



Belfast City Council

Report to:	Development Committee
Subject:	Update of Economic Downturn Steering Group
Date:	14 October 2009
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Relevant Background Information

Members will be aware the Belfast City Council in February 2009 agreed a number of actions in response to the global economic downturn. The actions were taken across the Council and the Development Committee subsequently agreed the setting up of a cross-party Economic Downturn Steering Group, which has been meeting monthly since May 2009. This is the update.

Key Issues

The Economic Downturn Steering Group last met on the 18 September 2009. They received an update in relation to the continuing work of the Department in relation to economic development, job training, employability, business development and tourism events. The general update indicated that, although Belfast had been significantly affected by the downturn, it has not been as affected as many other cities in the UK or in Ireland. The continuing strength of the euro was a particular element in that result. The Group however agreed that, despite a relatively less bleak impact, the situation was still serious and Belfast required a clear path forward if it was to achieve a sustainable long term successful economy.

Members felt in particular that the next phase required serious leadership from the Council to ensure Belfast's future. This led to a discussion on the Organisation for Economic Cooperation and Development (OECD) report which the Committee commissioned in August 2007.

The report was completed in November 2008. In addition, recent research by Oxford Economics for the Council has been added to the information provided by OECD. Both of the reports draw major conclusions about Belfast and its possibilities and make relevant recommendations.

The OECD Report offers the following conclusions:

- Public sector overbalance – Belfast and Northern Ireland need to shift the economic dominance of the public sector in favour of a healthy balance between public and private sectors.
- Coherence and scale – Belfast has to focus on coherent and comprehensive planning, which emphasises its role as an iconic core location in Northern Ireland as a centre of R&D or of high value functions
- Investment readiness and investor confidence – Belfast must be a city that is known as an enterprising location with ‘can-do’ leadership where new ideas and knowledge can be translated into business opportunities and business formation
- The ingredients for success – Belfast needs to raise its relative economic competitiveness by enhancing the quality of its workforce, ensuring a good supply of accessible land and premises to accommodate growth and to upgrade key infrastructure to enable good quality access, communication, service delivery and a high standard of public realm. Belfast must also find innovative ways to attract and retain talent and ensure that more people come to live and work in the City. Belfast also needs to find new ways of working that bring together change agents from across Government, business and the community and voluntary sectors.

Given these challenges, the report considered what policy actions and possible delivery mechanism would, in their opinion, be needed to deliver on these recommendations. It recommends several key areas of policy activity that Belfast should address.

Report Recommendations:

Place and inclusion

- The transfer of functions relating to land use and planning, the public realm (particularly City Centre management), urban regeneration and community development under the RPA offers important opportunities to develop a strategic land assembly and investment strategy for the Greater Belfast area that details the blockages and barriers to land management, its use in a strategic fashion and which can reflect the balance of need and opportunity across the whole of the Greater Belfast Area.
- Belfast should develop an integrated City Centre development strategy and a capable vehicle for integrated City Centre management.

Strategic Investment

- Belfast should prepare and implement a plan for optimising the impact of the 'Northern Ireland Investment Strategy', building on and supporting work by the SIB, INI, Government Departments and business partners.
- There should be support for the greater leverage of public sector land assets in Belfast in partnership with SIB and support for facilitating foreign and corporate investment in partnership with INI.

Enterprise, skills and knowledge

- There needs to be a Belfast focus to ongoing work on skills, enterprise and knowledge, including work on developing new approaches to labour market attachment and new initiatives to encourage innovation and creativity as well as technology transfer.
- Belfast needs to take opportunities to become a knowledge hub. Knowledge economy activity is still an 'unknown asset' in Belfast which is critical to the transition to a more mixed economy and as a means to stem the continued outflow of highly skilled talent and continue to attract talent from outside.

The report uses international research and expertise to investigate the potential delivery mechanisms that could deliver this economic development agenda. On the basis of this research, the report recommends the establishment of a new Belfast Investment Development Agency (BIDA). It notes that such an agency would provide the necessary catalyst required for the changes described above.

It's mission would be to 'enhance the economic growth of Belfast as a capital city in a way that contributes to the Executive's economic growth targets for Northern Ireland as a whole and which ensures that all of Belfast's residents share in the benefits of its economic growth.' It would have six areas of responsibility: planning, sites and strategic infrastructure; investment facilitation and securing funding for major projects; the knowledge economy (including skills, enterprise, higher education and innovation; economic inclusion; promotion and City centre management.

The Steering Group discussed this and the research undertaken by Oxford Economics and concluded that it was now time for a joint meeting with the Strategic Policy & Resources Committee to discuss how both reports and the evidence of the last period could be used to create a plan for Belfast's economic future. Such a meeting had been agreed in February 2009 by Strategic Policy & Resources Committee when the first report on the Economic Downturn was presented to their Committee.

A request for such a meeting has been made to the Strategic Policy & Resources Committee.

Members are asked to note the contents of this report.

Resource Implications

None

Recommendations

Members are asked to:

- Note the contents of this report
- Attend the special meeting on the matter in due course

Decision Tracking

Director of Development to prepare papers for the meeting with the Strategic Policy and Resources Committee

Timeline: December 2009

Reporting Officer: Director of Development

Key to Abbreviations

OECD Organisation for Economic Co-operation and Development
LEED Local Economic and Employment Directorate (OECD)

Documents Attached

Appendix 1. OECD LEED Programme – Review of Belfast