

Appendix 1

Refocus of the Northern Ireland Economic Strategy: Call for Evidence

RESPONDENT INFORMATION

Please complete the following information

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FREEDOM OF INFORMATION

The Department for the Economy (DfE) will publish a summary of responses following completion of the call for evidence process. Your response and all other responses may be disclosed on request. The Department can only refuse to disclose information in exceptional circumstances. Any automatic confidentiality disclaimer generated by our IT system will be taken to apply only to information in your response for which confidentiality has been specifically requested. Before you submit your response, please read the paragraph below on the confidentiality of consultations and it will give you guidance on the legal position about any information given by you in response to this call for evidence .

The Department will handle any personal data you provide appropriately in accordance with the Data Protection Act 1998. The Freedom of Information Act gives the public a right of access to any information held by a public authority, namely, the Department in this case. This right of access to information includes information provided in response to a consultation. The Department cannot automatically consider as confidential information supplied to it in response to a consultation. However, it does have the responsibility to decide whether any information about your identity should be made public or treated as confidential.

CONSULTATION

The comments received in response to this call for evidence document will inform the development of the refocus of the Executive's Economic Strategy. It is the Executive's intention to undertake a further, formal consultation on the draft refocused Economic Strategy once this has been prepared.

Responses should be sent to:

Department for the Economy
Economic Strategy Team

Room 124
Netherleigh
Massey Avenue
Belfast
BT4 2JP

Or to:
ni-economic-strategy@economy-ni.gov.uk

By 5.00pm on Friday 19th August

For further information:

Tel: (028) 905 29478

The Department cannot accept responses by telephone. General enquiry calls may be made to the above number.

Which of the following best describes you?

Private Sector:

Public Sector:

Voluntary/Community Sector:

Individual:

Other (please specify):

Please tick this box if you do not wish your response to be published.

REFOCUS OF THE NORTHERN IRELAND ECONOMIC STRATEGY

The Northern Ireland Executive's [Economic Strategy](#), published in 2012, sets out how the Executive plans to grow a prosperous local economy over the short, medium and long term to 2030. The ultimate aim of the Strategy is to improve the economic competitiveness of the Northern Ireland economy through a focus on export-led economic growth.

It sets out a vision to 2030 of

“An economy characterised by a sustainable and growing private sector, where a greater number of firms compete in global markets and there is growing employment and prosperity for all”.

The five key themes identified in the Economic Strategy to rebalance the economy in order to improve wealth, employment and living standards in Northern Ireland are to:

- stimulate **innovation, R&D and creativity** so that we widen and deepen our export base;
- improve the **skills and employability** of the entire workforce so that people can progress up the skills ladder, thereby delivering higher productivity and increased social inclusion;
- **compete effectively within the global economy** and be internationally regarded as a good place to live and do business;
- encourage **business growth** and increase the potential of our local companies, including within the social and rural economies;
- develop a **modern and sustainable economic infrastructure** that supports economic growth.

The Economic Strategy was designed as a living document, to be kept under review. Following the Assembly elections of May 2016 and the development by the new Executive of a draft outcomes focused Programme for Government, the Executive wishes to consider how the Economic Strategy should be refocused to reflect current economic conditions and developments in key policy areas, including the commitment contained in the “Fresh Start” political agreement to lowering the rate of Corporation Tax and how we can ensure we maximise the economic benefits from a lower rate. The refocus of the Economic Strategy will also reflect the outcomes and indicators proposed in the Executive's draft [Programme for Government Framework 2016-2021](#)

The intention is that a draft of the refocused Economic Strategy will be the subject of formal consultation during the autumn before it is finalised along with the overall Programme for Government, Investment Strategy, Social Strategy and Budget later in the year. The Department for the Economy wishes to offer stakeholders and interested parties an opportunity to submit views to help inform thinking on the draft

Economic Strategy in advance of the formal consultation, hence this call for evidence.

The questions below are designed to help provide a structure for the submission of views on the development of the refocused draft Economic Strategy, however, you should not feel constrained by this format and the Department will welcome views submitted on any aspect of the Economic Strategy in any format.

Vision, key objectives and themes

Questions 1-4

1. How can the Economic Strategy best take forward the direction set in the draft Programme for Government framework and in particular the proposed outcomes, indicators and measures in relation to aspects of economic policy?

The Council believes that adopting a whole system approach to developing the Programme for Government and associated strategies, presents a real opportunity for central and local government to coalesce to create strong connections and a common thread flowing through the creation of regional priorities and outcomes to local delivery plans. Ensuring such connections will be important in creating place-based solutions to delivering on the outcomes identified.

In adopting this whole system approach, it is therefore critical that the Economic Strategy directly addresses the outcome commitments contained within the Programme for Government.

PfG Outcome No	Outcome statement
1	We prosper through a strong, competitive regionally balanced economy
5	We are an innovative, creative society, where people can fulfil their potential
6	We have more people working in better jobs
10	We are a confident, welcoming, outward-looking society
12	We have created a place where people want to live and work, to visit and invest
13	We connect people and opportunities through our infrastructure

The Council's response to the Programme for Government framework 2016-21 highlighted a number of critical success factors which also apply to the Economic Strategy:

- removing obstacles and barriers to joint delivery – e.g. need for greater fiscal flexibility, accountability and proper resource alignment by partners to shared outcome, priorities and actions.
- enabling and encouraging co-producing, joint delivery and shared accountability
- maximising the strengths and resources available to both central and local government to improve the quality of life and wellbeing of citizens.
- greater localism and empowerment to cities and city-regions.
- optimising the linkages between the Economic Strategy and the 11 new outcomes based community plans to ensure effective place-based delivery.

We acknowledge and support the commitment to a number of indicators which will underpin the action plan linked to the economic strategy re-focus. Critical indicators in this regard include:

PfG Indicator No	Indicator
14	Improve the skills profile of the population
16	Increase the proportion of people in work
18	Increase the proportion of people working in good jobs
21	Increase the competitiveness of the economy
22	Increase innovation in our economy
41	Increase the proportion of graduates moving into employment or on to further study

The Council welcomes the outcomes based approach and the clear commitment by the Executive to work with local government to tackle the biggest issues facing society. The Council and its partners have also taken an outcomes based approach to the development of the Belfast Agenda – the community plan for Belfast. This common approach means there can be complete alignment to the Executive’s vision. We would strongly commend that **local government has a significant role in delivering across all the PfG outcomes and including those pertaining to economic growth** particularly given its invaluable role in areas such as investing in the city, supporting economic development and regeneration.

At this point the Belfast Agenda is proposing five long term ‘outcomes’ for Belfast.

1. **All people in Belfast benefit from a thriving and prosperous economy**
2. Belfast is a welcoming, safe, fair and inclusive city for all
3. All people in Belfast fulfil their potential
4. All people in Belfast experience good health and wellbeing
5. Belfast is a vibrant, attractive, connected and environmentally friendly city

The Council is encouraging everyone with a stake in the city to determine how we can best achieve these outcomes by identifying our medium term priorities; common measures of success; and the necessary programmes and commitments we have to work together on to make them happen. Where possible the Council is seeking to **work across government to align planning processes and resources to co-design and deliver localised interventions and programmes which make a meaningful and lasting difference.**

The Council is seeking to work alongside the city partners and local communities to develop new integrated and **whole system approaches** to addressing many of the persistent and inter-generational challenges which exist across the city including seeking to address educational inequalities and economic inactivity.

To effectively take this approach we would suggest the following:

- Mechanisms need to be developed between regional and local partners to create effective linkages between regional and local government. This will require:
 - Sharing data and intelligence:** Consistency is required across Departments and Local Government concerning reporting and monitoring requirements against key economic indicators.
 - Flexible funding and delivery structures:** aligning Central Government and Local Government Funding to underpin local economic development (e.g. funding to colleges for business

growth)

- Outcomes, indicators and measures need to be better defined regarding types of business, types of jobs and types of skills to ensure longer-term sustainability aligned to growth sectors rather than volume based targets;
- Identification of clearer, more specific priorities (e.g. export markets and areas for R&D investment);
- Cultural and inter-generational challenges need prioritised e.g. worklessness, enterprise and entrepreneurship through early engagement initiatives and multi-layered approaches.

2. Do you agree that the 2030 vision set out in the Economic Strategy remains valid? If not, have you any suggestions as to how that vision should be adjusted?

The Council accepts that the key themes referenced in the Economic Strategy remain relevant; however, it is essential that there is a strong alignment to the delivery of the outcomes within the Programme for Government. The adoption of an outcomes based approach across central and local government means there can be complete alignment to the Executive's vision.

The Council's agenda and approach to economic growth focuses not only on stimulating economic growth and creating jobs through investment in infrastructure and service provision, but also in ensuring **inclusive growth** and as many people as possible have access to those jobs. Creating a strong, competitive economy requires growing the business base and sustainable jobs, increasing skill levels and improving infrastructure and connectivity in its widest sense, from connecting communities to opportunities as well as the region's external and internal connectivity.

While there has to be a focus on improving high value skills and job creation to boost productivity it is also essential to increase lower-level skills and jobs to address economic inactivity levels. Sectors such as healthcare and retail are the largest urban employers. Together with leisure and tourism these are important growth sectors for the region and Belfast, which will also have an important contribution to reducing the existing high levels of inactivity and unemployment. These sectors often provide employment opportunities at the lower end of the labour market and offer a potential entry route into employment.

3. Do you agree that promoting export-led economic growth should remain the overarching priority for the Executive in its Economic Strategy? Please comment.

Increased exporting is critically important to the recovery and ongoing sustainability of the Northern Ireland economy. The Economic Advisory Group's recently published Competitiveness Summary reports that Northern Ireland's performance has improved in the previous 5 years in terms of FDI job creation and that Northern Ireland businesses are becoming more externally focused. Manufacturing is the largest export sector, particularly in the food and drink, transport equipment and machinery sectors. It also reports encouraging signs in terms of the service sector.

Consideration will need to be given to a more radical approach to delivering on this objective and to putting in place the appropriate support structures to encourage small businesses to grow and develop to engage in export activity. A pipeline approach is required to engage companies in early stage pre export activity in order to support them as they begin and continue to operate in export markets. Alignment to research and innovation support is also key to ensure that local companies develop products and/or services which are able to compete on a global scale. The economic infrastructure must also enable such growth through the provision of key air routes, road infrastructure as well as the availability of skilled labour specifically aligned to export needs etc

This will include both first-time exporters and more experienced exporters seeking to explore new markets for their products. This may become increasingly important in light of the recent EU referendum result. Particular attention needs to be given to micro and small businesses – which dominate the economy (97% of NI businesses are registered as small and micro¹). Councils have worked with this target group and have achieved much success in this regard. In Belfast, we worked with over 2,200 companies across a range of sectors in the last year. Specific sectoral initiatives in identified growth sectors are also in place to support the creative industries, advanced manufacturing, sustainable technologies and independent retail sectors. These companies require particular support to consider exporting their products and services.

In supporting business start-up and growth, the Council is keen to continue to develop a tailored **pipeline of support** for businesses to foster growth, development and exporting potential. **Opportunities to 'piggy-back' on existing export led activities and initiatives** e.g. Belfast's International Relations Framework **and collaborative initiatives** such as Tech Mission and SXSW should also be encouraged. **The recent Export Matters Forum has been successful to date in terms of communicating messages and initiatives for export and we would support its continuation.**

In addition to exporting, there is also considerable value in the service sector, both as an economic generator and as a source of employment – often for those with low skills levels. The tourism and hospitality sector is a major source of revenue and employment in the Belfast City Council area and in the wider region. Northern Ireland and Belfast are growing in relevance on the international stage with Belfast experiencing 1.4m overnights stays in 2015, and has now built a reputation for attracting major events to the city and region; such as the Giro d'Italia in 2014, and Tall Ships in 2015. With the recent development of the Belfast Waterfront as an international conference centre the number of business visitors to the city is expected to increase. The boost to the local economy is already in effect with 6 new hotels announced and at various stages of planning and development within the first 9 months of the Council taking responsibility for Belfast Planning Service. The Council is also working alongside central government and other partners to bring forward another **world-class visitor attraction** in the North East Quarter of the city centre which will further enhance the

¹ Invest NI Regional Briefing 2016

region's tourism offer, attract new tourism, investment and create jobs. The emerging tourism strategy for Northern Ireland is likely to focus on tourism as a key growth sector. **Given the significance of this sector and its potential for additional growth, it is proposed that this approach also finds direct expression in the Economic Strategy.**

4. Do you consider the current rebalancing themes to be the appropriate drivers of growth to meet the longer-term challenges faced by the Northern Ireland economy? Please comment.

Rebalancing Northern Ireland's economy to create significantly higher levels of productivity, reduce over-reliance on the public sector, grow innovation and exports, reduce levels of economic inactivity and grasp the potential that may be created through a lower rate of Corporation Tax; will take a multifaceted approach. This will need regional strategies, governance and support mechanisms to deliver many aspects of this goal. However differentiation of approach will also be needed on a geographic basis, as well as on a rural/urban level, if impact is to be maximised. The challenges and levers of change across Northern Ireland are not homogeneous, and therefore different interventions and approaches will be required at a local level. **It is therefore essential that mechanisms are put in place to enable placed-based solutions.**

Whilst Northern Ireland has a population of only 1.8million and is governed by a regional assembly and 9 newly formed government departments, there has to be a specific **economic focus on cities** and in particular Belfast to drive certain aspects of this growth agenda in a way that will benefit the wider region and realise the above outcomes. Belfast's relative competitiveness and ability to compete against other cities will impact on regional prosperity.

Belfast is top global destination for financial technology investments and Europe's leading destination for software development & technology support investment (fDi Markets 2015). Its key sector clusters are retail, legal, business and investment banking, capital markets and insurance. Good economic growth must be sustainable. It is essential that the whole region continues to benefit from the impetus provided by a competitive and successful city that can attract talent and investment, generate regional employment and opportunity and drive forward further growth in key sectors such as financial services/technology, legal services, cyber security, life sciences, advanced engineering, film/creative industries etc.

Belfast still needs to grow to compete. It needs to restructure the economy by diversifying its economic base, reducing its dependence on the public sector and increasing the size and efficiency of its private sector.

One of the key economic challenges experienced in Belfast is economic inactivity and the social exclusion this creates for residents within the city. This has and continues to be a long term economic challenge for the city which requires a radical approach to effectively address this position. Therefore, whilst the themes of rebalancing the economy are appropriate **consideration needs to be given to what will be done differentially to deliver a change resulting in "inclusive growth". Opportunities exist to look at innovative approaches to tackle this challenge through social innovation and co-production models.**

Low levels of business start ups is a specific challenge for Belfast, with historical underperformance

below the regional average and the city is currently ranked 63 out of 63 cities for business start up. **An opportunity exists to look at how supporting business start activity, specifically high growth business starts can be encouraged and accelerated, this should be integrated as a key theme of rebalancing the economy.** The current ERDF allocation of £1,000 per job is not a means through which the necessary longer-term support can be provided and measured. Business start-up levels are a key barometer of a city's competitiveness levels.

An additional forward looking priority for consideration is **creating entrepreneurs and economic leaders for the future** incorporating an enhanced curriculum of culture of innovation, enterprise and entrepreneurship in the class-room, including increased exposure to positive role-models.

Key Challenges/ Way Forward

Questions 5-9

5. How can the Economic Strategy ensure progress on improving the balance of growth and employment across the region?

In July 2016, the Economic Advisory Group published an assessment of Northern Ireland's competitiveness². As more competitive economies enjoy higher levels of growth action is required to boost relative competitiveness in order for the NI economy to grow which will deliver higher standards of living for the whole population. It states that the region must focus on longer term issues around competitiveness and that **the scorecard should continue to be developed and updated every two years to measure the effects of policy.** This will be critical to ensure progress is being made and to identify the opportunities and issues where policy interventions may be required to lever economic change in future. This needs to be considered by councils working in partnership with central government to maximise areas of competitive advantage for the region.

To drive prosperity across the region requires a differentiation of approach on a geographic basis, as well as on a rural-urban level, if impact is to be maximised. The challenges and levers of change across Northern Ireland are not homogeneous, and therefore different interventions and approaches will be required at a local level. It is therefore essential that **mechanisms are put in place to enable place-based solutions and to encourage greater collaboration at a sub-regional level to maximise the strengths of different 'place'**. For example, regionally Belfast is a major employment hub, for people living in and outside the city, almost one third of NI jobs are based in Belfast and this increases to 46% for the Belfast Metropolitan Area. 58% of people working in Belfast live outside the Belfast area³. Combined with its offer of retail, cultural, entertainment, educational and visitor opportunities, Belfast is likely to have a greater proportion of regionally significant opportunities – the benefits of such will extend well beyond the city boundaries. Within GB, and England in particular, cities have attempted to tackle low growth by joining together with neighbouring councils to form a city region or combined authorities, based on the functions of their local economic geography; securing complementary and mutually beneficial working relationships while avoiding unproductive rivalry. Northern Ireland economic growth success is significantly dependent on Belfast being a success. Any policy instruments that work against this will have a negative impact on regional growth.

Given the significant changes Northern Ireland is facing during the period of this Programme for Government and Economic Strategy; such as the introduction of Corporation Tax, Welfare Reform and Invest NI Regional Bidding 2016

the impact of the UK leaving the EU, **it is essential to keep the Economic Strategy and the themes under review to ensure continued relevance and progress.**

6. What are the key challenges for businesses and key sectors and how can the refocused Economic Strategy address these?

One of the enduring challenges of the Northern Ireland and Belfast economy is the dependence on the public sector. It is three times as dependent as London and twice as much as many others. Stimulating and supporting private sector growth requires a strong impetus.

Whilst the Belfast economy has been resilient there are a number of persistent challenges around economic growth which also need to be addressed including, for example, an underdeveloped business start up environment with low entrepreneurship; a workforce which is strongly divided between the highly educated and the unskilled; an aging city urban infrastructure that needs to be renewed if it is to meet the demands of a twenty-first century economy (transport, sewage, business accommodation).

Local Development Plans will be intrinsic to shaping the future economy across Council areas and on a regional level more informed future 'use of space' determinations could be made to help shape future economic growth potential.

Economic inactivity is one of the most significant impediments to Belfast and the region maximising its economic growth potential, reinforcing the **need to revisit and implement the Economic Inactivity Strategy**. Within Belfast, it also contributes to the social cohesion challenge as sections of the Belfast population are unable to access the opportunities generated by new investment in the city. Despite significant levels of Foreign Direct Investment (FDI) in Belfast – particularly in recent years – the new opportunities created in sectors such as financial and professional services and software development have had minimal impact on many of the city's more challenged neighbourhoods.

In 2013 a third of employers reported difficulty recruiting, half of those had difficulties due to lack of skills⁴. According to the 2011 Census, almost a third of the adult population in Belfast has no qualifications, (30.4% compared to 23.2% in the UK). Recent work undertaken by the Centre for Cities reports that cities are home to around 55% of the UK working age population; however, the high proportion of residents with no and low skills levels has significant implications for the economic success of the city and the region. Skill levels in Belfast have a significant impact on regional competitiveness. **Employer led skills approach is required to ensure education and training provision is aligned to employer requirements.**

In July 2016, the Council adopted an **Employability & Skills Framework** which acknowledges that the issue is not just about education, training and employment. Rather it is impacted by a wide range of issues such as family cultures, health problems, mobility, access to childcare and welfare benefits. Equally, the deep-rooted nature of the economic inactivity challenge – and the fact that figures have improved only slightly even during periods of growth – suggest that making an impact will require a long-term strategic approach across a range of organisations. The extensive engagement and research on the NI Economic Inactivity Strategy also reflects this position.

The Council would commend that there is a need to **work across government, with the education family and private sector to better align education and skills development with employer's needs**. There is also a need to link education, skills and careers advice with entrepreneurship and build a stronger local support package for business start-ups. Entrepreneurship is currently low within Belfast and Northern Ireland; creating an entrepreneurial culture is a goal within the Council's Employability & Skills Framework and needs to be built into career choices and embedded at an early stage in education.

The Council is working with partners to develop a **Employability Pathway Model (i.e. Belfast Works**

⁴ BCC Employability & Skills Framework (2016)

Scheme) for the city which develop a whole system approach to **addressing economic inactivity challenges** by supporting those furthest from the labour market through to employment. We will work with employers to **identify, plan and prepare for emerging job opportunities**, alongside creating early intervention and skills development programmes, to enable access to and progression through employment. The Council believes that this approach is both scalable and transferable.

Key challenges for Belfast also include:

- Dominance of micro businesses: combined and renewed efforts are required to support the growth of the indigenous business community to enable them to grow, specifically in export markets;
- Need to scale businesses beyond micro- and small business size; limited role models of this type of business mean that companies can lack ambition somewhat and reduce their potential for growth and employment generation
- Complexity of the employment and business support environment creates barriers for provision and makes it difficult to clearly identify gaps in provision. To resolve this position a pathway model is required which includes the offer and provision from the range of providers, crucial in achieving this will be the ability of key partners to share data and intelligence.
- Key growth sectors for the city include financial and business services, tourism and hospitality, creative and digital industries etc. Whilst it is important that high growth sectors are supported it is also important that sectors such as hospitality, retail, care and social services are recognised for their importance to service and employment provision within the city. Therefore whilst investment has and should be directed towards high growth sectors, consideration should also be given as to how localised service type businesses can be supported particularly to encourage new employment and career progression paths.
- The availability of an economic infrastructure which supports growth is crucial therefore to support ambitions around export led growth the conditions to enable this growth must exist. Factors such as the availability of air routes, broadband, provision of Grade A office accommodation, supporting planning systems etc. will effectively enable or dis-able growth opportunities.

7. What new activities should the Executive consider to help create the conditions for economic growth?

The EAG's Competitiveness report for Northern Ireland (July 2016) highlights private sector GDP, government fiscal deficit/surplus, household disposable income, electricity generated from renewable resources and early school leavers. It concludes that the scale of the competitiveness challenge should not be underestimated and that levels of economic inactivity and benefit dependency remain persistently high.

There is a similar picture in Belfast, where Oxford Economics carried out a report on the city's competitiveness in 2016 and summarises that:

- the encouraging signs for the Belfast economy were noted as labour costs, house prices, improving infrastructure and a strong stock of graduate labour;
- the key challenges that need to be tackled for Belfast to be truly competitive are associated with chronically high levels of economic inactivity, low private sector activity relative to the public sector, and some major skills gaps.

While there have been improvements in terms of Belfast and the Northern Ireland economy, when compared to other OECD economies at a city and country level, there has been no real improvement. The EAG report goes as far as stating that the comparative position has worsened. It is therefore critical that attention and **resource focuses on tackling the persistent economic challenges.**

To create the conditions for growth requires a **co-ordinated approach to the delivery and resourcing of infrastructure and investment in the region** to ensure that the region can deliver on its ambitions for growth. This is particularly important for Belfast as the capital city and gateway to the region. As previously stated there has to be recognition of the strengths and distinctiveness of areas across the region to deliver effective place-making to benefit the region as a whole; for example through the 'clustering' of specific types of economic activity. It is important to recognise that Belfast is a regional asset and its continued development is to the benefit of all.

Consideration should be given to **co-commissioning of interventions** with the Council in order to maximise their effectiveness. Our unique ability to understand local communities and create solutions that will meet their complex needs should be harnessed by central government in order to tackle the highly complex social and economic challenges that many areas of the region currently face. More flexible ways of working need to be considered in order to ensure that interventions are timely, effective and responsive to both need and opportunity.

8. What should the Executive do to create a more effective partnership working approach to wider economic development?

Within an increasingly globalised economy, regional economic distinctiveness is a major source of comparative advantage and place matters. Belfast (Northern Ireland's capital city) has its own functional metropolitan economic area extending to the adjacent councils of Lisburn & Castlereagh, Mid and East Antrim, Antrim and Newtownabbey, and Ards & North Down, accounting for over 51.6% of the total population of Northern Ireland, 57% of all jobs and 57% of the region's GVA. Belfast also has key relationships with Derry/Londonderry, Newry and Dublin. Engagement is currently taking place with Belfast and surrounding councils to assess the potential areas for collaborative working opportunities.

Combined with its offer of retail, cultural, entertainment, educational and visitor opportunities, Belfast is a key attractor and anchor for Foreign Direct Investment – the benefits of which extend across the NI Region. It is recognised that whilst people and certain parts of the FDI market will focus on cities as a place to locate there is a distinct role for regional and local government to work together to deliver a sustainable and inclusive model of growth for those key urban areas as well as ensuring that the wider region benefits and competes for specific sectors.

To grow the regional economy requires a focus on the functional economic areas at a sub-regional level to enable the appropriate strategic decisions and investments to be made. The OECD have identified that the quality of a city's governance structure is directly reflected in its economic strength. Metropolitan areas with fragmented governance structures can have up to 6% lower levels of productivity.

New governance structures could operate at a city-region level to support the delivery of the Economic Strategy and secure complementarity of purpose and delivery. These would have to be specific to Northern Ireland's local circumstances rather than simply a transferred model from GB and would require further exploration. However, **Community Planning offers the opportunity for neighbouring councils to work collaboratively to tackle shared economic challenges.** For example, councils in the Belfast-City region could develop shared responses to economic challenges through a joint economic forum, with regional employers and public sector partners to tackle priority areas for regional economic growth such as **skills, infrastructure and growth.**

Cities Matter for All

Successful cities have become the main source of both national and global economic productivity. **A successful Belfast city-region is vital to the future wellbeing of everyone living in Northern Ireland.**

In particular, Belfast provides key networking and connectivity functions for the region as a whole and as a key attractor for inward investment creates jobs and significantly contributes to the wider economic growth and prosperity across Northern Ireland. The 'clustering' of specific types of economic activity in and around Belfast provides beneficial agglomeration effects which are vital to increased productivity in the city-region and NI as a whole. It is important to recognise that Belfast is a regional asset and its continued development is to the benefit of all.

Belfast is not currently competitive as a city and if current levels of performance are maintained, Belfast and, in turn, Northern Ireland will fall further behind its global competitors. Other city-regions are growing at pace and recent studies showing the impact of **city-region approaches in**

effectively attracting foreign investment, small business clustering, matching skills to employers needs connecting people to opportunity, and putting in place vital **infrastructure** necessary to compete.

A “city region” focus can enable many of the economic and social outcomes listed in the PfG to be achieved. This is evidenced by the UK Government’s promotion of the Northern Powerhouse and the investment in high speed rail projects (HS2 and HS3), and on the island of Ireland with the significance of Dublin as the engine for growth for the rest of the country. Relationships between cities in their own right are also crucial as they can jointly market their brands and unique selling points.

Belfast has its own functional metropolitan economic area extending to the adjacent councils of Lisburn & Castlereagh, Mid and East Antrim, Antrim and Newtownabbey, and Ards & North Down, **accounting for over 51.6 per cent of the total population of Northern Ireland, 57 per cent of all jobs and 57 per cent of the region’s GVA.** Creating a city-region focus at this scale will better enable many of the economic and social outcomes defined in the draft PfG to be achieved.

If Belfast is to realise its potential as a competitive and successful regional driver then the aim must be to grow the City population, the Greater Belfast city-region population, and, the population along the economic corridors significantly over the next twenty years or so.

The Council seeks the **early transfer of regeneration powers**, as previously intended with local government reform, and believes that this would provide important tools (levers) to support the physical, economic and social regeneration of the city and its neighbourhoods. It would also be a key enabler in helping to secure investment, deliver major development schemes and revitalise the city centre

9. What role can your organisation play in contributing to the Executive’s economic ambitions?

As outlined in the Council’s response to the Programme for Government the Council believes that the Programme for Government, Economic Strategy, Investment Strategy and Social Strategy present a huge opportunity to redesign how we work and to integrate collective energies and resources to create a new **collaborative partnership between central and local government** which supports co-production and shared delivery.

Cities are increasingly reliant on the gathering and analysis of real-time data to support effective decision-making, citizen-focused services and the optimisation of resources. A ‘smart city’ approach seeks to ensure that the necessary integrated physical and digital technologies are in place. Belfast City Council has committed to investing in a **‘Smart Belfast’**. We aim to work with government, our local universities and commercial digital partners to put in place the necessary building blocks that will allow the city to adopt innovative technologies and big data analytics to better understand complex challenges and to help us design citizen-centric services and solutions.

Over the next twelve months we will create a ‘smart city’ framework that will put in place a roadmap to enhance and exploit Belfast’s digital infrastructure and ‘Internet of Things’ technologies. We also

want to foster a city culture where managers can work with businesses, residents and stakeholders to gather, manage, interpret and exploit city data for social outcomes while delivering an economic return. During the development of the framework we aim to deliver a number of pathfinder projects. We believe that this area of work demonstrates the **importance of collaborative opportunities across sectors and builds on the ICT/FinTech growth sectors** for the future. Again the **Council would commend that this approach is encouraged and supported through the Economic Strategy.**

INVESTING IN THE CITY

The Council has a significant role in helping to develop and deliver the new **Investment Strategy** and revised **Economic Strategy** for Northern Ireland and in maximising the impact of future investment at both a local and regional level.

The Council and elected Members have set out ambitious targets for supporting the continued investment in the city and stimulating economic growth and prosperity of Belfast and wider city-region and is currently delivering £400million+ physical investment programme including, for example:

- £185m capital programme currently being delivered across the city
- £105m Leisure Transformation Programme—enhance leisure services & facilities across city
- £27m Belfast Investment Fund – to support landmark capital schemes
- £18.8m City Centre Investment Fund – to support projects that will revitalise city centre
- £9m Local Investment Fund – to support community based capital projects
- £4m Social Outcomes Fund – to support Social Enterprise Growth

It will be important that we seek to align and maximise the synergies with the investment priorities for the city and seek to integrate, where possible, with established Council funding streams.

The council is already working in partnership with central government to deliver a number of NI Executive priorities including its recent designation as the delivery agent for a range of capital projects funded under a number of external initiatives including Building Successful Communities (BSC), Urban Villages (UV) and the Social Investment Fund (SIF). These requests recognise both the **successful track record of the Council as a delivery agent for capital projects** and also the uniquely placed role of the Council as a civic leader in the city.

The Council has a demonstrable track record in delivering and supporting major projects over the last 5 years – Belfast Waterfront; Girdwood Community Hub; Innovation Factory; Connswater Community Greenway; and many others – all of which impact across all of the outcomes listed in the PfG.

The role of council in this regard and the local impact could be even further reinforced through the **transfer of regeneration powers from the Department for Communities** as previously planned for under local government reform.

CITY CENTRE REGNERATION – NORTHERN IRELAND’S ‘FRONT DOOR’

The importance of the city centre as a regional gateway, an investment location and key driver for economic growth cannot be overlooked. It is the face we present to the world and provides the impetus to those thinking of investing, living and starting businesses here. **Its success drives the prosperity of the whole city and region.**

The **Belfast City Centre Regeneration and Investment Strategy (BCCRIS)** sets out our collective

ambitions for the continued growth and regeneration of the city core and its surrounding areas up until 2030 and sets the key drivers of change and **key investment priorities including:**

- The **Transport Hub** and surrounding regeneration scheme - €193 million redevelopment of the existing rail and bus station, and 100,000 sq metres of mixed use development
- The **North East Quarter** (including Royal Exchange) – partnership with the private sector to ensure delivery
- **York Street Interchange** – the current plans for the £160million York Street Interchange be carried through and prioritised within the emerging NI Investment Strategy
- Creation of a new **World-Class Visitor Attraction ‘Telling the Belfast Story’** – which will significantly enhance the regions tourism offering, attract more visitors and increase the tourism spend in the regional economy.
- **Delivery of Belfast Streets Ahead Phase 3** – £32million regeneration scheme which will revitalise the city centre, creating new streetscape, open space and connect with other key developments including the University of Ulster scheme. The **Council has already committed £5m** contribution towards this redevelopment of Cathedral Gardens
- **East Bank** – working with partners, including the private sector to maximise the investment potential of this key development area (including Queens Quay and Sirocco). Opportunity to attract significant investment and jobs and to reconnect the location with the city centre, Titanic Quarter, the Harbour as well as to the adjoining neighbourhoods