



Report to:	Development Committee
Subject:	Integrated Economic Strategy
Date:	18 September 2012
Reporting Officer:	John McGrillen Director of Development ext 3470
Contact Officers:	Shirley McCay Head of Economic Initiatives ext 3459

1	Relevant Background Information
1.1	Members will be aware that the Investment Programme contains a range of initiatives to stimulate economic growth in the city, while ensuring that social and equality issues are addressed.
1.2	One of the key supporting principles of the Investment Programme is the commitment to partnership and integration, “bringing together partners from all sectors and communities to develop innovative solutions to Belfast’s challenges and to take advantage of all opportunities”.
1.3	The Northern Ireland Executive approved the regional economic strategy in March 2012. This sets out a series of activities aimed at rebuilding and rebalancing the economy in Northern Ireland. The strategy’s cross-cutting principles include “balanced sub-regional growth”, namely ensuring that all sub-regions are able to grow and prosper while recognising the importance of Belfast and Derry/Londonderry as key drivers of regional economic growth.
1.4	The Belfast City Council area is home to almost one third of all jobs in the region. The GVA per head in the city is almost twice the regional average. This can be explained by the fact that those jobs with higher value-added are attracted to city locations such as Belfast. The city is home to half of Northern Ireland’s hi-tech manufacturing jobs, 3 in 5 computer and related service jobs and two-thirds of creative media and arts jobs located within the area. It has a strong software, financial services and telecoms base and attracts the largest number of software development projects in the UK outside of London.
1.5	However, on the other hand, Belfast is also home to some of the most deprived and segregated communities in the region. The unemployment rate in Belfast is the second highest of all district council areas (after Derry City Council area) and

	<p>the level of incapacity benefits and inactive benefits claimed by Belfast is 10,000 above the regional average. The geographical concentrations of unemployment and low skills levels within the city itself are also significant: 73% of all income support claimants in the city live in north and west Belfast and 8.3% of those living in west Belfast are educated to degree level or higher while the proportion in south Belfast is 33.4%.</p>
1.6	<p>Therefore, while the broad parameters of the regional economic strategy provide a framework within which Belfast's growth can be planned, it appears that there is a need for a targeted, city-based strategy which take account of the regional drivers but which also identifies the specific city-level – and neighbourhood-level – issues that impact on the city's competitiveness.</p>

2	Key Issues
2.1	<p>Initial discussions have been undertaken with a range of partners – principally Invest NI – with regard to the potential for developing an integrated economic strategy for Belfast.</p>
2.2	<p>Draft terms of reference have been produced and there has been broad agreement by Invest NI on the scope of the work. These are attached at Appendix 1.</p>
2.3	<p>The terms of reference note the need for collaborative working on this initiative in order to ensure shared ownership of the outcomes and a shared commitment to achieving the objectives set. In order to create this shared ownership, it is proposed that a consultant be appointed to carry out the research and strategy development work. Their role will be to create a framework for discussion, support progress towards prioritisation and shared objectives and establish an action plan to ensure deliverables against target.</p>
2.4	<p>It is proposed that the strategy will include the following key elements:</p> <ul style="list-style-type: none"> - Updated socio economic analysis of the Belfast economy based on both the city's economic footprint as well as the new forthcoming Council boundary. This information should be provided at a number of geographies in order to illustrate the variances across the city - Assessment of key contextual environment and associated strategies to identify opportunities for engagement and alignment with wider developments - Proposed focus on business growth and entrepreneurship whilst reflecting the wider conditions necessary for successful and sustainable economic development. Consideration should also be given to the proposed transfer of urban regeneration powers and responsibilities from DSD and proposed transfers from Invest NI to Councils (acknowledging that the actual breadth of these transfers are still under review) - Establishment of a vision for Belfast's future economic development and evolution, identifying the city's USPs (unique selling points) – principally the priority sectors that demonstrate the greatest growth potential - Consideration of recent and proposed investments in Belfast's infrastructure, both physically and digitally, with an assessment of how these can maximise economic regeneration - Articulation of Belfast's Foreign Direct Investment (FDI) proposition considering how to set Belfast apart from competitors and to boost our attractiveness as an investment location

	<ul style="list-style-type: none"> - Assessment of future funding options for the city's economic regeneration, from both public (EU/national) and private sources - Focus on delivery, including a clearly articulated action plan with measurable outputs and outcomes attributed to the relevant responsible bodies for execution and agreed by them as part of this process.
--	--

3	Resource Implications
3.1	Based on an assessment of the work required, it is proposed that the budget for this work should be £60,000 maximum. Belfast City Council is asked to provide £30,000 maximum with additional contributions coming from five of Northern Ireland and/or other partners.

4	Equality and Good Relations Considerations
4.1	No specific equality and good relations considerations at this stage. The finished strategy will be equality proofed.

5	Recommendations
5.1	Members are asked to: <ul style="list-style-type: none"> I. Approve the proposed approach to be taken in developing the integrated economic strategy II. Approve the allocation of up to £30,000 from Belfast City Council towards the overall budget for the work, estimated to be £60,000 maximum.

6	Decision Tracking
	If approved, regular reports on progress will be brought back to Committee and Members will be directly involved in the strategy development.

7	Key to Abbreviations
	DSD – Department for Social Development FDI – Foreign Direct Investment IES – Integrated Economic Strategy