

Response ID [REDACTED]

Submitted to Regional Balance Bill

Submitted on [REDACTED]

Introduction

1 What is your name?

name:

[REDACTED]

2 What is your email address?

email address:

[REDACTED]

3 Are you providing a submission on behalf of an organisation or business?

Yes

If yes, please provide the name of the organisation or business below:

The Programme Management Office for the Belfast Region City Deal

Consent

4 Please confirm that you have read the Northern Ireland Assembly Committee's Privacy Notice by clicking the button below.

yes:

Yes

5 How would you like your submission to be published?

Yes. Publish but with my personal information and any content that could be used to identify me redacted.

Regional Balance Bill

Clause 1 - Strategic Regional Balance Framework

6 Do regional economic and related disparities need legislation in order for them to be addressed appropriately?

No

7 Should the obligation on the development of a Strategic Regional Balance Framework sit with the Executive?

8 Does the Bill correctly set out what should be in the Strategic Regional Balance Framework including: the roles of Departments; the mechanisms to address disparity; the criteria and methodology for assessing regional disparities; the setting of targets and milestones; the use of cross-border data; the identification of a baseline year etc.

Not Answered

9 Does the Bill correctly set out the consultation process for the development of the Strategic Regional Balance Framework, its publication and revision?

Yes

10 Do you have any other comments on Clause 1 or suggested amendments for this clause?

Clause 1:

As the PMO for the Belfast Region City Deal, we are broadly welcoming of the ambition to put in place arrangements to address regional economic imbalance. This aligns with persistent productivity gaps between east and west, uneven investment patterns, infrastructure disparities, demographic decline in some areas and a perception of over concentration of economic activity in a few hubs. There is less evidence about whether this ambition requires a legislative basis in order to take effect.

Embedding the policy intent in legislation may create a bureaucratic compliance burden, slow decision-making and open decisions to further legal challenge.

There is also a risk that implementation of such a duty might bring unintended consequences which we believe should be acknowledged and mitigated. If investment is redistributed away from NI's strongest clusters, they could lose momentum. Existing high value sectors (cyber, fintech, advanced manufacturing) could slow, ultimately weakening the international competitiveness of the region as a whole (due to a less predictable environment for FDI and large-scale private investment if investors lack confidence about where government will support growth) and ultimately delivering weaker economic outcomes. If a statutory duty is considered necessary it should include protections to avoid directing funding toward areas of need at the expense of those with greatest economic potential.

The UK government is continuing to move toward innovation-led, productivity-driven regional growth, with city regions as engines and clusters as the organising principle, signalling that city regions will be treated as national growth engines, with surrounding areas benefiting through spill overs. A Regional Balance Framework for Northern Ireland should align with this direction by protecting the region's existing strengths; using innovation clusters to lift weaker regions; prioritising productivity and competitiveness and; avoiding redistribution that weakens NI's strongest sectors. Such alignment would make the proposed Framework more credible, more effective, and more compatible with future UK policy and funding opportunities.

Clause 2 - Reporting, Review and Support Functions

11 Is it reasonable and sufficient to require all Departments in developing, adopting, implementing or revising any policy, strategy or plan, to have due regard to the need to reduce regional disparity and to the Strategic Regional Balance Framework?

Not Answered

12 Is it reasonable and sufficient to require all Departments to exercise their functions, so far as is reasonably practicable, in a manner calculated to contribute to the outcomes and targets set in the Strategic Regional Balance Framework?

Not Answered

13 Do you have any other comments on Clause 2 or suggested amendments for this clause?

clause 2 :

The BRCD PMO would have some concerns that these due regard obligations on Departments may act to disincentivise any investment in areas of existing high growth for fear of falling foul of such a duty – levelling down the overall NI economy.

Objective indicators - around productivity, employment, skills, incomes, business density, infrastructure access - rather than purely political or geographic considerations - should drive decision-making. In addition, if an intervention is likely to significantly weaken a key cluster, the Framework should require mitigation or redesign.

Any such Bill should explicitly require that the Framework pursues overall growth and competitiveness, not just redistribution; that it protects and leverages key clusters while supporting catch up regions; that it uses objective data and impact assessments to guide decisions; differentiates tools for different regional starting points and embeds cross departmental governance and regular review to correct course.

This would allow the Framework to deliver balanced, sustainable growth that lifts weaker regions without constraining NI's strongest economic engines. This approach aligns with best practice across the UK's devolved administrations.

Clause 3 - Annual Reporting

14 Do you agree that all Departments should be required to report annually as to how they have reduced regional disparities in the preceding 12 month period?

Yes

15 Do you have any other comments on Clause 3 or suggested amendments for this clause?

If no, please explain below:

Although monitoring progress in reducing disparities will be an important aspect of an Annual Report it will not be helpful if such information does not sit contextually in terms of the impact of activity on economic performance of the region overall.

The BRCD PMO recognises the need to continue to drive sustainable economic growth on a region wide basis. Any requirement that encourages a Department to 'hold back' so as to maintain or reduce an existing disparity (a behaviour that the wrong type of targets might create) carries significant region-wide economic risks.

The Bill should therefore:

- Incorporate explicit provisions ensuring that regional balance is pursued through growth enhancing interventions to strengthen NI's economy as a whole – e.g. an additionality test to 'grow the whole pie' as a core principle. This might for example include a requirement that major interventions demonstrate net additional economic value for NI as a whole, not just redistribution.

- Include formal assessment of whether the Framework is not only reducing disparities but also whether it is unintentionally constraining high growth sectors, incorporating an opportunity to pivot if evidence suggests it is required.

Clause 4 - Annual Reporting

16 Do you agree that the Department for the Economy should be required to report annually and the Minister make a related statement as to how all Departments have reduced regional disparities in the preceding 12 month period?

Not Answered

17 Do you have any other comments on Clause 4 or suggested amendments for this clause?

clause 4:

The same points made in Q15 apply here. It is also probable that the benefits of a Regional Balance Framework may only emerge over decades rather than years and the expectations should acknowledge this.

Any Targets or Outcomes developed should align with and contribute to overall economic targets and expectations for NI - including contributions to UK wide economic priorities.

Clause 5 - Reviewing the Framework

18 Do you agree that the operation and effectiveness of the Framework should be revised by the Executive every 5 years?

Not Answered

19 Do you have any other comments on Clause 5 or suggested amendments for this clause?

clause 5:

As stated in Q15 the formal assessment should consider not only whether the Framework is reducing disparities, but also whether it is unintentionally constraining high growth sectors, incorporating an opportunity to pivot if evidence suggests it is required.

In addition it should be assessed in accordance with how well it aligns with and contributes to UK wide economic priorities.

The Assessment should also include a requirement to proactively respond to (i.e. put in place appropriate interventions) whatever is revealed.

Clause 6 - Guidance and Research

20 Do you agree that the Department for the Economy should provide guidance and information and undertake, commission or support research on regional disparities?

Not Answered

21 Do you have any other comments on Clause 6 or suggested amendments for this clause?

clause 6:

Guidance is always important; the BRCD PMO supports this clause.

Clause 7 - Defining regional disparity and regions

22 Do you agree with how regional disparity may be defined by the Bill?

Not Answered

23 Should regional disparity indices be specified in the Bill?

Not Answered

24 What other indices should be used to define regional disparity?

clause 7 :

NI is itself a region which suffers from disparity with other regions within the UK - it would be a missed opportunity not to reflect this within the Bill.

NI suffers from disparity with other regions within the UK in many of the above mentioned indices. There may be occasions where taking steps to reduce disparities 'within' NI could create greater disparities 'between NI and those other regions'. It will be critically important that any ambition or behaviour that this duty imposes does not allow this to happen – and that it actively protects against it.

25 Do you agree with how the Bill may define a region within Northern Ireland?

Not Answered

26 Do you have any other comments on Clause 7 or suggested amendments for this clause?

clause 7:

There is a strong case to utilise the regions defined by city and growth deals as areas within which investment is already driving economic improvement. Data for larger geographies is also likely to be more robust/reliable.

Clause 8 - Commencement and Short Title

27 Do you agree that the provisions of this legislation should be commenced immediately after Royal Assent?

Not Answered

28 Do you have any other comments on Clause 8 or suggested amendments for this clause?

clause 7:

No

Proposed Additions and Amendments

29 Please provide information on any other potential amendments that you feel would enhance the Bill and the rationale for those.

Information on any potential amendments:

To keep NI's economy strong, the Bill should require that the Framework pursues overall growth and competitiveness, not just redistribution; that it protects and leverages key clusters while supporting catch up regions; that it uses objective data and impact assessments to guide decisions; differentiates tools for different regional starting points and embeds cross departmental governance and regular review to correct course.

Specifically this would mean:

- Embedding 'grow the whole pie' as a core principle – an additionality test: Include a requirement that major interventions demonstrate net additional economic value for NI as a whole, not just redistribution.
- Protecting and leveraging NI's strongest clusters recognising that strong regions should act as anchors - require that any regional intervention must avoid undermining established high value clusters (e.g. cyber in Belfast, advanced manufacturing in Mid Ulster, fintech, life sciences).
- Using data driven criteria- specify that objective indicators (productivity, employment, skills, incomes, business density, infrastructure access) must drive prioritisation, not purely political or geographic considerations.
- Mandating impact assessments – to quantify effects of decisions on weaker regions, main growth engines and net impact on NI wide productivity and competitiveness
- Avoiding levelling down – adopt a twin track design to include catch up regions: focus on foundational infrastructure, skills, basic business support, connectivity and Front runner regions: focus on innovation, export growth, scaling, global positioning.
- Embedding a consistency test – requiring that decisions are consistent with both regional balance and economic competitiveness and ensuring targets measure both
- Including a Review and Amend clause and Installing a Red flag mechanism - If an intervention is likely to significantly weaken a key cluster, the Framework should require mitigation or redesign. To include formal assessment of whether the Framework is reducing disparities and whether it is unintentionally constraining high growth sectors, pivoting if evidence suggests it is required.
- Encouraging the Framework to recognise city region innovation ecosystems (Belfast, Derry Strabane, etc.) as engines that can pull up surrounding areas, not competitors to them. Avoid arbitrary caps on investment in strong regions

Additional Comments

30 Please provide any additional comments on the Bill you feel should be considered.

additional comments:

The UK's overall direction of travel reinforces the idea that strong regions should be accelerated, not constrained. Within NI this would mean continuing to promote sub regional strengths for example Belfast as NI's primary innovation engine.

Northern Ireland's Regional Balance Framework should align with this direction by protecting the region's existing strengths - Belfast, Derry, and Mid Ulster as economic engines; using innovation clusters to lift weaker regions; prioritising productivity and competitiveness and; avoiding redistribution that weakens NI's strongest sectors.

Although the intent of the Bill is broadly positive, without safeguards such a statutory duty could unintentionally dilute growth in NI's most competitive sectors, reduce overall productivity, and weaken NI's international competitiveness.

Almost done...

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