



Belfast City Council

Report to:	Strategic Policy & Resources Committee
Subject:	Initial review of the draft Programme for Government, Economic Strategy and draft Investment Strategy for Northern Ireland
Date:	Friday 09 December 2011
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Purpose of the report

The purpose of this report is to provide Members with a summary of the key issues for local government which are contained within the draft Programme for Government, the draft Economic Strategy and the draft Investment Strategy for Northern Ireland.

Detailed formal responses to the consultation documents will be provided for Members consideration in the New Year.

Background

On 17 November 2011, the First Minister and deputy First Minister published the draft Programme for Government 2011-2015 for consultation. The document focuses on two main priorities - supporting economic recovery and tackling disadvantage.

The draft PfG is supplemented by the NI Economic Strategy, which aims to improve the economic competitiveness of the economy by increasing employment and wealth opportunities for all, and the draft Investment Strategy for Northern Ireland.

The Investment Strategy document updates the 2008 Investment Strategy as the Assembly moves into a new budget period, highlighting the progress made to date and setting out the next phase of investment in key projects and programmes. The three documents are part of an overall programme and are not meant to be read in isolation. As such, all three documents share a common consultation deadline of the 22nd February 2012.

A summary of the overall aims and objectives within the Programme for Government and the draft Economic Strategy is attached at **Appendix A**.

Key Issues

An initial review of the three documents presented to the NI Assembly reveals a number of key commitments which will be dependent upon local government for delivery.

It is important that the Council is aware of these commitments and that the priorities identified within the documents are reflected in our work programmes and any

publications which we may produce over the coming months (i.e. the stimulus programme and the Corporate Plan).

The key commitments include:

- the **reform of local government** with enhanced powers delivered through a reduced number of councils
- a new framework for local government in which **planning and other powers will be devolved to councils**. It is envisaged that the Planning Act (NI) 2011 will introduce operational changes to streamline planning processes to allow for faster and more predictable decision making.
- working with councils on **strategic employment strategies and encouraging business growth**
- **councils to lead a community planning process** and work with a range of agencies and interests to develop and implement a shared vision for promoting the well-being of their area
- **councils to manage waste**, by increasing recycling, diverting residual waste from landfill, and enabling more sustainable technologies to be introduced that recover energy from the waste treatment process
- overall **contribution to the economic infrastructure** – connectivity, tourism, waste management, urban regeneration

A more detailed summary of the key issues for local government is included in **Appendix B**.

The reform of local government was identified as one of the most important commitments within the Programme for Government by a panel of MLA's at a Chief Executive's Forum event to discuss the Programme for Government in Parliament Buildings on the 1st December. (Members will note that there is a separate report on the reform of local government on the Committees agenda).

The **issue of Council borrowing power**, which has been raised in recent Assembly questions, was repeated by the panel members who indicated that there may be potential for the new larger Councils to generate revenue to support some of the projects within the Programme for Government / Investment Strategy.

Equality implications

None

Resource implications

None

Recommendation

Members are asked to note the attached report.

Decision tracking

Members will be provided with formal responses to each of the consultation documents for their consideration in the New Year.

Summary of key aims and objectives

Appendix A

Programme for Government

Five Key Priorities

- Growing a Sustainable Economy and Investing in the Future
- Creating Opportunities, Tackling Disadvantage and Improving Health and Well-Being
- Protecting Our People, the Environment and Creating Safer Communities
- Building a Strong and Shared Community
- Delivering High Quality and Efficient Public Services

The Economy is the top priority

- Supporting economic recovery
- Tackling disadvantage
- Rebuilding the labour market
- Rebalancing the economy

Guided by the following principles:

Balanced sub-regional growth: we will ensure that all sub-regions are able to grow and prosper whilst recognising the importance of Belfast and Derry/Londonderry as key drivers of regional economic growth;

Equality: we will ensure that no section of the community is left behind; equality of opportunity, fairness, inclusion and the promotion of good relations will be watchwords for all our policies and programmes across Government and;

Sustainability: sustainability policy is driven by intergenerational equity – securing a positive quality of life for present and future generations. To realise this, and to make sustainable development a hallmark of 21st Century government here, we will work together, across and beyond organisational and social boundaries to promote and encourage its recognition and acceptance.

Draft Economic Strategy

Key Messages

- **Working in partnership** – to build a safe, peaceful, fair and prosperous society
- Building growth and prosperity requires **co-ordinated action from all sectors** – acknowledge the continued support of UK government to help rebalance the economy
- Recognise that **companies and the workforce** remain the key drivers of economic growth, particularly with the **ongoing pressure on consumer and public expenditure**
- Aim is to improve the **economic competitiveness** of the Northern Ireland economy
- A sustainable and **growing private sector** – where a greater number of firms compete in global markets and there is growing employment and prosperity
- Significant **new policy levers required** to make this step change without key policy levers – powers to vary the rate on **corporation tax** & air passenger duty
- Growth will be based on increasing employment and wealth by **building a larger and more export driven private sector**
- This approach will **tackle disadvantage** and help address **social deprivation and division**

Key Economic Priorities

1. Rebalancing the Economy – to improve wealth, employment, and living standards of everyone in NI
2. Rebuilding the Economy – to address the impact of the global economic downturn, particularly on employment

Reform of Local Government

One of the key aims of the Programme for Government is the reform of local government with enhanced powers delivered through a reduced number of councils (PfG p.50). There is a commitment to establish the 11 council model for Local Government by 2015. The key milestones for 2012/13 will be to progress legislation (the Local Government Reorganisation Act) and a programme structure necessary to manage the change. The key milestones for 2013/14 will be to put arrangements in place for the shadow councils and in 2014/15 to have arrangements in place for the transfer of powers to councils.

Employment Strategies

The Economic Strategy document states that central government will work with Belfast and Derry City Councils and other stakeholders to develop strategic employment strategies for each city (Economic Strategy p.52)

Encouraging Business Growth

The Economic Strategy states that in order to secure our vision for the economy, it is vital that we grow the private sector and make it easier to do business in NI. This theme covers initiatives aimed at exploiting the market opportunities in emerging sectors, including the low carbon / green economy, in order to meet the key global challenges such as climate change and waste management.

Given the importance of this area to the overall strategy, the Executive, through DETI and Invest NI, is working to develop an accompanying action plan to encourage business growth. Work is already underway and discussions have commenced with local Councils and other stakeholders. The action plan will be launched later in 2011/12. (Economic Strategy p.55)

Economic Infrastructure

The NI Economic Strategy indicates that a modern and sustainable economic infrastructure is needed to support economic growth. The quality of the business environment, including transport infrastructure, has been identified as a significant factor alongside issues such as access to markets, labour supply and business accommodation, all of which impact on the ability of locations to attract, develop and retain competitive businesses. Local councils will be involved in developing this infrastructure via the following streams:

- **Connectivity** - the Economic Strategy recognises the importance of Belfast and Derry/Londonderry as important drivers of regional economic growth. This priority is also about ensuring improved linkages within NI, as well as improved connectivity, including on a North- South and East-West basis. (Economic Strategy p.62)
- **Dereliction** – government will continue to undertake Urban Regeneration Schemes in areas experiencing dereliction and neglect and redevelop underused sites (Economic Strategy p.68)
- **Waste Management** – government have invested £42m to help councils divert waste from landfill through reuse and recycling. NI is now recycling an extra 9,939 tonnes of household waste every year. Government will continue to provide project support to local authorities to change the way we manage waste, by increasing recycling, diverting residual waste from landfill, and enabling more sustainable technologies to be introduced that recover energy from the waste treatment process. (Economic Strategy p.63)

- **Air Quality** – the government has granted £1.7m to councils through the our Local Air Quality Grant Scheme (Economic Strategy p.63)
- **Tourism Infrastructure** – a total of £300m of infrastructure investment will come on stream, including the completion of key tourism attractions at **Titanic Belfast** and the Giant's Causeway Visitor Centre. In 2013, the **World Police and Fire Games** will be held in Belfast and Derry/Londonderry will also be the UK City of Culture. (Economic Strategy p.26)

The document also states that the Government will continue to explore options for further investment in our tourist / cultural amenities, including a fully integrated **conference & exhibition facility**,

Community Planning and Regeneration

The Economic Strategy states that councils will lead a **community planning process** and will work with a range of agencies and interests to develop and implement a shared vision for promoting the well-being of their area. Councils will create **spatial Local Development Plans**, providing a realistic vision of how their areas should change and what they should be like in the future. They will also manage most development in their areas and enforce planning decisions which will help place a sharper focus on local economic development. (Economic Strategy p.66)

Planning System

Government have legislated to reform the planning system and have consulted on a new framework for local government in which planning and other powers will be devolved to councils. It is envisaged that the Planning Act (NI) 2011 will introduce operational changes to streamline planning processes to allow for faster and more predictable decision making. (Economic Strategy p.63)

This new modernised the planning system should result in faster decisions on planning applications, faster and fairer appeals, stronger and simpler enforcement and a new duty to further sustainable development and well being. This will be one of the key roles for local government.

NI Investment Strategy

A number of Belfast related projects are referenced in the Investment Strategy.

These include:

- Belfast Metropolitan College campus at Springvale / E3
- Refurbishment at three Belfast libraries – Falls, Shankill and Whiterock
- Public realm schemes taken forward in five deprived areas of Belfast to stimulate investment and economic activity.
- Belfast's North East Quarter (Royal Exchange) retail led regeneration scheme has been submitted for planning approval by the preferred developer.
- The Connswater Community Greenway project will bring about the creation of a 9km linear park through East Belfast, reconnecting the communities of East Belfast and restoring the rivers as community assets. Work is ongoing to progress this project.
- The Metropolitan Arts Centre (MAC) in Belfast's Cathedral Quarter will be finished by January 2012. When completed this will enhance and complement arts infrastructure provision.

- A flood risk management plan for Belfast is being progressed.
- The Titanic Signature Project (Titanic Belfast).

Social Clauses (Investment Strategy p.7)

The Investment Strategy notes that the government have introduced 'social clauses' into contracts for major public works. These clauses require contractors to deliver employment and training opportunities for apprentices and the long-term unemployed.

Contractors are also encouraged to engage proactively with the local community to identify other social benefits such as the **use of public buildings for community use**.

These changes in how we procure major works are already helping young people, particularly in areas of high deprivation, to access valuable training opportunities at a time of particular difficulty in the training and jobs market. Going forward, we will develop these schemes further with a particular focus on **introducing social clauses in supplies and services contracts** to ensure that as many people as possible benefit across the region.