



Subject:	Update on City Region Growth Deal
Date:	20th November, 2020
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 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 programme overview, the update in respect of each of the pillars , the progress that has been made in Outline Business Case (OBC) development and the important stage that the programme is now approaching;ii. the update in respect of the BRCD Council Panel and the minutes of the BRCD Council Panel held on 30th September 2020; and

	<p>iii. the recent successful bid to the Apprenticeship Challenge Fund and approve the approach to work in partnership with BRCD partners to deliver this collaborative project as outlined in section 3.14.</p>
3.0	Main Report
	Programme Overview
3.1	<p>In September, the SP&R Committee were advised of work completed by the BRCD partners to review their projects in the context of the Covid-19 crisis and also received an update on the work of the Executive and Advisory Boards to ensure that the Programme is aligned with the Economic Recovery Strategy. In addition, the Committee received an update on the digital task and finish group which had been set up to identify short-term measures to boost digital skills and support digital transformation as an immediate response to the crisis; a further update on this work is included in this report.</p>
3.2	<p>OBCs are now progressing towards completion. In light of the difficult financial climate facing all public bodies, and the importance of ensuring that the scale of ambition aligns with affordability and available finances, the focus at this stage is on resolving key issues and challenges particularly in respect of budget profiling and scalability. Robust financial planning will be critical and will need to include consideration of plans for long-term revenue financing, so that the transformative investments included within the BRCD can proceed with confidence.</p>
3.3	<p>As previously reported, the timeline for developing OBCs for all the capital projects that were outlined in the Heads of Terms has understandably had to be reviewed. Work on Draft OBCs is continuing at pace and will be considered by respective Advisory Boards in advance of consideration of the Executive Board in December. Partners remain determined to have a deal in place so that funding can begin to flow from 1 April 2021 and discussions are ongoing between Partners and the NI and UK Governments in relation to agreeing a “phased” deal to enable a ‘Deal Document’ to be signed off by the end of the financial year.</p>
3.4	<p>Communication and engagement continues to be a priority both at a project and programme level. The Committee was advised in February this year that specialist support was being commissioned to assist with strategic engagement activity - including both business and political engagement. Although this work was delayed somewhat due to the Covid crisis it is envisaged that, given recent advancements, strategic engagement with key stakeholders will begin over the coming months.</p>

Investment Priorities

Tourism and Regeneration

3.5 Intensive engagement has taken place with partners to consider and address the impact of Covid-19 on this programme of investment. With the exception of one project within Antrim and Newtownabbey, all tourism and regeneration projects remain on schedule to submit final OBCs by the end of November. Members are reminded that the OBC for the Belfast Destination Hub will be the subject of a separate paper at today's meeting. The OBCs for regeneration projects also continue to reflect and respond to the new challenges facing town and city centres in light of the pandemic. It is intended that a collective recommendation for this Pillar will be submitted to the Executive Board in December for review.

3.6 A strategic narrative for the Tourism and Regeneration is currently being finalised. Once complete, this will provide a strong communications tool for both the Pillar and the Programme.

Innovation

3.7 Final engagement workshops with the UK and NI Governments for the Advanced Manufacturing Innovation Centre (AMIC), Global Innovation Institute (GII) and Institute for Research Excellence in Advanced Clinical Healthcare (i-REACH) OBCs were held in October. The workshops were positive, demonstrating the significant progress made, with detailed feedback received from all parties. Feedback from NI Government departments on The Centre for Digital Healthcare Technology (CDHT) OBC has been received and further feedback from the UK Government is imminent. A first draft OBC for the Screen Media & Innovation Lab (SMIL) is progressing and is due to be submitted to the Innovation Pillar Board during November. The innovation projects have been significantly rescaled and are now broadly in line with the funding available to support this Pillar. Significant detailed work has been taking place in order to obtain agreed solutions to the initial revenue challenges of these projects and these solutions will be reported alongside the OBCs. Work has also taken place to ensure that any potential duplication is minimised and that projects both within the BRCD and across other NI City Deals is aligned as much as possible, recognising, for example, the very different stages of the deals.

Digital

3.8 Detailed development of the Digital Innovation Programme Business Case has been taking place during recent months. The 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 infrastructure as well as physical enabling infrastructure towards the

development of the Belfast Smart District. Detailed and complex work continues to look at a governance structure to manage and administer these funds. Significant industry and government engagement has also taken place in recent months, with engagement with DfE, Invest NI and a positive session with UK Government in October. In addition, engagement continues with the Industry Reference Group, created by the Digital Innovation Commissioner.

Infrastructure

3.9 Significant progress has been made in developing OBCs, for the Newry Southern Relief Road, Lagan Pedestrian & Cycle Bridge and Belfast Rapid Transit Phase 2. OBCs/IOBCs have now all been reviewed by the Department for Infrastructure Economists. Both the Lagan Pedestrian & Cycle Bridge & Newry Southern Relief Road have now been submitted to the Department of Finance for review. The Belfast Rapid Transit Phase 2 IOBC remains under review by economists and will be submitted to Department of Finance following review. Given the early stage of development of some of these projects there are very high levels of optimism bias included in the financial case, creating affordability challenges across the programme. The approach to Employability and Skills integration for all 3 projects has been incorporated in the OBCs/IOBCs and further information in relation to employment figures has been provided to the BRCD Team to inform the Employability and Skills programme.

Employability and Skills (E&S)

3.10 The Employability & Skills Programme continues to be refined with proposals developed under the 'employability', 'skills' and 'digital' thematic areas. An overall proposition document which outlines the full ambition of the E&S pillar is also in development in draft form and includes details of the Programme and the role of partners in preparing for emerging employment opportunities and in promoting inclusive growth through their organisations. The Proposition will be further refined following additional engagement with partners across councils, colleges, universities and government departments which is planned for later this month. This will be followed by further industry engagement in early December. It is anticipated that a final E&S Proposition will be submitted for approval to the Executive Board in February.

3.11 As previously reported to the Committee, in May the BRCD partners established a digital task and finish group to identify short-term measures that could boost digital skills and support digital transformation in light of the immediate impact of Covid-19. This group worked closely with industry and government to identify a small number of interventions that could help to improve digital literacy, skills and capability. Digital Futures was one of the resulting interventions emerging from this work. Funded by the Department for the Economy as part of

the Skills Intervention Programme, and delivered by a number of FE Colleges across the region, more than 250 applicants applied for the 55 places available. Over the next 6 months the Programme will offer the successful graduates opportunities to explore career pathways in Cloud Computing, Data Analytics and Cyber Security. Each of the three programmes has now commenced and employer engagement is underway to match participants to internships which are expected early in 2021.

3.12 Work to advance further interventions developed through the task and finish group is also continuing. This includes:

- Enhancing existing digital transformation support for small businesses and exploring the potential to provide capital grant funding to enable them to invest in digital transformation through the NI Executive's Growth & City Deal Complementary Fund;
- Improving access to digital literacy support for residents across the region and exploring innovative new approaches to employment pathways into the digital sector for non-graduates and those from under-represented client groups.

3.13 With ambitions for up to 20,000 new and better jobs over a spectrum of skill levels and across a range of sectors, work of the E&S pillar has included development of a skills programme to align with, and add value to, existing interventions. An emerging priority of this programme is to increase the awareness and accessibility of apprenticeships for both employers and individuals. One of the city deal ambitions in this area is to create an Apprenticeship Hub to establish a centralised resource to:

- Improve the visibility of apprenticeship provision; creating compelling content to stimulate employers to explore apprenticeship pathways; to support co-ordination across apprenticeship providers and to provide a virtual support environment for employers and apprentices;
- Facilitate the future proofing of apprenticeship provision by developing new apprenticeship pathways within priority growth sectors aligned to BRCD investment; and;
- Develop new innovative models of delivery, in partnership with government departments, to address barriers to participation aligned to under-represented client groups, key sector needs and/or the needs of smaller employers.

3.14	<p>A recent funding opportunity emerging through the Department for Economy's Apprenticeship Challenge Fund enabled a collaborative bid to be submitted on behalf of the BRCD partners to advance the development of this Hub. A successful funding application has now been secured with up to £100k of resources to undertake developmental work in the design of a virtual apprenticeship platform and enable exploratory work to be undertaken within high value sectors on the development of new apprenticeship pathways. The overall project will be managed by the BRCD Team, with delivery of the project undertaken directly through the Council as well as through Further Education and University Partners. On this basis the Council will enter into legal agreements with our BRCD partners to deliver the component elements of the contract they are best placed to deliver.</p>
3.15	<p>BRCD Council Panel</p> <p>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.</p>
3.16	<p>A virtual meeting of the Panel was held on the 30th September and hosted by Lisburn & Castlereagh City Council (minutes attached at Appendix 1). At this meeting the Panel received a detailed update on progress across the programme and Members considered how the programme might help support a sustainable, resilient recovery from the Covid crisis. Members also discussed key challenges facing the programme including the difficulty of communicating effectively in the current environment and how partners could help rebuild momentum and improve communications and engagement. The next meeting will be held on 25th November 2020 and will be hosted by Mid and East Antrim Borough Council.</p>
3.17	<p>Next Steps</p> <p>The completion of OBCs is now of critical importance in order to continue momentum for the Deal so that it can start to deliver, with a Deal Document being completed before the end of the financial year. To meet this deadline it will be essential to agree a phased deal, with those projects which are most developed being included in the first phase, allowing further time for other projects to undertake additional development work to enable them to demonstrate their value and impact. Work is also now ongoing in earnest with Department of Finance and partner Finance Directors to support profiling, affordability & deliverability across the Deal. This work will continue to intensify as OBCs are finalised and as the Financial Agreement and Plan</p>

	elements of the Deal Document are drafted. Given the advanced stage of the programme and the finalisation of OBCs, strategic engagement with key stakeholders is crucial and core briefing material will be developed over the coming weeks.
3.18	<p><u>Financial and Resource Implications</u></p> <p>All costs associated with the BRCD are within existing budgets.</p>
3.19	<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	Document Attached
	Minutes of the BRCD Council Panel of 30 th September 2020.