



Subject:	Update on Belfast Region City Deal
Date:	21st May, 2021
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 provides Members with an update on the progress of the Belfast Region City Deal (BRCD), including an update on the development of Outline Business Cases (OBCs) and progress on the development and agreement of the Deal Documentation to allow phased delivery to commence.
2.0	Recommendations
2.1	<p>The Members of the Committee are asked to recommend that, in accordance with the Council decision of 4th May, the Chief Executive exercise her delegated authority to:</p> <ul style="list-style-type: none">• note the programme overview and the progress that has been made in Outline Business Cases (OBCs) development for all projects, as detailed in Appendix 1;• note the development of the deal document, based on the agreed approach to delivery of a phased deal; and

	<ul style="list-style-type: none"> note the update in respect of the BRCD Council Panel and the minutes of the BRCD Council Panel held on 29th January 2021 (Appendix 2).
3.0	Main Report
	Programme Overview
3.1	<p>In February, the Committee received a detailed update on progress across the programme and on the ongoing discussions between partners and the NI and UK Governments in relation to agreeing a phased deal, which recognises the varying states of readiness of projects across the programme. The NI Delivery Board, which oversees all the City and Growth Deals in NI has agreed this approach in principle, with approval of expenditure being sought for the most advanced projects in parallel with the deal document being developed. Members will be aware that the development and agreement of the deal document is critical to allow money to flow to the BRCD projects.</p>
	Deal Document
3.2	<p>Over the past few months work has continued at pace and a draft Deal document has been developed based on content suggested by the UK Government in line with previous deals. The PMO has reviewed a number of deal documents to ensure the language and level of detail within the BRCD document is consistent with previous deals.</p>
3.3	<p>It builds on the BRCD initial proposition and the Heads of Term document signed in March 2019. However, the draft deal document also recognises that previous plans were agreed before the Covid-19 pandemic and therefore the programme and its projects have been reviewed in light of the new economic challenges and outlines how the proposals have proven to be essential to plans for the recovery of the region.</p>
3.5	<p>The overarching deal document is supported by both an Implementation Plan and Financial Plan, which both also have to be agreed by the partners with the NI and UK government departments. These documents are also being developed as set out below.</p>
3.6	<p>The Implementation Plan provides detailed information on the projects including key milestones, financial information and funding flows, risks and outcomes. This information is being collated from the OBCs through programme assurance work undertaken by KPMG and through engagement with Partners. It should be noted that Implementation Plan forms the basis of the monitoring and reporting for each project.</p>
3.7	<p>The Financial Plan sets out the overall financial framework including stewardship, protocols and controls and the role of the accountable body. The plan also details the financial forecasts and predicted funding flows and timelines and forms the basis of the financial reporting and profiling arrangements. A first draft of the financial profiles based on the OBCs was sent to</p>

3.8	<p>the Department of Finance in advance of the March meeting of the NI Delivery Board. A further iteration will be developed following the programme assurance work being completed by KPMG.</p> <p>Discussions are now ongoing with UK and NI Governments to agree a timeline and process for negotiation and approval of the key documents, in parallel with formal consideration of OBCs.</p>
3.9	<p>Investment Priorities</p> <p>Tourism and Regeneration</p> <p>As previously outlined the Tourism and Regeneration programme recommends seven projects for inclusion in the Deal Document. These are Belfast Destination Hub, Bangor Waterfront, Destination Hillsborough, Carrickfergus Regeneration, The Gobbins, Mourne Mountain Gateway and Newry Regeneration. Since the last update to committee in February, Outline Business Cases (OBC's) for all these projects have now been submitted for consideration by the relevant government departments.</p> <p>Innovation</p> <p>OBCs for the Advanced Manufacturing Innovation Centre (AMIC), Global Innovation Institute (GII) Institute for Research Excellence in Advanced Clinical Healthcare (i-REACH) and Screen Media & Innovation Lab (SMIL) have been formally submitted to NI and UK Governments. SMIL has been through its casework review, with casework reviews for AMIC and I-Reach currently taking place. An updated OBC for the Centre for Digital Healthcare Technology (CDHT) will be submitted for approval to Executive Board in June in advance of submission to the NI and UK Governments. This will mean that all five Innovation OBCs, all of which are at an advanced stage of development, will have been formally submitted for approval.</p> <p>Digital</p> <p>The draft Digital Innovation Programme Business Case and the OBC for i4C digital innovation project have been submitted to NI and UK Government for review and consideration and feedback has been received which is currently being addressed through a series of workshops and written responses. A revised programme business case is currently being finalised and when approved through the BRCD structures will be formally submitted to the NI and UK governments. As previously reported the programme business case will prioritise a flexible 'funds-based' approach with the increased use of Challenge Funds alongside capital funding to support connectivity and other enabling infrastructure in order to support digital innovation. It will also ensure that innovation support reaches priority sectors across the region, through investment in Regional Innovation Hubs.</p>
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<p>3.12</p> <p>3.13</p> <p>3.14</p>	<p>Infrastructure</p> <p>An OBC has been completed for the Lagan Pedestrian and Cycle Bridge and interim OBCs have been prepared for the Belfast Rapid Transit Phase 2 and the Newry Southern Relief Road, due to the very early stage of their development, in advance of the necessary consultations on route development. Members will be aware that there is currently insufficient funding within the BRCD funding envelope to deliver all three projects and discussions are ongoing with the Department for Infrastructure and Department of Finance on proposals for an Infrastructure pillar level budget to allow projects continue to the next stage of development as part of the phased deal approach.</p> <p>Employability and Skills (E&S)</p> <p>The draft Employability and Skills Proposition is currently being finalised following a detailed engagement process with partners and key industry stakeholders. It incorporates three core component elements of an Employability and Skills Partnership (including an E&S Hub), a core E&S programme and approach to deliver inclusive growth. Once finalised detailed plans for its implementation during phase 3 will then follow.</p> <p>Partners continue to work to develop and implement collaborative partnership projects in support of the BRCD objectives. This includes developmental work by council partners towards a new digital transformation programme for businesses. In addition, funding secured through the Department for Economy’s Apprenticeship Challenge Fund has enabled the partners to begin to explore the potential for new apprenticeship pathways aligned to BRCD priority sectors, and to undertake research that will inform the development of a virtual apprenticeship platform. This work includes a series of webinars to help inform the research and to promote apprenticeships.</p>
<p>3.15</p> <p>3.16</p>	<p>Communications and Engagement</p> <p>Strategic engagement with key political representatives on the benefits and impact of the deal in supporting recovery has been taking place over the past few months. There has been strong support for the approach recommended by the BRCD partners involving a phased deal agreed on the basis of the most advanced projects having received OBC approval. There was also recognition among senior political representatives of the deal’s role in recovery and Members will be aware that the Department for the Economy’s Economic Recovery Action Plan highlighted the need “to accelerate delivery of City and Growth Deals”.</p> <p>Plans are being finalised for enhanced engagement during May and June with business representative organisations and with businesses across the region, including through online events and forums. This will include online sessions with key sectoral groups and individual business chambers. It is also intended that a written briefing will be circulated to major</p>

	businesses likely to have a specific interest in the BRCD or who have been significantly engaged in the BRCD to date.
	BRCD Council Panel
3.17	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.
3.18	A Virtual meeting of the Panel was held on 28 April 2021 hosted by Ards and North Down Borough Council. At this meeting the Panel received an update on the next steps in the development of the deal document and supporting documentation along with an update on progress in respect of each of the pillars of investment. Members also received a presentation on Ulster University's plans for a new, world class Screen and Media Innovation Lab (SMIL). SMIL is set to play a key role in the Belfast region's economic recovery post-COVID, by building on the success of NI's creative industries which already contribute over £1billion GVA to the NI economy and employ around 26,000 people. The minutes of the January meeting were also approved and are attached at Appendix 2.
3.19	The next meeting will be hosted by Belfast City Council and suitable dates are currently being considered.
	Next Steps
3.20	As outlined above the key components for a phased deal are now well advanced, with OBCs submitted and being reviewed across the programme and draft deal documentation developed. The BRCD partners will therefore now be seeking agreement on a timetable for consideration of the most advanced OBCs and for engagement and negotiation with the NI and UK Governments on the deal documentation, allowing the deal to be signed and funding start to flow to the transformative projects that are include within the BRCD.
	<u>Financial and Resource Implications</u>
3.22	All costs associated with the BRCD are within existing budgets.
	<u>Equality or Good Relations Implications/Rural Needs Assessment</u>
3.23	The approach taken to develop the City Deal has been subject to independent equality screening and rural proofing and states that: <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</i>

	<i>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>
4.0	Documents Attached
	<p>Appendix 1 – Project Overview: Belfast Region City Deal</p> <p>Appendix 2 - Minutes of the meeting of the BRCD Council Panel of 29th January, 2021.</p>