



Subject:	Sub regional economic development - update				
Date:	7 August 2024				
Reporting Officer:	Damien Martin, Strategic Director, Place and Economy				
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Restricted Reports					
Is this report restricted?		Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
If Yes, when will the report become unrestricted?					
After Committee Decision			<input type="checkbox"/>		
After Council Decision			<input type="checkbox"/>		
Some time in the future			<input type="checkbox"/>		
Never			<input type="checkbox"/>		
Call-in					
Is the decision eligible for Call-in?		Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
1.0	Purpose of Report				
1.1	The purpose of this report is to update members on work being led by the Department of the Economy (DfE) on sub-regional economic development, in line with the Minister's Economic Vision set out in February 2024.				
2.0	Recommendations				
2.1	Members are asked to: <ul style="list-style-type: none">Note the update on the work currently being led by DfE around sub-regional economic development.Note the pending development of sub-regional economic development plans and the timelines for council engagement in this activity.				

	<ul style="list-style-type: none"> • Agree to receive a future update on this work with a view to discussing the Belfast City Council priorities.
3.0	Main Report
3.1	Members will be aware that, for some time, the NI government departments – led by DfE – have been considering sub-regional approaches to economic development. In June 2023, this committee agreed a response to a call for evidence issued by DfE in the context of “10X Place”. That call for evidence sought to build an understanding of how policy could be effectively flexed to meet local economic needs – and also to understand relative strengths across the region.
3.2	<p>The council response covered a range of issues in line with the questions asked. A summary of the key points raised in that response included:</p> <ul style="list-style-type: none"> • Simply creating a sub-regional tier without additional transfer of statutory authority does not equal sub-regional economic development • The critical issue is flexibility of approach to meet local needs • Local authority boundaries can be building blocks for building up or drilling down – depending on the issue • Concerns at creating another layer/partnership mechanism – propose that it would be more effective to use existing structures • Request to understand what elements were “in play” – all of DfE portfolio? Consideration that wider input/support was critical – particularly from DfC and DfI, given need for critical infrastructure investments to support any economic development activity.
3.3	<p>Following the restoration of the NI Executive in February 2024, Minister Murphy set out his economic mission. It comprises four key themes, namely:</p> <ul style="list-style-type: none"> • Increase the proportion of the working-age population in “Good Jobs” • Promote Regional Balance • Raise Productivity • Reduce Carbon Emissions
3.4	It is our understanding that the 10X Place work has effectively been replaced by the work around “promoting regional balance”. In our recent engagement with DfE and Invest NI regarding sub-regional economic development, we have continued to raise a number of key issues, namely:

- Role of Belfast as regional driver – research clearly shows that cities play a key role in generating wealth and opportunity. They need to be supported to play that role – and the benefits that accrue go beyond the city boundaries
- Ongoing inequities in Belfast – particularly within communities that face multiple disadvantage: there is a £3,474 yearly earnings gap for Belfast based on place of work and place of residence; 6 of the top 10 most deprived wards are in Belfast and the top 15 most deprived wards for the Education, Skills and Training domain of the Multiple Deprivation Matrix are all in Belfast
- Research also suggests that the underperformance of cities is one of the most significant contributing factors to low levels of productivity across the UK – policy needs to focus on removing barriers to growth rather than just trying to re-locate growth
- Need to ensure that this is not just about brining all areas “up to the same level” – productivity levels in NI already lag behind UK, RoI and many global metrics: Belfast’s level also needs to continue to improve (and this in turn can support the wider region).

3.5

In terms of tactical interventions that could support these ambitions, there are a number of areas of potential interest. These include:

- Maximising the impact of the City Deal investments – through innovation diffusion and SME access as well as skills interventions, including inclusive pathways
- Supporting the development of key clusters in areas of competitive advantage – through targeted investment in finance; infrastructure and expert support
- Targeted outreach and engagement support to develop inclusive pathways into new growth sectors.

3.6

With regard to next steps in this work, it is our understanding that DfE intends to move ahead with the development of a “sub-regional economic development plan” in September 2024. That “plan” is likely to be more of a broader set of intentions, with the ask that each council comes forward with their outline areas of priority and resource requirements. Council boundaries will be the building blocks for action – but they are open to collaborative activities, working across council boundaries on areas of shared interest e.g. sectoral priorities. No details are yet available on timelines, but it is likely that DfE will ask that plans are submitted in early 2025, to enable delivery from the new financial year. DfE officials have advised that engagement is taking place to try to secure additional resources

<p>3.7</p> <p>3.8</p> <p>3.9</p> <p>3.10</p>	<p>for this work: However, we have made the point that it should not just be about new resources but, more importantly, considering how the existing resources can be flexed.</p> <p>One other stipulation that DfE have flagged is that the plans will be brought together by local partnerships. They have not prescribed what these partnerships should be and have suggested that it is for councils to advise. This recognises the volume of existing partnerships that are already in place across all council areas, working on broader economic development issues.</p> <p>It is likely that additional information on the proposed way forward will emerge in the coming weeks. At that point, officers will bring back a more detailed update and set out a proposed approach to ensure that the position of Belfast is recognised and appropriately supported through this work.</p> <p><u>Financial & Resource Implications</u></p> <p>No specific financial or resource implications at this time.</p> <p><u>Equality or Good Relations Implications/Rural Needs Assessment</u></p> <p>DfE will be responsible for the overall equality impact assessment work on this activity.</p> <p>It is intended that support will be available to all council areas – urban and rural.</p>
<p>4.0</p>	<p>Appendices</p>
	<p>N/A</p>