

Report on	Mid South West Region Growth Deal Report
Date of Meeting	27 February 2020
Reporting Officer	Anthony Tohill, Chief Executive Adrian McCreesh, Director of Business & Communities

Is this report restricted for confidential business?	Yes	
If 'Yes', confirm below the exempt information category relied upon	No	x

1.0	Purpose of Report
1.1	To approve the 'final draft' Regional Economic Strategy for the Mid South West as endorsed by the Governance Steering Group and to provide an update on the forward work plan.
2.0	Background
2.1	<p>The Regional Economic Strategy (RES) for the Mid-South West (MSW) region sets out our vision and ambition for the region and will underpin the case for the Growth Deal funding for the MSW announced by the UK Government in October 2018 and referenced in the '<i>New Decade, New Approach</i>' Deal published in January 2020 by identifying the projects/ interventions most suited to maximising the potential of the Growth Deal funding. In developing the RES and in other work to date, we (i.e. the three Councils that make up MSW – Armagh City, Banbridge and Craigavon; Fermanagh and Omagh; and Mid Ulster) have led an extensive engagement process across the region.</p> <p><u>Political and Professional Leadership in City/Growth Deals</u></p> <p>In providing political and professional support to the MSW Region, both in the context of the development of a Regional Economic Strategy (RES) and the pursuance of a growth deal for the region, Professor Gordon Matheson, CBE facilitated separate engagements with the respective Councils on 14 and 15 January 2020. The engagements afforded Members the opportunity to find out more about the nature, challenges and benefits of a growth deal in a devolved context.</p> <p>The House of Commons Briefing Paper Number 7158 dated 31 October 2018 provides information on over 31 deals negotiated across England, Scotland and Wales. The Paper can be viewed and or downloaded from https://researchbriefings.files.parliament.uk/documents/SN07158/SN07158.pdf</p>

3.0	Main Report
3.1	<p data-bbox="229 257 1015 295"><u>Mid South West Regional Economic Strategy (RES)</u></p> <p data-bbox="229 333 1366 622">Informed by extensive stakeholder consultation and engagement, the ‘final draft’ Regional Economic Strategy for the Mid South West is attached at Appendix 1. Since the update presented to the Committee in November 2019, Oxford Economics (OE) and Morrow Gilchrist Associates (MGA) have facilitated two further engagements with the Governance Steering Group. The first of these engagements on 19 November 2019 was to present the emerging intervention pillars and project areas and the second on 21 January 2020 was to present the draft RES.</p> <p data-bbox="229 660 1406 913">Having duly considered the draft RES, the Governance Steering Group (consisting of four Party representatives from each of the three Councils) is recommending its approval through the respective Councils. In doing so, the Governance Steering Group has confirmed its support for the vision and ambition of the RES, that is, to ‘supercharge’ the growth of our collective economy and ensure inclusive prosperity for the Mid South West. Four intervention areas or pillars have been identified as follows:</p> <ul data-bbox="284 952 1038 1111" style="list-style-type: none"> • ‘Future Proofing’ the Skills Base • Enabling Infrastructure • Boosting Innovation and Digital Activity • Building a high-performing visitor/tourist economy <p data-bbox="229 1149 1366 1218">The intervention areas or pillars are geared to delivering exponential / long-term benefits including:</p> <ul data-bbox="277 1256 1326 1603" style="list-style-type: none"> • Protecting MSW’s unique sectoral advantages • Increasing productivity levels (closing the productivity ‘gap’) • Driving business growth • Fully realising sectoral strengths and opportunities • Creating more, better paid jobs • Addressing the economic infrastructure deficit • Rebalancing the regional economy • Ongoing internationalisation of MSW (and better internal NI profiling of contribution to NI economy) <p data-bbox="229 1641 1410 1787">The ‘final draft’ RES has been welcomed and endorsed by the Business Reference Group who met for a second time on 5 February 2020. The RES articulates the economic contribution that the MSW Region makes to the local economy and accounts for:</p> <ul data-bbox="277 1794 1390 2018" style="list-style-type: none"> • £7.7bn of GVA corresponding to one fifth of NI’s economy • 214,000 workplace-based jobs 90% of which are taken by residents • 39% of NI’s manufacturing employment and 23% of its manufacturing GVA • 37% of NI businesses manufacturing machinery and equipment • 31% of all NI’s agri-food businesses • 70% more employment in advanced manufacturing compared to the UK

	<p>A visual briefing on the content of the RES will be provided at the meeting.</p> <p><u>Forward Work Plan</u></p> <p><u>The Profile of the Growth Deal Investment</u> Growth deal funding is capital and at present, the UK Government's investment is focused on 'innovation and digital'. The RES confirms that the two most significant challenges facing the Mid South West region are skills and infrastructure. In order to address these challenges and meet industry needs, the deficit in physical infrastructure as the result of decades of underinvestment must be addressed. Therefore, structure and flexibility will be required with regards the profile of the UK Government's investment in a growth deal for the Mid South West.</p> <p>Over the coming months, Senior Officers will be engaging with Senior Civil Servants from the Ministry for Housing, Communities and Local Government, the Northern Ireland Office and the relevant Government Departments in relation to the structure and flexibility required.</p> <p><u>MP and MLA Information and Engagement Event</u> Planning is underway for an Information and Engagement Event with MPs and MLAs on 28 February 2020. The Governance Steering Group Members will represent the respective Councils at this event.</p> <p><u>Strategy Launch Event</u> Subject to approval of the RES by the respective Councils in February 2020, planning is underway for a formal launch event on 27 March 2020. Councils will be represented at this event by the Lord Mayor and Deputy Lord Mayor, Chairs and Vice/Deputy Chairs, the Chairs of the relevant Council Committees and the Governance Steering Group.</p>
4.0	Other Considerations
4.1	Financial, Human Resources & Risk Implications
	Financial: Financial contributions from the three respective Councils have been allocated to develop the growth deal proposition.
	Human: Officer Time
	Risk Management:
4.2	Screening & Impact Assessments
	Equality & Good Relations Implications:

	<p>The RES has been equality screened and it has been screened out. The Equality Impact Assessment is attached at Appendix 2.</p>
	<p>Rural Needs Implications:</p> <p>The Rural Needs Impact Assessment is attached at Appendix 3.</p>
5.0	Recommendation(s)
5.1	<p>It is recommended that Members:</p> <ol style="list-style-type: none"> 1. Approve the 'final draft' Regional Economic Strategy for the Mid South West as endorsed by the Governance Steering Group. 2. Endorse ongoing engagement with central government in Whitehall and Stormont regarding the structure and flexibility required in relation to the profile of the UK Government's investment in a growth deal for the Mid South West Region.
6.0	Documents Attached & References
	<p>Appendix 1 - 'Final draft' Mid South West Regional Economic Strategy</p> <p>Appendix 2 - Equality Impact Assessment</p> <p>Appendix 3 - Rural Needs Impact Assessment</p>