



Northern Ireland
Executive

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Economy and Jobs Initiative



Supporting
People

Supporting
Investment



Supporting
Business



Ministerial Foreword

When the Executive published the Northern Ireland Economic Strategy in March, we clearly identified that the route to economic success would come through a renewed focus on export led growth. This approach was unanimously endorsed by the NI Assembly and supported by key stakeholders.

Departments across the Executive are making significant progress in implementing their Economic Strategy commitments, activity which will, in the longer term, improve the competitiveness of the local economy and deliver higher levels of sustainable growth and employment.

However, we recognised that our Economic Strategy was being launched at a time of uncertainty in the global economy and accepted that it needed to be flexible to enable us to respond to issues as they arose. Low growth in our key markets is continuing to dampen our economic recovery and we recognise that this is having a negative impact on many NI households and businesses.

The Executive has therefore concluded that it is necessary to take further action to support the local labour market. We have made resources available over the remainder of this budget period to implement a range of additional short-term measures set out within this Economy & Jobs Initiative and we have supplemented this activity by diverting further resources to projects which will boost employment in the construction sector in the short-term.

We remain of the view that our ability to deliver our economic objectives would be greatly enhanced by securing corporation tax varying powers. We reiterate our commitment to securing this additional policy lever at a price that is affordable and will continue to press the Prime Minister for a decision on this important issue.



A handwritten signature in black ink, appearing to read 'Peter Robinson'.

RT HON PETER ROBINSON MLA



A handwritten signature in black ink, appearing to read 'Martin McGuinness'.

MARTIN MCGUINNESS MP MLA

NI Executive's Economic Priorities

The primary focus of the Executive remains the need to grow the NI economy and tackle disadvantage. A strong, growing and sustainable economy will be the foundation of a safe, peaceful, fair and prosperous Northern Ireland.

The measures we have put in place will make the economy more competitive, and we remain committed to securing the necessary policy levers to help realise our economic vision. Progress is ongoing in terms of the Executive working to secure the power to vary the rate of Corporation Tax in NI. The Joint Ministerial Working Group has concluded and a report is being prepared for the Prime Minister's consideration. The same effort is being placed into NI securing the best possible outcome from Regional Aid. We also await the Economic Advisory Group's report into Competitiveness and Access to Finance, both of which are due early in 2013.

ADDITIONAL ACTIONS

Given the economic challenges we continue to face, the Executive is acutely aware of the need to deliver, and where possible exceed, the commitments made within the NI Economic Strategy. This initiative has examined where existing commitments can be accelerated in terms of implementation and has identified a number of additional actions we will take to support the local economy at this time.

These additional actions build on a range of recent initiatives which will support economic growth and deliver social change. We recently announced £26m in additional funding to implement six signature projects as part of Delivering Social Change. This includes funding for 230 graduate teachers to deliver one to one tuition for children who are struggling to achieve basic educational standards and the creation of 10 Social Enterprise Incubation Hubs to encourage business start ups in empty or derelict shop units.

To build upon these recent announcements, we have prioritised proposals that can be introduced or delivered quickly and which will give a short term boost to employment. Our focus is on initiatives which will provide support to:

- **People** impacted by difficulties in the labour market
- **Businesses** facing challenges in key markets
- **Infrastructure** investment to support the construction sector.

In developing these additional actions, we have engaged with key stakeholders in the business community, the trade unions and the voluntary and community sectors.

We are also engaging with the EU Commission, through the Barroso Task Force, to identify what further assistance might be available from Europe to support the local economy at this challenging time.

We have outlined in the summary box below a list of the key actions we will take to further strengthen the NI economy. A full list of all actions being taken by the Executive in support of our delivering our economic objectives can be accessed on our Economic Strategy website (www.northernireland.gov.uk/economic-strategy).

Economy & Jobs Initiative – Key Actions

To ensure we are maximising the support available to meet the economic challenges we are facing, the Executive has asked the Barroso Task Force to consider what additional assistance may be available from Europe to support the NI economy.

Supporting People	Supporting Business	Supporting Investment
<p>We will extend the Youth Employment Scheme (YES) by providing further support to enable more young people to undertake training and gain valuable work experience to help them secure employment in the future.</p> <p>This funding will create an additional 900 waged employment opportunities of a minimum of 6 months duration and, through ApprenticeshipsNI, we will fund further off the job training for young people who have participated in YES and subsequently moved into employment.</p>	<p>We will further streamline Invest NI's application, appraisal and approval processes to make it easier to provide support to businesses and to accelerate investment and job creation.</p>	<p>Building on the success of 2012, we will provide an additional £9.7m, across the next 2 years, to stimulate further investment in projects which will enhance our tourism infrastructure.</p>
<p>We will further build our skills base in priority areas by funding 500 additional undergraduate STEM places per annum; 150 additional PhD places in 2013/14, 2014/15 & 2015/16 and providing additional resources to enable the FE sector to deliver a further 600 enrolments during each of the next 2 academic years.</p>	<p>We will support our town centres & retail sector by placing a moratorium on car parking charges over the remainder of this budget period.</p>	<p>In addition to our capital investment programme, we will further support the construction sector by introducing further changes to the Planning regime throughout 2013 which will stimulate investment and employment.</p>
<p>Through the Social Investment Fund, we will provide £26m to tackle the causes of poverty and deprivation and lay the foundations for sustained economic growth.</p>	<p>We will further extend the Small Business Rate Relief Scheme to provide 3,500 more businesses across all sectors of the economy with a 20% discount on their rates.</p>	

Supporting People through Skills and Employability

We are taking action to ensure that those out of work have access to the right training, skills and education opportunities. While we are boosting provision of support to improve individuals' levels of employability, we are also continuing to focus our efforts on addressing the needs of young people & other disadvantaged groups and provide further support aimed at improving our capabilities in key areas such as STEM subjects.

In addition to those commitments outlined in the NI Economic Strategy, we will:

- Fund an additional 500 undergraduate STEM places each year, bringing the total increase in STEM places to 1,200 by 2015. This will enhance the skills base in priority areas for the NI economy.
- Enhance higher level skills and research capabilities in priority areas by providing an additional 150 fully funded PhD places in areas of economic relevance over the next 3 years and 20 bursaries for Aerospace MSc students.
- Provide 1,700 young people with waged employment opportunities of a minimum of 6 months duration within either the private, public or voluntary & community sectors. This new intervention is aimed at 18-24 year olds who have been unemployed for a minimum of 26 weeks and will provide a contribution to the wage costs of employers (£120pw under 20s; £155pw 21+).
- Support 1,100 over-50s, who have been out of work for more than 12 months, to take up temporary paid employment of up to 26 weeks in the Community and Voluntary Sector. DEL would make a contribution towards the wage costs of employers. As well as a period of paid employment, participants' employability would be enhanced which would improve their future prospects in the labour market.
- Encourage further employer engagement with ApprenticeshipsNI for up to 900 additional young people that have participated in the Youth Employment Scheme by supporting the cost of "off the job" training.
- Introduce an additional employer subsidy under Invest NI's Jobs Fund scheme to provide additional incentive to employers to recruit disadvantaged workers. This proposal will encourage businesses with existing and new employment based projects to recruit more "disadvantaged" workers across NI.
- Encourage self-employment in key growth sectors by making 150 Enterprise Allowances in priority growth sectors available to 16-30 year olds. Individuals would receive a weekly allowance as well as start-up, training and other business grants & mentoring support.
- Extend the Youth Employment Scheme for young people with disabilities by a further 50 places per annum. This will bring the total places available on the scheme to 6,100 over the 3 year period of the scheme.
- Provide a further 500 work experience placements/ training opportunities for young people across the public sector as part of DEL's Steps to Work Programme. This proposal will provide unemployed young people with valuable on the job experience and improve levels of employability.
- Increase funding to the FE sector to support further up-skilling of NI workforce and to deliver additional qualifications. With this additional funding we will deliver 1,400 additional enrolments at level 2 and level 3 (including Essential Skills).
- Provide funding to a further 26 European Social Fund projects which will provide a range of training and employment initiatives to over 11,000 participants across NI, including 1,400 NEETs.
- Support growth in the local screen industry by introducing an apprenticeship scheme to enhance the skills base of the new media sector and establishing a new 'Digital Technology' creative learning centre for schools and young people.
- Through FE colleges, we will conduct skills audits of employees within companies where significant numbers of employees are being made redundant, to increase the speed and focus of the skills response in these situations.
- OFMDFM will bring forward targeted and additional proposals to enhance pathways to work for disadvantaged and socially excluded communities. OFMDFM will take the lead in coordinating the initiative.

Supporting Business Growth

The NI Economic Strategy outlines the steps we are taking to boost competitiveness and employment through building a more export focused private sector. We have undertaken a wide range of initiatives to sustain business growth during the downturn and will continue to support businesses across all sectors through Invest NI's 'Boosting Business' initiative and Jobs Fund.

In addition to those commitments identified in the NI Economic Strategy we will also:

- Extend the small business rate relief scheme to provide a further 3,500 business ratepayers with eligible premises with a net annual value of up to £15,000 with a 20% discount on their rates.
- Seek to accelerate business investment and recruitment by introducing a new streamlined and 'fast-track' application & approval processes for all Invest NI FDI expansion projects and those investments where Selective Financial Assistance (SFA) is less than £100k and by amending overly restrictive conditions placed on offers. This will include Invest NI Jobs Fund projects where 'fast track' processes are already in place for projects under £50k. These streamlined processes will deliver faster processing of projects and should result in accelerated

investment & recruitment and increased job creation activity.

- Apply the existing Jobs Fund grant payment terms to all new SFA employment based projects under £100k to encourage businesses with new employment based projects to accelerate the rate of recruitment and increase job creation.
- Introduce a new Invest NI 'Skills Growth' scheme for small businesses (up to 50 employees) which would provide 50% grant (to a maximum of £10,000) towards external costs relating to training. This will encourage higher levels of investment in skills development amongst small companies in NI which will strengthen the NI skills base and have a positive impact on the economic performance of participating SMEs.
- Accelerate the establishment of new start-ups focused on external markets by introducing a "packaged" offering of support to encourage Export & Global start-ups. This will have a positive impact on employment creation.
- Increase the effectiveness of Government procurement by recruiting new 'Innovative Procurement Executives' whose role will be to work with the Public Sector to identify and generate projects that could be taken forward by way of an innovative Small Business Research Initiative (SBRI) procurement approach. These Executives would also engage with the SME base to build capability in terms of engaging with innovative procurement projects and to promote tender opportunities to SMEs that may be interested. The SBRI approach allows firms to develop an innovative solution to the delivery of public sector goods and services. It is expected that this approach will increase the development of innovative products and services across the NI SME base and will stimulate exports while also addressing key societal challenges through innovation.
- Provide a positive boost to the local economy and retail sector by placing a moratorium on increases in

town/city centre car parking charges over the remainder of this budget period.

- Increase Invest NI's delegations to £50,000 cost per job for mobile investment and £40,000 cost per job for non-mobile projects to further strengthen its autonomy following the recommendations contained in the Independent Review of Economic Policy. In the current economic climate, this offers increased flexibility when considering investment and job creation projects and should reduce timescales for project approval which should lead to improved job creation and retention.
- Support innovative proposals to boost the services provided by our tourism sector by funding a new round of the Tourism Innovation Fund. The Fund will provide £800,000 and support approximately 40 jobs.
- Develop and introduce a new 'Finance Voucher' scheme which will help SMEs access the specialist support they need to grow their business. Consideration will also be given to broadening this support to include other functional areas.
- Establish a Group, under the remit of the Connected Health and Prosperity Project Board, to exploit the economic opportunities from the health and social care sector.
- Make an additional £15m available to ensure that farmers receive more money in their Single Farm payment in 2013. This will generate additional spending power for farm business from the end of 2013 and into 2014.
- Develop a new Food Innovation Support Unit which will contribute to the growth of local agri-food companies through the development of new and improved products.
- Introduce a pilot voucher scheme to encourage business-to-business innovation and partnerships between the creative industries and other local business sectors.

Supporting Infrastructural Investment

The Executive recognises the important role that infrastructural investment has in creating and sustaining employment in the construction sector and has committed to delivering over £5 billion of capital investment in the current budget period.

Given the ongoing challenges facing the construction sector, we have identified a number of additional actions such as:

- Phase in a series of changes to the Permitted Development Rights regime which enables developers to undertake works without the need to apply for planning permission. This will encourage small scale investment and boost activity and employment in the construction sector.
- Introduce revisions to the structure of planning fees to alleviate the financial burden on developers seeking to progress projects which deliver new investment. When in place these measures will have an indirect impact on employment in the medium to long term across the whole of Northern Ireland.
- Boost employment in the construction and related sectors by stimulating further investment to secure and restore our heritage assets through raising the current cap on Listed Building Grant aid (from £150,000 per project to £500,000) and increasing the rate of support available for individual heritage projects (from 35% to 45%).
- By March 2015, provide further funding to support additional investment in 23 projects which will enhance our tourist amenities and tourist related capital developments. By providing £5.7m of funding the Tourism Development Scheme could deliver total investment of over £27.5m, supporting over 450 jobs in the construction phase and creating or sustaining approximately a further 50 tourism jobs once complete.
- Help to sustain employment in the construction sector by increasing the maintenance budget for the Schools Estate by a further £10m in 2013/14.
- Improve the NI tourist product by upgrading caravan sites within our forest parks to international 5-star standard.
- Provide £4m to develop additional film studio capacity to support the development of the NI Screen Industry.
- Make over £40m available to deliver a range of projects in the current financial year which will support the construction sector. This funding will see further resources being made available to:
 - improve the schools estate (including addressing the consequences of the fire damage to Arvalee Special School);
 - undertake further roads structural maintenance; street lighting maintenance; & emerging works along the Antrim Coast Road; and
 - fund an additional 180 new property owners through the Co-ownership scheme.
- Create and sustain employment in the construction sector by accelerating nearly £60m of capital spending to allow projects to commence in 2013/14 rather than 2014/15.
- Make a further £10m available in both 2013/14 and 2014/15 through the co-ownership scheme.
- Provide further funding to progress the regeneration project at Crumlin Road Gaol. Further investment will secure employment in the short-term and complement private sector investment at this site.
- Publish revised Planning Policy Statements for Enabling Development and Tourism. When in place these measures will have an indirect impact on employment in the medium to long term across the whole of NI.
- OFMDFM will bring forward proposals to boost economic activity through the retro-fitting of energy efficiency measures into homes.

Progress Being Made

The NI Economic Strategy outlined a range of actions aimed at rebuilding the economy in the short to medium term. We have taken immediate steps to promote employment opportunities and support those **people** that have been impacted by the ongoing difficulties within the labour market. We have taken action to support **businesses** in all sectors of the economy and we continue to support and encourage investment in our **infrastructure**.

For example, the recently launched Investment Strategy sets out proposals totalling over £13 billion covering seven key sectors: Networks; Skills; Health; Social; Environment; Productive; and Justice. We are providing a £5 billion stimulus over the four years to 2014/15 and research indicates that this is supporting over 13,000 jobs in the construction industry and more in the related supply chain.

We have set out below the **progress** already made against a number of our **key** economic commitments.

Supporting People

Key Commitment - Programme for Government /NI Economic Strategy	Progress
Contribute to rising levels of employment by supporting the promotion of over 25,000 new jobs.	Between April 2011 & September 2012, Invest NI promoted 8,606 jobs. We are on course to meet our PfG commitment against this key economic target.
Move 114,000 working age benefit clients into employment by providing skills and training.	By August 2012, DEL's Employment Service has supported nearly 53,000 working age benefit claimants into work.
Deliver 6,000 work experience and training opportunities for young people by 2015 in priority sectors.	DEL Minister launched the new Youth Employment Scheme in July 2012. 2,200 work experience and training placements will be provided by March 2013 equipping young people with new skills and on-the-job experience which will help them to compete in the labour market.
Deliver 210,000 qualifications at Levels 2, 3, 4 and above through Higher Education, Further Education, Essential Skills and Training.	We are strengthening the NI skills base and improving the labour market prospects of individuals. We are on target to deliver our PfG commitment with 66,754 Level 2 and above full qualifications gained in academic year 2010-11.
Offer a period of supported self-employment for those interested in running their own business.	The skills and confidence gained through participation on the Steps to Work Self - Employment Test Trading strand has, between April and December 2011, enabled 270 participants to enter independent self-employment or work.
Improve the employment opportunities of those people living in the most deprived neighbourhoods by helping them secure the skills they need to participate in the labour market.	DSD have put in place contracts worth over £28m which will improve educational attainment and enhance the skills; employability; & prospects of securing employment of residents in Neighbourhood Renewal Areas.
Increase the overall proportion of young people who achieve at least 5 GCSEs at A*-C or equivalent including GCSEs in Maths & English by the time they leave school.	Remain on course to meet our NI Economic Strategy and PfG commitment. In 2010/11, 59.5% of leavers achieved 5 GCSEs at A*-C or equivalent (an increase of 5.3 percentage points over the past 5 years).

Supporting Business

Key Commitment - Programme for Government /NI Economic Strategy	Progress
Achieve £1 billion of investment in the NI economy.	To date, Invest NI has secured a number of high value employment related projects from key companies with investment valued at £458m to the end of September 2012.
Increase the value of manufacturing exports by 20% by 2014/15. Increase the value of manufacturing exports to the emerging economies by 60% by 2014/15.	Manufacturing exports were 4% higher & exports to the emerging BRIC and CIVETS economies were 19% higher in 2011/12 than the previous year. Invest NI has committed further resources, to support local firms seeking to secure and grow their sales in Turkey, the Nordics, Central & Eastern Europe and Canada. Invest NI now has an in-market expertise across the world and these resources will make an important contribution in increasing the value of our export sales.
Support £300m investment by businesses in R&D, with at least 20% coming from SMEs.	Since April 2011, Invest NI support has levered £85m of business investment in R&D with 56% of this coming from SMEs. The latest available figures show that Business Expenditure on R&D (BERD) increased by 79% between 2008 and 2010 to stand at £344m – the highest ever figure on record. In NI, BERD as a percentage of output, is now the sixth highest of all UK regions.
Introduce a single point of contact for employers so that they can identify and access the relevant support.	The DEL Skills Solution service is now fully active across NI. Advisers have brokered 79 customised training programmes for employers helping to raise the skills profiles of companies and the qualifications portfolio of individuals.
Increase visitor numbers to 4.2m and tourist revenue to £676m by December 2014.	We have delivered new tourism facilities at the Giant's Causeway and Titanic Belfast. Together with hosting the Irish Open at Royal Portrush in June, we remain on course to deliver 3.87m visitors and £597m of tourism revenues in 2012.
Introduce an extension of the Small Business Rate Relief Scheme to 2015.	We have expanded the Small Business Rate Relief Scheme with 20% relief now awarded on eligible premises with a net annual value of between £5,001 and £10,000. As a result of this extension, a further 8,200 small businesses, across all sectors of the economy, now receive help, with average annual rates reductions of around £735.
Support 200 innovation projects through the Creative Industries Innovation Fund.	We are on target to deliver our PfG commitment, 93 projects have already been supported since April 2011. These projects will harness the innovation and entrepreneurial potential of NI's culture, arts and leisure base to develop new, exportable products and services, across all sectors of the economy, which will contribute to growing levels of prosperity and employment.
Stimulate 1,150 new employment opportunities in rural areas under the Rural Development Fund by 2015.	We remain on track to deliver this commitment. Funding has been allocated to support Rural Development Fund projects which could create over 1,200 new jobs by March 2015. By July 2012, over 170 employment opportunities had already been created in rural areas.

Supporting Investment

Key Commitment - Programme for Government /NI Economic Strategy	Progress
Help the construction industry by delivering key road and rail projects over the budget period.	To support the economy, we have upgraded our transport infrastructure by progressing a number of schemes in the Strategic Roads Major Works Programme. We have commenced construction on the A8 Belfast to Larne Dual Carriageway and Derry~Londonderry to Coleraine rail track relay. Roads Service has also invested a record £120m in structural maintenance during 2011/12.
Help the construction industry by delivering 8,000 social and affordable homes over the budget period.	We have invested to increase the size & improve the quality of our housing stock and to support first time buyers. DSD is investing £93m to build new social housing in 2012/13. This funding will be supplemented by a further £40m investment from housing associations. £25m will be provided to support the Co-ownership Scheme and £27m will be spent on improving energy efficiency in the housing stock this year.
Help the construction industry by substantially completing the construction of the new Police, Prison and Fire Service Training College.	We have made substantial progress towards the delivery of new training facilities for our Police, Prison and Fire Services. The main construction contract for the project, which will provide 1,350 construction related jobs, is on course to be awarded by June 2013.
Ensure 90% of large scale investment planning decisions are made within 6 months and applications with job creation potential are given additional weight.	DOE have begun a comprehensive and fundamental review of planning policy. Planning approval has been granted to seven large scale investment projects since April 2012. Notice of Opinions have issued on a further two investment projects with the final decision expected to issue shortly.
Implement the Social Investment Fund to improve pathways to employment, tackle systemic issues linked to deprivation, increase community services and address dereliction.	In May 2012, the Executive agreed to commit £80m to the Social Investment Fund. In October, we announced £26m additional investment across six programmes to tackle poverty and deprivation and lay the foundations for sustained economic growth.
Maximise the social benefits of investment through the use of social clauses in construction, supplies and services contracts.	To assist those out of work and lacking skills or experience, all Executive Departments are now required to set targets for the inclusion of social clauses in procurement contracts and monitor delivery of social clause opportunities delivered.
Invest in the public realm of NI's towns and cities to deliver 48 Public Realm schemes by March 2015.	To date, DSD has delivered 6 public realm schemes, at a cost of almost £5.5m. Through these projects we will address dereliction and provide a catalyst to promote private sector investment which will regenerate towns and cities across N.I.

In addition to the commitments identified above, we have progressed a number of key supporting strategies which will support individuals, businesses and investment. For example, the Agri-Food Strategy Board (AFSB) has been appointed and aims to present a draft Strategic Plan for the sector to the DARD and DETI Ministers later this year.

We also remain on course to publish new cross Departmental strategies to tackle economic inactivity; address childcare issues and improve the financial capability of consumers. We have also published a Connected Health and Prosperity Strategic Action Plan which identifies specific areas for greater collaboration

between the health sector and business which will help support economic growth. In addition, strategies relating to Innovation and Business Growth are also underway and will be launched in the New Year.

Summary

The NI Economic Strategy continues to set the direction for the Executive's economic policy. It will continue to inform the development of our economic interventions in the short-term and beyond the current PfG period.

However, we believe the additional actions set out in this Economy & Jobs Initiative will provide further support to those individuals and businesses that have been impacted by the sluggish recovery in our key markets.

In addition to the measures listed above, and the actions we are already committed to as part of the NI Economic Strategy, we recognise the importance of exploring additional options that would provide further support to individuals in securing and retaining employment and, in particular, OFMDFM will bring forward proposals, targeted at the hardest to reach individuals, to help get disadvantaged communities back to work.

In particular we recognise the need to develop a labour market strategy alongside the economic inactivity strategy, which will take into account the potential impact of welfare reform through skills, training, incentives and job creation.

We will continue to listen to the concerns of the business community and the voluntary & community sector and take action to develop new proposals, where appropriate, to address their concerns. As outlined, the forthcoming Economic Advisory Group report into 'Access to Finance' will allow us to further enhance our response to that important issue.

As we have consulted with key stakeholders in the development of this initiative it has become apparent that there could be a significant impact if businesses, particularly SMEs, were better sighted on the extent of support available to them. We will therefore build upon Invest NI's successful 'Boosting Business' campaign to better communicate the full range of business support available across the Executive.

We will further explore the scope to advance additional capital investment spending to address continuing and emerging concerns over the coming months. This could include expanding the capital programme linked to DSD's Town Centres' Review.

We will also progress the extension of the NI gas network to additional towns in the west and north-west, including Strabane and Omagh, and to towns in east Down. Following the public consultation on our Housing Strategy, we will also examine options where additional investment could be made to stimulate activity and employment in the construction sector, while also addressing wider objectives of deprivation, regeneration and building a shared future.



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Contacting Us

If this document is not in a format that meets your needs please contact the Economic Strategy Team.

This document is also available on the following internet site:
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