

City Growth and Regeneration Committee

Wednesday, 26th September, 2018

SPECIAL MEETING OF CITY GROWTH AND REGENERATION COMMITTEE

Members present: Councillor Lyons (Chairperson);
Aldermen Kingston and McGimpsey; and
Councillors Baker, Dorrian, Graham,
Hussey, Johnston, Mullan, O'Donnell,
O'Hara, and Walsh.

In attendance: Mr. A. Reid, Strategic Director of Place and Economy;
Mr. J. Greer, Director of Economic Development; and
Mrs. L. McLornan, Democratic Services Officer.

Apologies

An apology for inability to attend was reported from Alderman Haire.

Declarations of Interest

No declarations of interest were recorded.

Presentation

Ulster University Economic Policy Centre (UUEPC)

The Chairperson advised the Committee that Dr. E. Magennis, Senior Economist at the Ulster University Economic Policy Centre, was in attendance and he was welcomed to the meeting.

Dr. Magennis provided the Committee with an overview of the current economic conditions on a global, national and local scale.

He outlined to the Members a number of risks for Northern Ireland over the next few years, including rising interest rates and debts, as well as trade tensions in light of a potential no-deal Brexit and under President Trump's policies.

The Members were advised that Northern Ireland's economy was growing but that its growth was slower than that of the UK and the Republic of Ireland.

He provided the Committee with an economic forecast for the next decade which, in light of the outcome of the Brexit negotiations, depicted the upper, lower and baseline scenarios for Northern Ireland and Belfast. The Committee was advised that, under the central scenario, NI was likely to avoid a technical recession, that being two quarters of

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declining output for 2018-2022, but he pointed out that it was likely to see declining employment in 2020-2021, with only around 20,000 jobs added over the decade.

In terms of the economic forecast for Belfast, he explained that, under a scenario based on a trade-friendly Brexit outcome and little other policy change, around 12,000 additional jobs would be created by the year 2027, with predicted growth in the high value sectors and accelerating tourism.

He explained that while, on the one hand, Belfast was the regional driver of growth with high productivity and highly skilled jobs, on the other hand, it was the poor performer on education measures and poor skills stock. He highlighted that unemployment and inactivity levels remained high in the city, and that questions should be asked as to whether the measures which were currently in place to address those issues were working.

A Member outlined that the school curriculum did not encourage creativity and that there was too much of a focus on standardised testing.

A further Member stated that early interventions were critical and that we needed to ensure that there was another route into employment for young people who did not achieve high grades in academic subjects. A number of Members stated that, since the Council's employability programmes had been re-designed, they were providing young people with new skills and a direct route towards employment.

Dr. Magennis explained that Belfast was now the hub for ICT, Financial Services and Professional Services in Northern Ireland and that they were all growing sectors with higher skills requirements.

Dr. Magennis outlined that employment in Belfast had historically depended on traditional industries and manufacturing. He explained that an accelerated period of change in the 1980s, and a failure of the educational system to change its focus, had created a shock in the labour market which led to high inactivity and unemployment levels in the city as a result.

In response to a Member's question, the Director of Economic Development explained to the Committee that the stretch goal in the Belfast Agenda, of delivering 46,000 new jobs by 2035, would be difficult due to the economic factors which had been outlined by Dr. Magennis.

During a discussion on skills, a Member stated that there needed to be more emphasis on encouraging young people to set up their own business. The Director of Economic Development stated that Belfast had seen a significant increase in new business start-ups over the past 15 years but he acknowledged that it had grown from a very low base.

In response to a Member's question as to why cooperatives and social economies were not as common in N.I. in comparison to England, Dr. Magennis indicated that N.I. was perhaps more risk averse. The Strategic Director of Place and Economy agreed, and added that he believed that the arts and cultural sector in N.I. had not faced the same

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funding pressures that organisations in England had and, as a result, hadn't been required to consider the social enterprise as an option. He indicated that there were numerous articulate and energetic arts communities in the cultural sector in N.I. and that we should be preparing them for the inevitable funding deficit which other areas of the UK were already facing.

The Strategic Director advised the Committee that a Director from Invest NI would be in attendance at the next meeting and that he hoped that the Committee would be able to learn about the work of its Social Enterprise unit as well as the inward investment which was crucial to the City.

The Committee thanked Dr. Magennis for his presentation and he retired from the meeting.

Chairperson