

Report on	Economic Development Report - OBFD 1. MEGA (Manufacturing and Engineering Growth & Advancement) Network 2. Mid Ulster Gift Card
Date of Meeting	15 th April 2021
Reporting Officer	Head of Economic Development

Is this report restricted for confidential business?	Yes	
If 'Yes', confirm below the exempt information category relied upon	No	X

1.0	Purpose of Report
1.1	To provide Members with an update on key activities as detailed below.
2.0	Background
2.1	<p>MEGA (Manufacturing and Engineering Growth & Advancement) Network MEGA is supported by both Mid Ulster District Council and Invest NI. Its purpose is to address the immediate and medium-term skills shortages in the manufacturing and engineering industries in the Mid-Ulster area. MEGA is unique in that it is an industry-led collaborative network working towards attracting, retaining and upskilling the region's engineering and manufacturing workforce. The MEGA Project officially started on 1st August 2019 and will end on 1st February 2022.</p> <p>The MEGA Network has submitted a request for funding support to develop a strategic review and three year Action plan for the next phase of industry development. In addition, MEGA has requested a reallocation of Council's funding contribution in year 2 towards the current project.</p>
2.2	<p>Mid Ulster Gift Card As part of Mid Ulster Town Recovery Plan, a number of key actions/initiatives are being considered to assist businesses with their recovery. One such initiative is to develop and deliver a Mid Ulster Gift Card to <i>lock-in</i> local spend within the Council area.</p>
3.0	Main Report
3.1	MEGA (Manufacturing and Engineering Growth & Advancement) Network

3.1.1. MEGA Strategic Review and 3 Year Action Plan

The MEGA (Manufacturing & Engineering Growth & Advancement) Network has submitted a funding request to Council (on Appendix 1) seeking £5,000 financial support to prepare a Strategic Review and 3 year Action Plan for the next phase of the MEGA project to support Mid Ulster's manufacturing and engineering sector. MEGA have estimated a budget of £20k will be required for this critical piece of work and are hoping to secure £15,000 of funding support from a Phase One application to Invest NI's Collaborative Growth Programme. If successful in securing the required funding, MEGA would commission independent professional support to assist preparation of the following tasks;

- Review and map MEGA progress and achievements to date;
- Evidence the positive impact the MEGA initiative has had on the Mid Ulster manufacturing and engineering sector generally, and also specifically through the Covid19 pandemic;
- Engage all 36 (and growing) MEGA member companies to secure their input and buy-in to a new Strategic Action Plan for MEGA;
- Engage with key external stakeholders (including Mid Ulster District Council, Invest NI, South West College, Department for the Economy, Department for Education and others) to understand broader stakeholder strategies and how MEGA can best align to these;
- Develop strategic aims and objectives for the MEGA initiative over the next 3 years;
- Explore how MEGA might work towards an operating model that enables the initiative to be more self-sustaining;
- Prepare a Strategic Action Plan for MEGA that charts the way ahead, and which will form the basis of a future funding application to support the initiative beyond February 2022; and
- Effectively communicate the new Strategy to members through digital and printed means, and to use the materials as a tool to support the recruitment of new members.

Subject to funding, MEGA plan to commence the Strategic Review in mid-April 2021 and expect it will take 12 to 14 weeks to complete, at which stage they will then apply to Invest NI for a further round of Phase Two Collaborative Growth funding.

It is recommended that Members approve a funding contribution of £5,000 from Council's economic development budget, towards the preparation of MEGA's Strategic Review and 3 year Action Plan, subject to MEGA securing match funding from Invest NI (circ. £15,000) under the Collaborative Growth Programme (Phase 1).

3.1.2 MEGA's Ongoing 3 Year Work Programme (2019/20 – 2021/22)

In respect of MEGA's current Work Programme, Mid Ulster Council previously agreed to provide match-funding of £37,500 over a 3 year period (2019/20, 2020/21, and

2021/22) for specific elements of the project. The ongoing Covid-19 pandemic throughout 2020/21 has impacted the local manufacturing and engineering sector and caused delays and changes to some aspects of the project.

MEGA's priorities were reassessed to focus on responding to the effects of the pandemic and supporting Mid Ulster's manufacturing and engineering sector. MEGA have drawn down £16,000 of their £20,000 contribution from Council in Year 2 (1 April 2020-31 March 2021) and have requested that the remaining amount of Year 2 funding (ie, £4,000) be transferred and paid to MEGA in the new financial year (2021/22), along with their final year's funding. There is no additional cost to Council attached to this request. Due to the excellent work undertaken by MEGA and the unique set of circumstances caused by the pandemic, Council officers would recommend that Members approve this request.

3.2 **Mid Ulster Gift Card**

A number of initiatives are being worked up to support local businesses with the recovery process and attract footfall to towns and rural areas when it is safe to do so. One proposed innovative initiative, is the '**Mid Ulster Gift Card**'. The introduction of a new gift card specific to Mid Ulster, will support businesses as they recover from the Covid-19 crisis. The card will;

- Provide businesses located in Mid Ulster District Council area with the opportunity to 'sign up' as a participating business to the initiative.
- Operate in any business that can accept MasterCard (magnetic stripe) cards. Transactions are treated as debit card payments and businesses incur no additional fees. It is free and simple for businesses to get involved as it uses the existing MasterCard infrastructure. Businesses receive the full card value.
- Be sold online. This enables people from all over the world to order cards. It will also be targeted to corporate sales for bulk orders, eg, companies would be encouraged to purchase a gift card for their staff at Christmas etc. The cards will also be sold from Council's Visitor Information Centres.
- Stimulate additional customer spend and lock-in such to the Mid Ulster economy over an initial 3 year period. It will also encourage greater footfall to local businesses to support them at this difficult time.

Members' approval is sought to introduce a 'Mid Ulster Gift Card Scheme' and to progress to seek competitive tenders from suitable organisations to introduce and deliver the scheme. It is proposed a budget circ. *£57,000 is set aside for the scheme. This will include initial set up costs and annual fees/charges each year for a period of up to 3 years. *The budget is subject to variance as it is dependent on the number of businesses participating annually. It is proposed the scheme will be funded from Council's economic development budget in years 2021/22, 2022/23 and 2023/24.

As Council will cover the costs of implementing and operating the scheme, this will ensure participating businesses can avail of and operate the Gift Card at no cost to their business, provided they have a magnetic card payment system in-store to use.

4.0	Other Considerations
4.1	<p data-bbox="228 259 975 293">Financial, Human Resources & Risk Implications</p> <p data-bbox="228 338 368 367">Financial:</p> <p data-bbox="228 412 1350 445">MEGA (Manufacturing and Engineering Growth & Advancement) Network</p> <ul data-bbox="277 450 1046 483" style="list-style-type: none"> <li data-bbox="277 450 1046 483">• MEGA Strategic Review and 3 Year Action Plan <p data-bbox="228 488 1437 667">Subject to Members approval, £5,000 has been provisionally ring-fenced in Council's economic development budget (2021/22) as match funding towards MEGA's Strategic Review and 3 Year Action Plan. This is subject to MEGA securing the remaining match funding of £15,000 from Invest NI's Collaborative Growth Programme (Phase 1) to undertake this initiative.</p> <ul data-bbox="277 707 1273 741" style="list-style-type: none"> <li data-bbox="277 707 1273 741">• MEGA's Ongoing 3 Year Work Programme (2019/20 – 2021/22) <p data-bbox="228 745 1378 891">Subject to Members approval, £4,000 of funding for the MEGA Network in year 2 (2020/21), will upon MEGA's request be reallocated and paid to MEGA in year 3, (2021/22), along with their final year's contribution. There is no additional cost to Council for this request.</p> <p data-bbox="228 965 531 999">Mid Ulster Gift Card</p> <p data-bbox="228 1003 1442 1182">An estimated budget of £57,000 has been set aside to deliver the Gift Card Scheme over 3 years (2021/22, 2022/23 and 2023/24). Note the budget is subject to variance as it is dependent on the number of companies participating on the scheme. Costs are inclusive of initial set up fees in year 1 and annual charges/fees in each of the 3 years.</p> <p data-bbox="228 1227 344 1256">Human:</p> <p data-bbox="228 1261 531 1294">Mid Ulster Gift Card</p> <p data-bbox="228 1299 1362 1332">Officers time – re launch, recruit businesses and administration of the Gift Card</p> <p data-bbox="228 1373 560 1406">Risk Management: N/A</p> <p data-bbox="228 1447 1350 1480">MEGA (Manufacturing and Engineering Growth & Advancement) Network</p> <ul data-bbox="277 1485 1046 1518" style="list-style-type: none"> <li data-bbox="277 1485 1046 1518">• MEGA Strategic Review and 3 Year Action Plan <p data-bbox="228 1559 1398 1664">For a phase one application to Invest NI Collaborative Growth Programme the risk level is mitigated as Council contribution will be subject to confirmation of funding from Invest NI.</p> <p data-bbox="228 1704 531 1738">Mid Ulster Gift Card</p> <p data-bbox="228 1742 1378 1776">Council will control the finances to reduce any potential risk of money laundering.</p>
4.2	<p data-bbox="228 1854 746 1888">Screening & Impact Assessments</p> <p data-bbox="228 1928 863 1962">Equality & Good Relations Implications: N/A</p> <p data-bbox="228 1966 531 2000">Mid Ulster Gift Card</p> <p data-bbox="228 2004 469 2038">To be completed</p>

	Rural Needs Implications: N/A Mid Ulster Gift Card To be completed
5.0	Recommendation(s)
5.1	<p>It is recommended that Members;</p> <p>MEGA (Manufacturing and Engineering Growth & Advancement) Network</p> <p>5.1.1 MEGA Strategic Review and 3 Year Action Plan Approve funding contribution of £5,000 from Council's economic development budget, subject to MEGA securing match funding from Invest NI's Collaborative Growth Programme to undertake a Strategic Review and 3 Year Action Plan.</p> <p>5.1.2 MEGA's Ongoing 3 Year Work Programme (2019/20 – 2021/22) Approve Council reallocate £4,000 of its funding contribution to the MEGA Project in year 2 (2020/21) to year 3 (2021/22). This flexibility will allow various aspects of the project to be completed, having been delayed as a result of the pandemic. There is no additional cost to Council related to this request.</p>
5.2	<p>Mid Ulster Gift Card</p> <p>Approve a budget of £57,000 towards the implementation of a Mid Ulster Gift Card Scheme from Council's economic development budget over a 3 year period (2021/22, 2022/23 and 2023/24) and progress to tender for a suitable organisation to develop and deliver the scheme. Note the budget is subject to variance as it is dependent on the number of businesses participating on the scheme on an annual basis.</p>
6.0	Documents Attached & References
	Appendix 1 – MEGA Letter of request to Council for funding support – 12.3.21