach. In a feasibility study, the following would need to be scoped, quantified and analysed:

- Engaging with partners, establishing governance and setting the geography for the deal;
- Determining objectives, prioritisation criteria and identifying schemes;
- Providing economic analysis, financial modelling and agreeing performance metric

	e.g. additionality in tax-take or increase in sustained employment opportunities; and
3.21	<ul style="list-style-type: none"> • Prioritising projects and funding/financing routes for delivery. <p>This would provide a road-map for negotiation and subsequently, implementation. The time-scale for this would be up to 12 months, given the engagement required with partners, as well as the economic modelling analysis to be prepared.</p>
3.22	<p>RSA Inclusive Growth Commission</p> <p>The Royal Society of the Arts (RSA) requested as part of its nationwide commission on inclusive growth to meet with Belfast City Council. A roundtable was facilitated on 24 November. Some of the key issues raised by Members included:</p> <ul style="list-style-type: none"> • Importance of place leadership, in tackling the inclusion issues particular to Belfast e.g. segregation, low aspiration • Role of Council and third sector in supporting those with multiple barriers through innovative employability programmes • Mapping exercise needed in order to identify gaps and clear progression routes into sustained employment. <p>Officers are working on a written submission to the Commission, which will publish its final report in Spring 2017.</p>
3.23	<p><u>Financial & Resource Implications</u></p> <p>Provision has been made within existing revenue budgets to develop a business case and financial model for a city deal.</p>
3.24	<p><u>Equality or Good Relations Implications</u></p> <p>Any emerging 'deal' will be subject to equality and good relations screening</p>
4.0	Appendices – Documents Attached
	<p>Appendix 1 - Westminster Belfast city-region Growth Deal take-away</p> <p>Appendix 2 - Summary of Glasgow and Clyde Valley City Deal</p>