

22nd September 2026

Dear Sir/Madam,

Regional Balance Bill – Call for Evidence

1. We are writing in response to this call for evidence on behalf of the Northern Ireland Productivity Forum. In our response to this call for evidence, we emphasise four aspects which we think must be considered as part of the Regional Balance Bill.
2. This response is based on our work for the Northern Ireland Productivity Forum, which is based at Queen's Business School, and is part of The Productivity Institute (TPI), a UK-wide organisation that works across academia, business and policy to better understand, measure and enable productivity across the UK. The TPI is funded by the Economic and Social Research Council (Grant number ES/V002740/1).
3. First, productivity should be the central priority when considering regional balance. Productivity is the key driver of sustainable economic growth: higher productivity makes businesses more competitive and resilient, leads to better jobs and higher wages, and ultimately drives higher living standards. Within Northern Ireland, there are substantial disparities in productivity across local government districts, as outlined in Figure 1.3 (p.8) of our report, '[NI Productivity 2040: Addressing Northern Ireland's productivity gap for greater prosperity](#)'. Low productivity growth is the underlying cause of the relatively poor performance across many of the different economic and non-economic measures of regional performance outlined in the Bill. Therefore, we think that productivity should be the primary measure of regional disparities.
4. Second, within the draft Bill only one measure of productivity is listed under 7(c), as "gross value added per employee". We think that measuring productivity as 'gross value added per hour worked' should also be included, given this per hour measure is more commonly used to make regional, national, and international productivity comparisons.
5. Third, the draft Bill currently does not make allowance for the uncertainties which exist with economic data. For example, in 1(f)(i) there is the requirement for the "identification of a baseline year against which progress in reducing regional disparities is to be measured". As discussed in our Northern Ireland Productivity Dashboard for [2023](#) and [2024](#), there has been increased uncertainty around measures of productivity following the Covid-19 pandemic, and as noted in our [2025](#) Dashboard, revisions have taken place to the estimates of productivity. The Office for National Statistics also notes that volatility in the estimates of UK regional productivity increases as the geographic area of analysis gets smaller (see '[Regional and subregional labour productivity, UK: 2023](#)', Section 3). The choice of a single baseline year fails to account for these uncertainties. Instead, an average across a grouping of baseline years, which can be updated based on subsequent revisions, should be used for measures of regional outcomes, including productivity.
6. Fourth, the Bill states in 3(e) "to recognise and consider cross-border data in policies, strategies and plans so as to reduce regional disparities". However, it does not mention the need to consider the interdependencies which exist between regions within Northern Ireland. For example, productivity is normally measured based on where the economic activity of a business takes place, rather than the residency of employees. Given the relatively small geographic area of Northern Ireland, there will be extensive cases where commuting to a workplace takes place across the boundaries of local government districts. This means the

measurement of productivity (and for other measures, such as GDP) for one local government district is in part a consequence of employees who are resident in a different local government district. The need to consider this issue should be explicitly outlined in the Bill to avoid policy being directed towards achieving targets which are not a true reflection of the regional disparities which exist.

7. The Northern Ireland Productivity Forum is a part of The Productivity Institute, and is a multi-year initiative, aiming to improve and better understand the UK's productivity problem. We welcome any further opportunities to engage with the Committee.

Yours sincerely,



On behalf of the Northern Ireland Productivity Forum