

MINUTES OF THE ECONOMIC ADVISORY GROUP MEMBERS' MEETING

17 June 2016, 2pm, NETHERLEIGH

Present: See [Annex A](#)

WELCOME & APOLOGIES

EAG Chair Ellvena Graham welcomed members to the meeting. In particular the Chair welcomed DfE officials Derek Baker and Bobby Clulow, who were attending for the first time.

1. MINUTES OF LAST MEETING / MATTERS ARISING / PROGRESS ON ACTION POINTS

- 1.1 Members agreed the minutes of the 29 February 2016 meeting without amendment. All actions were noted as complete or in-hand.
- 1.2 Chair thanked Members for the return of completed Registers of Interests and reminded Members of the need to identify potential conflicts relating to particular agenda items, as they arise during the course of an agenda, as required.

Apologies were noted from: Minister Hamilton, Mark Nodder, Michael Ryan and Patricia O'Hagan.

2. COMPETITIVENESS REPORT

- 2.1 Chair invited AMcC to update the Group with regards publication schedule for the, now complete, Competitiveness Scorecard and EAG Summary Report. AMcC outlined a level of clarification sought by Minister Hamilton in relation to use of data and WEF data sets. Members discussed the rationale behind the approach adopted by the Group in 2013, i.e. to opt not to base the study on WEF data. Members recalled how Business members of the Group in particular had expressed significant uneasiness with the WEF approach. Members were unanimous in the conviction that the WEF approach represented poor value and did not fulfill the needs of the exercise, relevant to the Region.

Essentially the data involved a very large number of countries, very simple indicators. Plus a level of opinion, as opposed to evidence, which business members in particular did not feel comfortable with.
- 2.2 Members were unanimous in their agreement of the need to address any concerns or further clarification the Minister may have in relation to the approach to the study

and to deliver their findings in a format which was most helpful to the Minister. Members agreed the need to view the report as a starting point from which to inform future policy intervention and for it to talk directly to the new Programme for Government (PfG).

- 2.3 Members agreed the priority should now be to provide the comparison of the two approaches, further to which EAG Chair will follow up with a discussion with Minister highlighting the usefulness of the Competitiveness work in the context of the new PfG.

Action 1: DfE Analytical Services to submit to Minister paper illustrating pros/cons of both the WEF approach and the approach ultimately taken by EAG, as a matter of priority.

EAG Chair to request meeting with Minister Hamilton at earliest opportunity. Secretariat to co-ordinate.

- 2.4 Looking forward, Members discussed how the Report should be updated/reviewed periodically to ensure it continues to fulfill a challenge function in a strategic context. Members suggested the need for an interim review of findings at 2-3 years, no earlier; the potential to monitor within a longer 5-year government cycle; and a more granular approach to updated, i.e. do it on a pillar basis, based on where, e.g. significant investment or policy intervention has been implemented. The question of resource to carry out the work on an ongoing basis was raised.

[Neil Gibson was excused from the meeting for this point of the discussion.]

- 2.5 Members highlighted the need to (i) update the findings; and (ii) develop the work to reflect new research/methodological approaches in the study of competitiveness and the capacity and skills required to undertake same. Whilst 3rd party input was considered to be an important factor Members agreed that buy-in and internal government commitment was now absolutely imperative with the need to embed the work within the PfG over coming weeks. BR stressed there should be no push to chance anything too quickly and suggested that much of the work should come in-house, expressing the view that the issue for 3rd party separation was one of perception and not a real question of independence. The concept of Peer review coupled with Independence of EAG challenge was more than adequate in terms of addressing the question and that it is important that in-house capability is recognized and developed, as appropriate.

[NG was invited to re-join the meeting.]

Action 2: DfE Analytical Services to review the options for taking forward the Competitiveness Scorecard and produce a paper setting these out.

3. FUTURE WORK PROGRAMME – DfE/ASU

3.1 TB introduced a short paper relating to future work programme for ASU. BR suggested the Group starts by identifying the most important areas to discuss new policy and by identifying where there currently is policy deficit. BK advocated the need for modeling to consider the ‘what if’ impact of how individual interventions impact the big overall picture e.g. map skills barometer findings with PfG to highlight important economic drivers.

3.2 **Productivity Paper:** Members welcomed the UUEPC productivity paper and approach to measurements – e.g. the cost of not improving an area. Discussion followed around the levers available to policy makers and the need to distill down to what the absolute priority is e.g. in relation to skills – are skills matched with industry needs –or- what the skill set of, for instance FE teachers are? Members agreed need to engage fully with Department of Education to pull through recommendations and stressed the need to begin to effect change at 4-5yrs+, not 16yrs+.

BR suggested that TB’s paper be developed into identifying gaps in terms of policy levers to include a review of key research programmes being undertaken in universities/research organizations and mapping these other research streams to specific areas where they fit with the areas identified. This map, combined with a review of what other departments and agencies are doing in the respective areas will enable the paper to be used as a challenge function to begin to identify what needs to be done to move the respective levers.

Chair stressed the need to identify which levers are the most effective and urged the need, not to measure more areas, but to identify actions which need to be taken to effect some change. Members agreed the need to look for the challenge pieces (e.g. why does GOVerd not support Berd?) and the extent to which there are challenges for delivery bodies.

NG suggested NISRA input/output tables (2016) would lead to a better understanding of NI supply chains. BR stressed the need to change the position rather than re-measure it and suggested that the question be “How would supporting policy help the supply chain that an FDI would need?”. Members agreed that a draft work plan/straw man for the Minister, highlighting the areas which EAG believe to be of greatest concern should be a priority.

Action 3: DfE Analytical Service to build on the initial list of potential priorities, identifying those that are within the scope of DfE and are likely to have greatest impact. This should also include an overview of existing evidence and information available.

Preface: establish few principles that would lead into choice of priorities

- reference to PfG/Economic Strategy
- work where we don’t know what’s being undertaken
- where we think a difference could be made

EAG's forward work programme is on a different timescale to PfG consultation, however is nonetheless relevant to PfG and should play into it.

FR recommended the need to concentrate on those things that work within the PfG from this department – is what is being done in some of these areas adequate? Review big levers in context of this scorecard and are they working, for example Invest NI? Are some of the levers just a bit out of date, or even – are some of the levers actually upsetting each other? Working back from DfE policy levers should enable change to be made. Difficulties in persuading other departments to act if DfE doesn't act first were also raised.

Action 4: UUEPC to re-visit productivity paper and caveat as required, (e.g. in relation to excluding London data) and publish on-line as a standalone article. NG welcomed any further comments from Members.

4. PROGRAMME FOR GOVERNMENT (PFG)

AMcC provided an update to the ongoing consultation process and outlined, out of the total 42 areas, the 9 where DfE were in the lead and others where DfE had a significant share. The development of the Economic Strategy would be the vehicle to deliver against the areas outlined. The input of views at this stage of the process was encouraged and AMcC outlined Pathfinders work already underway (e.g. Innovation) and the level of engagement and multiple stages of the work in progress while the consultation period is ongoing. AMcC suggested the Minister would welcome constructive engagement and challenge from the Group with the cut-off period for first input being 22 July 2016. A fuller document and action plans along with a suite of strategic documents would then issue for consultation late September 2016. AMcC outlined the degree of significant challenge around alignment between PfG and budget period.

In terms of Economic Strategy, the intent is to re-focus, not re-write and to use it as an action plan to respond to the 9 DfE lead PfG indicators. The document will take into account new research / policy interventions – CT, Skills Barometer, Competitiveness, etc.

BR commended the ability to produce a document which all parties could sign up to as an excellent achievement in itself and suggested that by identifying key indicators and grouping them together it would be possible to tell a story around them and then relate back to levers which the department can actually use with a view to continuity where possible – since continuity in strategy will build on itself, and is therefore an important consideration.

Use the economic strategy document to pull-in strategies already developed but not yet implemented (use the strategy to 'turn the heat up').

SM advised that the PfG indicators have been mapped into Economic Strategy themes and, whilst there wasn't full coverage, he could report a 'reasonable fit'.

NG added his compliments with regard progress to date in terms of principle and direction the new structure takes NI and suggested that EAG should endorse the efforts and direction of travel and presentation within the draft PfG.

Chair agreed willingness to convey to PfG team the very fruitful conversation which the Group had engaged in and to credit the team involved.

In terms of EAG input to the consultation process members agreed to write formally, with particular reference to the 9 economic indicators and also to include commentary where anything was felt to be missing in the 9 and necessary for economic strategy. Members also undertook to identify any other individual indicators or different metrics which they believed should be raised at this point.

BR stressed the importance of trade as a driver of growth and discussion involved the need to take care not to be bundled into a single target. Indicators will ultimately driver behavior in terms of what will be measured, etc. Cluster the indicators and relate to levers, map the levers and this will also help to lead to breakdown of silos, since different levers will be identified from different areas/departments/etc.

Member discussed how the involvement of delivery channels (e.g. the Councils and Invest NI) also presents a huge challenge. The need for such channels to deliver to action plans, not dictate them was stressed.

In addition region –v- sub regional plans and priorities were identified as an area not reflected individually/distinctly within the indicators and Members discussed the role of local council delivery in terms of regional economy development. The need for full consideration of options/alternatives/engagement with local delivery bodies was urged on the basis that buy-in is important; therefore consultation is important to ensure the majority crucial to delivery are actually engaged.

Action 5: Secretariat to circulate summary of DfE priorities and provide a flexible template which would enable Members to submit individual comments for consolidation and onward transmission to PfG consultation process and also Economic Strategy team within DfE, with regard the refocus of the Economic Strategy.

5. ANY OTHER BUSINESS

5.1 BREXIT: POST REFERENDUM POSITION

On the basis that Members provide ongoing support to the Minister and the Department, and continue to seek opportunities to develop the NI economy, whether within the context of the UK remaining within the EU, or not, the Chair confirmed there was no requirement to prepare a statement for release in advance of or following the outcome of the impending referendum.

5.2 Department for the Economy

AMcC reported that in terms of the merging of DETI and DEL, the primary objective has been achieved with DfE, from 01 May 2016 performing as a fully functioning, single department.

6. Dates of Future Meetings

- **September Meeting: 20th Sep., 08:30am (dinner previous evening Mon 19th, Venue: Deane's at Queen's, 7pm.)**
- **December Meeting: 14th Dec., 08:30am (dinner previous evening Tues 13th)**

There being no further business, the Chair closed by thanking Members for their contribution.

ANNEX A

EAG MEMBERS' MEETING – 17 June 2016

ATTENDEES

Bridget Rosewell	Volterra
Neil Gibson	Ulster University Economic Policy Centre
Bryan Keating	MATRIX
Mark Ennis	Invest NI
Frances Ruane	Economic and Social Research Institute
Ellvena Graham	EAG Chair
Bill McGinnis	
Andrew McCormick	DfE
Derek Baker	DfE
Shane Murphy	DfE
Bobby Clulow	DfE
Diarmuid McLean	DfE
Thomas Byrne	DfE
Gillian Gregg	EAG Secretariat (DfE)
Vicky Newman	EAG Secretariat (DfE)

ANNEX B

ACTION POINTS AGREED AT JUNE 2016 EAG MEMBERS' MEETING

NO	ISSUE	ACTIONS ARISING	LEAD RESPONSIBILITY	UPDATE
1	Action 1: Competitiveness Study	<p>(i) DfE Analytical Services Unit to submit to Minister paper illustrating pros/cons of both the WEF approach and the approach ultimately taken by EAG, as a matter of priority.</p> <p>(ii) EAG Chair to request meeting with Minister Hamilton at earliest opportunity. Secretariat to co-ordinate.</p>	<p>ASU</p> <p>Secretariat</p>	Chair met with Minister w/c 27 June 2016.
2	Action 2: Future Work Programme	<p>TB's list should be mapped against levers to enable identification of most effective levers – “create the set of levers that are likely to have greatest impact” and map-in work already initiated in context of PfG/economic strategy refocus.</p> <p>Preface: establish few principles that would lead into choice of priorities</p> <ul style="list-style-type: none"> ▪ reference to PfG/Economic Strategy ▪ work where we don't know what's being undertaken ▪ where we think a difference could be made 	DfE / ASU	
3	Action 3: Productivity Paper	<p>UUEPC to re-visit productivity paper and caveat as required, (e.g. in relation to excluding London data) and publish on-line as a standalone article. NG welcomed any further comments from Members.</p>	NG	

NO	ISSUE	ACTIONS ARISING	LEAD RESPONSIBILITY	UPDATE
4.	Action 4: Programme for Government (PfG)	Secretariat to circulate summary of DfE priorities and provide a flexible template which would enable Members to submit individual comments for consolidation and onward transmission to PfG consultation process and also Economic Strategy team within DfE, with regard the refocus of the Economic Strategy.	Secretariat	Complete. Consolidated EAG response submitted to formal consultative process 22/7, along with letter of support from Chair endorsing progress to date and offering further support. (Paper x refers).