



Subject:	Industrial Strategy for Northern Ireland; "Economy 2030" - Draft Consultation Response
Date:	12 April 2017
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Restricted Reports	
Is this report restricted?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
If Yes, when will the report become unrestricted?	
After Committee Decision	<input type="checkbox"/>
After Council Decision	<input type="checkbox"/>
Some time in the future	<input type="checkbox"/>
Never	<input type="checkbox"/>
Call-in	
Is the decision eligible for Call-in?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

1.0	Purpose of Report
1.1	The purpose of the report is to consider and agree a response to the consultation document from the Department for the Economy on the draft Industrial Strategy for Northern Ireland – "Economy 2030". The strategy sets out a vision for Northern Ireland as a "globally competitive economy that works for everyone".
1.2	The draft response builds on the Council's position in relation to the draft Programme for Government 2016-2021, which was approved in January 2017, as well as the pre-consultation "Call for Evidence on Refocusing the Northern Ireland Economic Strategy" which was approved in October 2016. In compiling the response, feedback has been gathered from officers across Council and members of the Economic Growth Forum.

1.3	<p>There is clear alignment between the regional ambitions in the draft Industrial Strategy and the Belfast Agenda and Local Development Plan. The Belfast Agenda’s social and economic ambitions for growth are that by 2035:</p> <ul style="list-style-type: none"> - Belfast will be home to an additional 70,000 new residents - Our urban economy will support 50,000 more jobs - There will be a 50% reduction in the life expectancy gap between the most and least deprived neighbourhoods - Every young person leaving school will have a destination that fulfils their potential
1.4	<p>The consultation closes on 25 April 2017 and the document, equality screening and summary of evidence are available online at: https://www.economy-ni.gov.uk/consultations/industrial-strategy An online questionnaire is also available at https://consultations.nidirect.gov.uk/dfc/industrial-strategy-for-northern-ireland/.</p>
2.0	<p>Recommendations</p>
2.1	<p>The Committee is asked to:</p> <ul style="list-style-type: none"> - Consider the draft response to the draft Industrial Strategy for Northern Ireland (Economy 2030) and note that it will be submitted to April SP&R for approval.
3.0	<p>Main report</p>
3.1	<p><u>Key Issues</u></p> <p>The Industrial Strategy is a high level strategy that sets out the main policy commitment for growing the economy and creating jobs. In general, the proposals are in line with commitments contained within the Belfast Agenda and are likely to contribute positively towards growing the economy in an inclusive manner.</p>
3.2	<p>The draft Strategy provides contextual information about the economy, its recent performance, and how the region compares to other similar economies. It sets out the vision for 2030 for Northern Ireland to be “a globally competitive economy that works for everyone”.</p>
3.3	<p>It contains commitment to outcomes-based accountability, in line with the Programme for Government. It also includes a number of headline milestones, namely:</p> <ul style="list-style-type: none"> - By 2021: 50,000 new jobs will be created; 18,000 economically inactive people will be

helped back to work; Northern Ireland will be the number 1 FDI destination outside London

- **By 2025:** 380,000 qualifications at level 3 and above will be awarded; the value of sales outside of Northern Ireland will increase by 80%; the amount of spend by tourists from outside NI will be doubled
- **By 2030:** private sector output will grow by 35%, creating 80,000 new jobs; NI will be in top 3 most competitive small advanced economies; 80,000 jobs will be created in the knowledge economy; annual R&D spend will be increased to £1.5billion and the level of wellbeing in UK will remain the highest among all regions.

3.4 To deliver improvements in regional competitiveness, five Pillars for Growth have been identified. The pillars are interdependent and actions will be required across each pillar to achieve the vision. The five pillars are:

- Accelerating innovation and research
- Enhancing education, skills and employability
- Driving inclusive, sustainable growth
- Succeeding in global markets
- Building the best economic infrastructure.

3.5 There are some areas where the strategy lacks detail. For example, there is little reference to engaging with local government and there is limited information about the resources, particularly finances, which will be used to deliver the ambitions. Many of the activities within the five pillars require support or are led by government departments other than the Department for the Economy (DfE), yet this is identified as a DfE strategy. It is not clear that there is a mechanism for securing buy-in and support from other government departments and external agencies – let alone making any financial contribution to the delivery of the priority areas.

3.6 The draft response from Belfast City Council seeks to reaffirm the importance of Belfast to the wider region and includes the high level issues which Belfast City Council views as critical for growing the economy, as reflected in the Belfast Agenda and Local Development Plan. It emphasises the critical importance of inclusive growth in delivering the strategy and highlights the need to put in place resources to measure the impact of interventions. Finally, the response outlines the value of a place-based approach to maximise the benefits for the whole region. It also contains several of the key “asks” which the Council has developed over recent months and emphasises the opportunities to co-design and deliver in partnership

with government and other partners.

3.7

In compiling the response, feedback has been gathered from across Council services, as well as the core participants of the Economic Growth Forum. The draft response attached as **Appendix 1**. In summary, the response highlights:

- The absence of a place-based approach to growth and limited reference to engagement for local authorities with no reference to new forms of government/decision-making (particularly City Growth Deals). A key element of the draft UK Industrial Strategy is that it seeks to reinforce and strengthen the role of cities and localities in driving growth through a strong devolution agenda, yet there is no reference to this in the draft Northern Ireland Strategy.
- The draft strategy references “inclusive growth” but it is not clear what is meant by this or how this is being defined. One of the key economic challenges in Belfast is economic inactivity and the social exclusion that this creates for residents within the city. It is important to set an agreed set of outcomes to measure inclusive growth – and then to establish a range of interventions that can help deliver an inclusive growth. This will require the involvement of a number of agencies – and will require flexible approaches that are different to current practice.
- There are limited references to the role of investment in infrastructure to support economic growth and connectivity. This can include investment in office space to accommodate projected future jobs growth in key growth sectors as well as investment in roads, rail and transport to improve access and connectivity. A key emphasis of the Local Development Plan that the Council is consulting on is to ensure that there is sufficient level of infrastructure to help deliver economic growth in the city and beyond.
- Recognition that the public sector will continue to play a vital role in delivering services and helping to enable private sector growth. The role of procurement and Social Value Procurement should be recognised but the strategy does not make reference to these.
- Harnessing innovation to drive growth – there are limited references to the use of information technology and better data management to support future economic growth. The SMART Cities approach is both scalable and transferable to other cities and towns across the region and should be included in the new strategy.
- While the “Succeeding in Global Environments” pillar recognises the role of attracting business tourism and conferencing, there is also a key opportunity to emphasise the importance of attracting and retaining international students which is a key priority for both universities
- While we support the focus on priority sectors, we consider that there are also emerging

opportunities in the clean tech sector (supported by our investment the North Foreshore) as well as the tourism/hospitality sector. The latter currently employs more than 17,000 people in Belfast and, with future investment planned in new leisure facilities as well as hotel accommodation, there are opportunities to grow the sector significantly

- While the Northern Ireland Tourism Strategy is still being developed, tourism is a key economic and employment sector for Northern Ireland. Tourism has a vital role in driving inclusive growth and creating employment opportunities and is predicted to be a major employment generator in the coming years
- The role of academia and the education sector more generally should be strengthened; the regional centres of excellence are driven by university/industry collaboration.

3.8

The Strategy retains its focus on regionally balanced growth. This is likely to be at odds with its focus on those growth sectors which are likely to be attracted to urban environments. Belfast is the top global destination for financial technology investments and Europe's leading destination for software development and technology support investment (fDi Markets 2015). It is important to build on these assets: if they are successful, they can bring benefit across the region.

3.9

Good economic growth must be sustainable and Belfast still needs to grow to compete. It is essential that the whole region continues to benefit from the impetus provided by a competitive and successful city that can attract talent and investment, generate regional employment and opportunity and drive forward further growth and clustering in the key sectors. The need for a place-based approach to growth and recognition of the role of cities in driving growth is imperative; yet it is totally absent from the draft strategy. The Council response draws attention to the draft UK Industrial Strategy which is also currently out for public consultation and places a strong emphasis on the further devolution of powers to cities as being essential to economic growth.

3.10

It is worth noting that unlike the previous Economic Strategy for Northern Ireland, this is a document from Department for the Economy, not the NI Executive. This is reflected in the relatively narrow view of the economic growth agenda – for example, no consideration of how to use business rates/incentives to support economic growth, limited information on the importance of infrastructure investment.

The consultation document asks a series of questions and the draft response to the questions, along with the opening narrative which highlights the key issues for the Council,

<p>3.11</p> <p>3.12</p> <p>3.13</p>	<p>is included in Appendix 1.</p> <p><u>Financial & Resource Implications</u></p> <p>There are no direct financial or resource considerations for the Council.</p> <p><u>Equality or Good Relations Implications</u></p> <p>There are no direct equality or good relations implications for the Council. The draft Industrial Strategy has been subject to an equality screening exercise.</p>
<p>4.0</p>	<p>Appendices – Documents Attached</p>
	<p>Appendix 1 - 'A consultation on an Industrial Strategy for Northern Ireland “Economy 2030” - draft response</p> <p>Appendix 2 - Industrial Strategy for NI – Consultation Document</p>