

1. Draft consultation feedback

Does our Vision set a suitable level of ambition and successfully frame our shared destination for the Northern Ireland economy?

Invest NI Vision: Invest NI is recognised as a leading economic development agency, instrumental in driving a balanced, sustainable, productive, and prosperous Northern Ireland economy through unlocking the potential of businesses across the region.

We agree with the ambition and the sentiment set out in the vision. The only suggestion that we had was to consider whether it adequately covers the work around attracting businesses – both large FDI and potential new global start-ups (in line with the Driving Global Ambition strategic priority).

As an entrepreneur, business leader, partner or stakeholder, does our Mission Statement appeal to you and does it convey what you need from Invest Northern Ireland?

Invest NI Mission: To work with businesses to accelerate their growth by increasing external sales and innovation, creating good quality jobs, boosting productivity and skills, growing inward investment and reducing carbon emissions.

The mission statement may benefit from a reference to partner organisation as referenced in its strategic priorities, eg. “To work with businesses and partner organisations...”

In addition, while a lot of the work is done directly with the businesses, Invest NI also has a role to play (along with others) in helping to create the conditions for growth. By that, we mean investing in the infrastructure and supporting collaborations to enable businesses to reach their full potential.

It would also be beneficial in light of the Economy Minister’s consultation on The ‘Good Jobs’ Employment Rights Bill to explicitly define what it meant by good quality jobs.

2. Does the overall strategy feel right? Are there any major omissions?

The strategy appears to reflect an overall uplift in performance and activity, with a focus on key sectors and driven by the commitment to support regional balance in line with the Minister’s statement. At a high level, we are supportive of the more ambitious approach and understand the drivers for regional balance.

With regard to the commitment to prioritise an increased share of investment in council areas outside the Belfast Metropolitan Area, an analysis of Invest NI’s Key Performance Indicators for 2023 shows that Invest NI made financial assistance of £166million to businesses in Belfast. This leveraged additional company investment of £883million, meaning for every £1 invested by Invest NI, it leveraged an additional £5.33, second only behind Antrim and Newtownabbey (£8.42). In addition, Invest NI’s 2,900 offers created 9,298 new jobs – 49% of all new jobs as a result of Invest NI financial assistance in 2023. This investment realised over 56 jobs per £million, more than any other area of Northern Ireland.

Therefore the issue is not just about the level of investment – it is also important to factor in the return on investment. This performance information clearly shows that investment in the Belfast City Council area delivers a positive return on investment and value for money. It also suggests that the city and the wider region possess many of the assets that direct Foreign Direct Investment (FDI) decisions including its skilled workforce, universities and researchers, vibrant cultural scene, industry clusters and transport infrastructure. It is difficult to recreate these factors elsewhere therefore, while Invest NI may propose to increase their “productive investments” outside the BMA, it is unclear what impact measurements might be used for these.

In addition, research by OCO Global suggests that cities are magnets for FDI as they are home to 3 in 4 of all highly skilled jobs. This availability of talent, coupled with the city’s infrastructure and population base (Belfast has a population of 348,005, and the Belfast region, based on the TTW area, is home to a population of over 1.13 million people - around 60% of the total regional population) are critical in positioning the city as a base for fast-growing, globally focused businesses.

There is a lack of emphasis on how people will benefit from the prosperous Northern Ireland economy outlined in the vision with no reference to an inclusive growth agenda or utilising the strategy to tackle socio-economic challenges and structural inequality in the labour market, e.g. by enhancing productivity through inclusive pathways to good jobs. Given the current challenges in the labour market, this is likely to be an area requiring increased focus but it is not clear whether Invest NI will reframe its interventions to take account of these issues.

Belfast City Council has significant experience of delivery inclusive pathways into growth sectors – akin to the Assured Skills models but without the barriers to entry of a graduate qualification. We are working with DfE on how this approach can be used alongside the apprenticeship model and we consider that, subject to a successful pilot, there are opportunities to look at how this could be used to support Invest NI client businesses.

Are there areas of focus that need to be added?

Across several strategic objectives, we note references to Net-Zero and regional balance influencing investment decision making; however, the region’s urban centres of Belfast and Derry City are acutely aware that the benefits of growth and investment do not always reach all communities and neighbourhoods, with the 10 most deprived Super Output Areas in the region all located in the Belfast and Derry City & Strabane Council areas (NIMDM 2017).

For the benefits of economic growth to be felt by all citizens and for economic opportunities to be fully realised, it is necessary to go further and embed social value or inclusive growth, into the decision-making processes.

Decision-making processes need to proactively consider who benefits and how more people can benefit from economic success, therefore taking account of wider impacts to maximise not only economic factors, but also the potential to encourage social mobility and opportunity as well as environmental impacts of growth. Belfast City Council has some experience of how this works through or social value procurement approach and we consider that some of the same principles could be apply to business support or investment decisions. In addition, there are some positive solutions that can help support inclusive growth such as our Employment Academy model and our upskilling support and these could support the delivery of any commitments on new or growing businesses.

While we agree the priority to grow jobs in the priority sectors where there is greater potential for good jobs, there is value in adopting support for good jobs in all programmes of work. The proposed commitment in the Programme for Government to develop a Good Work Charter, similar to the Belfast Business Promise, would encourage all clients to commit to good work and jobs as well as more inclusive practices. We would welcome the opportunity to continue conversations with Invest NI on the Belfast Business Promise and our ongoing work with the Labour Relations Agency to inform the development of a regional charter. In addition, we would highlight the importance of influencing and strengthening the supply chain as a key enabler in supporting good jobs to drive inclusive and sustainable economic growth. This would add value to places as well as Invest NI's local and external client companies, strengthening connections and impact within communities.

Are there areas that should be removed or are no longer relevant?

No major changes required

3. Targets (Slide 5)

Are the draft targets the correct ones to deliver maximum impact?

We would suggest that the target relating to jobs created/ net employment is clarified to explicitly focus on 'good jobs' (subject to the agreed definition), in line with the Mission. Furthermore, in 2023, Belfast represented 34% of employment within Invest NI's client portfolio. Any decision to disinvest in Belfast may have a detrimental impact on achieving this target.

As a community planning partner, Invest NI will be aware of the ambition set out in the Belfast Agenda to create 46,000 additional jobs. The council is concerned that re-targeting resources away from an area (Belfast Metropolitan Area Plan) will have a negative impact on the city and partners' ability to deliver this primary target.

With specific regard to the target, "By 2026/27 65% of our investments will be 'outside of the BMA', has there been any assessment undertaken as to the impact this target could have on the delivery of the other targets?

It is difficult to comment on the aspiration included within the targets without an established baseline or an accompanying technical annex. We are working on the assumption that these are derived from current Invest NI baselines and internal performance metrics.

With regard to supporting "at least 450 local companies that are new to Invest NI", we would hope that Go Succeed could make a significant contribution to those targets and would be keen to work with Invest NI to see how that might happen.

Whilst we acknowledge that it's important to address carbon and energy intensity, we would have expected to see more emphasis on innovation and green growth opportunities and the use of innovative financing models (green finance etc) to increase investment in the green economy.

On the FDI targets, Belfast has obviously been the focal point for many of the FDI investments to date. The city has the assets in the shape of the universities and research centres as well as the office space and wider cultural and leisure assets that are important to potential investors. We would be concerned that the policy to drive investments outside the BMA could undermine the

agglomeration effect that these investments require and which are part of the success story of successful investment locations.

Are there gaps that you feel should be directly addressed?

No specific gaps

5. Client Definition and engagement model (Slide 7 and 8)

Is a Client model approach, that enables us to prioritise resources and intensify support with those businesses with the greatest growth potential, the correct approach?

We understand the client model approach and the need for market segmentation in order to ensure that resources are focused on those businesses with most significant potential for return – either by creating jobs; investing in R&D or accessing strategic support as outlined on slide 7. At a high level, we agree with this approach.

With regard to the 64,000 “actively trading local businesses”, we assume that this is the majority of trading companies in Northern Ireland. We would note that, through the Northern Ireland Enterprise Support Service, we may be engaging with a significant proportion of these businesses. We feel that there is an opportunity to think more proactively about how we manage this engagement and what the respective support offer to businesses is.

With regard to the 10,000 “externally focused businesses” – as above, we may be supporting many of these through the Northern Ireland Enterprise Support Service. We would be keen to establish a more formal referral mechanism for businesses in receipt of NIESS or successor support – in order to ensure a seamless pathway for businesses to access the right support at the right time – regardless of how the support is provided or who it is provided by.

Is the definition and engagement model sufficiently broad to enable us to deliver for all businesses strategically?

While IDEs are identified on the engagement model, it is not clear what definition they will fall into. Similarly it is unclear how FDIs will be treated – maybe the definition approach only refers to local businesses?

There is a question as to whether Invest NI will seek to deliver for all businesses or whether – as part of its “focus” – it will work in partnership with other businesses to pick up the wider business base. At present, it appears that there will be an offer for any business (ranging from digital to targeted support) – is that the proposal? We are not clear from the current presentation.

6. Priority sectors (Slide 9)

Do you agree that the priority sectors identified are the correct ones to focus on?

Belfast City Council agrees that the priority sectors identified are the correct ones to focus and these are identified. We have reflected these sectors within our Belfast Region Investment Guide and they also align to many of the investment included within the Belfast Region City Deal.

Which market opportunities or technologies do you believe present the greatest challenge for you over the long term?

7. Strategic Priorities - Boosting Business Investment



Do you agree with the strategic objective?

Yes, we agree that this should be a fundamental strategic objective for the organisation – although we are somewhat unclear as to what the “productive investments” might involve.

We are particularly supportive of the proposal to “work with councils and regional partners to create a “new to Invest NI” pipeline of innovative start-ups and established businesses with external growth potential”.

We are unclear as to whether “growing employment in priority sectors with the greatest potential for growth in good jobs” will always be the same as “growing employment in priority sectors for growth”.

Are there any specific areas of focus that you think Invest Northern Ireland should prioritise under this Priority?

We obviously welcome the commitment to work with councils around an enhanced pipeline approach. We also welcome the support for IDEs and the Founder Lab pilots and would be keen to work alongside Invest NI on the outworkings of these interventions.

8. Strategic Priorities - Accelerating Innovation & Skills

Do you agree with the strategic objective?

We support the reference to increased expenditure on R&D. It would be helpful to specify whether this relates to BERD or GERD or a combination of both and how this could be used to leverage additional investment, particularly as it aligns to the City Deal investments.

We welcome the commitment to support at least 475 investments and £95 million of investment in leadership, training and skills development. The importance of focusing on skills to build innovation cannot be underestimated. However, there is no indication of how this will be

targeted, no reference to inclusive growth or utilising this to tackle socio-economic challenges and structural inequality in the labour market.

We would also encourage the adoption of ‘Inclusive innovation’ as an area of focus, in order to enhance the benefits and success of innovation while also managing any unintended consequences that innovation can have in fuelling inequalities. This may be through partnership models such as the Innovation City Belfast or strengthening the City & Growth Deals.

Research jointly commissioned by the UK Innovation Districts Group and Connected Places Catapult (2022) on the case for inclusive innovation reports that “inclusive innovation offers the prospect of creating broad based economic prosperity within places, drawing wider sections of society into productive and valuable work and ensuring they benefit, both directly and by helping to direct innovation activity to our shared challenges” as well as ensuring a greater likelihood of successful innovations. Broadening participation and reach of innovation provides an opportunity to improve productivity of places, fuel regional performance, and help to address regional disparities. Embedding this approach requires a collaborative approach and for all actors in the innovation field, such as government, businesses, research institutions, education institutions to proactively involve more people, particularly from underrepresented groups, in the design, delivery, and diffusion of innovation activity. There is scope to consider the development of a shared narrative on inclusive innovation and the opportunities it presents, drawing on the existing regional and sub-regional partnership structures.

The council notes reference to Assured Skills Academies, however this is a narrow focus on one solution and no indication of:

- Utilisation of other solutions such as Apprenticeships
- How this can be a lever for Inclusive Growth – enhancing productivity through of inclusive pathways to good jobs, i.e. people who otherwise not be able to access the programmes mentioned and therefore the jobs but have the aptitude.

Are there any specific areas of focus that you think Invest Northern Ireland should prioritise under this Priority?

We consider that an enhanced focus on management and leadership skills has the potential to unlock significant increases in productivity – and has long been identified as a gap in the current offer.

9. Strategic Priorities - Driving Global Ambition

Do you agree with the strategic objective?

We agree with this objective – and with the collaborative approach to achieving the targets. The Council is supportive of efforts to measure and track progress in investment in the local economy and recognises the value of adopting a standard collaborative approach to understand the depth and breadth of the local economic impact. We would therefore welcome the opportunity for further discussion on the approach to measure the outcome to ‘*Baseline and target Expenditure in the Local Economy through Externally Owned Clients*’.

ICC Belfast is a significant conference and exhibition facility, capable of attracting international association conferences and events. We would be keen to enhance the collaborative working

relationships between Invest NI and ICC Belfast in order to effectively target major global events in the key business sectors that are being targeted by Invest NI and referenced as part of this strategy.

Are there any specific areas of focus that you think Invest Northern Ireland should prioritise under this Priority?

While we understand that it has taken time to clarify trading arrangements, the unique selling point for NI of the dual market access should not be articulated more clearly, with an enhanced focus on targeted investments to maximise the unique trading arrangements.

10. Strategic Priorities - Developing and Achieving Sustainability

Do you agree with the strategic objective?

Whilst we welcome the inclusion of sustainability as a strategic priority, we are not clear what the “solutions” are likely to be – we assume these will be detailed in due course. Although we agreed that it is important to address carbon and energy intensity, we would expect to see more emphasis on innovation and green growth opportunities and the use of innovative financing models (green finance etc) to increase investment in the green economy.

Are there any specific areas of focus that you think Invest Northern Ireland should prioritise under this Priority?

We consider that the emphasis should be on innovation and green growth opportunities as well as developing innovative finance mechanisms to stimulate these investments.

11. Strategic Priorities - Maximising City and Growth Deals

Do you agree with the strategic objective?

We agree that this is a critical objective given the generational investment in the range of capital projects included within the Belfast Region City Deal. Furthermore, we welcome the commitment to assisting with the implementation of the growth deals, recognising that Invest NI has a key role to play, not just as an investment decision maker but also in leveraging significant further funding. The council understand that Invest NI are no longer the IDM for the BRCD digital pillar and therefore this reference may need re-worded.

We note that the list of projects on slide 13 is missing reference to the Infrastructure Fund and Studio Ulster.

The council would welcome clarity on the commitment to hold 25 events (which equates to almost an event every month) and would welcome a commitment to work in partnership with all City Deal areas to deliver these events.

Are there any specific areas of focus that you think Invest Northern Ireland should prioritise under this Priority?

The council would suggest that resources, sectoral expertise and additional funding should all be directed towards supporting these centres (which align with the key sectors), building clusters and maximising their huge potential to benefit business and the wider public in terms of providing good jobs and supporting a growing economy. In addition to supporting the centres with central Government funding – a pro-active, co-design approach should be adopted by Invest NI to supporting the accelerated delivery of BRCD proposals which are designed to support the centres.

In addition, the City & Growth Deals can be used to support inclusive innovation and the tackling of societal and industry challenges – with local government having a key role through innovative funding models such as SBRI. This place-based approach should also be encouraged and supported by Invest NI in addition to the focus on centres of excellence outlined above.

12. Strategic Priorities – Promoting Places and Partnerships

Do you agree with the strategic objective?

We are pleased at the emphasis on a collaborative approach and welcome the ongoing engagement from Invest NI towards community planning, and the Belfast Agenda, to continue to drive progress with a place-specific focus in a way that supports and drives regional success.

We would be keen to understand more about how regional balance will be factored into investment decisions and what the Invest NI regional plan will look like – and how it will sit across planned activities.

We welcome the proposals to explore a regional property programme and would welcome this focusing not only on developing land assets but also supporting innovative new space solutions, as a means of growing more innovation-driven businesses.

Are there any specific areas of focus that you think Invest Northern Ireland should prioritise under this Priority?

13. Additional Comments

Do you have any other comments that you wish to make?

In responding to the NI Executive’s consultation on their Programme for Government, Belfast City Council welcomed the priority to ‘grow a globally competitive and sustainable economy’. In doing so, we sought to highlight and re-emphasise the city’s role as the regional economic driver, recognising that continued growth for Belfast and the wider city region has broader benefits for the entire region.

The PfG recognises that our economy continues to grow and we now boast a growing reputation on the world’s economic stage. The Belfast economy has performed well over the last two decades, in particular:

- 30,000 net additional jobs since 2012 (BRES, NISRA) - almost 1 in 4 of all jobs created over that period
- Average annual economic growth rate of 5% between 2012 and 2022
- The Belfast economy has grown by £6.4 billion or 58% over the last decade (Regional GDP by all ITL regions, ONS 2024)
- Unemployment sitting at a low of 2.4% (Labour Force Survey, NISRA 2023)
- £16.1bn of GVA in 2022, 1/3 of the Northern Ireland economy (Regional gross domestic product all ITL regions, ONS)- £32.6 bn for the Belfast region, 2/3 of the NI economy
- 236,476 jobs in the city and 504,692 in the wider region, representing 30% and 64% of all NI jobs respectively
- Business base – there are 11,300 active enterprises in the city and 40,015 enterprises in the Belfast region; 1 in every 7 NI businesses are based in Belfast and 1 in 2 in the Belfast region (Inter Departmental Business Register, NISRA 2023)
- Globally-competitive location with well-established strengths in key growth sectors:
 - Number 1 inward investment globally location for US FDI cyber security projects (FDI Markets 2020)
 - Number 1 location globally for FinTech inward investment (FDI Markets 2023)
 - Number 1 location in Europe for new software development projects (FDI Markets 2023).

The council wishes to further emphasise that this strong economic performance drives growth across the whole region.

- Belfast is the region's key population centre: it has a population of 348,005, and the Belfast region (based on the TTW area) is home to a population of over 1.13 million people (around 60% of the total regional population).
- Belfast is a new job creator for all adjacent areas – particular those around the city. Almost half of those that work in Belfast do not live in the city and Belfast City Council residents account for only 53% of total workplace employment in the city. This is indicative of the City's role as an employment hub for NI, attracting a high proportion of in-commuters.
- Incomes in neighbouring council areas (Lisburn & Castlereagh, Ards & North Down, Antrim & Newtownabbey) are on average higher than for Belfast residents. Average earnings for residents in Lisburn & Castlereagh are 6% higher than Belfast citizens; Antrim & Newtownabbey residents have earnings 3.4% greater than Belfast (ASHE, NISRA 2023).

However, as the PfG identifies, not everyone is feeling the benefit of this growth and there is still a long way to go. This is particularly the case within the Belfast city council area, as evidenced by:

- Average earnings of Belfast residents lag behind that of its workforce: those living outside of Belfast but working in the city earn on average £3,474 a year more than Belfast residents.
- While Belfast supports proportionately more higher-level jobs than other areas, it also has a disproportionate level of deprivation in many neighbourhoods: 6 of the top 10 most deprived wards in NI are in Belfast while the top 15 most deprived wards for the Education, Skills and Training domain are all in Belfast.
- The employment rate in Belfast varies greatly by local area – and is significantly lower in areas of deprivation. The employment rate of those living in the most deprived areas of Belfast is 22 percentage points less than those living in the least deprived areas (55% v 77%)
- There is a significant gap in life expectancy between most and least deprived areas – this equates to 11 years for males and 8 years for females.
- A significant proportion (43%) of all Belfast residents have skills levels not higher than level 2 (5 GCSEs equivalent) – with 16.5% (1 in 6) of all residents having no formal qualifications (Qualification level by Local Government District, TblLFS2338, Labour Force Survey 2022). By contrast, the skills demand for the coming period shows that fewer than 1 in 10 jobs will require skills levels below level 2. This suggests that future growth in Belfast will continue to be serviced by those living outside the city.

We welcome the Executive's plans to work with councils and local partners to deliver the Sub-Regional Economic Action Plan. While we understand the objective of regional balance this should not be at the cost of further developing the Belfast economy, which represents ⅓ of the Northern Ireland economy. Research also shows that cities drive productivity:

- In OECD countries, cities (which are home to 50% of total population) have contributed 60% of total employment creation and GDP growth in the past 15 years.
- OCO Global suggests that cities are magnets for FDI as they are home to 3 in 4 of all highly skilled jobs.
- Belfast and the wider region possess many of the assets that direct FDI decisions (The Productivity Institute) including its skilled workforce, universities and researchers, vibrant cultural scene, industry clusters and transport infrastructure.

- These assets are also critical in positioning the city as a base for fast-growing, globally focused businesses. We need to grow more innovation-focused businesses to drive our competitiveness. This also helps address a reliance on FDI – with local businesses more likely to “stick” to their home location – even when they ‘go global’.
- Regional productivity performance has been linked to investment in research and development (R&D) and other innovation activities (Cozza et al., 2012; Vieira et al., 2011). The Belfast Region City Deal presents a unique opportunity to develop clusters of high-growth industries and innovative businesses, providing agglomeration benefits, symbiotic growth and ‘knowledge spillover’ effects. Concentrating economic activity in a small city such as Belfast increases the productivity of that activity.
- Belfast came 5th overall in the FDI Intelligence Magazine’s Top 10 mid-sized European Cities of the Future 2024
- The battle for investment is a global not a regional one: comparing ourselves only against adjacent districts is a zero sum game. Whilst there has been much progress there continues to be significant areas for improvement in our productivity performance.

The challenge in Belfast is that we need to maintain focus on continued improvement rather than taking our eye off the ball and ensure more of our citizens benefit from good jobs.

- We haven’t yet reached our potential – and the competition is strong. More than 41% of the working age population on the NI side of Dublin-Belfast economic corridor are skilled at level 2 and below: in ROI, this is 28%. (Dublin Belfast Economic Corridor Skills Research Project, UUEPC 2024)
- Belfast needs more new businesses – there were 29.7 business start-ups per 10,000 population in 2022 – the worst performance of all 63 urban areas in the UK (Core Cities)
- We accept the argument around the need for targeted investment – we have that at a micro level within our city. We need to maintain a focus on a growth agenda – while putting in place targeted activities to support inclusive and more sustainable growth.
- We have taken the lead on developing solutions that can drive productivity and support local economic growth across the wider region and city region e.g. BRCD and NIESS.
- In order to raise productivity, future policy should aim to help places achieve their productivity potential, which will differ from area to area, rather than trying to get every council area to achieve the same level of productivity.
- Investment decisions are taken on a global level: so Belfast is not competing with its neighbouring towns and cities for FDI investment in particular – we are competing against other global cities. They are all continuing to invest – we can’t take our foot off the pedal.