



Subject:	Review of Invest NI – Call for Evidence
Date:	19th August, 2022
Reporting Officer:	John Greer, Director of Economic Development
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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"/>
Sometime 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/Summary of Main Issues
1.1	The purpose of this report is to update the Committee on the review of Invest NI that is currently underway, chaired by Sir Michael Lyons, and to provide details of the proposed input to the review on behalf of the Council.
2.0	Recommendations
2.1	The Committee is asked to: <ul style="list-style-type: none">• note the ongoing review of Invest NI, including the scope and timelines• endorse the attached proposed Council response, as agreed by the City Growth and Regeneration Committee on 10th August; and• note the likelihood of further engagement between the Review Team and the Council as the review progresses and in advance of its October 2022 publication.

3.0	Main Report
3.1	<p><u>Key Issues</u></p> <p>The Independent Review of Invest NI was announced by the Minister for the Economy, Gordon Lyons, on 26th January 2022. The objective of the Independent Review is “To provide an independent assessment of Invest NI’s efficiency and effectiveness and, looking forward, its capacity to strategically align with and operationally deliver the 10X Economic Vision”.</p>
3.2	<p>The Review Panel is chaired by Sir Michael Lyons. He is joined by Dame Rotha Johnston and Maureen O’Reilly, an independent economist. Members will recall that Sir Michael Lyons previously chaired the Innovation and Inclusive Growth Commission which produced its “Reset for Growth” report in June 2021. He will re-engage with Commission members for a year one review session in September 2022.</p>
3.3	<p>Sir Michael has significant experience across the public sector, including local government. In 2007, he undertook an extensive inquiry into the functions and funding of local government: “Place-shaping: a shared ambition for the future of local government”. He is currently Chair of the English Cities Fund.</p>
3.4	<p>The Panel has been taking views from a range of key stakeholders since its establishment, meeting with more than 280 stakeholders through 70 engagement sessions. They have also undertaken a public consultation on the review. The current timetable for completion of the report is October 2022.</p>
3.5	<p>As part of its engagement work, the Panel met with Party Group Leaders in early July 2022. They had an extensive discussion on a number of key areas, principally focusing on the efficiency and effectiveness of Invest NI in its role as the main economic development agency in NI and also looking at whether Invest NI was appropriately and adequately resourced and structured to support the delivery of the 10X strategy.</p>
3.6	<p>In addition to the engagement with Members, the Review Panel has confirmed that it would be keen to receive further written responses from key partners. Given the importance of the working relationship with Invest NI and the need to ensure that the organisation is structured in a way that can support the future economic growth of the city, it is proposed that the response set out in Appendix 1 is submitted to the Review Panel, reflecting the Council’s views on key areas of opportunity and challenge. It covers a number of key points, namely:</p>

- Need to consider current budget alignment – supportive of focus on FDI but need to enhance support for entrepreneurship and innovation in support of 10x ambitions
- Commitment to building a stronger collaborative engagement between councils and Invest NI in order to enhance the referral process for businesses seeking to access support across both organisations
- Need 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 – using influence to encourage positive behaviours among client businesses
- Need to explore place-based approaches to investment – good examples of how this works in other locations
- Concerns at impact of recent budget cuts and apparently arbitrary approach to how these have been implemented – specific areas of concern around support for accelerator and proof of concept support that will have a detrimental impact on local businesses.

3.7 The Council has a strong working relationship with Invest NI. This is focused on a number of areas, namely:

- Collaboration on FDI and positioning: we work closely with Invest NI on key target markets and showcase the city as an investment location to prospective investors. The Council takes the lead (with other public and private sector partners) on the physical infrastructure investments to support FDI
- Supporting the indigenous businesses: the council has developed a good referral process with Invest NI. This means that companies progressing from our start-up and early-stage growth support can move into a more formal relationship with Invest NI as a client business, thereby accessing a suite of support to help in their future growth. We also work collaboratively with Invest NI and other partners (e.g. Catalyst) on joint initiatives such as Way to Scale – our targeted scaling intervention for companies that have significant growth potential
- Reframing start-up and growth support: one of the key areas of work at present for the council is our plan to significantly rescope the support for business starts. The 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

	<p>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 REAP (Regional Entrepreneurship Acceleration Programme) model that has been developed at MIT</p> <ul style="list-style-type: none"> • City Deal development: Invest NI is DfE's lead agency on the City and Growth Deals. It has established a team to support the progress of the business cases for key investment projects. <p><u>Financial and Resource Implications</u></p> <p>3.8 No specific financial and resource implications associated with this report.</p> <p><u>Equality and Good Relations Implications/Rural Impact Assessment</u></p> <p>3.9 No specific equality or good relations implications/negative rural impact.</p>
4.0	Document Attached
	Council Response to Invest NI Review