



Department for the
Economy
An Roinn
Geilleagair
www.economy-ni.gov.uk



Sub-Regional Economic Plan

OCTOBER 2024



Mid & East
Antrim

Contents

Ministerial Foreword	3
Introduction	4
Economic Vision	5
Recognising Imbalance	6
Tackling Imbalance	9
Next Steps	16

**Sub-Regional
Economic Plan**

OCTOBER 2024



**Derry City
& Strabane**

Ministerial Foreword

This document sets out a new strategic approach to economic policy.

It is a locally-led approach which places regional balance at its heart, and which enshrines partnership working.

Local communities will be empowered to identify their own economic priorities.

Through local partnerships, central government, Invest NI, Councils, and our network of education providers and civic society, we will work together to identify the main barriers to economic development, and the interventions that will unlock the area's potential.

Interventions could involve support for local clusters, investment in skills programmes, or quicker planning decisions.

This may necessitate the recalibration of existing government programmes and budgets, supplemented by additional funding from my department.

As part of this new strategic direction, Invest NI will be reorientated towards developing local economies.

Invest NI's Regional Offices will work hand-in-hand with Councils and take on more functions, and more staff.

Working in partnership with my department, the Invest NI Board and Chief Executive will oversee this profound change in its approach, with clear and ambitious targets agreed to monitor performance.

In working together like this, in the spirit of true co-design and collaboration, we can start to reverse historical imbalances, and deliver prosperity throughout the region.



Introduction

We welcome the publication of the Minister’s Sub-Regional Economic Plan and its ambition to deliver improved regional balance across Northern Ireland. Our teams have worked closely with Departmental colleagues to co-design the plan.

Delivering this Sub-Regional Economic Plan will be a key feature of our new Business Strategy, which we will shortly publish. This strategy will see Invest NI introduce a new Regional Approach that will include an expansion of our regional footprint and increase our capacity and capability in the regions.

We will do more to collaborate with partners and stakeholders in the regions to promote and support local economic development by playing a greater leadership and advocacy role, both in, and for, our regions.

Our focus will be on building out a more regionally balanced, sustainable, productive, and prosperous Northern Ireland economy.

Through enhanced targeting and improved client service and supports, we will drive greater economic activity across Northern Ireland, achieve higher levels of entrepreneurship, new firm formation, R&D and innovation, export growth and productivity.

If you are a business working anywhere in Northern Ireland, with dreams of selling outside Northern Ireland and going to the next level, we will be there to help, advise and guide you.

By focusing on places and partnerships in collaboration with regional stakeholders, we will co-design solutions tailored to regional needs and accelerate the process of addressing deep seated economic challenges.

Invest NI has made regional development a key priority for the organisation, and we are confident that we can make a significant contribution to the achievement of the Minister’s Economic Vision for every part of Northern Ireland.



John Healy
Chair
Invest NI



Kieran Donoghue
Chief Executive Officer
Invest NI

Economic Vision

For too long our economy has been weighed down by structural weaknesses that have limited our ability to reach our full potential. Those weaknesses restrict opportunities for all in society to both contribute and benefit from true economic success. Ultimately, we want to improve the quality of life for all our people and this is where our four objectives come together to support real, life-changing outcomes for people. We want to see employment providing better rewards and to be fulfilling and accessible, we want to see people benefit from better jobs wherever they live, and we want those jobs and the lifestyles they support to be greener.



Productivity has been below the UK average for decades and although the gap has narrowed in recent years (from 17.4% in 2019 to 13.2% in 2022), it ranks at 10th amongst the twelve UK regions in 2022. The productivity gap is even more pronounced when compared to the rest of Ireland with the 2023 Northern Ireland Productivity Dashboard (based on 2021 data) reporting that output per hour worked in the Republic of Ireland was 8% higher than the UK average.



While almost 94% of employees are in permanent jobs with guaranteed hours, approximately 11,000 employees are employed on zero-hours contracts. 84% of working age employees in 2023 were paid on or above the Real Living Wage (RLW) rate, a proportion below most UK regions. Variation in pay varies across sectors and industries. The average pay for sales assistants and retail cashiers is below the RLW whereas IT professionals receive more than double the RLW rate.



Sub-regional disparities remain persistent. The employment rate (including students) in 2022 in Derry City & Strabane is 10 percentage points lower than Mid Ulster. Mid & East Antrim lags almost 16 percentage points behind Lisburn & Castlereagh for Level 4+ tertiary education attainment rates. Fermanagh & Omagh emits the largest share of greenhouse gas emissions yet generates not only the most renewable energy, but is almost 50% ahead of the next best performing LGD.



Greenhouse gas emissions have reduced, seeing a 26% reduction since 1990 while the Republic of Ireland saw a 7.2% increase in emissions over the same period. However, our reduction compares to a fall of 53% in England, 51% in Scotland and 36% in Wales. Our emissions reduction needs to go much further and faster if the targets set out in The Climate Change Act are to be achieved. Net Zero by 2050 or earlier is not just a legal imperative but a moral obligation.

Recognising Imbalance

Disparities across the region in economic performance have been getting worse; it's time to reverse this

Our whole economy faces a number of challenges with issues such as employment, productivity, disposable income, and economic inactivity all areas where we perform poorly compared to our nearest neighbours. These disparities are even more pronounced at a sub-regional level. When looking at the highest and lowest performing council areas:

- Labour productivity in Belfast is 31% higher than in Derry City & Strabane.
- Median wages in Belfast are 44% higher than in Ards & North Down.
- The employment rate in Mid Ulster is 10 percentage points higher than Derry City & Strabane.
- Export intensity in Newry, Mourne & Down is 11 percentage points higher than both Antrim & Newtownabbey and Ards & North Down.
- The tertiary educational attainment rate in Lisburn & Castlereagh is 15.9 percentage points higher than in Mid & East Antrim.
- The rate of employees stating they were in secure employment in Mid & East Antrim is 5 percentage points higher than in Causeway Coast & Glens.

Many of these areas suffer from an economic disadvantage despite all having potential for growth, and in many cases, there are areas of inequality common across neighbouring councils which suggests that collaborating and working together to tackle the problems at scale could be more effective. Even those that are doing relatively well compared to others still fall below the NI average due to the distortive effort of one or two areas that are disproportionately far ahead.



**Ards &
North
Down**

LGD RANK

HEADLINE INDICATOR	Antrim & Newtownabbey	Ards & North Down	Armagh, Banbridge & Craigavon	Belfast	Causeway Coast & Glens	Derry City & Strabane	Fermanagh & Omagh	Lisburn & Castlereagh	Mid & East Antrim	Mid Ulster	Newry, Mourne & Down
Labour Productivity (output per filled job, 2022)	3	10	8	1	9	11	6	4	5	2	7
Median Wages (gross weekly pay by place of work, 2023)	2	11	3	1	10	7	6	5	8	4	9
Sub-Regional Employment Rate (including students; 16-64)	5	8	2	10	9	11	7	3	4	1	5
Greenhouse Gas Emissions (tonnes CO ₂ e per capita, 2022)	3	2	7	1	9	8	11	4	6	10	5
	1	2	3	4	5	6	7	8	9	10	11

Performance of councils against the indicator is ranked from 1 (highest) to 11 (lowest). The three highest performing are highlighted in green, the three lowest in red

Considering the four headline indicators, only two council areas - Antrim & Newtownabbey and Lisburn & Castlereagh - show strong to fair performance across all main priorities. Mid Ulster performs well on productivity, employment and median wages although its proportional greenhouse gas emissions are significantly higher than other LGDs. Causeway Coast & Glens, Derry City & Strabane, and Fermanagh & Omagh mostly lag the NI average across these themes and are in need of focused support.

Area performance on some measures can be affected by adjacency to major hubs of economic activity. Weekly median wages in Ards and North Down are significantly higher for those living in the area compared to those working there, a reflection of its status as a major commuter area of Belfast. Productivity however remains significantly lower than average in the region and improving this will be important in maximising opportunities and improving outcomes for as many people as possible.

Areas performing relatively well such as Antrim & Newtownabbey face challenges too, such as a need to increase export intensity, investment is required in the near future for industrial land, and there is ongoing competition with Belfast for labour/skills. Although its performance in a number of areas is strong, Belfast continues to struggle with poor labour force participation and low employment rates amongst its resident working age population. There is also evidence that employment is comparatively less secure for those that are in work than in other areas.


Causeway Coast & Glens, Derry City & Strabane, and Fermanagh & Omagh produce more renewable energy, and their export intensity is much higher than the peripheral councils. Mid Ulster is a manufacturing powerhouse and yet has had the lowest rate of new jobs from Foreign Direct Investment. Despite the lowest tertiary attainment rates, Mid & East Antrim ranks among the highest areas for people in work, the lowest economic inactivity level, and more employees earning above the real living wage and who feel more secure in their job. Armagh, Banbridge & Craigavon, without the universities, has a proportional spend on R&D by businesses equalled only by Belfast.

In other words, we need to drill down beyond the data, and there are other factors in play. There are some macro level issues that the entire region faces that permeate into these indicators:

- transport links, or rather the lack of (particularly west of the Bann)
- the lack of supply of industrial land and property
- investment required in water and sewerage
- slow energy connection provision
- traditionally low paying sectors such as tourism and agriculture predominant in certain council areas
- ageing population; and
- health issues and care responsibilities/ childcare costs preventing the economically inactive entering the workforce.

This demonstrates the need for a joined-up approach across government; 'economic interventions' alone will not be enough.

Some of the indicators show considerable strengths. Each council area has opportunities for growth, assets to 'sweat', city and growth deal projects to cluster around as anchors for innovation and tourism, further education colleges working with employers, and cross-border and east-west dual market access to exploit.



Causeway
Coast & Glens

Tackling Imbalance

Fermanagh
& Omagh

A profound change in how we deliver economic development is required. A change in structure. A change in culture. To support this change there are three key strands to delivery.

Formation of new **Local Economic Partnerships** with dedicated funding of £45m

Realignment of Departmental policies and programmes to **drive local growth**

Enhanced **Invest NI** sub-regional role with local targets

Local Economic Partnerships

Empowering local communities is fundamental in building a more regionally balanced economy; one characterised by inclusive, sustainable, and thriving local economies where people want to live and work, and where employers want to invest. At a local level this means attracting investment and capitalising on emerging opportunities that can create high-quality jobs for local people.

To ensure there is full engagement and involvement of local stakeholders, the Department will be inviting councils to establish Local Economic Partnerships supported with dedicated funding of £45m.

The importance of flexibility regarding the geographic area and structure of these partnerships is fully recognised. They must be right for local circumstances and that means there will not be a standardised approach – each council can decide whether their area is the extent of the Local Economic Partnership, or they can choose to collaborate with other council areas to create a bigger partnership.

It will also be for councils to decide where they build on existing partnerships such as Labour Market Partnerships or Community Planning Partnerships and integrate the Local Economic Partnership with those or keep it separate.

Whichever approach is chosen, it is essential to ensure that the Local Economic Partnership reflects the full breadth of local stakeholders. DfE will assist councils in shaping these with supporting guidance, and Invest NI will provide advice through its Regional Teams and their knowledge of local networks.

Invest NI and the Department will support the Local Economic Partnership in the identification of suitable projects and in developing proposals that access dedicated funding. Single points of contact for stakeholders, clear two-way communication channels, and true co-production will be put in place. There will also be the opportunity to tap into expert knowledge provided by the Ulster University Economic Policy Centre (UUEPC).

**Ultimately
however, projects
will be agreed and
prioritised by the Local
Economic Partnership –
local decision making
is at the heart of this
new approach.**

UUEPC is currently engaged in an independent research project, “Delivering balanced regional growth in Northern Ireland”, due to be published by the end of 2024. At that stage, at the discretion of the Local Economic Partnerships, the UUEPC researchers will be keen to discuss their findings and recommendations with the Local Economic Partnerships, and any implications these may have for the development of local actions.

To support Local Economic Partnerships, £45m of dedicated funding will be provided over the next three years to kickstart this new approach.

It will be used to deliver local projects identified by Local Economic Partnerships that seek to improve productivity, to raise median wages, to increase the employment rate and to lower economic inactivity, and to take strides towards delivering Net Zero and industrial decarbonisation. Projects funded will depend on local economic priorities and may differ between different council areas.

The funding is not the answer to all issues; it will not close disparities in isolation. It is a small first step in building better partnerships with councils and putting more control in the hands of local decision-makers on economic development. Learning what works best will take some time and we will listen to councils and others as we progress this work to ensure we maximise the impact of spending. It also offers the Department the opportunity to work with other public sector funders to align sources of funding to deliver greater impact.

Funding to Local Economic Partnerships will be determined by need and this formula will be co-designed with councils by December 2024. Capital and Resource will be available, and there is potential to include Financial Transactions Capital depending on the demand from councils. Support from Invest NI Regional Offices to each Local Economic Partnership will be available.



**Belfast
City**

Refocused Invest NI

Regional development is a key priority within Invest NI's new strategic approach and the organisation will be restructured to ensure delivery in line with the Minister's Economic Vision. Invest NI has a fundamental role to play, and it will implement a new approach from October 2024 onwards with the new structure fully operational by April 2025.

A new **Regional Strategic Agenda** will drive collaboration through greater partnership working, measured with new ambitious targets. Central to this will be a target to increase the percentage of investments outside the Belfast Metropolitan Area¹, from an average of 56% over the last 5 years, to 65% at the end of the Invest NI Business Strategy in 2026/27.

Invest NI will significantly enhance the presence and functions in regional offices by expanding from four offices to five, increasing staffing levels and leadership in each, and playing a greater advocacy role for Local Economic Partnerships to ensure their voices are heard across government.

The introduction of a new **Regional Property Programme** will facilitate higher levels of business investment across the regions, and the integration of City & Growth Deals paired with new bespoke regional value propositions will underpin the Regional Strategic Agenda, supporting regions in becoming more attractive for local and FDI investment.

Current programmes, such as Ambition to Grow and Supporting Women, will be targeted in key regions, and a new Business Innovation Grant will be introduced. Regional cluster strengths will be prioritised and multi-agency cross-border collaborative working on green tech, clusters, and female entrepreneurship will be advanced. Regional offices will lead an enhanced R&D call.

The new approach will deliver more innovative start-ups, strengthen established firms, grow the regional base of export focused companies, increase FDI activity, and only support jobs above the Real Living Wage with good contractual conditions.

Invest NI Headquarters will provide specialist support, advice, and expertise, meaning that the whole organisation is reorientated towards delivering local economic priorities.

1 Belfast Metropolitan Area includes the Belfast, Antrim & Newtownabbey, Ards & North Down, and Lisburn and Castlereagh council areas.

**Lisburn &
Castlereagh**

DfE New Approach

Addressing economic disparities and inequalities at sub-regional level will be considered when developing all macro interventions. Enhanced regional competitiveness must not come at the expense of sub-regional balance. Utilising unique and bespoke solutions for place-based persistent problems will be developed alongside macro initiatives. Empowerment of localities and places will be at the forefront of regional balance. Building economic capacity and capability will start at local level. The new norm will be more balanced public sector investment, staff located and working in the regions, co-designing solutions, and strengthened local, sub-regional and national collaboration.

DfE will restructure to deliver. Additional staff in post, streamlined points of contact for stakeholders, and making central advice, analysis, and specialist support available. Advocating for local needs across government to build a coalition to deliver results.

Delivery not process, focusing on impact, additionality and making the most of limited resources. Targeted funding to ensure effective delivery, and flexibility to respond to new challenges rapidly.

The Department will establish a new Regional Balance Unit to work across DfE to mainstream regional balance. It will support the Local Economic Partnerships and Invest NI to drive effective delivery of locally chosen actions. The team will work across DfE and its partners, NICS, UK, and Irish government departments and agencies to press the case for local issues, to harness synergies in approach, and to bring more cohesion to public sector interventions.



Newry,
Mourne &
Down

This new direction of travel will be rooted in all we do

Sub-Regional Economic Plan

- Local Economic Partnerships set up to empower local stakeholders to harness their potential
- £45m of dedicated funding to kickstart actions and underpin the new approach
- Structural reform of DfE & Invest NI to ensure that local voices are heard and championed

Higher Education

- Magee Taskforce to increase Ulster University's Derry~Londonderry campus to 10,000 students
- Support a strong higher education offering in our Further Education Colleges, including through partnerships between Colleges, QUB, UU and OU
- Partnerships with City & Growth Deals to increase R&D and innovation outside Belfast

Further Education

- Having a curriculum offer for the delivery of professional and technical skills which is tailored to local business and learner needs. Supporting local employers by providing business development and innovation expertise
- Encouraging those with no or low qualifications to participate in education to improve their economic opportunities
- Reduce educational disadvantage and barriers to entry and qualification at local level, supporting progression through further and on to higher education or employment

Tourism

- Tourism Partnership Board refining Tourism Action Plan to ensure local focus
- Tourism NI will develop local action plans based on community strengths and potential
- Tourism NI will pilot a sub-regional Destination Stewardship Plan in 2025

Entrepreneurship & Enterprise

- Support closer partnership working between Invest NI and Go Succeed through a revitalised Invest NI regional office network
- Support greater participation of females and other underrepresented groups in entrepreneurship
- Support Local Economic Partnerships in developing cross-border partnerships and applying to competitive funds

City & Growth Deals & Telecoms

- City & Growth Deals to deliver world class innovation and tourism projects
- Accelerated delivery in 2025 with supporting pilot actions linked to Local Economic Partnerships
- Project Gigabit to provide near universal gigabit access

FDI & Invest NI Investments

- Incentivise delivery of Foreign Direct Investment and increase proportion of Invest NI investments outside of Belfast Metropolitan Area
- Develop updated Value Propositions for council areas and sub-regions
- Work with DETE to develop an MoU on all island economic priorities

Energy

- Develop an energy one stop shop to provide consumers, communities and local businesses with a single, trusted source of energy support, education and advice
- Deliver community benefit through a pathfinder community energy project and widen to support local ownership of renewable energy delivery projects
- Establish an Enhanced Investment Zone to harness £150m of available funding focusing on green technologies and skills

Inclusive Economy

- Work with Community Wealth Building Partnerships in Larne & the North West; Implement the Social Enterprise Action Plan to drive greater benefit at community level
- Co-design legislative changes to enhance local community owned Credit Unions; Consumer Council to examine the feasibility for a disability benefit linked loan pilot with Credit Unions
- Participate in cross-government People & Places pilot schemes in North Belfast and Derry~Londonderry

Innovation & Clusters

- Enhanced R&D Call led by business clinics in Invest NI Regional Offices
- Agree MoU with Innovation UK to deliver place-based actions
- Further develop regional clusters of economic activity in line with Sectoral Action Plans published in June 2024

Skills & Apprenticeships

- Skills Fund initiatives to develop childcare workforce, boost SME productivity, and support green skills, targeted at a local level
- Pre-Apprenticeship Academies to meet local skills demands. Apprenticeship Inclusion Challenge Fund. Skills academies to support SMEs are planned such as childcare, robotics and automation and welding
- Skill Up provides accessible online learning at colleges and universities, with flexible training opportunities available to all

Cross Border

- Develop North/South Fintech corridor to increase collaboration and cooperation
- Examine regulatory landscape to support cross-border financial services
- Review MRPQ/data transfer landscape to facilitate fully functioning all-island economy

Next Steps

Oct 24 – Dec 24

Over the coming months the Department and Invest NI will continue to engage with councils and local stakeholders to support the formation of the Local Economic Partnerships, which will be established between October and December 2024. During this time, the Department will co-design the funding allocation model with stakeholders.

Jan 25 – Mar 25

Local Economic Partnerships will be responsible for bringing forward projects that align with the Minister's key priorities; Productivity, Good Jobs, Reduce Carbon Emissions and Regional Balance. Invest NI will support the Local Economic Partnerships in the identification of suitable projects. Proposed projects should be agreed by the partnerships and brought to the Department by end March 2025, so that funding can begin to be drawn down from April 2025.

Apr 25 – Mar 28

Department and Invest NI to review and approve proposed projects. Approved projects will be funded for delivery through dedicated funding.

The Department understands these are ambitious timelines, however, by working together in partnership, we can deliver tangible change at a local level.



Armagh City,
Banbridge and
Craigavon



**Antrim and
Newtownabbey**

Further Details

You can download a copy of this plan and supporting evidence from www.economy-ni.gov.uk/regional-balance

You can find more information on the Invest NI Regional Office Network at www.investni.com/about-us/where-we-are

If you would like to speak to a member of the team about the Sub-Regional Economic Plan, you can contact the Regional Balance Unit at RegionalBalance@economy-ni.gov.uk