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| Subject: | City Region Growth Deal – update |
| Date: | 18 September 2020 |
| Reporting Officer: | Suzanne Wylie, Chief Executive |
| Contact Officer: | Ronan Cregan, Deputy Chief Executive and Director of Finance and Resources |

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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"/> |

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| Call-in | |
| Is the decision eligible for Call-in? | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> |

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| 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). |
| 2.0 | Recommendations |
| 2.1 | The Committee is asked: <ul style="list-style-type: none">• Note the programme overview, the update in respect of each of the pillars and the progress that has been made in Outline Business Case (OBC) development.• Note the key strategic challenges ahead and the importance the BRCD Programme will play in the region’s recovery from the Covid-19 emergency. |

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| | <ul style="list-style-type: none"> Note the update in respect of the BRCD Council Panel. |
| 3.0 | Main report |
| | Programme Overview |
| 3.1 | The SP&R Committee in June were provided with an update on the early stages of the BRCD team getting the programme moving again following delays due to the pandemic. Since then, meetings of the Executive Board, Advisory Boards, Finance and Communications Forums have now all resumed via Microsoft Teams. |
| 3.2 | The Executive Board and the Advisory Boards for each of the investment priorities have been reviewing and challenging the BRCD programmes and projects to ensure that they are strongly aligned with the emerging Economic Recovery Strategy. Partners have also worked intensively to progress the development of business cases across all the pillars of Investment, ensuring that key stakeholders and government partners continue to be engaged despite the communications challenges presented by the COVID crisis. |
| 3.3 | The timeline for developing OBCs for all the capital projects that were outlined in the Heads of Terms has understandably had to be reviewed. As a result the BRCD partners' very ambitious target of having all business cases completed and deal documents drafted by September 2020, is no longer achievable. The partners remain determined to have a deal in place so that funding can start to flow from 1 April 2021 and discussions are ongoing with the NI and UK Governments and BRCD Partners in relation to the revised timeline to sign a 'Deal Document'. |
| 3.4 | As outlined in the previous report 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 approximately £850M. Governance arrangements have now therefore been established by the UK and NI Governments to oversee the development of the City and Growth Deals across N. Ireland. Discussions are also ongoing with the Department of Finance to inform the Financial Agreement element of the Deal Document, but this work can only be completed when OBCs have been completed and detailed consideration has been given to issues such as timescales for implementation and affordability. |
| 3.5 | 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 delayed due to the COVID-19 crisis. Briefing documents outlining key |

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| | economic and social benefits of each project and overall BRCD programme are currently being updated to support the engagement activities that will take place in the coming months |
| | BRCD and COVID Recovery |
| 3.6 | The COVID-19 pandemic continues to have severe and ongoing health, societal and economic impacts. The work that has been completed to date by the BRCD partners to review projects in the context of the COVID crisis has identified that overall the programme of investment is strongly aligned with the needs of the economy following the COVID crisis, building on strongest and most resilient sectors and delivering digital innovation & skills capability that is now so critical to businesses & communities. This is reflected in the synergies between the BRCD programme of investment and emerging proposals for rebuilding the NI Economy. |
| 3.7 | The BRCD partners recognise that the BRCD is principally a long-term programme, designed to deliver transformative capital investments to support sectors with strong potential to sustain and create employment. However, the partners also established a digital task and finish group to identify short-term measures to boost digital skills and support digital transformation. This group has worked closely with industry and government to identify a small number of interventions that could help to improve digital literacy, skills and capability that have proven so critical in recent months and which will also be essential if the economy is to move into recovery. |
| 3.8 | It is recognised that that there are particular challenges in relation to the Tourism and Regeneration Pillar and, as outlined below, partners have been working intensively with government departments and agencies, such as Tourism NI, to consider the impact of the crisis on the sector and to look at how the BRCD investments could fit with the medium to long term path to recovery. |
| | Investment Priorities |
| | Tourism and Regeneration |
| 3.9 | There has been intensive engagement with partners to consider and address the impact of COVID 19 on the programme of investment. Tourism NI have commissioned and shared new analysis designed to inform plans to support the recovery of the tourism sector, examining different scenarios and how long it may take for visitors to return and this is being considered by all project sponsors as they revise and update OBCs. Importantly there is a recognition that many of the proposed BRCD projects are long-term in nature and delivery timelines will align |

with the expected return of international visitors to pre-COVID levels in 2-3 years. OBCs for regeneration projects are also reflecting and seeking to respond to the intensified challenges for town and city centres. As a result of this work submission of OBCs has been significantly delayed with draft OBCs, including in relation to the Belfast Destination Hub now expected between September and October 2020. A separate report on the Belfast Destination Hub will also be considered by Members at this meeting.

Innovation

- 3.10 This continues to be one of the most advanced elements of the BRCD programme, with recognition of the significant contribution to recovery of major investments in artificial intelligence, data analytics, advanced manufacturing and life and health sciences. 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 and are now being revised to take account of feedback received from government, with revised OBCs likely to be completed in September. A fourth OBC, the Centre for Digital Healthcare Technology (CDHT) has also now been submitted for review and has just received feedback from the NI Government.

Digital

- 3.11 The work of Fraunhofer Institute/BABLE, to develop an implementation plan for the main elements of the Belfast Smart District and Regional Programme was significantly impacted as a result of COVID 19, but has now been completed. The outputs from BABLE are feeding into the Programme Business Case which is now being developed with the support of PWC. The programme has changed and developed significantly in recent months with an increasing focus on the use of regional challenge funds and an infrastructure fund to support the development of digital capability in the economy and the development of innovative solutions to help tackle economic, societal and environmental challenges. These funds will be critical to the delivery of the ambitions for the Belfast Smart District. The Programme Business Case is progressing at pace with the Strategic Case and Options presented to the Digital Advisory Board in August. Further workshops with the Department for the Economy have also taken place in order to progress the Economic Case and there will also be a need for detailed engagement with the UK Government in advance of finalising a draft business case.

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| <p>3.12</p> <p>3.13</p> <p>3.14</p> | <p>Infrastructure</p> <p>Despite delays due to the COVID crisis, significant progress has been made in developing OBCs, for the Newry Southern Relief Road, Lagan Bridge and Belfast Rapid Transit Phase 2. The BRCD Team held an Infrastructure Integration Workshop in early July to provide a common understanding of programme outcomes and the role of the Infrastructure Pillar, to identify opportunities for integration and to help create connections between the Infrastructure Projects and other pillars/projects. Following this workshop draft OBCs were updated before being presented to the Infrastructure Advisory Board and submitted for consideration at the August Executive Board.</p> <p>Employability and Skills (E&S)</p> <p>The Employability & Skills work programme has been realigned to focus on developing the proposed interventions within the thematic areas identified within the E&S Proposition, namely, Careers, Employability and Skills. To inform the proposals within each of the thematic areas engagement has been taking place with partners and key stakeholders. A workshop session took place in July with partners to share emerging findings and seek views on emerging proposals. Further refinement of proposals, alongside the development of potential future governance models, will take place over the coming weeks and will form the component delivery elements of the Employability & Skills Programme. Work has also been progressed on the development of an inclusive growth and sustainability framework to ensure that the need for inclusion is integrated across the programme.</p> <p>Due to the impact of COVID 19 the BRCD Executive Board agreed to fast track BRCD work in the area of digital engagement and skills. The digital skills task and finish group has identified a small number of key recommendations to partners and government that could help to strengthen digital literacy, skills and business capability.</p> |
| <p>3.15</p> | <p>BRCD Council Panel</p> <p>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 and June meetings of the BRCD Council Panel were cancelled. An update was provided to Panel Members in August.</p> |

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| 3.16 | <p>A virtual meeting of the panel has now been arranged for the 30th September which will be hosted by Lisburn & Castlereagh City Council. At this meeting the Panel will be provided with a detailed update on progress across the programme and consider the how the programme can help to support a long-term, resilient recovery from the COVID crisis. Members will also discuss key challenges facing the programme including the challenges of communicating effectively in the current environment and how partners can rebuild momentum and improve communications and engagement.</p> |
| 3.17 | <p>Next Steps</p> <p>The BRCD programme is facing a number of challenges as partners seek to ensure that the programme is progressed at pace so that it can play its part in economic recovery. Over the coming months Advisory Boards, the Executive Board, Partners and Government Departments will all need to consider the OBCs that are being finalised across all the pillars of investment. In addition, options in relation to future governance, financial plans and agreements, and deal documentation will need to be reviewed and progressed. Additional meetings of key boards and forums will undoubtedly be required to rebuild momentum. Simultaneously there will be a need to develop effective communications and engagement with partners and political and business representatives.</p> |
| 3.18 | <p><u>Financial & 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>3.19 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>Appendices – Documents Attached</p> |
| | <p>None</p> |