



**Grow Causeway  
Coast & Glens**

Connection | Destination | Innovation

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

## **September 2024**



**Grow Causeway  
Coast & Glens**

Connection | Destination | Innovation



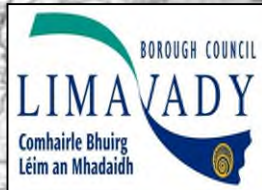
**Causeway  
Coast & Glens  
Borough Council**





# 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

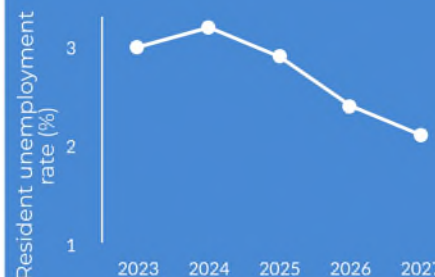
2023-2033 Baseline

**£2.6bn**

by 2033

### Unemployment forecast

2023 - 2027 Baseline

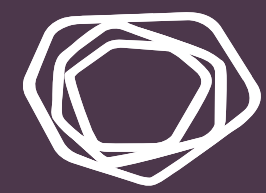


### Challenges:

- 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**



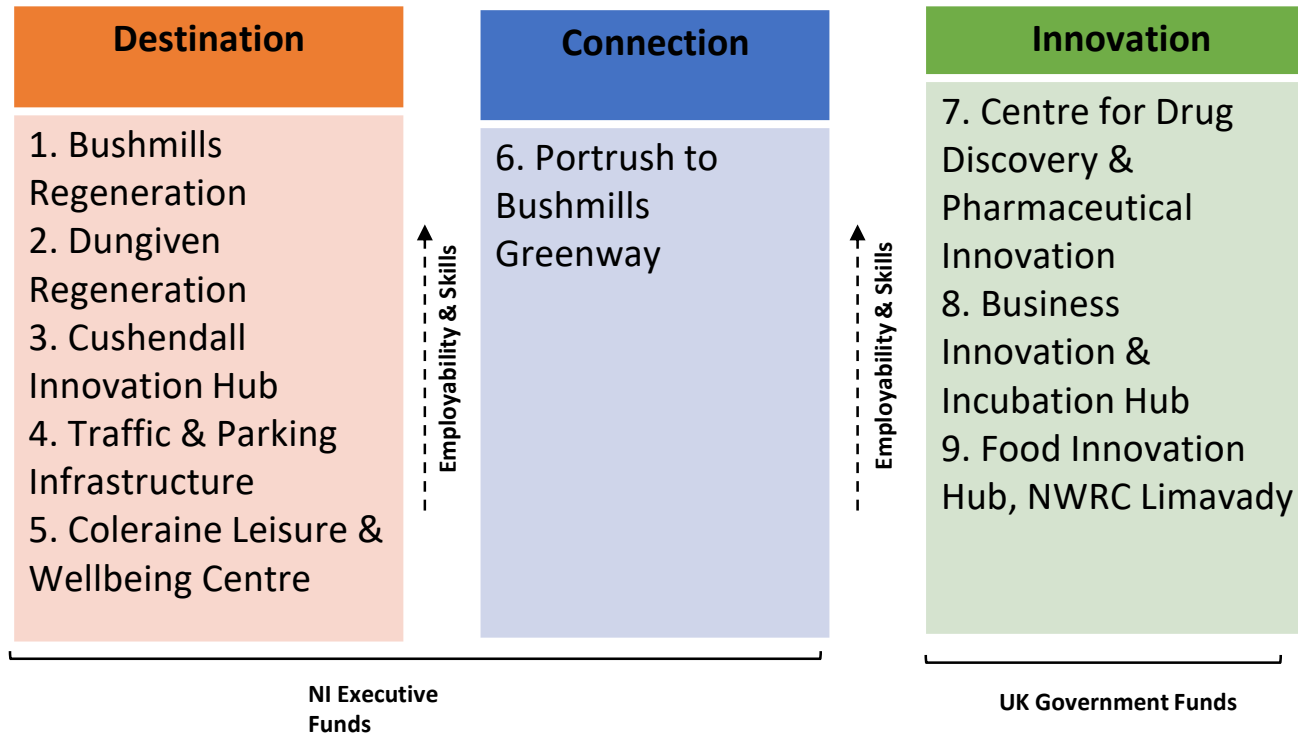
# Growth Deal Objectives:

**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
	<b>CAPEX</b>			<b>109.6</b>	<b>36.0</b>	<b>36.0</b>	<b>19.1</b>	<b>2.9</b>	<b>13.5</b>	<b>2.1</b>	<b>109.6</b>
	<b>Funding Mix</b>				<b>33%</b>	<b>33%</b>	<b>17%</b>	<b>3%</b>	<b>12%</b>	<b>2%</b>	<b>100%</b>

\*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:

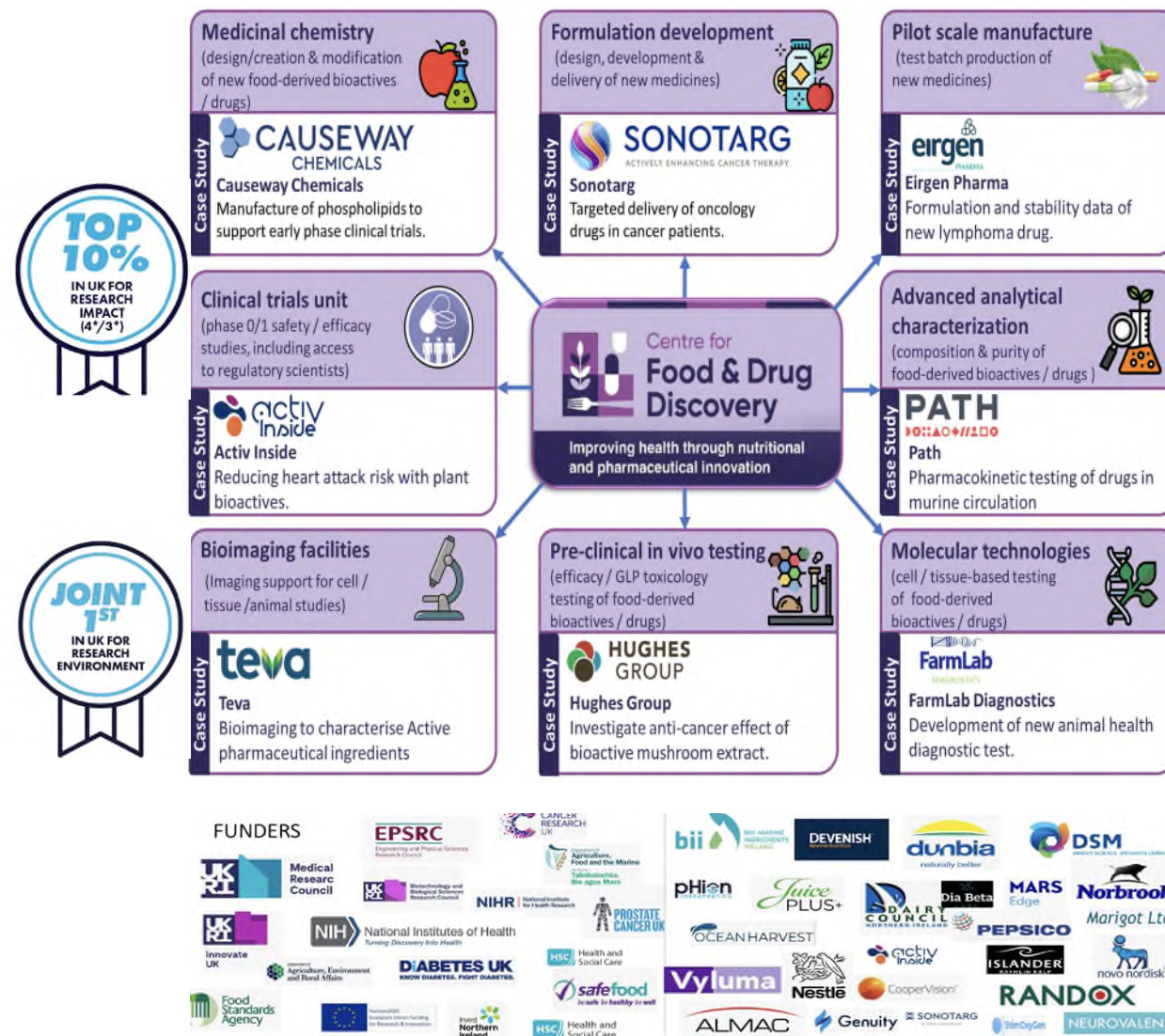
- [REDACTED] planning a R&D project @ circa £500k in Coleraine
- [REDACTED] in discussions with UU and QUB re a joint project for NI R&D subsidiary @ circa £500k
- [REDACTED] proposing a centre for breast cancer research in Coleraine campus @ £2m-£5m
- A local drug development company is already working 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. Information relating to

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



- 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 18<sup>th</sup> 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**