

**Independent Review of Invest Northern Ireland
Terms of Reference**

AN INDEPENDENT REVIEW OF INVEST NORTHERN IRELAND

Invest NI was established under the Industrial Development Act (Northern Ireland) 2002 as Northern Ireland's Economic Development Agency. Invest NI's aim is to support wealth creation in Northern Ireland as an enabler and catalyst to grow innovation, export, productivity and employment throughout the business base with a view to increasing the standards of living for all.

1.0 BACKGROUND – INDEPENDENT REVIEW OF ECONOMIC POLICY

1.1 On 1 December 2008, the Minister for Enterprise, Trade and Investment, Arlene Foster MLA, launched an Independent Review of Economic Policy (IREP). The Review related to the economic development policies and programmes of the Department for Enterprise, Trade and Investment (now the Department for the Economy) and Invest Northern Ireland.

1.2 An independent Panel, chaired by Professor Richard Barnett, Vice Chancellor of the University of Ulster, was established to undertake the review. The Terms of Reference focus was on DETI and Invest NI and the effectiveness of their policies / programmes to deliver on the overarching productivity goal in the Programme for Government (PfG). The IREP report was published on 29 September 2009¹ and contained 58 recommendations across the areas of: Policy Development; Policy Delivery; Portfolio of Innovation Policies; Policy Performance; Finance; Project Appraisal; Further Research; Co-ordination of Economic Policy; Governance Arrangements; Advisory Bodies; Skills; Infrastructure; and Planning.

1.3 In a statement to the Assembly (January 2010), the DETI Minister indicated that she accepted the majority of the report's recommendations and outlined a programme to ensure their implementation. In March 2011, the Minister provided the Assembly with a further update on how the recommendations were being implemented.

2.0 ECONOMIC AND POLICY CONTEXT

2.1 The COVID-19 pandemic has had a significant impact on the Northern Ireland economy which is estimated to have contracted by 10.4%² in 2020. Although economic activity has rebounded, and is anticipated to continue doing so, our economy has experienced a structural shock with long lasting implications felt disparately across different sectors and groups in society. Similarly, businesses and consumers have been affected by the UK's exit from the EU with adjustments being required to maintain trade. The economy is also exposed to global shifts or 'megatrends' such as climate change, aging populations and advancements in technology.

2.2 In this changing economic environment, the ability of Invest Northern Ireland to deliver effective interventions in support of the Department's policy priorities is

¹ [Independent Review of Economic Policy \(DETI and Invest NI\)](#)

² [UUEPC Outlook Summer 2021\(ulster.ac.uk\)](#)

critical. This is particularly relevant in the context of the Department's vision to deliver a decade of innovation through the [10X Economy](#). It is, therefore, an opportune time to review the products and services offered by Invest NI and to assess the organisation's capacity to meet the challenges and opportunities that lie ahead.

3.0 REVIEW AIMS

3.1. The objective of this review is:

- To provide an independent assessment of Invest NI's efficiency and effectiveness and, looking forward, its capacity to strategically align with and operationally deliver the 10X Economic Vision.

4.0 REVIEW SCOPE

PHASE 1: EFFICIENCY AND EFFECTIVENESS

4.1. Policy Implementation

- Advise on the alignment of Invest NI's aims and objectives with Departmental policies and priorities, consider if these are still current and assess if they have been met;
- Informed by recent and ongoing Invest NI programme reviews, assess the effectiveness of Invest NI's suite of interventions;
- Review Invest NI's performance at a sub-regional level and provide recommendations regarding delivery in this area;
- Assess whether Invest NI's approach to the delivery of Inward Investment, including its interventions and structures, is effective;
- Benchmark Invest NI's portfolio of programmes against comparator economic development agencies across the UK, Europe and the Rest of the World; and
- Informed by best practice, identify whether any new economic development programmes or projects are necessary and, conversely whether any existing programmes or projects should be terminated, scaled back, or fundamentally redesigned.

4.2. Organisational Performance and Structure

- Taking account of the current economic context, assess Invest NI's organisational performance including against its Key Performance Indicators and outcomes measures;
- Consider the appropriateness of Invest NI's current performance metrics and current methods of data collection systems and reporting;

- Review the functions of Invest NI and consider viable alternative delivery models, or other structural changes, which are required to rationalise the organisation and optimise Value for Money in the delivery of economic interventions;
- Comment on the overall effectiveness of the current Invest NI 'Client Company' delivery model and reach a conclusion on the merits of alternative delivery models;
- Informed by the findings of the DfE Review of Sponsorship, consider and advise on the existing oversight arrangements between DfE and Invest NI; and
- Consider whether any improvements should be made to DfE and Invest NI's working relationship and assess whether Invest NI's current level of autonomy (i.e. delegations) is appropriate.

4.3. **Resourcing**

- Consider whether Invest NI's level and use of resource (financial and human) is sufficient to deliver its current objectives.

PHASE 2: STRATEGIC ALIGNMENT WITH THE 10X ECONOMIC VISION

- Advise on the extent to which existing Invest NI aims, objectives, targets, and programmes need to be recalibrated, or terminated, to align the organisation with the 10X Economic Vision and its underlying strategies (Energy, Skills etc.);
- Comment on the optimal level of funding for a 10X aligned Invest NI, both in terms of quantum and type of funding (Resource, Capital, Financial Transactions Capital etc.);
- Advise on Invest NI's capability to be (i) fully aligned with and (ii) have the agility and flexibility to deliver, the 10X Vision;
- Informed by best practice, identify whether any new economic development programmes or projects are necessary (and, conversely whether any existing programmes or projects should be terminated, scaled back, or fundamentally redesigned) to deliver the 10X Vision;
- Identify any risks or issues which may compromise Invest NI's capacity to deliver the 10X Vision and outline recommendations to mitigate these risks;
- Advise on any structural changes which may be required for Invest NI to deliver the 10X Vision; and
- Consider the resources required by Invest NI going forward to deliver any additional objectives recommended by the review.

5.0 CONDUCT OF THE REVIEW

- 5.1. It is proposed that the Minister will appoint an Independent Panel to undertake the review. The Panel will consist of a Chairperson and up to three supporting panel members.
- 5.2. The Review Panel will be independent of the Department. The Chairperson will set the work plan for the review and have responsibility for delivering against these Terms of Reference.
- 5.3. In developing a work programme, the Chairperson should ensure that the Review is conducted in line with the principles set out by the Cabinet Office in “Tailored Reviews: Guidance on Reviews of Public Bodies³”, and in particular give explicit consideration to the ‘three tests’ designed to reaffirm the continued need for the organisation to operate at Arm’s Length from Ministers.
- 5.4. DfE will put in place appropriate secretariat resource to support the panel to deliver the review objectives.
- 5.5. In conducting the review, the panel should be informed by engagement with the NI Assembly’s Economy Committee and a wide range of key industry stakeholders, with appropriate input sought from the Department and other relevant departments.
- 5.6. Any recommendations the panel make should be evidence-based and proportionate, with consideration given to their implementation and funding.

6.0 OUTPUTS AND TIMESCALES

- 6.1. The timescale for the project is expected to be limited to nine months from project initiation. The panel should provide regular updates to the Department as the review progresses at times agreed with the Chairperson.
- 6.2. Key deliverables which the Panel must produce include:
 - a) the Review Chairperson will deliver a briefing for the Minister and the Departmental Leadership Team in April 2022. This briefing will outline the Panel’s assessment of emerging findings specifically in relation to Invest NI’s operational efficiency and effectiveness (Phase 1);
 - b) by September 2022, a final report which assesses Invest NI’s capacity to strategically align with and operationally deliver the 10X Economic Vision (Phase 2), accompanied by a presentation to be delivered to the Minister and Departmental leadership team; and
 - c) a presentation to and engagement with key stakeholders and delivery partners following publication of the report.

³Tailored Reviews: Guidance on Reviews of Public Bodies

- 6.3. In addition, it is an obligation that content on departmental websites meet accessibility standards. This report should be prepared in a way that meets those same standards.
- 6.4. The panel should also agree to undertake stakeholder and media engagement on publication of their report.