



<b>Subject:</b>	Update on Special Committee Meeting - Potential impact on the economy of the UK leaving the EU
<b>Date:</b>	6 <sup>th</sup> December 2017
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<b>Restricted Reports</b>	
<b>Is this report restricted?</b>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
<b>If Yes, when will the report become unrestricted?</b>	
<b>After Committee Decision</b>	<input type="checkbox"/>
<b>After Council Decision</b>	<input type="checkbox"/>
<b>Some time in the future</b>	<input type="checkbox"/>
<b>Never</b>	<input type="checkbox"/>

<b>Call-in</b>	
<b>Is the decision eligible for Call-in?</b>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

<b>1.0</b>	<b>Purpose of Report or Summary of main Issues</b>
1.1	On 21 November 2017, the Committee held a Special meeting on Brexit to enable informed discussion and consideration of the potential economic impact and to consider Belfast's resilience to meet the challenges and take advantage of the opportunities for the future to ensure the economic growth and regeneration of the city.
1.2	The Belfast Agenda and Local Development Plan set a challenging and ambitious vision for the city in 2035 with inclusive growth at the centre. These plans are framed within the current strategic and economic context, acknowledging the uncertainty and challenges and highlighting the importance of tackling the city's systemic social and economic issues such

1.3	<p>as economic inactivity to create sustainable economic growth.</p> <p>Within this context, the Committee received presentations from Neil Gibson (EY) and Eoin Magennis (Ulster University Economic Policy Centre (UUEPC)), Dr Stevie Nolan (Trademark) and Dr Katy Hayward (Queen’s University Belfast). Research prepared by the Nevin Economic Research institute was also circulated.</p>
<b>2.0</b>	<b>Recommendations</b>
2.1	<p>Having considered the presentations and inputs, the Committee is asked to:</p> <ul style="list-style-type: none"> <li>- Note the issues raised and to agree that officers continue to monitor developments and bring further updates to future Committee meetings to ensure delivery of its inclusive growth strategy, the Belfast Agenda.</li> </ul>
<b>3.0</b>	<b>Main report</b>
3.1	<p><u>Key Issues</u></p> <p>Negotiations between the UK government and the EU are underway, but it is clear that further clarity and detail will be required to enable a full assessment of the impacts. The impact at a sub-regional level can be more challenging to assess; particularly when considering the issues for Northern Ireland given its unique position as the only part of the UK that shares a land border with an EU member state (Republic of Ireland) and is involved in a range of cross-border cultural, economic and political initiatives.</p>
3.2	<p>The meeting provided an opportunity for the Committee to focus on Brexit to explore some of the issues and opportunities for Belfast with the input from a range of expert perspectives. This input considered issues related to mobility and the movement of people, the role of the local economy and the business perspective as well as broad economic forecasts for Belfast and the city-region dependant on the nature of the deal. It should be noted that the discussion also highlighted issues and opportunities that may go beyond the role of this Committee, such as regulatory, administrative, migration etc.</p>
3.3	<p>There are a number of potential areas of impact of particular relevance to achieving the ambitions for inclusive growth, attracting investment and growing the economy:</p> <ul style="list-style-type: none"> <li>- Attracting and retaining investment (particularly high value growth services such as financial services)</li> <li>- Increasing trade (focusing on high growth services sector)</li> <li>- Movement of people - securing a pipeline of talent and increasing tourism</li> </ul>

- Role of social enterprise
- EU funding and any replacement funds
- European Capital of Culture

The potential impacts of Brexit are wide-reaching and there may be other issues that impact more directly on other Committees, such as regulatory and legislative changes.

3.4 The Council's role in continuing to show leadership to drive inclusive economic growth was acknowledged as vital, particularly given the uncertainty in the political, economic and global environment. The importance of focusing effort on continuing to deliver the programmes and plans to progress the ambitions for the city outlined in the Belfast Agenda was reinforced.

3.5 Given the challenges associated with the current uncertainty, the speakers urged the need for caution when relying on economic forecasts and modelling. However, in terms of the employment projections, the critical role of Belfast as the economic driver for the city-region was clear in each of the potential scenarios presented, emphasising the importance of giving specific consideration to Belfast's position and its specific economic eco system.

3.6 Some of the key points raised at the Committee meeting included:

- The growth and diversification of the Belfast economy is critical to maintain its resilience in order to manage future economic changes, potential shocks and stresses.
- The need for clarity on the movement of people in terms of attracting and retaining talent for the city's high growth sectors/knowledge economy as well as cross-border workers, researchers, students etc. and boosting tourism for the region and Republic of Ireland (ROI).
- The importance of growing the local business base and accelerating alternative models such as social enterprises, co-operatives etc.
- The need to encourage social innovation to promote and secure prosperity across the city.
- The importance of harnessing the city's anchor institutions, such as universities, to maximise the local impact of their procurement as well as attracting investment .
- Key interests for business lie in terms of potential changes to labour mobility and talent/workforce availability, access to supply chains, regulation and compliance, tax, customs and tariffs.
- There are ways in which Belfast may benefit in certain sectors due to its location

and proximity to Dublin; its competitive cost base may be an advantage.

- The professional services 'axis' of Belfast – Dublin - London offers a real opportunity to position the city.
- Ensuring connectivity (air, road, rail and digital connections) and appropriate infrastructure are crucial for growth.
- The Belfast Region City Deal is both a vehicle to improve prosperity and quality of life in the city-region as well as making the city-region more globally competitive.

3.7 There is a wide range of information, views, research and reports on the progress and potential impacts/opportunities that Brexit may bring. During this period of uncertainty it was noted that the Council would continue to engage with business and others to monitor and understand their issues to inform future messaging and support.

3.8 Irrespective of the potential impact of Brexit, the key challenges for the city remain - the need to grow the population, increase the business base and companies exporting, encourage innovation and tackle the levels of economic inactivity in the city. While there may be a need to tailor and adapt approaches, the delivery of the Belfast Agenda ambitions and programmes of work remains key to drive inclusive growth and position the city for the future.

3.9 The Committee has previously noted the progress with a range of programmes and areas of work to drive the city's growth in a sustainable and inclusive way and position the city in the changing international environment. This includes the suite of programmes aimed at encouraging businesses to start up and grow including a range of targeted interventions such as Go Social to support social enterprises, the emerging Enterprise Framework for the city, development of a Social Value Procurement Framework, the plans for an employability & skills pathway model as well as the ongoing efforts to grow tourism, market the city globally and deliver the International Relations Framework. Our approach to delivering these strategies, programmes and plans will continue to develop and refine as the future relationship between the UK and EU becomes clearer. The appointment of Commissioner for Resilience to champion the development and implementation of a Belfast resilience strategy will also have a key role to play in shaping the city's future approach.

3.10 The success of Belfast as the region's key city is crucial in the post-Brexit environment, emphasising the importance of continuing to attract investors, employers and visitors to ensure economic prosperity for the city and the region as a whole.

<p>3.11</p> <p>3.12</p>	<p><u>Financial &amp; Resource Implications</u> There are no specific resource implications attached to this report.</p> <p><u>Equality or Good Relations Implications</u> There are no specific equality or good relations implications attached to this report.</p>
<p><b>4.0</b></p>	<p><b>Appendices – Documents Attached</b></p>
	<p>None</p>