



**Grow Causeway
Coast & Glens**

Connection | Destination | Innovation

Causeway Coast & Glens Borough Council Growth Deal 'Pause' Implications

September 2024



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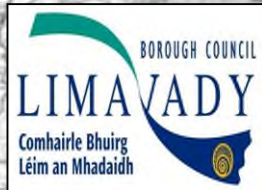


**Causeway
Coast & Glens
Borough Council**



The background:

- Play Areas
- Cemetery, Cremation and Mortuary
- Community Services
- Council Depots
- Council Offices
- Culture and Heritage
- Other Community Assets
- Public Conveniences
- Recreation and Sport
- Tourism
- Trading Services
- Waste Collection
- Waste Disposal



Causeway Coast and Glens

Borough Council:

4 Councils into 1

- £74m inherited debt
- Now reduced to £47m

New functions:

- Community Planning;
- Power of Competence.

Transferring Functions:

- DoE Planning;
- INI LED / Entrepreneurship;
- DETI local tourism;
- DRD car parks;
- DCAL local sports
- *DSD NR, Com Dev & Regen?*



Key Challenges: economic

**Four of the
poorer councils
into one**

**Scale of
historic debt
post RPA**

**Age &
lack of facilities**

**House prices
&
second homes**

**Deprivation
associated
with rural and
dispersed
population**

**Borough-wide
reliance on
tourism &
hospitality**


**Seasonal &
low wage
economy**

**Need
investment to
boost
regeneration**

Employment forecasts

2023-2033 Baseline

+2,800 jobs

 Construction
+500

 Hospitality
+500

 Health
+400

 Professional serv.
+300

2023-2033 Upper
scenario

56,800 jobs by 2033



2023 Key figures

Employment
52,600



Unemployment
1,820



GVA
£2.2bn



Largest employment sectors in 2023

 **Retail**
9,160 jobs

 **Health**
7,760 jobs

GVA forecasts

2023-2033 Baseline

£2.6bn

by 2033

Unemployment forecast

2023 - 2027 Baseline

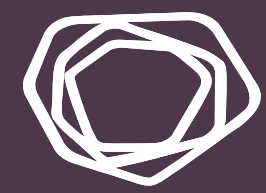


Challenges:

- Annual earnings in the Borough average 5.3% lower than the Northern Ireland average
- 90% of businesses in the region employ fewer than 10 individuals.
- Unemployment stands at 3.1%, slightly higher than the Northern Ireland average of 2.9%.
- The young working age population is declining 7 times faster than the NI average.
- 14% of the population have educational attainment levels below the desired standard.

Note:

- **Long-term positive signs (opposite) reflect anticipated Growth Deal investment**



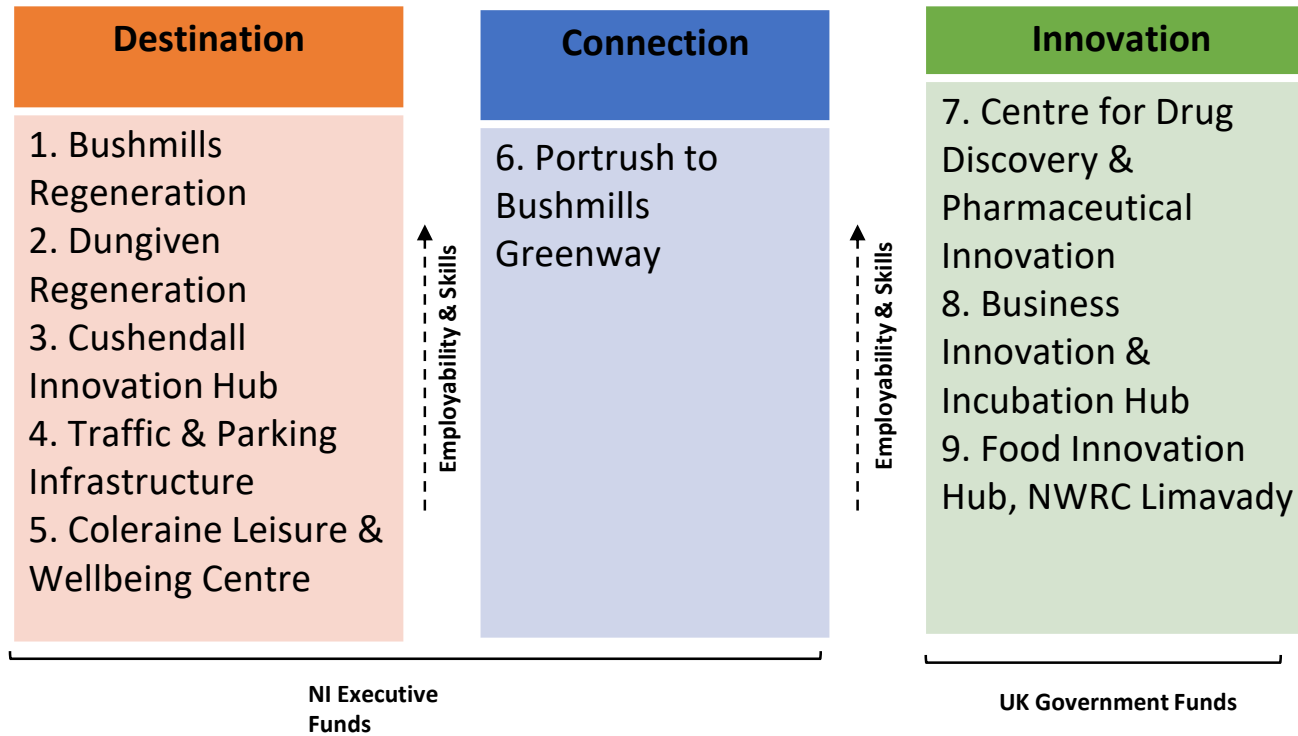
Growth Deal Objectives:

Budget: £72m (plus around £34m Council and partners), close to £110m

The **objectives** of the Causeway Coast and Glens Growth Deal are to:

1. Attract, support and grow **more business**, with a focus on export;
2. Position Causeway Coast and Glens as **the 'go-to' region** for both business and pleasure;
3. **Regenerate** some of our **smaller settlements** into thriving and sustainable rural economies;
4. Improve key elements of the **tourism transport network and tourism destinations**;
5. Work with education and employers to raise aspirations and improve **employability and skills**.

9 projects across 3 pillars





- All project budgets include adequate provision for fees, risk, OB, inflation and net zero (on new builds)
- Promoter contributions, circa £34m, includes gov. grants, council, promoters and private contributions.
- Total spend circa £110m
- Phased delivery programme with Phase 1 (green) considered to be at a higher state of readiness for delivery

	Projects	Lead NICS Dept.	Project Promoter	CAPEX £'M	Funded by:						Total £'M
					UKGOV £'M	NIGOV £'M	CCAG* £'M	Promoter* £'M	Grant £'M	Private £'M	
1	Centre for Food & Drug Discovery	DfE/INI	UU	22.0	20.0	-	-	2.0	-	-	22.0
2	Dungiven Regeneration Programme	DAERA/DfC	CCAG/GDT	6.7	-	6.0	0.5	0.2	-	-	6.7
3	Bushmills Regeneration Programme	DAERA/DfC	CCAG	8.2	-	6.7	0.8	-	0.7	-	8.2
4	Business Innovation & Incubation Hub	DfE/INI	CCAG	16.5	14.9	-	1.7	-	-	-	16.5
5	Food Innovation Centre	DfE/INI	NWRC	2.6	1.2	1.2	-	0.3	-	-	2.6
6	Connected Causeway Traffic & Parking	DfE/TNI	CCAG	11.7	-	8.7	0.7	0.3	-	2.1	11.7
7	Greenways (Portrush/Bushmills)	DfI	CCAG	7.7	-	3.1	0.8	-	3.9	-	7.7
8	Cushendall Innovation Centre	DAERA/DfC	GTG	1.7	-	1.5	-	0.2	-	-	1.7
9	Coleraine Leisure & Wellbeing Centre	DfC	CCAG	32.6	-	8.8	14.8	-	9.0	-	32.6
CAPEX				109.6	36.0	36.0	19.1	2.9	13.5	2.1	109.6
Funding Mix					33%	33%	17%	3%	12%	2%	100%

*NICS confirmed promoter contribution of at least 10% Non-GD funding overall and cannot include other government funding but may include land/buildings valuations

Phase 1 45.4 63%



Catalytic impact of innovation investment:

Centre for Food and Drug Discovery (CFDD) @ UU Coleraine



Project Cost: £22m

Project Promoter: Ulster University

Opportunity: Improving global health through nutritional and pharmaceutical innovation

Status: OBC under development by UU



Commercial interest in CFDD. Already 6 significant pharmaceutical businesses lined up to work in partnership with this project:

- [REDACTED] planning a R&D project @ circa £500k in Coleraine
- [REDACTED] in discussions with UU and QUB re a joint project for NI R&D subsidiary @ circa £500k
- [REDACTED] proposing a centre for breast cancer research in Coleraine campus @ £2m-£5m
- A local drug development company is already working in partnership with existing customers on up to 20 new formulations PA with annual revenues of £3m to £30m
- [REDACTED] has worked with UU to achieve FDA approval of 3 devices and wants to engage further with this project
- [REDACTED] (cap value of \$177b and 27,000 staff) visited UU in Sept 24 and very excited about partnership opportunities with CFDD

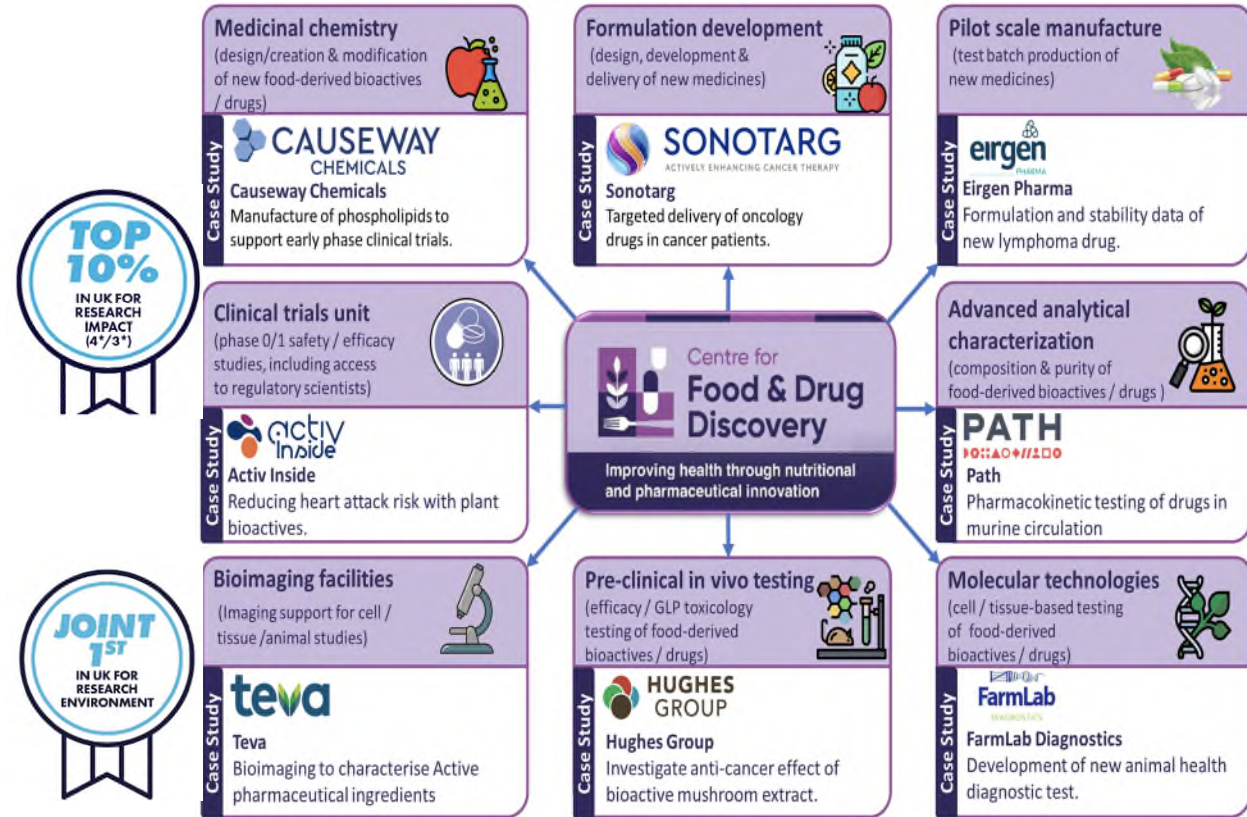
Confidential by virtue of paragraph 3 of Part 1 of Schedule 6 of the Local Government Act (Northern Ireland) 2014

The Growth Deal pause puts all this commercial interest at risk!

Adverse impact of CFDD not progressing:



- Our world class research has impact upon global health challenges – CVD, Diabetes, Obesity.
- Loss of competitive advantage for industry through technological innovation.
- FDI opportunities developed, pre-clinical services (~£3M p.a.). Diminishes with loss.
- Loss of £255M income & economic benefits and 200 jobs to low productivity region.
- Decreases skilled graduates for life sciences sector.





Heads of Terms signed by UKG and NIE April 2024, a statement of intent to invest.

Since April 2024:

- Outline Business Cases (OBCs) under development
- Council is committed to ongoing development costs (circa £1m sunk costs to date)
- New staff and governance structures in place
- Public and stakeholder engagement underway



- All 9 OBCs commenced, and first Steering Group completed for each: **Sept 2024**
- OBCs for at least 50% of each funding source (phase one projects) completed and formally submitted to relevant departments: **March 2025**
- Phase 1 OBCs approved by departments: **October 2025**
- Deal signing: **December 2025**
- Phase 2 OBCs approved by departments: **October 2026**
- **Meaningful spend only begins 2027/28**, marginal impact on CSR period

Key negative implications of a paused/cancelled/reduced Growth Deal in CC&G:

- Council has already committed circa £1m development costs with no ROI
 - Already one of the poorest Councils in NI
- Construction inflation will erode budget as time passes
- Loss of stakeholder commitment and project momentum
 - Loss of private sector additional investment
 - Lost opportunity for +ve impact on global health
- The Borough falls further behind the economic success of Belfast and L/Derry
 - The Growth Deal was CC&G chance to catch up
- NI Executive's aspirations for 'regional balance' and 'good jobs' is lost
- Loss of partnership contributions, circa £34m

At the signing of the Derry and Strabane City Deal on 18th Sept 2024 Hilary Ben MP, the Secretary of State for NI, committed to supporting the economic development of all regions of NI.

- Causeway Coast and Glens is one of the poorest and most rural of NI's 11 Councils
- The Review of Public Administration 2015 left CC&G one of the most indebted councils @ £74m
 - This was not of the Council's own doing
 - Addressing this debt burden has limited the Council's ability to invest on growth related projects
- The Growth Deal was to be the economic game changer for the future of the Borough
- The Innovation project at UU has already demonstrated its relevance to multi-national investment, good jobs and a positive impact on global health

Without the Growth Deal, the Secretary of State's ambition of economic prosperity for Causeway Coast and Glens will not be realised.

Even with ambitions spend profiles, only £9.2m of UKG funding can be spent by 2028, zero impact on CSR national budgets