



<b>Subject:</b>	Sub-regional Economic Growth – update
<b>Date:</b>	12 March 2025
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**Restricted Reports**

Is this report restricted? Yes  No

Please indicate the description, as listed in Schedule 6, of the exempt information by virtue of which the council has deemed this report restricted.

Insert number

1. Information relating to any individual
2. Information likely to reveal the identity of an individual
3. Information relating to the financial or business affairs of any particular person (including the council holding that information)
4. Information in connection with any labour relations matter
5. Information in relation to which a claim to legal professional privilege could be maintained
6. Information showing that the council proposes to (a) to give a notice imposing restrictions on a person; or (b) to make an order or direction
7. Information on any action in relation to the prevention, investigation or prosecution of crime

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  No

1.0	Purpose of Report/Summary of Main Issues
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1.1	The purpose of this report is to update the Committee on progress with the development of the Local Economic Partnership (LEP) – a key element of the Department for the Economy’s (DfE) sub-regional economic plan.
<b>2.0</b>	<b>Recommendation</b>
2.1	<p>The Committee is asked to:</p> <ul style="list-style-type: none"> <li>• Note the update on the Department for the Economy’s <a href="#">Sub-Regional Economic Plan</a></li> <li>• Note the agreed financial allocations for Belfast City Council</li> <li>• Note the emerging priority areas of focus, subject to further engagement with internal and external partners</li> <li>• Agree to renew the council’s membership of and contribution to the work of the Ulster University Economic Policy Centre for a 2-year period at a cost of £40,000 per year</li> <li>• Consider the merits of engagement in the Local Enterprise training being delivered via NAC (NI) and, if there is agreement to participate, nominate elected members to take part in this training.</li> </ul>
<b>3.0</b>	<b>Main Report</b>
3.1	At the 6 December 2024 meeting of the City Growth and Regeneration Committee, members were updated on the Department for the Economy’s “sub-regional economic plan”, including the commitment to establish Local Economic Partnerships in each council area with an overall financial allocation of £45million over three years.
3.2	Since the December meeting, the Department has made some progress on both finalising the financial allocation to each council area and also on agreeing broad areas of eligible spend and metrics to track progress.
3.3	<p><u>Financial allocations</u></p> <p>The financial allocations for each council area have now been confirmed. Belfast City Council will receive up to £956,000 per year – a total of £2,868,000 over three years. DfE is currently in the process of finalising the business case for the funding. Based on feedback from councils, it is expected that the spend profile in year one will be lower than in other years – given the time taken to mobilise partnerships, agree priority projects and recruit staff to lead and oversee project development and delivery.</p>
3.6	As previously noted, it is disappointing that the narrative on sub-regional growth appears to start from the premise that the recent economic progress in Belfast means that additional investment should be focused in other parts of the region. As members will be aware, Belfast

is a major economic generator for the rest of NI – almost half of the people that work in Belfast do not live here. However, Belfast also has significant economic inclusion challenges - 6 of the top 10 most deprived wards in NI are in Belfast while the top 15 most deprived wards for the Education, Skills and Training domain are all in Belfast. Officers will be actively working to develop proposals to help ensure that the economic importance of the city and the challenges facing many of our citizens are more clearly understood and to develop approaches to inclusive innovation that maximise benefits across society.

3.7

Eligible activity

In line with the Minister’s vision and the sub-regional economic plan, the priority outcome for activities supported through the Local Economic Partnerships funding is higher productivity. The guidance notes suggest that there are a range of categories that are eligible for support including:

- Commercial property/land development
- Entrepreneurship support
- Sectoral entrepreneurship support
- Scaling support
- Sectoral scaling support
- R&D investment
- Energy efficiency
- Upskilling/reskilling in digital/engineering skills
- Sectoral cluster development

3.8

In order to maximise the available resources, there will be a requirement on LEPs to consult and where possible to work in partnership with bodies doing existing work in an area they are seeking to address. There is potential therefore to supplement funding for existing programmes to drive additional impact in a local area.

3.9

Each LEP will be required to submit an annual action plan outlining priority areas for action in the year ahead. As previously noted, DfE have made a number of stipulations as to mandatory representation on any Local Economic Partnership (including from Local Enterprise Agencies, Chambers of Commerce and FE Colleges). They have also confirmed that DfE and Invest NI are to be involved in each partnership to provide advice on project selection and delivery and to ensure alignment with wider activity and investment.

3.10

Potential approach to partnership

As previously advised at the December 2024 meeting, officers considered a number of options as to the most appropriate structure to perform the role of the LEP. This included utilising existing structures such as the Labour Market Partnership, the “Our Economy” Board for Community Planning or the Innovation City Belfast Board or alternatively, creating another structure for this specific purpose. Given the available resources, the alignment with existing work and the constraints on partner resources, our initial proposal was to utilise the Labour Market Partnership structure as the “partnership” – through which priority projects would be developed and to which progress would be reported. Having had further clarification as to eligible areas of spend and available resources, officers remain of the view that the most appropriate, expedient and effective conduit to act as the local LEP is the Belfast Labour Market Partnership – in the interim at least. It is our understanding that this approach is to be used in a number of councils. If this is agreed, officers will work with both DfE and DfC to consider how the partnerships can align most effectively and also to ensure that the governance requirements for both funders can be met. Our proposal is that we explore this option as an initial way forward – but that we keep it under review in order to ensure that it remains appropriate for the priority work areas agreed. Regular updates will also be provided to committee and the final action plan for each year will be brought to the committee for endorsement.

3.11

Potential priority work areas – initial considerations

At the December 2024 meeting, a number of indicative work areas were set out for consideration. These included:

- Inclusive employment pathways to high value roles: through the council’s employability and skills work, we have been able to develop targeted responses to meet employer needs across a range of sectors. In more recent years, we have explored opportunities to move up the value chain and create better paid roles with opportunities for career progression. There is currently engagement work underway with DfE to develop a new “inclusive apprenticeship” approach and this would enable us to provide a seamless transfer from the employment academy into an apprenticeship. While these activities are working well at a small scale, there may be an opportunity to scale up much more significantly, with the potential to make an impact on our economic inactivity levels which have remained stubbornly high over decades
- Maximising the impact of City Deal investments for local SMEs: the original business case for the City Deal identified the potential to create 20,000 new and better jobs. As the projects begin to come forward, there are opportunities to consider how our local businesses can access the research expertise and facilities established through the City Deal funding – helping them develop new products and increase their employment

numbers. This may include innovation and technology transfer activities; access to challenge programmes and funds and use of the specialist facilities and equipment

- Enhancement of “Go Succeed” activities: Go Succeed is the core business support offer for those starting or growing a business. Over the last year, the service has been funded by the Shared Prosperity Fund (SPF). Following the recent budget statement, the government has announced a one-year extension of SPF – albeit with a 40% reduction in the overall budget. Officers are still working through the implications for Go Succeed but, as a collective, councils are considering whether there is an opportunity to use their LEP resources to “top up” any budget shortfall.

3.12 Officers have undertaken some engagement work with key partners over recent weeks to validate this early thinking and to test other potential actions that may emerge, in keeping with the priority areas for action identified by the Department. It is our view that these indicative areas remain valid. There may also be an opportunity to consider net zero interventions given that this is one of the key areas of focus within the Sub-regional Economic Plan. Subject to member agreement, we will use these early concepts as well as the economic insights generated through both the Community Planning refresh process and the development of the annual labour market assessment for the Labour Market Partnership, supplemented by wider research, to work towards a draft final action plan. One of the key principles that we are considering is that we should focus on a smaller number of impactful interventions – rather than having a range of small schemes. This aligns with the Department’s requirements around impact measurement. It also recognises that the financial allocation to Belfast is the smallest of all council areas (alongside Antrim and Newtownabbey).

3.13 Support for UU Economic Policy Centre

Ulster University’s Economic Policy Centre (UUEPC) has provided research and insights to the council over many years to develop the underpinning monitoring framework of the Belfast Agenda, undertake research for the Local Development Plan and more recently Local Policies Plan. The Centre has also supported our work on addressing economic inactivity, including undertaking the Belfast-level analysis that formed the foundation pillar of the large-scale event that we hosted in UU Belfast last year. To support the development of local actions for the Local Enterprise Partnership, alongside wider insights relating to skills, planning and regeneration issues, it is proposed that the Council renews its membership and contribution to the work of the UUEPC for a further 2-year period.

3.14 NAC training on Enterprise issues

The Chief Executive has recently received correspondence from the NI branch of the National Association of Councillors (NAC) regarding a series of four training workshops that they are

<p>3.15</p> <p>3.16</p> <p>3.17</p> <p>3.18</p>	<p>organising for local councillors and officials involved in enterprise issues. The objective of these sessions is to enhance participants' insights and knowledge of these matters and create a council-wide network of "Local Enterprise Champions".</p> <p>The dates and themes for each of the workshops have been set and are as follows:</p> <ul style="list-style-type: none"> <li>• Friday 25 April, 12pm-4pm, Belfast – Overview of the Local Economy</li> <li>• Friday 30 May, 12pm-3.30pm, Derry/Londonderry – Strategies, Funding and Key Partners</li> <li>• Friday 20 June, 12pm-3.30pm, Craigavon – Roles and Responsibilities of Councillors</li> <li>• Friday 5 September, 12pm-4pm, Mallusk – Enterprise site visit and forward planning.</li> </ul> <p>In order to maximise the learning opportunities, NAC (NI) is keen that all participants share, learn and develop their own enterprise insights, using the principle of co-design. As such, the workshops will be interactive, collaborative and outcomes driven via core, specialist facilitation rather than "top-down" presentations. To ensure the very best outcome for all proposed Local Enterprise Champions, they are encouraging councils to nominate up to four elected members including – at council's discretion – a senior support officer. Members are asked to consider the merits of engagement and, if there is agreement to participate, nominate elected members to take part in this training.</p> <p><b><u>Financial and Resource Implications</u></b></p> <p>DfE have now confirmed that the resources for the Local Enterprise Plan in Belfast are £956,000 per annum over three years. This includes an element of staff resources to manage the programme of work.</p> <p>UUEPC: The annual £40,000 contribution to the UUEPC has been included in Departmental estimates.</p> <p>Local Enterprise training – the cost per participant for attendance at the four workshops is £395. This can be met within existing budgets.</p> <p><b><u>Equality or Good Relations Implications/Rural Needs Assessment</u></b></p> <p>All activities to be undertaken will be subject to equality screening. This funding formula was determined by the Department for the Economy.</p>
<p><b>4.0</b></p>	<p><b>Appendices - Documents Attached</b></p>
	<p>None</p>