

**MINUTES OF THE INAUGURAL MEETING
ECONOMIC ADVISORY GROUP, 28 MAY 2010
NI SCIENCE PARK**

Present: See Annex A.

Apologies: Professor Frances Ruane, Economic and Social Research Institute, Gerry Mallon, Northern Bank and Bill McGinnis, Northern Ireland Skills and Employment Advisor

1 WELCOME AND INTRODUCTIONS

- 1.1 Members were welcomed to the first meeting of the Economic Advisory Group (EAG) and were thanked for agreeing to join the Group. Minister Foster briefly outlined the rationale for establishing the Group.
- 1.2 Members provided a short overview of their background, and the areas where they felt they might contribute to the EAG. The Secretariat also provided brief introductions.

2 TERMS OF REFERENCE

- 2.1 Minister Foster proposed an amendment to paragraph 1 to clarify the precise role of the group as recommended in the IREP report. It should now read 'the role of the EAG shall be to provide independent advice to the Minister of Enterprise, Trade and Investment (ETI), aimed at challenging and developing public policy and strategic thinking on the NI and UK economy'.
- 2.2 In addition, the Minister advised the Group that she had invited Kate Barker to chair the EAG. The Minister recognised that this may raise the workload for Kate, but assured the Group that there will be a dedicated secretariat put in place to specifically help take forward this important work. In terms of a deputy chair, the Minister proposed that Kate nominates a deputy on any occasions when she is unable to attend meetings.
- 2.3 The amendments were agreed by all Members. (Revised Terms of Reference attached at Annex B.)
- 2.4 Members discussed the IREP proposal for an annual review of the economy, and it was agreed this would be an independent report from the EAG to the ETI Minister. Members also agreed that periodic or ad-hoc reports or advice may be produced if deemed necessary, or if requested by the Minister, as issues emerge.

3 INDEPENDENT REVIEW OF ECONOMIC POLICY

- 3.1 Graeme Hutchinson provided a brief update on the Independent Review of Economic Policy, highlighting that there has already been progress in implementing a number of the recommendations, including the establishment of the EAG and the Executive sub-committee on the Economy.
- 3.2 Alastair Hamilton updated members on the Invest NI change programme (Transform) which is being implemented across the organisation as a result of IREP. He advised that eighteen programmes were underway, with more than one hundred and fifty staff involved. He also highlighted the commitment from the Invest NI Board and senior management team.
- 3.3 Minister Foster suggested that given the budgetary climate, radical proposals were required to help manage the ensuing cuts. She suggested the EAG may have views on where these cuts may be made and the challenges for the economy presented by such cuts.

4 ECONOMIC PRIORITIES FOR NORTHERN IRELAND

- 4.1 Graeme Hutchinson provided a presentation on economics priorities for Northern Ireland. The presentation focused on the current economic position, the economic priorities and the roadmap/strategy for the future.
- 4.2 Discussion focused on:
 - change in output levels;
 - prosperity gap, low wages and limited high value added employment in private sector;
 - public private wage differentials;
 - unemployment and economic inactivity figures;
 - size of firms, and number of subsidiary companies in Northern Ireland;
 - skills levels of Northern Ireland population
 - current and future PSA employment and productivity goals; and
 - interaction between the EAG and the Executive Sub-Committee on the economy.

5 KEY PRIORITIES FOR EAG

- 5.1 Minister Foster suggested that contributing to the development of the Economic Strategy for Northern Ireland, should be the primary focus of the EAG between now and the Autumn. She advised that there will be a call for evidence for the economic strategy, followed by a consultation process on the draft strategy later in the year, and suggested both these processes would provide a mechanism for EAG to contribute to the development of the strategy.

- 5.2 The Minister also suggested that the Group would have an important role to play in the development of DETI's contribution to the next Programme for Government and spending priorities for the Northern Ireland Executive, as well as the development of the next DETI Corporate Plan for 2011-14. The need for more ad hoc discussions, particularly in a very significant period of budget prioritisation was also proposed by the Minister.
- 5.3 Members emphasised the importance of managing the expectations of stakeholders, particularly in relation to the budget pressures. In addition Members stressed the need for the Executive to come to an agreed position on the relative priorities of job creation and productivity. Members advocated the importance of R&D and innovation to sustain competitive advantage for Northern Ireland.
- 5.4 Members agreed to look at some short term measures, but recognised that there will be no quick fix, and that it was important not to lose sight of the long term productivity goal. Recognising global opportunities, Members discussed the Northern Ireland brand proposition, how this is projected beyond Northern Ireland and how this is communicated across the internal business community.
- 5.5 Members noted a window of opportunity presented by proposals from the Government in relation to Northern Ireland being designated as an Enterprise Zone and the case for reduced corporation tax. It was suggested that Members may wish to present an options paper on these issues.

ACTION: Secretariat to set-up meeting of EAG Members in July, the purpose of which is to discuss priorities for the Group and agree a workplan.

ACTION: Secretariat to circulate contact details for the Group (and Secretariat) to all members for information.

ACTION: EAG Members to provide views on the priority areas which the Group may wish to address to Kate Barker, by mid June.

6 DEVELOPING A COMMUNICATIONS STRATEGY

- 6.1 Fiona McCausland presented a short discussion paper on developing a communications strategy for the EAG. She highlighted that as there will be keen interest in the work of the Group, it will be important to ensure that the necessary mechanisms are in place both to communicate

internally within the Group and to ensure information on the Group is accessible and is targeted at the relevant audiences.

- 6.2 She updated Members on progress with development of an EAG website and logo. Members recommended the use of a Northern Ireland company to develop the website, and asked the Secretariat to ensure value for money and proportionate use of resources, particularly given that Members were giving their time voluntarily to the Group.
- 6.3 In relation to communicating messages to key target audiences, Members suggested that, depending on issues, it may be beneficial to invite other stakeholders to their meetings. The Minister welcomed this, and advised that she too will be having bilateral meetings with former EDF Members.

ACTION: Secretariat to bring forward a draft Communications Strategy for EAG consideration in early Summer.

7 DATE OF NEXT MEETING

- 7.1 The Secretariat agreed to set-up a meeting of EAG Members in July.
- 7.2 Members were advised that the dates for the next two meetings with Minister Foster are 27 September and 22 November, with the venue Parliament Buildings.

ACTION: Secretariat to liaise with Members to confirm date and venue by the end of June.

(List of Action Points agreed at 28 May meeting attached at Annex C.)

Yvonne Curran
June 2010

EAG INAUGURAL MEETING – 28 MAY 2010**LIST OF ATTENDEES**

<i>NAME</i>	<i>COMPANY/ REPRESENTATIVE BODY</i>
Arlene Foster	DETI Minister
Kate Barker	Former member of Monetary Policy Committee, Bank of England
Michael Ryan	Bombardier Aerospace
Mark Nodder	Wright Group
Alan Armstrong	Almac
Stephen Kingon	Invest NI Board
Lorraine Hall	Kestrel Foods
Alastair Hamilton	Invest NI
David Thomson	DETI
Graeme Hutchinson	DETI
Fiona McCausland	DETI
Yvonne Curran	DETI
Andrew Crawford	Special Adviser to Arlene Foster

**TERMS OF REFERENCE: ECONOMIC ADVISORY GROUP – AS AGREED
AT 28 MAY 2010**

ROLE OF ECONOMIC ADVISORY GROUP

1. The role of the Economic Advisory Group shall be to provide independent advice, to the Minister of Enterprise, Trade and Investment, aimed at challenging and developing public policy and strategic thinking on the Northern Ireland and UK economy.
2. In particular, the Group shall:
 - provide an effective mechanism for engagement with relevant ministers on matters relating to the NI/ UK economy;
 - identify and provide advice on key issues inhibiting or likely to inhibit the competitiveness and productivity of the NI/ UK economy;
 - provide advice and strategic direction in relation to the development of an overarching Economic Strategy;
 - provide advice and strategic direction on the economy in relation to the preparation of the next Programme for Government for 2011 – 2014, and the DETI and Invest NI Corporate Plans for 2011-2014;
 - provide advice on what strategies and policies may be necessary to secure the successful implementation of the Enterprise Minister's response to the recommendations of the Independent Review of Economic Policy (IREP), as announced in a Statement to the Assembly on 25 January 2010;
 - identify the need for, and commission, economic research and policy advice where appropriate;
 - publish an annual review of the economy – for the DETI Minister and other ministers in the NI Executive.

MEMBERSHIP

3. The Group will comprise chief executives of indigenous and foreign-owned companies in Northern Ireland, as well as independent economists. Given the importance of skills, the Northern Ireland Adviser on Employment and Skills will also be invited to join the group.

4. The term of office of members will be agreed between the members and the DETI Minister. In general, members should aim to serve a period of at least two years.
5. The DETI Minister will appoint an EAG Member as Chair to the Group.
6. The Permanent Secretary of DETI shall act as a deputy, in the absence of the Minister, at meetings of the EAG.
7. Ministers or representatives from other Northern Ireland Executive departments may be invited to attend EAG meetings, if warranted by the agenda, subject to the right of the Chair to regulate the numbers attending.

MEETINGS OF THE GROUP

8. When the Chair is unable to attend, the meetings will be chaired by a nominated deputy.
9. Meetings will be held regularly, as agreed by Members, with three / four plenary meetings held each year. The Group may also hold ad hoc meetings during the year to discuss issues that may arise and which require discussion with the Group and /or an agreed quorum.
10. The agenda for plenary meetings will be drafted following consultation with EAG Members, and approved by the Chair.

MEMBERS' EXPENSES

11. Members of the EAG shall be entitled to claim travel expenses for attending meetings. These will be determined by DETI.

SECRETARIAT / PROFESSIONAL SUPPORT

12. DETI (Strategic Planning, Economics and Statistics Division) will provide secretariat and professional support to the EAG.

REVIEW

13. The Group will be reviewed by the DETI Minister on a periodic basis to ensure that it is meeting its objectives and is appropriately constituted. There will be a full evaluation of the Group on a biannual basis.

ACTION POINTS AGREED AT 28 MAY 2010 MEETING

ANNEX C

ISSUE	ACTIONS ARISING	LEAD RESPONSIBILITY	TIMESCALE
Meeting discuss priorities for the Group and agree a workplan	Secretariat to set-up meeting of EAG Members in July, the purpose of which is to discuss priorities for the Group and agree a workplan	Secretariat	By end of June
Contact Details	Secretariat to circulate contact details for the group (and Secretariat) to all members for information.	Secretariat	By end of June
Priority areas for EAG to address	EAG Members to provide views on the priority areas which the Group may wish to address to Kate Barker, by mid June.	EAG Members	By mid June
Communications Strategy	Secretariat to bring forward a draft Communications Strategy for EAG consideration in early Summer.	Secretariat	By end of August
Date of Next Meeting	Secretariat to liaise with Members to confirm date and venue by the end of June.	Secretariat	By end of June