



## Belfast City Council

<b>Report to:</b>	Development Committee
<b>Subject:</b>	Responses to DETI and Invest NI Corporate Plans
<b>Date:</b>	14 May 2008
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### Relevant Background Information

The corporate plans for the Department of Enterprise, Trade and Investment (DETI) and Invest NI are currently out to consultation.

### Key Issues

#### DETI Draft Corporate Plan 2008-2011

Consultation on the DETI draft corporate plan for the period 2008-2011 was launched by the economy minister in early March 2008. A draft Belfast City Council response is attached as **Appendix 1**. The plan identifies how the department intends to meet the key challenges set out in the Programme for Government under the heading of "growing a dynamic, innovative economy". DETI has identified three priorities for the period:

- Productivity growth: objectives under this priority include -
  - Promoting a competitive and outward-looking economy.
  - Attracting and supporting high quality investment in both foreign and locally-owned businesses.
  - Ensuring a modern sustainable economic infrastructure to support business.
  - Promoting higher value-added activity through innovation and the commercial exploitation of R&D.
  - Developing and sustaining a Higher education research sector that holds a strong position within the UK and beyond and makes a major contribution to economic and social well-being.
  - Increasing the level of skills to aid productivity improvements in manufacturing and tradeable services.

- Increasing employment: objectives include -
  - Increasing employment opportunities by attracting high quality inward investment and supporting domestic investment
  - Promoting business growth.
- Tourism: objectives include -
  - Enhancing Northern Ireland's tourism infrastructure
  - Promoting the growth of the tourism sector.

The Invest NI draft corporate plan 2008-2011 was also launched for consultation. This plan also focuses on three priority actions for economic growth. These are:

- Realising client potential: focusing on making Invest NI clients become more competitive.
- Shifting the sectoral focus: moving towards higher value-added activities. This includes foreign direct investment (FDI) in target sectors (software development, ICT etc.) and niche manufacturing.
- Frontier technologies: this involves intensive investment to deliver commercial outcomes from the innovative technologies.

The draft responses in Appendices 1 and 2 have been forwarded to DETI and INI to comply with the respective deadlines. However it has been noted that these responses are subject to committee approval and Council ratification.

#### **Recommendations**

It is recommended that Members approve the attached appendices as the Belfast City Council response to these consultation exercises.

#### **Key to Abbreviations**

DETI – Department for Enterprise, Trade and Investment  
FDI – Foreign Direct Investment

#### **Documents Attached**

Appendix 1: Response to draft DETI Corporate Plan 2008-2011  
Appendix 2: Response to draft Invest NI Corporate Plan 2008-2011.

# APPENDIX 1

## **Draft Belfast City Council response to DETI draft Corporate Plan 2008-2011**

1. Belfast City Council welcomes the opportunity to respond to the draft corporate plan for DETI for the period 2008-2011.
2. Belfast, as the region's capital city, is the engine for regional growth: what is good for Belfast is good for the region. We would like to see this reflected in the resources committed to the city's development through this corporate plan and further government investment in economic development.
3. The plan makes limited reference to role of local authorities in the delivery of economic development activity across the region, despite recent commitments by the Northern Ireland Assembly to give increasing responsibility for this work to local authorities with the Review of Public Administration. The detail on the Economic Development Forum (EDF) makes no reference to the local government representation.
4. The plan makes no reference to the RPA or the wider implications of this for the development and delivery of economic development policy and activities in the region and therefore no consideration appears to be given to resources for indigenous businesses which are not Invest NI client companies. This seems to be at odds with Invest NI's proposals to grow the number of businesses feeding through to them from the Start a Business programme by expanding the offering under this scheme.
5. We welcome the proposal to develop an international strategy that identifies regions and sectors to promote a positive image of Northern Ireland and create opportunities for economic development, education, science and technology benefits and to promote (and sell) Northern Ireland's expertise. Belfast City Council has been actively engaged in this work – with much success – in recent years and welcomes the opportunity to work with DETI on collaborative activity in this regard. We feel that support from the regional economic development and regeneration bodies would further validate efforts to promote a positive image of Northern Ireland on the international stage.
6. We welcome the commitment to stimulate the construction of 13-16 new workspace units and would be keen to collaborate with DETI and INI in identifying and developing additional sites, given Council's legal authority in this regard since 2002. We would also suggest a review of the access to and uptake of the current Invest NI units, given the current difficulties with some existing Invest NI business space. We welcome the commitment for 70% of FDI to locate in areas of economic disadvantage.
7. Belfast City Council agrees with the proposal that resources are to be focused on the higher value added sectors. We have recently commissioned research on skills demand and supply which suggests that over half of net new jobs in Belfast over the next decade will require graduate qualifications while less than

1 in 7 are expected to require no qualifications. We would be happy to share this information with DETI.

8. However we would argue that the other stated objective of increasing employment levels cannot be done by completely ignoring the lower value added sectors as these can potentially provide an avenue through which people can get into employment (or back into employment). There needs to be considerable focus on skills development, with work required on what skills are needed for the current and future employment opportunities
9. With regard to the enterprise framework, Belfast City Council is concerned at the initial feedback from the review of the enterprise strategy which indicates that there will be an increasing role for Invest NI in working with the post-Start a Business programme companies. We are concerned that this will lead to ambiguity on the part of those seeking support. It also appears to be at odds with wider plans to afford additional responsibility to local councils in this arena as part of the Review of Public Administration (RPA). We consider that it is important to consider some transitional arrangements on this in order to avoid duplication or lack of clarity.
10. Regarding the comments about business regulation, we agree that this can provide a major barrier to growth for local businesses. We would be happy to act as a conduit for informing local businesses about plans for changes to the regulatory environment through our range of business development and enterprise support activities.
11. We welcome the commitment to taking forward tourism signature projects. Belfast City Council instigated the original research into an international must-see attraction based around the Titanic and is currently assessing a request for financial support towards the project. As the gateway to the region and the entry point into Northern Ireland for most visitors, we feel that it is important to make significant investment in the city's tourism infrastructure.
12. Belfast City Council also accepts the need to invest in wider tourism development activities. Through our cultural tourism strategy, we have committed significant resources to promoting Belfast as a key visitor attraction. We have also made significant investments in our festival and events programmes and support the Belfast Visitor and Convention Bureau to identify and attract further business and conference tourism. We feel that, through partnership with NITB, we can tap into the potential of a growing market and we welcome the opportunity for increased collaboration in this regard.

# APPENDIX 2

## **Draft Belfast City Council response to Invest NI draft Corporate Plan 2008-2011**

1. Belfast City Council welcomes the opportunity to respond to the draft corporate plan for Invest NI for the period 2008-2011. We have engaged in the consultation sessions organised as part of this process and will also be making a response to the draft DETI Corporate Plan for the same period.
2. We welcome the stated commitment to working with companies from the manufacturing and tradable services sector that have the commitment and ambition to grow and export.
3. We also welcome the focus on realising the potential of existing businesses across all sectors. Belfast City Council has committed significant investment in the city's small businesses and we feel that it is important to offer them a seamless continuum to underpin their growth potential.
4. We support the focus on allocating resources to higher value-added sectors. Belfast is a natural home for many of these businesses and we welcome the opportunity to work with Invest NI and other partners in order to ensure that their growth potential is maximised. However we would point out that the shift in sectoral mix towards higher value activities can also be achieved without total reliance on FDI support performance measurement of client satisfaction levels. Greater support of the shifting local companies skills and technologies to focus on higher value added activities as well as encouraging start-ups, diversifications and expansions, should be made.
5. We understand the definition that Invest NI currently uses in order to determine its client focus. We feel that the services that we – and other local authorities – offer can complement the Invest NI offering and we consider that there is a sufficient market for both parties to work together. We therefore feel that non Invest NI companies should not only be referred to the NIbusinessinfo website, but that the services offered by local council's economic development units should be signposted and promoted.
6. The role of local authorities in supporting SMEs is not highlighted in the report which we feel is an omission given the important role we play as a partner on leading business development programmes and promotional activities. Consideration should be given to the formalisation of the relationship between INI and local Councils in supporting businesses so that there is a clear focus identified for each partner.

7. We acknowledge the reference made to the possible transfer of powers for enterprise and local economic development as part of the Review of Public Administration (RPA). However we feel that it is prudent to work towards transitional arrangements, given the current commitments to the review within an agreed timeframe as recently presented to the Northern Ireland Assembly.
  
8. We are concerned that, in the absence of any agreement on transitional arrangements, there will be ambiguity over the role played by Invest NI and that played by local councils in the field of enterprise and local economic development. We have actively contributed to the review of the Enterprise Strategy and have some concerns at the emerging proposals for Invest NI to become increasingly involved in the post- Start a Business programme environment. We feel that now is an opportune time to design appropriate interventions with local councils to target businesses in this category, before responsibility passes directly to councils post-2011.
  
9. We agree with the sectoral prioritisation and feel that Belfast offers a significant market for growth within all the priority areas. We strongly welcome inclusion and recognition of niche manufacturing as Belfast City Council has been promoting this sector over the past four years and continues to put in place programmes to upgrade its contribution to the local economy.
  
10. We welcome the commitment to intervene in the commercial property market in locations where there is demonstrable market failure and we feel that there are a number of such locations within the Belfast City Council area. We would appreciate the opportunity to work with Invest NI to identify and bring forward these locations in order to increase the business base in the city. We would also welcome the opportunity to work with Invest NI to maximise the use of their current property portfolio, particularly in areas of need, in order to provide appropriate business location for local, small businesses.