

REGIONAL BALANCE BILL

Consultation response

Development Trusts NI

Development Trusts NI supports the Regional Balance Bill and the decision to place regional balance on a statutory footing. For too long, regional balance has been treated as a worthwhile policy aim without the authority, coordination or accountability needed to change established patterns of investment. Legislation gives it greater permanence and makes it a responsibility across the Executive, rather than an issue for one department alone.

Our support comes from practical experience. Through DTNI's work with communities and development trusts across Northern Ireland, and through the North West Community Wealth Building Partnership, we see how decisions made across government shape local economic opportunity. Transport, skills, education, health, housing, land, public assets and procurement all have an impact. That is why a cross-departmental approach is essential.

We also believe the Bill can be improved. The legislation needs to lead to different decisions and better outcomes in places that have experienced long-term underinvestment. That will require clear targets, public reporting, local involvement, sustained funding and a willingness to respond when progress is not being made.

Our main recommendations

- Keep the legal responsibility cross-government (Maybe within TEO) and apply it to major policies, budgets, investment programmes and public service planning.
- Use targets that are measurable, time-bound and broken down by area, so that it is possible to see whether gaps between places are closing.
- Involve councils, communities, development trusts, CWB partnerships, social enterprises, trade unions, businesses, education providers and other local partners from the beginning.
- Publish the regional impact of major spending and policy decisions, including where capital and programme funding is being allocated.
- Provide a form of independent challenge or validation alongside scrutiny by the Assembly.
- Recognise Community Wealth Building, Local Economic Partnerships and public anchor networks as practical ways of delivering regional balance.
- Take account of poverty and deprivation within regions, while keeping a clear focus on historic underinvestment in areas such as the North West, West of the Bann and border areas.
- Give proper weight to rurality, access to services and cross-border economic relationships.

1. Why legislation is needed

DTNI supports the purpose of the Bill: to create a statutory framework for reducing differences in economic performance and living standards between regions and sub-regions. Communities outside the main economic centre have heard commitments on regional balance before. The difficulty has been turning those commitments into coordinated action, backed by targets and transparent decisions on public investment.

Regional imbalance builds up over time. Weak transport links affect access to work and education. Limited skills provision constrains local businesses. A lack of secure employment contributes to poverty, poor health and outward migration. These issues cannot be dealt with in isolation, and they cannot be corrected through short-term projects alone.

A legal duty would provide continuity when Ministers, mandates and spending priorities change. It would also require departments to show how they have considered regional impact, giving the Assembly and the public a clearer basis on which to judge progress.

This is not about shifting opportunity away from Belfast. Stronger regional economies would broaden Northern Ireland's economic base and make it more resilient. Every area should be able to build on its own people, assets and connections.

2. The Regional Balance Strategic Framework

We support the proposal that the Executive must develop, adopt, maintain and implement a Regional Balance Strategic Framework. It should become the shared reference point for departmental strategies, budgets and delivery plans, and it should connect clearly with the Programme for Government and the Department for the Economy's regional balance policy.

The risk is that the framework becomes a high-level statement of intent. To avoid this, it needs a clear baseline for each area, a manageable number of outcomes, time-bound targets and named departmental responsibility preferably TEO. Delivery plans should show what will be done, what investment is attached and what change is expected in each area.

The framework should also explain how regional balance has influenced draft and final budgets. Where progress falls short, departments should set out what they intend to change. Waiting for a five-year review would be too slow if annual evidence already shows that an approach is not working.

There must be room for local priorities. A common framework is useful, but different places face different challenges. Fairness does not always mean applying the same intervention everywhere. Areas affected by long-term structural disadvantage may require a greater level of support or a different type of response.

3. The duty on departments

We strongly support the proposal that every Northern Ireland department must have due regard to reducing regional disparities. Economic opportunity is shaped by the whole of government, not only by the Department for the Economy.

The meaning of 'due regard' needs to be clear. Departments should be able to show that regional impact was considered early, while choices were still open. They should compare options, listen to the places affected and explain the evidence behind the final decision. A short statement written after a decision has already been made would add little value.

For major policies and spending decisions, a proportionate regional impact assessment should be published. It should cover where money will be spent, access to the proposed service or programme, the likely effect on different areas and any action needed to avoid widening existing gaps. The same expectation should apply to arm's-length bodies and other organisations delivering public functions or managing significant public expenditure.

4. Measuring whether regional balance is improving

We agree that regional disparity must be understood in terms of both economic performance and living standards. Measures such as Gross Value Added and employment are important, but they do not tell us whether people have secure work, adequate income, good health, affordable housing or reasonable access to essential services.

A balanced set of indicators could include:

- Pay, job quality, security and opportunities for progression;
- Economic inactivity and the barriers that prevent people from taking part in the labour market;
- Business start-up, survival and productivity, including social enterprise activity;
- Access to further education, higher education, training and lifelong learning;
- Transport and digital connectivity, including journey times to work and essential services;
- Health inequalities and healthy life expectancy;
- Child poverty, deprivation and household disposable income;
- Community ownership of land and buildings;
- The proportion of public expenditure retained in local and regional economies; and
- Cross-border labour markets, supply chains, services and infrastructure.

Information should be reported at local and regional levels, and below council level where the data is reliable. Council-wide averages can hide serious differences between neighbouring communities and between urban and rural areas. The framework should also recognise functional economic areas. In the North West, for example, labour, education, health, transport and supply-chain relationships operate across the border and cannot be properly understood through administrative boundaries alone.

5. Reporting and accountability

Annual reporting to the Assembly is necessary, but the reports need to tell a clear story. A list of departmental activity will not show whether regional imbalance is actually reducing. Reports should compare the baseline, target and actual result for each indicator and explain any significant gap.

They should also show the regional spread of capital and programme spending, distinguish genuinely new investment from existing expenditure that has been relabelled, and set out what will change in the following year if progress is off track.

We would support an independent analytical role, whether through an existing body, an expert panel or independent validation of the data and annual assessment. This would strengthen the quality and credibility of the evidence while leaving democratic accountability with the Assembly.

6. Local involvement and place-based delivery

The people and organisations working in a place often see the effects of regional imbalance before they appear in official data. Their involvement should therefore be part of the process from the outset, not limited to a consultation after priorities have been decided.

Councils, community and voluntary organisations, development trusts, social enterprises, trade unions, businesses, education providers and anchor institutions should have a defined role in identifying priorities, shaping targets, supporting delivery and reviewing progress. Participation also needs to be properly resourced. Smaller organisations should not be excluded simply because they do not have spare staff capacity.

Local Economic Partnerships could help connect the statutory framework to delivery in individual places. Their membership and remit should be broad enough to include community, social, employment and anchor-institution perspectives, rather than focusing only on conventional business growth. They must also be accountable to the places they represent.

7. Learning from the North West Community Wealth Building Partnership

Our experience in the North West shows what place-based delivery can look like in practice. The North West Community Wealth Building Partnership brings together DTNI, Enterprise North West and a wider group of public, community and economic partners. The focus is on keeping more wealth within the local economy, widening ownership and giving communities a stronger role in economic development.

The work covers progressive procurement and social value, engagement with public anchor institutions, local supply chains, good employment, social enterprise, community assets and shared learning. The Social Value Working Group established with Derry City and Strabane District Council has provided a practical forum for looking at how policy and procurement can respond more effectively to local need. Work to establish a Public Anchor Network is intended to bring major institutions together around their spending, recruitment, land, assets and wider influence.

This work has reinforced several points that are relevant to the Bill:

- Additional projects are useful, but lasting change also requires institutions to work differently.
- Procurement and social value are economic development tools and should be designed with local conditions in mind.
- Anchor institutions need a practical structure through which they can align their spending, employment, land and investment – Via Public Anchor Networks (PAN)
- Community organisations and Social Enterprises need long-term capacity and core support if they are expected to act as genuine economic partners.

8. Procurement, social value and public anchors

Public procurement is one of the strongest levers already available to government. The Regional Balance Strategic Framework should make visible where public money is spent, which organisations are securing contracts, what kind of employment is created and whether the resulting social value reflects the needs of different places.

Consistency across government is important, but a central framework must still be flexible enough to respond to local labour-market conditions, deprivation, health inequalities, community capacity and supply-chain opportunities. Local partners should be involved early when major procurements are being developed.

Social value must be additional, measurable and connected to community priorities. It should not become a paper exercise built around the outputs that are easiest for large contractors to count. Early market engagement, sensible lot sizes, proportionate requirements and supplier development are also needed if SMEs, social enterprises and community organisations are to compete.

Public and publicly funded institutions also shape regional economies through employment, purchasing, pensions, investment, land and buildings. The framework should encourage these anchor institutions to work collectively, rather than expecting each organisation to act alone.

9. Community assets

Community ownership and stewardship of land and buildings should be recognised in the guidance and in the indicators used to measure progress. Assets can provide a stable base for local services, enterprise, employment and income generation.

Our experience suggests that there is value in a transitional approach. A community organisation could manage a publicly owned asset for an agreed period of five to ten years, with appropriate support to strengthen governance, trading and financial capacity. Where it is viable and in the public interest, the organisation could then move towards community asset transfer or purchase.

This would create a realistic route from short-term management to ownership. It would also reduce the risk of transferring responsibility too early and leaving a community organisation with a liability it is not yet equipped to manage.

10. Funding and implementation

The Bill will only make a difference if the statutory framework is backed by a costed implementation plan. Resources will be needed for data, coordination across departments, local delivery and meaningful community participation.

Short pilots can test an idea, but repeated one-year funding cycles make it difficult to retain staff, build trust between partners or change institutional practice. When Community Wealth Building partnerships, Local Economic Partnerships or similar place-based approaches show value, there should be a route to multi-year support and mainstream delivery.

Funding decisions should also be open about their regional impact. The annual report should show whether allocations reflect need, opportunity and historic patterns of underinvestment.

11. Equality, rural needs and the cross-border economy

Regional imbalance overlaps with poverty, disability, gender, age, community background, rurality and access to services. Equality and rural needs should be built into the framework, not treated as separate exercises carried out at the end. It is important to know who is benefiting within each area, not simply whether the average figure has improved.

Cross-border relationships are particularly important in the North West. Labour markets, education, healthcare, tourism, transport and supply chains operate across the border every day.

The framework should require departments to consider these functional relationships, use relevant all-island evidence where appropriate and identify opportunities for coordinated investment, while respecting the responsibilities of each jurisdiction.

12. Changes we would like the Committee to consider

1. **Participation:** Add an explicit requirement for early and continuing involvement by councils, communities and other place-based partners including CWB Partnerships.
2. **Targets:** Require measurable and time-bound targets, with results broken down by area.
3. **Regional impact:** Require published regional impact evidence for major policies, budgets and spending decisions.
4. **Spending information:** Publish capital and programme expenditure in a consistent format that shows where investment is going.
5. **Independent challenge:** Provide for independent validation or expert assessment of the evidence and progress reported.
6. **Delivery:** Recognise Community Wealth Building, Local Economic Partnerships and public anchor networks within guidance and implementation arrangements.
7. **Corrective action:** Allow earlier revision where annual evidence shows that targets are being missed, rather than waiting for the five-year review.
8. **Wider public sector:** Apply the relevant expectations to arm's-length bodies and major delivery partners where they control public functions or significant expenditure.

Conclusion

DTNI supports the Regional Balance Bill. Putting regional balance into law is an important step towards a more consistent, transparent and accountable approach across government.

The test of the legislation will be whether it changes real decisions: where public investment goes, how services are designed, who can benefit from procurement, whether secure jobs are created, whether communities can own assets and whether local people have a meaningful say in economic development.

Community Wealth Building, Local Economic Partnerships and public anchor networks are practical ways of helping to deliver that change. The experience of the North West Community Wealth Building Partnership offers useful learning on how government, councils, public institutions and communities can work together around the needs and strengths of a place.

DTNI would welcome the opportunity to give to share further learning from the North West.