

Northern Ireland Affairs Committee

Oral evidence: Investment in Northern Ireland, HC 792

Wednesday 23 February 2022

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[Watch the meeting](#)

Members present: Sir Robert Goodwill; Scott Benton; Mr Gregory Campbell; Stephen Farry; Mary Kelly Foy; Claire Hanna; Fay Jones; Ian Paisley.

In the absence of the Chair, Sir Robert Goodwill took the Chair.

Questions 123 - 170

Witnesses

I: Councillor Kate Nicholl, Lord Mayor, Belfast City Council; Damien Martin, Programme Manager, Belfast Region City Deal; Professor Stuart Elborn, Project Lead, Institute of Research Excellence for Advanced Clinical Healthcare (iREACH); Dr Godfrey Gaston, Project Lead, Global Innovation Institute (GII), Queen's University Belfast.

II: Stephen Gillespie, Director for Business & Culture, Invest Derry City and Strabane; Eddie McGoldrick, Director, Grow the Glens CIC; Paddy McLaughlin, Director, Grow the Glens CIC.

Written evidence from witnesses:

– [Add names of witnesses and hyperlink to submissions]



Examination of witnesses

Witnesses: Councillor Kate Nicholl, Damien Martin, Professor Stuart Elborn, and Dr Godfrey Gaston.

Q123 **Chair:** Good morning and welcome to the Northern Ireland Select Committee. This morning we have two panels, two sessions, on the city deals, the first one on the Belfast Region City Deal and the second one on the social enterprise investment in Derry City and Strabane.

I will ask the first panel to introduce themselves, starting with the Lord Mayor of Belfast, Councillor Kate Nicholl.

Councillor Nicholl: Good morning, everyone. I am the Lord Mayor of Belfast, one of the six local authorities on the Belfast Region City Deal.

Damien Martin: I am the programme director for Belfast Region City Deal.

Professor Elborn: Good morning, I am a professor of medicine at Queen's and lead the Faculty for Medicine, Health and Life Sciences. I am the lead for the iREACH part of Belfast Region City Deal but also touch into some of the other strands of innovation across the city deal.

Chair: Thank you. For those watching, iREACH is the Institute of Research Excellence for Advanced Clinical Healthcare. It is clinical trials. If we have any acronyms we will try to explain them as we come to them. Dr Godfrey Gaston.

Dr Gaston: I am the executive director for GII, which is the Global Innovation Institute, one of the projects within the city deal, and that is part of Queen's University, Belfast.

Q124 **Chair:** I will start with the first question, which is like the exam question, really. What in your view are the most important economic challenges facing Northern Ireland? I will start with Kate as you are the politician in the room.

Councillor Nicholl: For us, the overall picture in Northern Ireland is pretty challenging. It is the case everywhere following the pandemic but also with inflationary pressures. The key issues that remain are ones that the Belfast Region City Deal is aiming to tackle, such as lower levels of productivity, the lack of investment in R&D—that is something that I am sure everyone on the panel will want to impress—the need for Northern Ireland to get our fair share of investment around this, and then also high levels of economic activity and skills remain core concerns with business and with community.

The pandemic has accelerated the challenges facing all our towns and cities, so we are very keen that all levels of government work together to help businesses revitalise our high streets. The others will be able to add a bit more detail.



Q125 **Chair:** In common with other parts of the country, do you have lots of vacancies but not people with the skills to fill them? Is that an issue in Northern Ireland?

Councillor Nicholl: Yes, particularly in hospitality. That is definitely a concern. It seems to be the case everywhere, but especially in Northern Ireland we have the additional problem of the brain drain in Northern Ireland. A lot of young people have grown up either feeling like they do not have much hope or that if they have any ambition they need to leave, and that is something we are very keen to address and something that the Belfast Region City Deal is so important for addressing. The focus on innovation and digital skills—these are potential jobs for young people but also ones that they can be proud of. We have a number of challenges existing already, not just because of Covid, so this investment is very key.

Q126 **Chair:** I will turn to Professor Elborn. As a specialist in biomedics and so on, do you have challenges in your sector that need addressing?

Professor Elborn: I will pick up on what Kate has just said about skills. The biggest barrier that we have to expanding our delivery in terms of health and life sciences, particularly with local industry, is skills and retaining skills in Northern Ireland. The city deal programme is going to be a fantastic platform for the development of the interdisciplinary and trials disciplinary skills that we need for the future. That applies across health and life sciences where a lot of the future opportunities are in digital, in health, in bioengineering, and that feeds across the different domains that the city deal will offer. It is critically important for us that we develop the skills and then retain those skills, both in our public sector and in the private sector, to allow industry and the economy to flourish here.

Q127 **Chair:** Dr Gaston, cyber is an emerging area. In my own constituency we have a secondary school with a cyber-lab sponsored by GCHQ. It seems to be the future. Is Northern Ireland on the front foot in this area, too?

Dr Gaston: Clearly, the challenges that have been outlined are there for cyber as well. In terms of skills, that is always a challenge and I think it is just a reflection of how important the cyber sector is for opportunities.

Northern Ireland should be proud of what we have managed to achieve over the last number of years, particularly in the skills area. There are a number of programmes that are working with the school sector trying to encourage more females into the industry. There is the assured skills programme, which has been very successful in getting people from not necessarily degree backgrounds—sometimes degree backgrounds but lower skill levels as well—into the sector. We have been leading the way in that area and that has certainly been one of the reasons for the success of the cyber sector to date in Northern Ireland.

Chair: Do you have anything to add, Mr Martin? We will be coming to the more detailed stuff later.



Damien Martin: Only one point, which is the other element that was touched on around skills, the challenges based on our tourism sector and our towns and city centres. That was a challenge before and Covid has just ratcheted that up significantly. That is another area that is obviously part of the focus in the city deal.

Q128 **Fay Jones:** Good morning, witnesses. Thank you for joining us this morning. I want to ask about the funding schemes announced by the UK Government. There are various plans on the table, whether it is the Shared Prosperity Fund, the Levelling Up Fund and, of course, the city deal. What is your assessment of how well those proposed funds are working and whether you feel they are meeting Northern Ireland's economic needs?

Damien Martin: The honest answer is that it is still very early days for those funds. Stuart and Godfrey might want to come in around some of the major investments in research and development where we have much more significant progress in recent years. I think we would say a lot more to be done.

To the Lord Mayor's point, there is that desire for a fair share around research and development. In a way, we have built the city deal around creating that capability to push for the funds around shared prosperity and levelling up, yet there is still that sense in Northern Ireland that we are not quite sure how it is going to work. Obviously, we have had more detail recently around levelling up and shared prosperity but, for example, in shared prosperity we are expecting guidance and workshops over the next couple of months.

With the levelling up round 1—this is particularly for Belfast—there was a feeling it was really challenging in the timescales, and what we are hoping is that we now get the clarity we need. What we are trying to do with these funds and the city deal is to have alignment. The hardest thing in getting alignment is when you do not understand the rules, so it is much harder for us to bring partners together, to bring universities, colleges, other councils together. Often the way we see it is that those collective bids are likely to be much more effective than individual partner bids. That is difficult to do without the clarity.

More information has become available in recent months around that but there is still that sense that, certainly for the devolved regions, we do not fully understand the picture of how this is going to work.

Q129 **Fay Jones:** Do you feel there has been enough input from devolved Administrations, from stakeholders, from civil society? Do you feel that there is a good dialogue between Northern Ireland and the UK Government around how these funds are shaped and delivered?

Damien Martin: I suggest that the Lord Mayor may want to come in on that.



Councillor Nicholl: We are always keen for a bit more engagement, to be honest. Sometimes we do feel like we are a bit of an afterthought. I think there are concerns about how these will be particularly managed as well. Also the elephant in the room: having no Northern Ireland Executive functioning at the moment is obviously one to mention. We would be keen for more engagement around the development of these.

Q130 **Fay Jones:** If we take a step back to the first question, do you feel the funds are designed or have Northern Ireland's economic objectives in mind?

Damien Martin: In terms of the objective and focus of many of them, they are aligned with where the city deal is. The question is: do they result in a different set of projects, some of which might be good and that is fine, or do they have what we are trying to do through the city deal and the 10X strategy, and I think through many of the research funds, and address where we can be really good, where do we collectively invest? But also then there is a real collective effort around focusing on inclusion because this is a real challenge. On the one hand, we need to aim high, and we need to be good where we have strengths, but we have fundamental challenges in the numbers of people who are not fulfilling their opportunity or getting access to opportunities.

The Shared Prosperity Fund and the Levelling Up Fund can help with that, but they will do it best if they are aligned and we are making collective proposals. Individual partners will do good things but that requires good understanding and good notice.

Fay Jones: Thank you. Professor Elborn, I can see you have your hand up.

Professor Elborn: I was going to comment a little bit on UKRI funding, which we are actively engaged with. In fact, Ottoline is coming on Monday to visit Northern Ireland and is going to talk to Invest, politicians and the universities. There is a good discussion. The challenge they have is what their resource will be and how they balance excellence and place-based funding. There are areas in Northern Ireland where we can be competitive in that, but it does need a consideration of place-based funding in those areas of excellence, and also that UKRI and other research funders from Innovate, BEIS and so on do this strategically.

The city deals are an opportunity to bring that strategic alignment around areas of excellence and areas that will really amplify what we are capable of delivering in Northern Ireland. We cannot do everything. We are small so we have to be realistic and also be engaged, so that we can contribute to the UK and have the opportunity to contribute to the all-island opportunities that come along as well. That is one of our unique opportunities, that we can still work all island and into the EU and work with the UK. There is something about the uniqueness of that place-based opportunity that it is important that we mobilise.



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Fay Jones: That is a good point. Dr Gaston, did you want to come in on that point?

Dr Gaston: Yes, very quickly. Building on what Stuart said around excellence and focus, the levelling up side is important. In the White Paper that was recently published, the cyber-security case study at CSIT at Queen's was used as an exemplar. It is worth pointing out that not only did we get a chance to influence these papers, in the areas of actions we are seen as leading the way. That is something that we should be proud of and is something worth noting. That follows on from what Stuart was saying around excellence and focusing on the right areas.

Fay Jones: That is a good example to note. Thank you.

Q131 **Mr Gregory Campbell:** This question is for Damien on the Levelling Up Fund. We had a question down that was answered yesterday about the extent of funding in each of the regions compared to what was anticipated. I notice from the answer that Scotland got £18 million more than was anticipated in the first round, Wales got £37 million more than was anticipated, and Northern Ireland got £1.7 million less than was anticipated. We were the only region in the UK that was undersold.

The second round opens up in the next few weeks. Has any analysis been done about how we ended up being undersold in the first round? Following on from that, can we make sure that we are not undersold in the second round and make up for lost ground on Scotland and Wales, who seem to have done very well; us much less so?

Damien Martin: I am not aware of any analysis, but I am happy to see if I can find if any analysis had been done and share that with the Committee. In my answer I did indicate I knew that the first round was considered to be very challenging in terms of the timescales to prepare bids and understanding those bids. That may well feed into the point.

I know that there are concerns that the next rounds are coming up very soon and that there still is not full understanding of how it is going to be administered and how it is going to work in Northern Ireland. That is a concern that potentially we could have that same issue again. What I do know is that the UK Government Departments have committed over the next couple of months to engage and try to explain how those funds are going to work in more detail.

I am happy to find out more. That is the first I have heard of that but probably, if I am honest, I am not that surprised, given the challenges there were with the first round.

Q132 **Mr Gregory Campbell:** Why would the challenges be any greater in Northern Ireland than they were in Scotland or Wales?

Damien Martin: I honestly do not know the answer to that, but I am happy to take that away and see what we can find.



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Chair: I was slightly confused that of the £4.8 billion fund, £800 million was allocated to Scotland, Wales and Northern Ireland and the Government did not slice that cake up. The figures we have seen seem to look like Northern Ireland did less well out of that deal.

Q133 **Claire Hanna:** Hello to the witnesses. To the Lord Mayor and to Damien, how do you see the deal supporting Northern Ireland's broader economic objectives and also how does it, I suppose, connect in with the other city region deals and north-south connectivity?

Councillor Nicholl: The Belfast city deal is designed to complement the Northern Ireland 10X strategy. The focus on growing in life and health sciences, digital, creative industries, and advanced manufacturing is all designed to improve areas in which we already have the potential to be world leaders. What I think is interesting is how it potentially can also complement the Belfast-Dublin economic corridor as well. I cannot talk much about Derry. Damien would be able to add more to that.

It is not even when you just speak to businesses about how they see it will directly impact and benefit them but communities. People are talking about this. They realise that these opportunities are coming at a time when we need them. I know that there has been a lot of work already to put out joint bids in relation to this. There is a real sense that we can move quite quickly on it and there are already positive outcomes from it, which I am sure Godfrey and Stuart will be able to detail as well.

Damien Martin: As outlined, in terms of the overall strategy we think this city deal is absolutely aligned with the priorities. I hope we influenced the 10X strategy and the Belfast Region City Deal and all the city and growth deals are particularly called out in that.

The other thing I would say is very purposely—this is challenging—the city and growth deals have sought to be ambitious, not do the run of the mill, and say that there are areas where we think we could make a difference. Godfrey and Stuart are representing some of those. But we need to step up and try to deliver something that puts our best foot forward.

The other thing I would say about the city and growth deals that relates is that part of the deal is the direct projects, which are significant, but the other part is partnership relationships. We are already seeing the spinoffs from where partners are coming together in areas like the hydrogen economy and saying, "Okay, we are all looking at that. What can we do together with, for example, Queen's University, Mid and East Antrim, and Antrim and Newtownabbey working together on those projects?"

We are seeing those spinoffs in relationships. That is happening as well in relation to north-south. Many of our colleagues in terms of research and development are particularly looking not just at where the opportunities are in the UK and also in Europe, but particularly those north-south



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relationships. We are seeing those partnerships develop and starting to see people coming together for future opportunities.

As you know, Northern Ireland is a small place and there is an upside to that. It can also create challenges for partnerships but there is an upside. We do have very good relationships with colleagues in the other city and growth deals, whether that is through, for example, SOLACE, where there are regular discussions in relation to city and growth deals, but also again I know that partners are regularly engaging, and rightly. For example, the Department for the Economy is insisting—how do the projects within the Belfast Region City Deal sit well with those in Derry and Strabane? How do we make sure they are complementary and play to their strengths?

There has been a lot of work at project level to try to make sure— It is not easy because they are not all at the same stage of development so aligning all of that is difficult, but I know there has been a lot of time and effort going in to try to build that.

Q134 **Claire Hanna:** Professor Elborn and Dr Gaston, how do your projects contribute to those objectives, and how can we ensure that the research translates into real business opportunities?

Professor Elborn: The points Damien has made about collaborating and integrating are important. I do not think we have done well in the past around this, but the city deals are starting to drive real integration. For example, on Tuesday week I am going up to Derry to spend a day with the THRIVE team. They are writing their OBC at the moment for the proposition around C-TRIC and Derry. We are going up to support them because we are through the OBC stage. We are going to share all we have been able to do but also ensure that we are aligning, that what Derry is doing is complementary and integrated into what we are trying to do in Belfast and vice versa, so this becomes a collaborative relationship between the cities and also between the universities and the trusts. We have competitive siloes in too many places for such a small space. This is a real opportunity to break down some of those barriers. What will flow from that is better FDI opportunities because we are selling Northern Ireland as part of the complex matrix of being part of the UK but also having access to the European Union.

There are huge opportunities and I think I see behaviour change. I have been around this area for 20 or 30 years. I see people behaving in new ways, which excites me. We can get some stuff delivered for the Northern Ireland economy but also for the Northern Ireland population in healthcare delivery, which is my space.

I will finally mention the north-south dimension. We will this week hear some of the successful projects in the north-south HEA programme that has been very interesting. We have had over 300 joint bids go into that, into the all-island fund. A number will be funded and many of those will be aligned with city deal priorities. There is also an interesting discussion



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with SFI where it wishes to fund a number of all-island centres, particularly in precision medicine and probably the climate, food, and agri spaces. We need some place-based funding from UK and Northern Ireland to support those.

Those are opportunities for these islands to prosper and that we can work closely with colleagues across the island as well as across the UK in driving the economic benefits that will come from the investments in city deals and some of the other levelling up investments that are there. It will not just be a benefit for Northern Ireland but a benefit for the wider ecosystem here.

Q135 **Claire Hanna:** That is encouraging. I know the presentation we had about the scope of the research and how cutting edge it was, and all the potential, was genuinely exciting when a lot of the opportunities do not seem as connected. Would you have anything to add, Dr Gaston, about how you achieve it and how it translates into business opportunities?

Dr Gaston: Following on from that, the point I would like to make is—and we have touched on this a little bit already—this is a significant opportunity. This is not about doing more of the same, this is a complete step change. I know it is very easy to say these words, but this is where we are at. It is a completely different step change. I know it is about the Northern Ireland economy and how can we grow and productivity and all of that, but I think it is also very important to not lose sight that this is international excellence. I know it is the Belfast Region City Deal and I know it is the Northern Ireland Affairs Committee, but it is only when we are internationally leading and internationally excellent that those benefits will come through.

I do not want to go back over cyber again but that is a very good example where we have that international action around the world, we are known for that, and then that replicates itself in the local region. Within the Global Innovation Institute that I am here to talk about, it is building on what we have done already. We are taking what is called secure connected intelligence, so that is cyber-security, wireless technology, data sciences and artificial intelligence, bringing those together in a multidisciplinary way and how we can apply those into different sectors. One of the programmes we are looking at is called “One Health”, which is linking the agrifood sector in Northern Ireland, which is clearly a very important sector, and the health sector, so we are going from soil to society. If somebody has a particular condition it can be traced back to diet and the origins of the food chain. That is a huge problem to try to solve and we clearly cannot do that today.

There are examples where we can lead the world; let’s get excited about it. We are very excited. The critical mass that they will bring in terms of the opportunities should not be underestimated. Let’s not lose sight of our international position is the summary point.

Chair: Professor Elborn mentioned FDI. For anyone watching on



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Parliament TV that is the foreign direct investment. We will be talking a lot about that in due course.

Q136 **Scott Benton:** Good morning to all our witnesses. The city deal clearly comprises an ambitious list of different projects. I imagine that the bidding process for choosing and including those was very competitive. How did you ensure that the projects that were included aligned with the strategic goals of the wider city deal?

Damien Martin: Our approach would be top down and bottom up in terms of the development stages. That top down is very much evidence based at a regional level, commissioning new research, because the picture around skills would be there at a local level and a Northern Ireland level, but we need to understand if it is different at regional level. We commissioned research and analysis and developed an industrial framework that was our analysis of the particular challenges but also, importantly, where we are strong, where there are opportunities.

We looked at that through a prism of inclusive growth where there was shared commitment. Yes, absolutely, it was about jobs and productivity, but it was also about tackling some of our inclusion ambitions. It was very much a top down and our universities, colleges, industry were very important in shaping that top down approach.

We also had a bottom up approach that was derived from the community plans of the partners, where they were looking at what we needed locally, what our towns need, what our people need. For example, more of the focus on regeneration, some of the infrastructure investment came from that.

We put that together to try to identify those projects that we thought would give us that balance, because we are a partnership, across the region, but also had a focus. You will see our deal has focus. It does try to be a regional deal, but it has a major focus on innovation, digital innovation, and it has major focus then in the area of tourism and regeneration.

Right from the start, and it has come more to the fore as we have gone on, skills are fundamental. One of my jobs is to try to remind people we cannot do everything. We are not trying to solve all the skills problems in the region. What we are trying to do is bring a partnership approach to those areas where we are investing and leverage that for impact. There are lots of other things that need to be done in the system. We are not going to fix all of those. There are some very good strategies in the plan. Our job is to leverage this partnership to say, "Where can we collaborate to make change in this area?"

In broad terms, that is how it came up but, in the end, it was strongly aligned with that overall strategic direction but then with that focus on what our needs were at a local level in terms of communities as well.



Councillor Nicholl: I don't have much to add to that. The real power has been in that top-down approach. Just using the six councils and the community planning process for consultation has been incredible.

One thing I would say when we are talking about FDI and encouraging people to invest in Northern Ireland is we know that political instability is off-putting to business. However, I always try to show people who may be looking at Belfast the work that is happening at local level, the partnerships that exist between local councils and our stakeholders like the universities, the further education colleges and key businesses—really good proactive work is happening at this level. There is stability there. You can see how this has progressed.

I was in Dublin last week with the Lord Mayor of Dublin and I had had a meeting with the Shared Island Unit. They have €1 billion for capital investment, and they are very interested in what is happening with our city deal and how they could potentially link in. Different organisations are very conscious of this deal. It is not just the projects that have been identified but the opportunity that can then lead from this as well.

Q137 **Scott Benton:** Thank you, that is helpful. Turning to Professor Elborn and Dr Gaston in relation to your respective projects, now that the city deal has been agreed, are you able to update the panel on the work that is under way to deliver your respective projects and whether or not you think those are on track at the moment?

Professor Elborn: Could I just refer to your previous question with a very short example? We talk about grand challenges and for us this is bringing excellence to wicked problems. One of those problems driven by the Office for Life Sciences report is multimorbidity in older people. We have excellence in Belfast in eye disease and we are now collaborating with Manchester Biomedical Research Centre, where there is expertise in hearing problems. When you have something wrong with you, when you are older, and you have multimorbidity, one of the biggest barriers to getting good healthcare is if you cannot see or you cannot hear. We have taken the excellence that we have in Northern Ireland, collaborated with another area of excellence in an area that is under-researched and under-sorted out and bringing it to what is a very tricky problem of how we improve outcomes for older people with multimorbidity.

That has been driven by the city deal, our excellence in eye disease, which is one of our focuses, but also reaching out and collaborating. That is the opportunity and part of that selection process in how we got to this position. It is a good example of early success in this space, working across city deals and investments. The Biomedical Research Centre is a NIHR investment but is delivering now across the islands.

Q138 **Scott Benton:** Thank you. Dr Gaston, are you able to update us on where you feel your project is in terms of delivery and whether or not you are satisfied with progress on that and working with the city deal to deliver that?



Dr Gaston: As part of the progress and the development of the business case we went out and spoke to a number of different public and private sector organisations for letters of support and all of that. Obviously, with the signing of the deal it has been very much a case of going back to those organisations and bringing them with us on that journey.

There is a danger because the city deal is primarily capital funding and these tend to be building projects, which obviously take a long period of time. What we have been particularly keen to make sure is that city deal is essentially open for business now. We can get going now. Okay, the full implementation will not be until the building is built and everybody is in together and co-locating and so on.

To your point, I think it is very important and we have been working hard to ensure that as we make progress on the capital build we are also making progress on the engagement with our partners, those companies and organisations that wrote those letters of support. How can we work with you? What are your problems? What are your challenges? How can we start to deliver on that?

Certainly, in terms of progress, it has been great to date, but it is, to my point, just important to keep emphasising that. Do not think this is done in the future; this is now and that is something we need to keep constantly talking to our stakeholders about to make sure that is the case.

Professor Elborn: We have done very similarly in iREACH and we have the added challenge of dealing with the health and social care sector, which is not in a strong position at the moment. They are engaging and see that the opportunities of iREACH and the GII proposition around healthcare data is a real opportunity to transform healthcare in Northern Ireland, which has many, many challenges. We are in a very similar situation around development and working with our stakeholders.

Q139 **Scott Benton:** A final question to Damien and Kate. In England there are a number of different city deals at varying stages and they have been agreed over the last two, three, four years. I think it is fair to say that some have delivered on their strategic objectives better than others and there have been various complications with governance arrangements and delivering some of those projects. Are you actively looking at some of those different city deals in England to try to learn lessons from them in how best you can not only get money out of the door quickly but ultimately fulfil the objectives that the city deal has been set up to achieve?

Damien Martin: Yes, we are. I should add that a lot of our engagement has been with the city deals in the other devolved regions, simply because then there are two Governments, and it is easier for us to model ourselves around them. For example, we have talked to a number of colleagues in Edinburgh and Cardiff who have been particularly helpful.



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We have shared with both of the deals a major focus around innovation and digital, which has been helpful as well.

The UK Government have funded some research, and we hosted a seminar with lots of the other city deals, sharing our learnings. We have tried to do that. One of the challenges of city deals is in one way we are being ambitious and that creates some of the challenges around scale, risk and progress, and we want to do that, but I think we also need to get momentum in delivery. One of the biggest lessons, I guess, I see is getting moving. We know parts of the city deal will take a number of years. It is not all at the same stage, so we need to get going. For example, our university colleagues have been working at risk with their money, investing their money, to be ready when the city deal funding comes, exactly the points that Stuart and Godfrey have mentioned.

It is not that you have to wait until the end. You have the business model, which is associated with the investment, and lots of the work on that business model can start now and has been started. This is crucial for us, time is money and delays are money, also just for the momentum of it. We have been talking for a while and our industry partners— We think we are moving at pace, and I know they look at us and our pace is rather different from the pace they expect to go to. That is challenging for people like Stuart and Godfrey, but we have lots of governance to go through, rightly.

That element of keeping the focus, remembering what the outcomes are but then perfection not being the enemy of the good. Let's get on and let's get delivery in those areas that we are ready to deliver now. Those are some of the lessons, but it is very valuable to be watching and learning for good and for ill, because the truth is it is never going to be the case in programmes of scale that everything will work, but we need to get on with those that are ready to go and have an impact.

Councillor Nicholl: I have nothing else to add. I know Damien and his team ran the seminar with Cardiff and Edinburgh on best practice and are continuing to engage. That is something that gives me quite a lot of hope, even post COP26, about the work that is happening with cities and how cities constantly engage.

When we were talking about levelling up earlier on, I know that Belfast had used the Core Cities Network. There are a number of different networks that we are actively plugged into that are extremely helpful for a range of work that we are carrying out. Looking at the different city deals and having that relationship has been very helpful.

Q140 **Ian Paisley:** I have a question principally for the Lord Mayor and for Damien Martin. Lord Mayor, I am delighted to see you wearing the chain of office. I think that looks absolutely superb. Well done.

I am sure you are familiar with the phrase, "If it isn't measured it probably isn't done". How do you intend to evaluate the success of the



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deals so you do not look back and say, "If we had done it this way, that would have been different"? What are the milestones? What are the measurement points? What are the trip switches that you think should be in place or already are in place in your mind that will ensure that these deals progress the way they are intended to progress?

Councillor Nicholl: Thank you. I have been told I have to wear my chain at any official engagement, which is going to be harder as I get more and more pregnant. I am wearing it especially for you today.

Governance is a key part of this and there is the oversight of the council panel and an executive board that comprises the council and senior government officials. They are looking at each pillar of investment. Damien is the person who has all the specific details so will be able to go into more around that. We have those governance structures in place to ensure that we are continually measuring and fulfilling our ambitions.

Q141 **Ian Paisley:** Just before Damien comes in on that, as a public representative—as the first citizen—I assume you believe it is important that public representatives stay on that measurement process, you continue to evaluate this and blow the whistle if it is not happening the way you see it happening?

Councillor Nicholl: It is crucial. The role of the elected reps is to engage with grassroots and to get an understanding of community and to have those feelers out. Yes, absolutely, I think having elected reps involved in all of that is important.

Damien Martin: We are looking at this on a number of levels: the programme level, which is the outcomes in terms of jobs, productivity gain, skills development. Obviously, some of that takes much longer to deliver. It is fundamental to the business case process and each of the projects. At this stage modelling and estimates have clearly identified this is the value added we will produce, these are the direct and indirect jobs that we will produce, here is our commitments for the skill group or, for example, in relation to our tourism and regeneration projects, then in relation to visitor numbers. Footfall in town and city centres is very challenging to measure given changes to the baseline. We have a clear sense of those outcome measures and at a programme level it is our responsibility to keep an eye on that. We will be developing a benefits realisation strategy that will draw one every project which has to have its own benefits realisation plan.

At this stage, obviously a key element is progress against the indicators of development because all of the projects are at a relatively early stage, but then within that plan the benefits realisation plan at project level starts to set out the milestones on the journey. For example, the likes of Stuart and Godfrey will have their indicators around business engagement and business co-investment with them as they work towards the long-term delivery. We will be at programme level be developing that into a benefits realisation strategy, but each and every project will then



have its own reporting against progress in the development of the project, but also reporting against the indicators that show we are on track to the longer-term objectives, which clearly take much longer to deliver.

Q142 Ian Paisley: Stuart or Godfrey, do you see any conflicts between the KPIs of individual projects versus the overall milestones and objectives of the main deal?

Dr Gaston: I think an important point is that although it is a university project, the indicators and the KPIs that we are looking at are very much around economic development, impact and job creation. Within GII, for example, we are talking about 2,300 direct and indirect jobs as a minimum and the expectation is that it will be much more significant than that as foreign direct investment kicks in. We are talking about a 20% productivity increase over 10 years.

I want to make the Committee aware that, as far as the universities are concerned, these are very much about impact and innovation projects for the region and not research projects per se. The research is important, because if there is no good research, there is nothing good to innovate, we understand that. I think to your point it is very much about alignment with the wider deal and that there is not any conflict. Our focus at the project level is very much around economic development, which is aligned with the wider project levels. I think that is all good.

Q143 Ian Paisley: Are you setting any specific standard or measurement for jobs? Jobs is a very loose phrase. We want to create X number of jobs, but on quality of jobs are you setting your own KPIs, such as, "These will not be zero-hour contracts, but specific hours at a specific level?" Are you setting any detailed measurements around them?

Dr Gaston: There are no specific KPIs around the quality of jobs per se but the nature of what we are doing, again building on, for example, the cyber-security— Cyber-security itself, even within the digital sector, has a 15% to 20% premium in value of jobs. We are looking, within GII, to build on that. There will not be zero-hours contract type jobs, that is not the level that we are looking at, but that is not to say that every single job requires a university education or PhD. That certainly is not the case either. There are opportunities right across through different levels of education, but clearly these jobs will all be at a premium. At whatever level they are at, that premium will be higher than probably the typical digital jobs within the sector currently.

Q144 Ian Paisley: I get the impression that Northern Ireland is at the point where higher skills job creation at that level is more important than actual sheer vast numbers of jobs, given where our unemployment levels stand and where our population growth is at. Professor Stuart Elborn, do you have anything to add to that?

Professor Elborn: I agree with Godfrey, and we have similar ambitions. There are 4,000 jobs in the health and life sciences sector, and we will



contribute at least a third of those through iREACH. Some will come through GII, and other parts of the city deal and other initiatives. We are looking at a productivity uplift of about 10%, and in health and life sciences these will be high-quality jobs in the public sector and the private sector.

We have skills issues in both at the moment in the Northern Ireland. We can't recruit quality and sufficient volume of healthcare professionals. Engaging in innovation, quality improvement and research is a way that we can increase those skills and retain and attract staff to Northern Ireland, because this becomes a place where they want to work in the public sector, in addition to the contribution to the economy with spin-out companies and bringing in foreign direct investment.

We have clear KPIs. One of the challenges I will mention at this stage is that we need our KPIs and our monitoring to be proportionate and agile. I can see a tendency in this programme, because it is a matrix, of everybody wanting reports and everybody wanting to hold it to account. It is important that we do that smartly and cleverly and in an agile way that can help us make decisions, because some things may need to be stopped, but also that we don't get lost, that everybody is reporting and nobody is putting it together and making the decisions. That is just a little bugbear of mine at the moment.

Q145 Ian Paisley: I think that is a very good point. One accounting officer versus one admonishing body, if you like, should be where this rests and that will allow for slick and eager progress. Can I push you a little bit on the KPI on jobs? You mentioned a specific number. As a milestone, when do you think, say, 50% of that number will be achieved?

Professor Elborn: In our plan that will start to deliver around 2026. As Godfrey said, we are already starting with the trusts and with the university and industry to get this moving, but it will take some time because this is a sector where you need a lead-in time for innovation to come through. We see that coming mid-part of this decade in earnest, but we are looking for some early wins particularly on the research and innovation side with UKRI and Innovate. We are creating jobs at the sharp end first but moving increasingly towards consistent long-term jobs in industry, in clinical trials delivery, and expanding some of the businesses we have here to deliver those jobs.

Ian Paisley: Thank you very much, panel.

Q146 Chair: Tell me if this is an unfair question, Mr Martin. It is clear that you want to get maximum value for every pound of taxpayers' money that is being spent. The Shared Prosperity Fund, which will start in April this year, replaces the EU structural funding. Was that money well spent or was it more a case of getting the money out the door? Can you point to things in Northern Ireland or point at jobs that were created in Northern Ireland that have had a lasting effect? Forgive me if you were not involved in any of that delivery.



HOUSE OF COMMONS

Damien Martin: Unfortunately, it is not my area of expertise for those previous programmes, so apologies, Chair.

Chair: It might be interesting to learn lessons of some of those. I can think of some in my region where the money was not well spent, and we need to learn lessons.

Q147 **Stephen Farry:** Good morning to our witnesses. As someone who previously managed the European structural fund in Northern Ireland, I can testify to the huge impact it had on many people. It was a good success story, and I am concerned about the future with the Shared Prosperity Fund, however.

This probably leads neatly on from Ian's questions about some of the decision-making processes. There are two angles to this one. The first is that criticisms have been made about transparency in decision making in other city deals. What can be done to make that more open in Northern Ireland? Secondly, do you want to relay some of your experiences in the decision-making process? I am conscious that the Belfast City Deal is the most advanced of all the deals in Northern Ireland, but none the less it has been held up in recent months—years, dare I say—with what could be perceived as quite a lot of bureaucracy and also the interaction with the Northern Ireland Executive on how business cases were being processed. I would be grateful if anyone wants to make any comments in that regard.

Damien Martin: The governance is challenging, and I think it is a fair point on the transparency because the nature of this is complex and it goes also, Mr Farry, to the timescale. The truth is that even though we are at a point where we are feeling positive with the deal signed and we want to get on with it, it took us quite some time to get here. I understand Stuart's point on his concern about what some of this might look like going forward.

Part of the challenge in this is that I think we have developed good relationships with our Government colleagues, UK and NI, and things have progressed, but the processes are tough going and they take considerable time. That means that the point about how you involve others—industry engagement and all that—is difficult. The truth is that we hope we are coming out of that now, but we have been in the design process and business case process for some time,.

We have spoken previously that it has been challenging to get here. We hope that we are getting into the phase of delivery now and we must ensure that we have good, robust, transparent governance, but in a way we must be able within the framework of and in holding people to account to allow the partners to get on with delivery. We need to find the balance between effective oversight, making sure with good integration that partners are living up to their commitments so when we say we want to be inclusive, let's see the evidence of that, but not falling on the wrong side of that where Stuart, Godfrey and others can't get on with delivering



the outcomes because they are spending their lives reporting to me, Government Departments and multiple others in different variations.

It is challenging. Other city deals have been challenged with it as well and we have—and I suspect we may continue to need the support of our political colleagues and others to keep driving it forward. Positively, I think the relationships with our Government colleagues have started to work more and more effectively and we are more and more aligned. I am a complete optimist—unfortunately that is a downside—and that gives me confidence that now we are getting into delivery we can make some more progress on that.

Stephen Farry: Does either Stuart or Godfrey want to add anything to what Damien said on that?

Professor Elborn: Just to agree. Maybe I am misinterpreting, but I think that some of the issues of transparency are about how we communicate to our population and for them to understand the benefits and to engage and support this. Also there is a responsibility of the Executive, for example, with data and use of digital data. That is central to the proposition here. We need politicians across the space to work with us, not just to make sure we have the right legislation, to make sure data is protected and useable, but also that we are communicating the benefits to our population of the data and information being used and joined up for their personal good and for the public good.

I think that we have not had the discourse sufficiently in Northern Ireland yet about how data is used and how it benefits our population. Our size, as Damien has remarked on, is a good critical size for data integration and it is fundamental to GII, iREACH and other parts of the city deal that we get the public transparency, the engagement and conversation on that.

Q148 **Stephen Farry:** We say the same thing about inward investment in that we are big enough to be a player, but we are small enough to be very hands on in working with investors. Thank you for that. Godfrey, do you want to come in on that point?

Dr Gaston: I think that transparency of change is also important. What I mean by that is we have written a business case, which in reality we started nearly three years ago, and just because it is written in the business case doesn't mean to say we have to keep going and doing that because it was written two years ago in the business case. By the same token, we can't tear up the business case and just do what we want.

It is important to have transparency of change review. I think Stuart touched on this before. It made sense before Covid or when we wrote the business case, but with the best will in the world things change and we need the ability to flag some change accordingly. We also need to make sure that there are structures in place so that we don't go and do what we want, and I completely understand. Transparency of change is a



particularly subtle point, but I think that it is an important one because we need to be able to look and be agile and change accordingly.

Q149 **Stephen Farry:** Thank you. My final question goes to the Lord Mayor. It is largely to pick up on something that Stuart just mentioned about communities. How can we ensure that communities are fully bought into the city deal process, they understand what is happening and feel included in the process and the outcomes?

Councillor Nicholl: I think that the governance structures have evolved over time and need to be updated now we are moving into delivery. As you say, it is making sure communities understand what is happening. I think that the community planning process—having that political panel within councils—is very effective and we saw how brilliant it was in our Covid response and how we engaged with communities. I think that having that political input will be incredibly important. We know that elected representatives are the ones with connections to communities and on the ground.

This is such a significant investment and, apart from anything else, it is not just the opportunities that it presents, but there is something incredibly hopeful about this level of investment and this partnership across the wider Belfast region. I think it is also important that in the political context of uncertainty that people can see that there is work, there is partnership and there is hope on the horizon. I definitely think that we need to be involved in the governance structures going forward so that we can relay that back.

Chair: I thank all the witnesses for this session from Belfast, particularly to the Lord Mayor for gracing us with her presence. I was given a blue sash when I was in the European Parliament, but I have not thought of a good opportunity to wear it recently. Thank you very much indeed.

Ian Paisley: Have you got an orange one, Mr Chairman?

Chair: We won't go there, Ian. Thank you very much and you are welcome to continue to listen in if you just mute yourselves. We invite the second panel to log on, please.

Examination of witnesses

Witnesses: Stephen Gillespie, Eddie McGoldrick and Paddy McLaughlin.

Q150 **Chair:** I will ask you to introduce yourselves, starting with Stephen Gillespie.

Stephen Gillespie: I am the director of business and culture with Derry City and Strabane District Council.



Eddie McGoldrick: I am treasurer of Grow the Glens, which is a community interest company in Cushendall, County Antrim.

Paddy McLaughlin: Along with Eddie, I am from Grow the Glens, from a beautiful part of the Glens of Antrim—a little village called Cushendall.

Q151 **Chair:** Ian Paisley is nodding very vigorously at that. You are all very welcome indeed. I will ask the first question, which is similar to the question I asked the previous panel: what are the most significant economic and social problems facing your regions? I will link that question with: do you feel that you are getting a fair slice of the cake compared to Belfast, for example?

Stephen Gillespie: A lot of what I will say is probably similar to the previous panel. Of the challenges that we face in our region, skills is clearly top of the agenda. Where Northern Ireland would face a skills deficit and we export at least a university worth of talent, when you look at our city region the higher level provision is clearly not enough given the size of the area. Front and centre of the challenge that we face is how we grow our skills for the future and how we ensure that the higher level provision is there, so not only that we encourage our young people to stay, but also we encourage a flow of talent from the rest of the UK into the region and vice versa.

The other challenges that we face are in connectivity. If you have been up to the region you will appreciate the issues that we have with transport and travel. Rail is a big push, and we have made some serious advances over the last few years and the roads are starting to improve, but they are still a challenge. Getting the connectivity piece right and ensuring that we have transport links to all the major centres is vital. But, as I say, the skills agenda is clearly key to how we grow in the future, and it is the biggest challenge that we face.

Q152 **Chair:** Thank you, Stephen. By the way, could the other two witnesses mute? We are not getting much echo, but it can be a problem.

Obviously, Strabane is right on the border. Are there opportunities or problems because of the whole protocol Brexit situation for Strabane and City of Derry?

Stephen Gillespie: Our geography is slightly unique in that we are a cross-border city region. A lot of our talent flows backwards and forwards daily, and we have the stats that back that up. A company that is employing 1,000 jobs in the city will have typically 30% of its employees coming from Donegal and vice versa. That flow of talent constantly across the border would have been of initial concern, but clearly our economies are linked and anything that affects that flow of trade would affect the regional economy. At the minute those issues are there, and we have to deal with them, and business is finding a way to do business, but it is clearly a concern.



Eddie McGoldrick: The issues that we are addressing are in the area of skills, although we find that the educational underpinning in the area is very strong. It is how we get the right skills and bring them forward into meaningful jobs. Grow the Glens has been involved in coding classes in primary schools and the local secondary school for both pupils and teachers, so that we are starting to prepare the ground to grow the skills that we seek and need going forward. In our digital hub we have opportunities to create very high quality jobs, but they need the skills. Unfortunately, there is a vicious circle here where if you don't have the jobs, you don't have people taking homes in the area and you lose the skills. The district starts to hollow out and get into a vicious downward spiral.

Where do you break that circle? We have tried to break it with skills and then move it on to jobs. Housing is not our remit, but those are the areas that we are concerned about and why we have been working on this for five years.

Q153 **Chair:** We hear often that the education system in Northern Ireland is very good and delivers very good outcomes. Are these skills problems to do with the abilities that some of the students may have or is it the choices they are making at school, the advice they are getting from careers teachers or from friends and family or businesses not going out to engage with students when they decide which A-levels to take or whether not to go to university but get into an apprenticeship?

Eddie McGoldrick: We are fortunate within our committee that we have a senior ex-educationalist who was deputy chief inspector of schools for Northern Ireland. He is very clear that it is a multilayer problem. We need to have schools providing skills and businesses providing schools with clear indications of what skills are needed. Also the FE colleges play into this along with the universities. We have had very useful engagement with Northern Regional College. It has done a facility now to provide us with outreach classes when we get our digital hub built, and it is the interlocking of the education system with the requirements that makes it effective.

The skills requirements change over time—subtle things change over time. In your previous panel you talked a lot about cyber-security. You can't become a cyber-security expert unless you understand coding and you learn coding very early in schools these days. Cyber-security will morph into something else in a few years. It is having that interlocking between the schools, the colleges and then you get the skills focused on business.

Paddy McLaughlin: Following on from what Eddie said, I come from the community angle here, and I see the issues and the opportunities in our small rural community. We are about 18 miles from the Mull of Kintyre in Scotland, and we have a big stretch of water between us, so our hinterland is the water—at least 50% of it. We need to create jobs in our local area to sustain our village, our schools, our shops. We also have a



very large diaspora of people spread throughout the world who are very keen to develop jobs back in the Glens of Antrim, and if we can get the right facilities to facilitate that, we will enrich our community. Thankfully it is a very strong, inclusive, vibrant community here, but we want to keep that. I think it would work very well in parallel with what our Belfast colleagues are trying to do.

Q154 **Ian Paisley:** I welcome our panellists today. My questions are principally for Eddie McGoldrick and Paddy McLaughlin. The Glens are both a gateway and a heartland, so they serve and have a significant potential for the people who live there and for visitors to the area. Eddie, I will ask this first. As a social enterprise, what other ultimate challenges do you face? If you had a blank sheet of paper for a wish list, what would you put on it to make significant changes?

Eddie McGoldrick: We have a couple of strengths as a social enterprise. We benefit from energy in that there is real passion and commitment to do what we do. We can be incredibly agile and much more agile than larger businesses or institutions. We also have the backing of the people. We undertook a survey of the local community to get support for our digital hub, and it was very clear that people wanted it and would use it.

If I had a blank sheet of paper, what I would write at the top of it is "small is valuable". There is a tendency for people to think that only large projects and large institutions are the way forward. Small can grow very quickly and one of the things we have been keen to push on our project is that what we have learned we are more than happy to share. Social enterprises are not like businesses. I run other businesses. Other businesses compete; social enterprises, by their definition, collaborate. It is in their absolute DNA. That gives you the opportunity to replicate, which is good. Large projects tend to be eye-catching and bring problems of governance, transparency and communication, all of which were discussed very comprehensively in the previous session.

You can grow big things from small acorns, and we are very keen that this Committee understands that the mechanisms favour large. Invest NI likes big projects, committees like big projects to review, investors like big schemes, and that is not necessarily the only way forward. We need centres of excellence in medicine, and you are not going to build that in the Glens of Antrim necessarily, but there is no reason why people in the Glens of Antrim can't contribute to that. If Covid has taught us nothing else, it has taught us that dispersal is a very strong attribute and you disperse small.

Q155 **Ian Paisley:** I assume that digital connectivity is absolutely crucial for that. It is like the upgrades to allow the connectivity to flow and the dispersal to work.

Eddie McGoldrick: Yes, and that is why we chose to use the ex-PSNI barracks because there is very good digital connectivity. That is moving forward across Northern Ireland with Strabane and so on, so that is great



to see, but Covid has taught us that without it people are completely disenfranchised.

Q156 **Ian Paisley:** I know they have the Strabane link to about 7,200 homes in County Antrim and the Glens area that previously had not been connected, which I know is making a difference and people are noticing that. Paddy, the same question to you—I don't need to repeat it—but you have a wish list opportunity here.

Paddy McLaughlin: We have already created about 10 home-working jobs here, but this is a repeatable model, as Eddie said. I would love to get this into all the villages in our Coast and Glens area. I think we have a very good model. We designed this before Covid where we knew that with home-working jobs people would get tired and want to engage with other people. I think that people are tired of working at home now and we need to have some kind of a hub to bring people together.

My wish list from a funding point of view is that we need to be involved more closely with the funding agencies on a co-design basis, not merely as applicants for funding. It is ironic that with the biggest role in the success of the economic development of any of these things, we are probably the last people to ever get involved in them. I think a lot more could go on, a bit more joined-up with Government Departments and trying to get Departments to have a timescale to come back to us. We have ticked all the boxes, we have got our proposals all done probably a year ago, but then you don't hear anything back, so you don't know if you are successful or not. We have applied for one fund, but we don't know about a second fund, and at the end of the day we are all volunteers—busy people in our own lives. We are trying everything here to move this forward for our community. I think we need Government to be a bit more joined up.

Q157 **Ian Paisley:** Paddy, just to make the point, 10 jobs in a village in a remote rural location is significant. Some people lose sight of the significance of that number in a small area. Do you want to say something about the jobs that have been created?

Paddy McLaughlin: We have aligned with two major companies. Going back three years ago when this international company visited us, it wants to place jobs in rural areas. It is very expensive to do it in cities and they want to be in the rural areas. They want to have that type of people employed, and I think our model works very well in the whole of North Antrim. One of those companies today is looking for about 100 workers. If I had the facilities, I could put 30 jobs in here or elsewhere. That opportunity will pass us by if we have to wait another two, three, four years when Government aligns to try to help us. I think that is a big issue and a big opportunity.

Eddie McGoldrick: I want to pick up the point you made in the previous session about the quality of jobs. These are not zero-hour contracts. These are jobs where people have flexibility, but they have commitment



from the employer. They are full-term contracts. They are also jobs at varying skill levels, including recruitment jobs, financial jobs, and also we have an opportunity with another blue chip company that wants to place very high-end IT jobs. Again, you learn lessons from everything in life. Covid has shown us that with the right technology and the right skills people can collaborate on a very dispersed basis and move organisations forward. Key to that is agility and Government Departments are not agile. I am sure there are reasons for that, but they are certainly not agile.

Ian Paisley: I think that is a frustration of politicians across the piece here every day. The fact that it is here now we can use it as evidence again and make the point to Government, so thank you, gentlemen.

Q158 **Chair:** I should probably know the answer to this question but are there LEPs, local enterprise partnerships, in Northern Ireland? We have quite a successful one in my part of the world that engages with business and deploys Government funding in quite an effective way. Stephen, do you have something like that or something that does that?

Paddy McLaughlin: Yes, Chairman, we do. We have enterprise boards here. I sit on the board of Causeway Enterprise—I am a director of it. We have about 160 small start-up businesses very successfully doing what they do, developing, nurturing talent and outgrowing some of our facilities. I see this as a spinoff of the same type of opportunities.

Chair: That is very encouraging. I am sure there will be more roles for them to play.

Q159 **Mr Gregory Campbell:** Welcome to the panel. My question is aimed at all three, but I will start with Mr Gillespie, given that the other two men got the last round of questioning. On the issue of the European structural funds and the fact that we have moved on beyond that now, where do you see the make-up and the targeting of projects that would have been aimed at the structural funds had they still been available but now need to be targeted elsewhere? That is the first question.

Stephen Gillespie: There are aspects of the structural funds that we would like to continue. ESF has been very successful in skills and how we work with community groups and develop that side of the economy. We are very conscious of how we work with Government to replace those funds and how we work from there. We are also working as 11 councils to look at our response to Invest NI and what could be the future and potential of the funding and how councils could play a lot bigger role. We feel that there is a lot more that we could do—and that goes across all 11 councils—and we are working on a terms of reference and a strategy that we can present to Government to say, “This is where we feel we can play a bigger part; these are where possibly the funding could be different and could achieve different outcomes.”

We have talked a lot about skills and there are two aspects to the skills. There is the higher end, and there is no doubt that the city deal that I am



involved in, the Belfast Region City Deal, is targeting the well paid, higher quality jobs, but we also have a skills deficit at the bottom, and we have to make sure that all boats rise. We have to ensure that the people who are not at the higher end of skills have opportunities to get pathways to employment. That is where ESF was very successful and where I think councils can play a much bigger role going forward in designing the funding and working with Government, as the levelling up will start to develop in the next round of funding and so on, to ensure that those are addressed as well as the higher end, quality jobs. That is where I see our role.

Eddie McGoldrick: The point I want to make first is that I am not an expert in funding. That is not our contribution, but the observation I will make is that we see new funding opportunities emerging. We have benefited from the Community Ownership Fund, and we are eagerly awaiting the levelling up funding opportunities coming up. The previous arrangements were a well-worn path that people understood and one of our concerns is that these new opportunities spring up, but they become like a thicket that nobody knows how to navigate their way through. The difficulty is that the bigger players and the better organised profit from that and the less well organised or less professionally supported will suffer from that.

We also make the observation that we should learn from some of the good aspects of the previous funding arrangements where they focused on local, and they were very keen to see locally based organisations being developed and grow. We see elements of that in the White Paper. We had Minister Conor Burns down with us a few weeks ago and he was very clear about that and was challenging us to make sure that we were prepared for that.

Our position, Mr Campbell, is that we are ready for that challenge. We have to wait and see what comes out because we don't have the clout to influence the shape of those funds, but we do know what works and those are our observations.

Paddy McLaughlin: I think with some of the EU funds—and again I am no expert—there was more emphasis on the rural areas. In the Glens of Antrim we have other aspirations about linking more with Scotland from a tourism point of view. There are lots of opportunities there. I am very unsure how at this point in the Levelling Up Fund we would try to go for those funds whereas I think there was a more trodden path in the past through the EU funds. I am really unsure where we will go forward with that.

Q160 **Mr Gregory Campbell:** A final question to all three. They say all politics are local and in Northern Ireland there is quite a few people who think that the further you get from the wider Belfast area the bigger the chip gets on somebody's shoulder, particularly about funding and unfairness and allocation, but setting that to one side—



Chair: You could read London for that as well.

Mr Gregory Campbell: You could, yes, and I also hear across the western world. A couple of you mentioned the business of the Levelling Up Fund. Particularly talking about either the Glens of Antrim or Londonderry and Strabane, the north coast and the north-west suffers in that they seem to be in the shadow of the greater Belfast area—population and so on. I don't know if you heard the first panel when I drew attention to the lack of levelling up funding that came to Northern Ireland compared to Scotland and Wales. Are you able to examine and analyse why we felt we came so far short, given how well Scotland and Wales did on the first round and then hopefully not repeat the same mistakes in the second round?

Stephen Gillespie: We were successful with all three projects that we put in as a council.

Mr Gregory Campbell: The chip on the shoulder maybe got a bit smaller there.

Stephen Gillespie: We were pleasantly surprised with that and so we have three fairly significant projects to deliver. I think the key to that and why I believe we were successful is that we have always as a council developed projects regardless of where the funding stream was coming from. That might sound odd, but we have invested in how we develop those projects—community-based projects, wider infrastructure projects or council projects—so we are ready with outlaying projects when opportunities arise such as the funding that happened. It was a tight timeframe and it pushed us to get the applications in, but we had three projects that were very ready. We are already working on whatever the next round of funding is and we will put in significant numbers of projects to get funded.

If you are asking how Northern Ireland can be more successful, we have to be ready, and it is not a matter of responding once the terms of reference come out or the applications open. We have to get ourselves in a much better position to be ready to apply. That is key for us, and we have always tried to do that as a council.

Q161 **Mr Gregory Campbell:** Why do you think some others are not as ready?

Stephen Gillespie: There is a risk in it, and I think that our councillors are up for that risk because they recognise the underinvestment in the region. Therefore, we have to be a bit more willing to put our own money in to develop these projects, to put our own expertise in to do that. That is a risk because sometimes you could be criticised for spending money and the project never happens or you create an expectation in the community that something will happen and then nothing happens. It is clearly a concern for all elected members when you are doing that, but if you are up for that risk and you share that risk and you take it, there are rewards when the opportunities are there, so it is recognising that.



The public sector is not very good at that. Eddie mentioned how slow it can be perceived as at times. We are not risk takers. We have got public money and we have to make sure that it is accounted for and is properly managed and that the governance structures are there, and we can stand over it with transparency. But if we are prepared to take those risks to get ourselves in a position to be ready, I think the rewards are there.

Mr Gregory Campbell: Mr McLaughlin and Mr McGoldrick, do you have anything to add to that?

Eddie McGoldrick: We have been successful with the Community Ownership Fund, and we are also seeking support from Invest NI and to participate in the growth deal in Causeway Coast and Glens. It is difficult for us with the new funds to have the foresight and understand that they may be coming.

I take on board what Derry and Strabane have done where they have positioned themselves and taken a risk position and got ready in anticipation. That is a lesson that we learned by reaching out quite early on to various funding sources. Our frustration now is having secured the Community Ownership Fund, we are having real difficulty getting traction with the growth deal and Invest NI. That is a frustration, but we learn from these things. We are resilient and adaptable, and we will learn how to play the new game as the new game emerges.

Paddy McLaughlin: We have an oven-ready deal sitting here and we have had now for quite some time. If we could just get a bit more joined up passion and energy from the different Departments to drive this on before we lose the opportunity. As Eddie says, we are just trying to deal with the different boards and the different bodies, and hours and hours and hours of endless meetings go on. If we get a bit more co-design between the different Departments it certainly would be very helpful for us on the ground here as volunteers.

Q162 **Stephen Farry:** Picking up where Gregory left off, hopefully people are listening in to what we are discussing today and taking note of what is being said—I say that with some degree of optimism. Starting with Paddy and Eddie, you mentioned co-design and if you had a blank sheet of paper to design these new programmes, what areas would you want them to be prioritising in terms of particularly the skills base in your area?

Eddie McGoldrick: I will lead off on this one. We have already referred to our digital hub and the skills around that to do with STEM and coding and so on, so we have explained that. We also have the maritime hub, so we have very successful boat-building businesses and maritime services businesses that we want to grow on, and they bring in engineering design skills and construction and fabrication skills, which is a broader base than purely IT skills.



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That, in conjunction with providing tourism-based services, extends the scope even further, because you are then into high-end tourism products that can attract another group of people whose skills can be developed in that area. All those things go together because you want to have a skills base that is broad at the bottom and reaches very high. But it is the breadth at the bottom that adds the economic activity just as much as a handful of PhDs.

Stephen Farry: Paddy, is there anything you want to add or are you happy with Eddie's answer?

Paddy McLaughlin: I think Eddie has covered most of that.

Q163 **Stephen Farry:** Let me turn to Stephen on the same topic, but in doing so could I ask you to comment on the levels of economic inactivity in the north-west, that at times have been at the highest levels in the UK? Maybe talk a bit as to how that is a particular skills and labour market inclusion challenge and how you would foresee some of the new programmes coming along, trying to provide assistance in that regard.

Stephen Gillespie: You touched on the stubbornly high levels of economic inactivity, and I have always been concerned. We have had success in that area where we have looked at pathways to employment where we have provided paid employment for periods of time. But those programmes are costly, and we have developed that up as part of our city deal. It is not funded as part of the city deal because clearly it is about infrastructure projects, but we are very aware of that community works-type programme and how on one level it is very costly but on another level we know it works. That is something we want to get funded and that is where we will be targeting, when appropriate, where there is a scheme open that will double fund that activity. That is a concern and something we are very conscious of and something we very much want to address, while at the same time working with the university to grow the university, to grow the skills there and to work to maximise the research and innovation projects that are front and centre within our city deal.

It is about ensuring that as we develop the region—it is a very exciting time to be in the region—the level of funding that is now available from the city deal, but also from levelling up and others, means that we can start to plan and do things that we probably aspired to before but could not deliver. But we have to make sure that, in doing that, we tackle all those difficult problems and that we ensure the skills are appropriate. That is where ESF has been key in the city, and we are very conscious of how that will be replaced going forward.

How do we make sure that level of economic inactivity does not stay at that stubbornly high level, because otherwise we would not have succeeded? We would have succeeded to a point, and I was conscious of the metrics that were asked of the previous speakers. That might not be measured within the city deal but it is something we will be uniquely



measuring and making sure that as a council we drive all those initiatives for all the people, not just the higher-level, well-paid jobs.

Q164 **Claire Hanna:** My question is to Stephen about the Derry region deal, but it has been interesting to hear about Grow the Glens and just self-help in regeneration at its best. Stephen, to the best of your knowledge, what is the progress of the Derry City Strabane deal and have the right priorities gone into the heads of document, and do you see any major pitfalls in the strategy or the delivery?

Stephen Gillespie: If I tackle the second question first: is it the right projects? Where we were very lucky—and when I say lucky, we deliberately put community planning front and centre of the new council—from the very outset our elected members were very keen that we went out. We engaged right across the city and district, because we are very conscious that we have a city within a rural region and we cannot just concentrate on one or the other, to the detriment of the other. We have to make sure we help all our smaller settlements right around the city.

The community planning process spent hours and hours and thousands of engagements right across to develop what we call our strategic growth plan. Our city deal flows directly from our strategic growth plan so every project we have within the city deal has already been consulted on, talked through and worked up with all the consultees. Therefore, we were able to say with confidence that this is what this region wants.

The other thing we recognise is we call it only a start. The strategic growth plan is the ultimate mothership of all the strategies we want to do, and it is not all funded. Therefore, we can have a suite of projects we are ready to pull out when other funding opportunities become available.

How do we take that from there and grow within it? Within those deals and where we are at this point in time is we are working up the outline business cases for all the various projects. We have set ourselves an ambitious target to have those ready, at least first draft, by the end of March, but that will probably bleed into April. That is working with our partners in the university. That is working with our partners in the Western Health Trust and the council itself and right across all the various Government Departments there are regeneration projects in there, there are tourism projects and all those have to be worked up. At this stage that is what we are working on.

There are a number of those projects within that suite of city deal projects that are much more advanced than others. Two in particular I will pull out are the graduate entry medical school that is already started to be up and running in a site within the university, and part of the city deal will fund a new state of the art building for that project. The other one that is ready is what we call our DNA project, our maritime museum project on Ebrington, and it is at full business case. We have already had a degree of flexibility to push those on ahead of all the other projects,



provided we do it within the overall funding envelope that we will have next year.

That is very encouraging, and it means while we work on all the outline business cases, while we push all the various things through—some of them are at different stages than others—we will be able to show projects on the ground, we believe, within the next year or so, and that will show visible signs of progress and allow us to develop the other projects in behind. We believe we are in a good place. We are working very hard with our Government colleagues to develop those up and get them on the ground so we can have at least a project a year over the next seven or eight years starting to be developed and built. It is an exciting time. It is challenging, but in a good way.

Chair: What is interesting is what we are not hearing. We are not hearing about bids that are unsuccessful, about wasted time and effort and energy put into bids that then do not attract funding. That is possibly a tribute to the quality of the bids that are going in but also getting the balance right between the amount of projects that can be funded and the amount that apply for that funding. Mary Kelly Foy, you have a question on foreign direct investment.

Q165 **Mary Kelly Foy:** It is your chance to show off. How attractive is Derry and Strabane as a destination for foreign direct investment? What is your opinion?

Stephen Gillespie: I would clearly say it is a wonderful place to do business. We have just been voted the second most attractive city in the UK for foreign direct investment and that is not a surprise to me. All the companies who have invested in the city over the last several decades see it as a wonderful example. Every single company that has invested in the city has reinvested within three years and some are into their third and fourth investment. A company like AXA, which came to the city initially as a fairly low-cost contact centre, is now into its third investment and those individuals have moved well up the value chain in terms of salaries, level of difficulty, their roles and what they provide back to AXA as a service.

I have always said that once we get people here we know we can keep them, and we know we have the talent and skills to do that. The difficulty we have always had—the challenge, going back to the first question—is that connectivity piece. We have always felt, within the Northern Ireland context, we have been seen as a wee bit too far away, and that is not fair because the digital connectivity is excellent. When we sell into the States, we can show them in real time it is quicker to do business from the north-west to the east coast of the United States than it is to do business from the east coast to the west coast.

In terms of the digital connectivity piece, we have it, but that physical connectivity has always been a challenge, and it has always been a pull—to pull those FDI visits to get people up to do it—because they are busy



people. When they are coming in, they have short time windows. They need to see sites very quickly and sometimes we are perceived as being a bit too far away. That is something we consistently challenge with our colleagues in a good way, and we work with Invest NI to try to solve that problem and make it easy for business to do business.

Q166 **Mary Kelly Foy:** What do you see as the role of Invest Derry Strabane? What is its role in improving investment opportunities in the region?

Stephen Gillespie: That is a brand we work on within council. That is how we work with foreign direct investment companies. We make it easy for them to come into the city. We make it easy for them to do that. We are happy to work with companies and we have done. We have several examples where we have found their property solutions, if that is what they require. We have helped them find talent. We have helped them set up academies. The assured skills academy is a very well-respected model that when I worked closely with our colleagues in the City of London Corporation, for instance, they are very jealous of because we can do it back to our size and pace. We can do it very quickly with the regional college, with the university.

We have also worked specifically with industry to develop those academies outside the Invest NI model who would normally fund them. That is a key area of success in how we attract those companies in and how we show them we have the talent. Those academies allow for 12 weeks of training. It is basically like a long interview almost, and very often after the 12 weeks the candidates are taken in by the companies because they have had that success. That is how we work with companies to do it and we make it easy for those businesses to come in.

Q167 **Mary Kelly Foy:** What about the role of Invest Northern Ireland in attracting inward investment specifically to your region?

Stephen Gillespie: Clearly, Invest NI is the agency. It has the levers in terms of the grant aid and so on previously and hopefully going forward. We have to work very closely with Invest NI. We cannot attract a company in without ultimately working with Invest NI in doing that, and we work very closely with it. That is clear as to where our roles are. Any visits that come in, Invest NI will involve us in the visits and the council will do everything it can to encourage those companies to invest and vice versa. If we get companies that are interested in the region, we will work very closely with Invest NI to secure them. We cannot do it alone. We clearly would like more, and we are always hungry for more, but that is just the nature of my business.

Q168 **Mary Kelly Foy:** To Paddy and Eddie, I have noticed the huge growth in the number of social enterprises in the last decade. I think they are a wonderful and very important model. Well done for all the work you are doing there. Like the others in the charitable sector, they are often at the bottom of the pile when it comes to support and investment. What is your assessment of the economic support that the social economy has



received by Invest NI?

Eddie McGoldrick: Could I take that question first of all? I want to step back to the previous question and answer. We looked at a recent Northern Ireland Assembly question that looked at the offers on FDI made by Invest NI, comparing urban and rural constituencies. We see a 3:1 disparity in favour of urban versus rural, and when you look at it in terms of heads of population you see there is an offer of support for every 7,000 urban residents versus one offer for every 44,000 non-urban residents.

There may be some structural factors there, but that raises two questions. First, are we adopting the right model and offering the right opportunities? Secondly, if FDI is predominantly going to urban, what will we do to counterbalance that for rural?

To come back to your specific question, the point I would be keen to make is rural can have very high-value jobs. Rural can also support other agendas that are equally important; for example, the climate change challenge we have. The model we see in our village of people travelling to Belfast every day is not sustainable going forward in terms of climate change. The opportunities for rural diversification will be enhanced if other skills and job types appear in rural areas.

An example of this would be farming families. As children grow up in farming families, data skills can be applied in the rural economy and can be a very powerful way of diversifying and creating economic activity in rural areas by marrying digital skills with the rural skills. We need a bit more creative thinking, rather than, "Let's go and find a big factory and drop it in here. Let's go and find another big factory and let's find another call centre and drop it into Belfast or Derry." We would be pushing very hard for a bit more creative thinking. That is why we are calling for some co-design. Come and talk to us. Listen to what we are saying rather than wait for an application from us.

Paddy McLaughlin: These types of business models are just vital. They are key for our rural communities. My village will not be sustainable and then you will end up with other social issues in years to come if you cannot have affordable housing but, secondly, jobs, which is just so important. I see it here every day where our local shops are closing because people have to leave. We are driving people to the cities for jobs and housing, so the more we can do here and keep people in the area the better.

Q169 **Mr Gregory Campbell:** A very short question to Stephen. When you talk about the physical connectivity issues, particularly for the north-west, and for Londonderry and Strabane particularly, I do not think any of us should overlook the massive work that has gone on and will be completed in the next couple of months—the dual carriageway that has been long sought after for many years between the Glenshane Pass. It is the biggest road project in Northern Ireland in the past five years, and it is



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due to be completed in the next couple of months. That should considerably enhance the attractiveness of the region, would you agree? I know you have not mentioned it, but I am sure it was just an oversight.

Stephen Gillespie: Absolutely, the improvements in the transport links is exactly what I was targeting—that feeling that we are not a single lane through country roads, but that we have a proper dual carriageway linking the two cities. Working very closely and allowing the development is key. The completion of that road is a fantastic development and will definitely benefit the city.

Q170 **Chair:** It certainly sounds more deliverable than a bridge to Scotland, anyway. Finally, Mr Gillespie, we have a brand new, shiny Department for International Trade and we are hoping that Mike Freer MP, one of the Ministers, will come and give evidence to this Committee. Can I ask what support you have received, if any, from the Department for International Trade?

Stephen Gillespie: We have early engagement with the officials from DIT in Belfast. They are very keen to work with us and we are very keen to work with them. We see the advantage of the network they have, which is vast and links very closely with the ambitions we have as a region. The city deal, similar to the Belfast regional deal, is very much along the 10X agenda. It is looking at advanced manufacturing, personalised medicine, and the Centre for Industrial Digitalisation, which is the advanced manufacturing side.

How do we take that and globalise that advantage and work in with our colleagues? DIT is key because it has the network of companies. Where we are very adamant is that the research and innovation projects within the city deal that will fund buildings and the academic research is only useful if it generates economic wealth. It is not useful if it just does research for the sake of research. We are working with Invest NI, clearly, but also with DIT to build those companies right at the start of that process, to ensure when we get to the end, and we start building the actual building we can see the clear pathways to employment people will have and the clear advantages.

Taking the cyber-security centre in Belfast as an example, how do we make sure that research in a similar way is developing the real economic wealth? DIT is keen on that, so it is very keen to work with us. We have had initial engagement and we have follow-up meetings in the diary.

Chair: That was very encouraging. I was fearing a different answer to that question, but that is good news. I thank the second panel and thank both panels today for giving us such helpful and useful evidence, and I am sure that will guide our thoughts.

Before I close, I think it would be appropriate to mark the passing of Christopher Stalford MLA, who was the principal deputy speaker of the Stormont Assembly. His funeral will be held on Saturday and our



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thoughts are with his friends, colleagues and family.