

Report on	Mid South West (MSW) Region Growth Deal Update
Date of Meeting	13 th May 2021
Reporting Officer	Chief Executive
Contact Officer	Head of Economic Development

Is this report restricted for confidential business?	Yes	
If 'Yes', confirm below the exempt information category relied upon	No	x

1.0	Purpose of Report
1.1	To note progress on the ongoing work in relation to the Mid South West (MSW) Region Growth Deal.
2.0	Background
2.1	The most recent MSW Region Growth Deal Update was presented to the Development Committee for information on 15 October 2020.
3.0	Main Report
3.1	<p><u>Rotation of Governance Steering Group Chair & Vice Chair</u></p> <p>In accordance with the agreed governance arrangements for the Governance Steering Group, the positions of Chair and Vice Chair rotate on a six monthly basis. At the February 2021 meeting, the outgoing Vice Chair, Councillor Thomas O'Hanlon (who replaced former Councillor Joe Nelson) became the incoming Chair for the period to September 2021 taking over the role from Councillor Irvine. The new Vice Chair for the period to September 2021 is Councillor Paul McLean.</p>
3.2	<p><u>MSW Region Growth Deal and NI Executive Complementary Fund Interventions: Development of Proposition Papers</u></p> <p>Following the completion of an exercise to identify and prioritise interventions under the four intervention areas detailed in the RES, the Governance Steering Group has overseen the development of proposition papers for interventions that will be pursued through the MSW Region Growth Deal and the Northern Ireland (NI) Executive Complementary Fund. MSW was encouraged to develop proposition papers and to share these with relevant NI and UK Governments Departments for feedback in advance of commencing the formal business planning and justification process.</p> <p>Throughout this process, the MSW Programme Team has been working to build relationships with key personnel in the Government Departments including the</p>

	<p>Department of Finance (DoF), Department for the Economy (DfE), Department for Infrastructure (DfI), Department for Communities (DfC) in Northern Ireland and the Ministry for Housing, Communities and Local Government (MHCLG) in Westminster.</p> <p>Proposition papers were developed for the suite of proposed interventions that will be pursued through the MSW Region Growth Deal and the NI Executive Complementary Fund and are attached on Appendices 1A and 1B for information.</p> <p>The papers have also been shared with Invest NI to enable them to identify appropriate points of contact within their Team who will link with the MSW Programme Team and provide support in terms of the business planning and justification process.</p> <p>At the time of writing feedback on the proposition papers is pending.</p>
3.3	<p><u>NI Executive Complementary Fund</u></p> <p>At the time of the last report presented to the Committee in October 2020, detailed information on the Complementary Fund was not available however Officers from across the three Councils continued to develop interventions that could potentially be pursued through this Fund. Guidance on the Complementary Fund, which is complementary to NI City and Growth Deals, was issued to Councils by DoF in early March 2021.</p> <p>By this date proposition papers for a number of interventions had already been developed. With the support of the Governance Steering Group, an exercise was undertaken to determine alignment of the proposed interventions with the criteria for the Fund following which the proposition papers were submitted to the relevant NI Government Departments. In accordance with the guidance for the Fund, the papers were submitted seeking Departmental agreement in principle to support a formal application to the Fund.</p> <p>At the time of writing feedback on the proposition papers is pending.</p>
3.4	<p><u>Five Case Model Business Case Framework</u></p> <p>The technical support and expertise required to assist the Councils to develop business cases in adherence to HM Treasury's Five Case Model requirements has been put in place. A Five Case Model Business Case Framework structured around the four intervention areas detailed in the RES has been established effective from 1 January 2021.</p> <p>It is worth noting that the Framework does not apply to interventions being led by external Partners or road interventions. The preparation and associated cost of business cases for these interventions is the responsibility of external Partners and DfI respectively.</p>

3.5	<p><u>Influencing the Policy Landscape</u></p> <p>Forward UK and NI policy has an increasing focus on ‘levelling-up’ and ‘regional balance’. By responding to a number of recent public consultations including the Union Connectivity Review and the Programme for Government draft Outcomes Framework (copies attached on Appendix 2), and with the intention to respond to the Infrastructure Strategy for Northern Ireland, MSW is arguing for the investment needed in the Region to achieve the policy imperatives of ‘levelling-up’ and ‘regional balance’.</p>
3.6	<p><u>Meeting with Conor Murphy, MLA - Minister of Finance</u></p> <p>Together with the Chief Executives, the Chair and Vice Chair of the Governance Steering Group met with Minister Murphy and Departmental Officials in December 2020.</p> <p>The meeting was a positive engagement during which the Minister acknowledged the scale and size of the MSW Region and its contribution to the NI economy. He recognised the particular physical and digital infrastructure challenges as well as the gaps in terms of the roll out of Project Stratum and the work that needed to be done to redress regional imbalances.</p> <p>An action arising from the meeting was the development of a paper to articulate and capture the infrastructural deficits that exist in the Region in order to help make the argument for a bespoke Growth Deal in terms of the financial profile of the investment from the UK Government.</p>
3.7	<p><u>Engagement with Business Reference Group</u></p> <p>The Governance Steering Group facilitated a positive and constructive engagement with the Business Reference Group in November 2020. As well as providing the Group with an update on progress since the launch of the Regional Economic Strategy in September 2020, it provided an opportunity to present the Forward Work Plan.</p> <p>The Group was keen to understand their role and involvement in the process going forward and to be kept informed of progress.</p>
3.8	<p><u>Promotion of the Mid South West Region</u></p> <p>Opportunities to promote the Mid South West Region continue and in recent months have included editorials in Ambition, Business Eye, Agenda NI and Ulster Business. Copies are attached at Appendix 3.</p> <p>Presentations were also made to over 100 attendees from Invest NI’s International Teams (Trade Development and Foreign Direct Investment) in December 2020.</p> <p>The role of the Governance Steering Group including the recent rotation of the Chair and Vice Chair has been highlighted through local press and social media.</p> <p><u>Forward Work Plan</u></p>

3.9	<p><u>Industrial Investment Challenge Fund</u></p> <p>One of the interventions under the ‘Boosting Innovation and Digital Capacity’ pillar aimed at tackling the productivity challenge in MSW, is the establishment of an Industrial Investment Challenge Fund – a capital investment fund to support businesses with in-house innovation and/or to enable them to introduce new equipment following the conclusion of R&D – including that stimulated through the proposed Innovation and Skills Academy to be delivered by the South West College (SWC).</p> <p>Following a procurement exercise, Food For Thought has been working with the Governance Steering Group and the Programme Team to develop a Programme Framework for the Fund. Feedback from industry engagement and stakeholder consultations undertaken at the outset of the commission, has been used to inform the development of the Programme Framework and to shape a Business Innovation Pathway. A further update will be presented to Committee once the work has been concluded.</p>
3.10	<p><u>Commencing SOC's</u></p> <p>The proposition papers will be used to inform the development of procurement documentation required to facilitate the running of mini-competitions against the Five Case Model Business Case Framework.</p> <p>At the point at which commentary and or feedback from Government Departments has been received, duly considered and where necessary responded to, mini-competitions will be held to appoint consultants to work alongside the Councils and begin the process of developing SOC's.</p>
3.11	<p><u>Managing Expectations – MSW Region Growth Deal</u></p> <p>Members are reminded that the Regional Economic Strategy (RES) is a medium to long-term strategy and the importance of managing expectations cannot be underestimated particularly with regards to the focus of the next two to three years in terms of the development of business cases to support the securing of a Heads of Terms (HoT) Agreement for the Growth Deal. Based on the learning from colleagues in the Belfast Region City Deal (BRCD) and the Derry City and Strabane City Deal, it is anticipated that the development of SOC's could take between 18 and 24 months.</p>
3.12	<p><u>Development of a Paper Articulating the Infrastructure & Connectivity Deficits in MSW</u></p> <p>Following the meeting with the Minister of Finance, a paper has been developed articulating the infrastructure deficits and priorities for the Region in order to help make the argument for a bespoke Growth Deal in terms of the financial profile of the investment from the UK Government. The paper also responds directly to the policy imperatives of ‘levelling-up’ and ‘regional balance’ and sets out five key ‘asks’ of Government:</p> <p>ASK No 1: Flexibility in the Financial Construct of the MSW Growth Deal</p>

3.13	<p>Funding; ASK No 2: Action to Redress Infrastructural and Connectivity Deficits in MSW in the Forward Programme for Investment in Public Infrastructure; ASK No 3: Broadband Infrastructure Improvements / Partnership Working on Project Stratum Roll-Out in MSW; ASK No 4: Targeting of Policy Levers and Investment Approaches to Underpin Growth of World-Leading Sectors; and ASK No 5: Single Point of Contact / Lead for Regional Balance and Levelling-Up Policy Agenda</p> <p>A powerpoint presentation which provides an overview of the content of the paper is attached at Appendix 4. The Governance Steering Group has requested that the 'ask' in terms of broadband be strengthened as well as for the development of an engagement strategy to support the paper which is currently being developed.</p> <p><u>Governance Arrangements – Resourcing</u></p> <p>The governance arrangements required to support the delivery of the RES, which includes the development phase of the Growth Deal, are currently being mapped for consideration by the Governance Steering Group and will be reported to the Committee at a future meeting.</p>
4.0	Other Considerations
4.1	<p>Financial, Human Resources & Risk Implications</p> <p>Financial: Financial contributions from the three respective Councils have been allocated to develop the growth deal proposition.</p> <p>It is highly likely that additional financial resources will be required to support the delivery of the RES. The extent of the requirement will become clearer following the conclusion of the mapping exercise that is underway.</p> <p>Human: Officer Time</p> <p>Risk Management:</p>
4.2	<p>Screening & Impact Assessments</p> <p>Equality & Good Relations Implications:</p> <p>The RES was equality screened and it has been screened out. The Equality Impact Assessment was presented to the Committee previously.</p> <p>Rural Needs Implications:</p> <p>The Rural Needs Impact Assessment was also presented to the Committee previously.</p>

5.0	Recommendation(s)
5.1	<p>It is recommended that Members <u>note</u>:</p> <ol style="list-style-type: none"> 1. Ongoing work in relation to the Mid South West Region Growth Deal. 2. The update on the NI Executive Complementary Fund and the MSW Region Growth Deal including the submission of proposition papers to NI and UK Government Departments; and plans to commence the business planning and justification process.
6.0	Documents Attached & References
	<p>Appendices 1A & 1B – MSW Combined Proposition Papers (Growth Deal & Complementary Fund)</p> <p>Appendix 2 – MSW Consultation Responses</p> <p>Appendix 3 – MSW Editorials</p> <p>Appendix 4 – MSW Infrastructure & Connectivity – Key Asks & Messages</p>