

Appendix 1 – Response to Invest NI Review

Draft response

Belfast City Council is delighted to have been engaged in the consultation process to inform the Invest NI review. This has provided us with an opportunity to discuss key areas relating to the efficiency and effectiveness of Invest NI in its role and also to consider if Invest NI is appropriately and adequately resourced and structured to support the delivery of the 10X Economy. Following internal discussions relating to these matters we wish to highlight a number of key areas for opportunity and challenge through the review.

While ongoing engagement with Invest NI and Belfast City Council has been positive, the current approach to engagement is largely transactional, there is limited sense of a shared view of priorities and an associated allocation of resources to bring this forward. There is also a need for greater role clarity, there is an opportunity to use this review to reframe the roles and responsibilities across the economic development support system, in order to ensure clarity both for businesses and for delivery partners. This should also include a focus on common goals and objectives related to supporting inclusive and sustainable economic development.

Through the review there is an opportunity to reflect on how Invest NI intend to support the “inclusive growth” ambitions set out in Programme for Government and emerging 10X. There is a need for Invest NI to enhance commitments around sustainable and inclusive growth and ensure that these are reflected in overall budget allocations as well as in ways of working. There are also opportunities for Invest NI to use their role to encourage positive behaviours among client businesses.

This also presents an opportunity for Invest NI to review the need to explore place-based approaches to investment. While Invest NI has local contacts, there is no clear approach to shared planning on a local level. With falling levels of government finance, we believe a concerted effort is required to move to a new partnership between central and local government to design and resource an economic recovery plan which prioritises investment in critical local/regional infrastructure such as water, waste, roads, telecoms, skills and innovation. This investment in physical infrastructure must sit alongside the development of an ambitious and outward looking industrial strategy, offering incentives for firms to innovate and invest in new technology, facilitating supply chain collaboration, stimulating local demand,

focusing on high value sectors and incentivising employees and employers to reskill and upskill. Together, these measures have the capacity to shape the long-term resilience of Northern Ireland's firms and our regional economy.

The current budget alignment should be a key consideration through the review process. In recent years FDI investment has been a key part of jobs growth and investment, and while we are supportive of Invest NI's focus on FDI we would suggest that there is a need to review the balance and potentially enhance the level of resource and support for entrepreneurship and innovation aligned with the ambitions of 10X Economy. Consideration should also be given to the level of resource to support activity to drive export sales, the levels of businesses exporting in Belfast is relatively low and the current volume of activity is significantly lower than other regions.

In relation to budgets, we would also wish to take this opportunity to raise our concerns relating to the impact of recent budget cuts and the apparent arbitrary approach to how these have been implemented. Our specific areas of concern around support for accelerator and proof of concept support that will have a detrimental impact on local businesses, and it is unclear that 10x has been a consideration in this decision making, therefore through the review there are opportunities to better align the organisational structure to the 10X ambitions.

In more recent times councils have been progressing work to significantly rescope support for business start-ups. Our ambition is to increase the overall number of start-ups as well as increasing the number of growth-focused, job-creating companies, including those that have the potential to scale. Invest NI has traditionally match-funded this activity (alongside council and ERDF resources). Our collective view is that this support needs to be revamped, with better outreach and engagement for potential entrepreneurs, moving towards a strong support offering that is commensurate with the potential of the business to grow and create jobs. Both Invest NI and the Department for Economy (DfE) have worked closely with the councils to date and consider that this new approach aligns with the 10X ambition and is in keeping with their wider plan to overhaul the support system for local businesses, based on the Regional Entrepreneurship Acceleration Programme model that has been developed at MIT.

Belfast City Council would like to use this opportunity to highlight the need for Invest NI to commit to working in partnership with councils to overhaul current delivery models to enable the development of an ecosystem which creates an environment in which innovative local start-ups can flourish. We would also request that Invest NI through the review maintain their commitment to match-funding shared priority investments and support ongoing discussions

with DfE to revisit the funding settlement for councils in the delivery of local economic development activity. Invest NI's role in relation to this programme of work should be a key consideration through this review.

We welcome the opportunity to provide an official response to the review and in doing so wish to highlight the strong working relationship Belfast City Council has with Invest NI and the ongoing willingness to work together to support future delivery across a range of areas including:

- Collaborating on FDI and city positioning in key target markets to showcase the city as an investment location to prospective investors
- Providing support for indigenous businesses through ongoing referrals to enable new businesses to progress through supports and delivering joint initiatives such as Way to Scale in partnership with Invest NI and Catalyst
- Reframing start-up and growth support to develop a new approach which aligns with the 10X ambition and is in keeping with wider plans to overhaul the support system for local businesses
- Ongoing work to develop the City and Growth deals through the provision of support to progress of the business cases for key investment projects.

Belfast City Council is keen to continue to work with Invest NI to build on the strength of our ongoing relationship to deliver sustainable and inclusive economic growth across the City and wider region.

Should you wish to pick up on any of the issues identified within this response, please do not hesitate to get in contact.