



Belfast City Council

Report to:	Development Committee
Subject:	Research on flow of capital in Belfast
Date:	12 May 2010
Reporting Officer:	John McGrillen Director of Development ext 3470
Contact Officer:	Barbary Cook, Policy & Business Development Manager Ext 3620

Relevant Background Information

Members will be aware from the Departmental plan 2008/09 that a research was commissioned to update the Belfast City Region Report, 2004 and assess the importance of Belfast as a regional economic driver. Oxford Economics were appointed and they submitted a final report in November 2009.

The research focussed on:

- Monitoring the flow of people, skills, spending and investment into and out of the Belfast economy;
- Providing a better understanding of Belfast's economic specialisations and inter-linkages with the rest of NI;
- Articulating Belfast's contribution to economic elements of the Programme for Government (PfG);
- Exploring the risks and opportunities facing the Belfast economy; and
- Providing commentary on the urban policy environment in NI and the UK.

Appendix 1 contains an executive summary of this research. If they wish, Members can obtain a full version of this document.

The research is quite comprehensive but some of the key findings highlighting the key importance of Belfast as the engine room of the regional economy are:

- Major employer of persons living in and outside the city. There are currently an estimated 108,000 people who work in Belfast but live outside Belfast (in-commuters). This represents approximately 55 per cent of the estimated total number of persons employed in the Belfast economy.
- Belfast is a 'regional economic driver' to an even greater extent than Edinburgh and Glasgow combined in Scotland or Manchester and Liverpool combined in the north west of England.

- A magnet for service sector foreign direct investment (FDI) - Belfast attracts the majority of service sector FDI in NI.
- Home to two-thirds of NI's largest 50 companies and one-half of foreign-owned businesses.
- A transport hub for the region.
- Service exporter - while Belfast 'imports' food products, construction services and manufactured goods from elsewhere in NI (and outside), in return it 'exports' many of its services to the rest of NI (especially where the same level or quality of services are not available locally) and outside NI.
- A provider of further and higher education and specialist health services.
- Gateway for tourists and a provider of unique retail, cultural, entertainment and visitor opportunities which are not available elsewhere in the region.

Key Issues

This report will support the Council's commitment to evidence based decision making. It provides strong evidence showing the key role of cities in the economy and specifically Belfast as a driver of the NI regional economy. It emphasizes the need for a key urban policy focus in Northern Ireland.

The report will be used in the following ways:

- To provide statistical evidence for Members and Council staff to describe Belfast's role as a regional economic driver;
- To provide additional research evidence supporting the role of cities in the economy and specifically Belfast as a driver of the NI regional economy;
- To support Council's responses to various consultations on policies like the new Regional Development Strategy (DRD);
- To provide evidence for funding applications; and
- To provide information for the new Corporate Plan 2011/12 and beyond.

Recommendations

The Committee members are asked to:
Note the content of this report

Decision Tracking

There is no decision tracking attached to this report as the contents are for notation only

Documents Attached

Appendix 1: Summary report of Flow of Capital, Oxford Economics.