



21 January 2019

Ref: 101000356513

LoO Ref No: 1901/130175490

Mid Ulster District Council
Circular Road
Dungannon
County Tyrone
BT71 6DT
Northern Ireland

For the attention of Anthony Tohill

Dear Sir,

Re: Letter of Offer 1901/130175490 issued 21 January 2019

Please find enclosed two originals of a Letter of Offer for your consideration.

If you wish to accept the offer, you should **sign** the letter where indicated and return **one complete original Letter of Offer** to Invest NI's Financial Letters of Offer Branch, 5th Floor, Bedford Square, Bedford Street, Belfast, BT2 7ES within **THREE CALENDAR MONTHS** from the date of issue, otherwise the letter will be deemed to have been withdrawn.

It is important to note the execution requirements for the form of acceptance found on page 6 of our 'Letter of Offer'. This **must** be signed by either of the following:

A Director of the company, the Company Secretary or if you are an LLP this will be by a Member of the Company.

Definitions

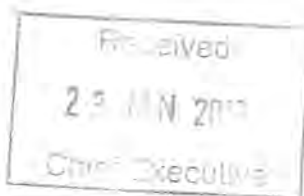
"Director" a person validly appointed as a Director of the company, who is registered as a Director of the company with Companies House. If the signatory is not a Director registered at Companies House then evidence should be provided that the signatory is an authorised person, for example, by way of a Power of Attorney or board minutes.

"Company Secretary" may be an individual or a corporate secretary as registered at Companies House. If the signatory is not a Company Secretary registered at Companies House then evidence should be provided that the signatory is an authorised person, for example, by way of a Power of Attorney or board minutes.

"Member" is a person who has been entered in the LLP company's register of members.

Should you have any queries, please do not hesitate to contact us.

Yours faithfully
FOR AND ON BEHALF OF
INVEST NORTHERN IRELAND



21 January 2019

Ref: 101000356513
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Mid Ulster District Council
Circular Road
Dungannon
County Tyrone
BT71 6DT
Northern Ireland

For the attention of Anthony Tohill

Dear Sir,

PROJECT TITLE: Council EUIGJ - LED2 - Mid Ulster Gearing for Growth Programme

1 FINANCIAL ASSISTANCE

In consideration of Mid Ulster District Council ("**the Council**") entering into the agreement set out in this letter, Invest Northern Ireland ("**Invest NI**") is prepared, subject to the terms and conditions set out in this letter to make available to the Council the following Financial Assistance which may be part funded from the European Regional Development Fund ("**ERDF**") to enable the Council to implement and complete the Project (as defined in **paragraph 2** below).

- 1.1 A Local Economic Development (**LED**) resource grant (not exceeding £316,160) at a rate of 80% of vouched and approved expenditure as per the provisions in the Local Economic Development Resource Grant Annex.

2 DEFINITIONS USED IN THIS LETTER

Expressions in this letter (including the annexes) shall have the meanings set out in the Definitions Annex.

3 REFERENCES AND INCORPORATION AND INTERPRETATION OF ANNEXES

- 3.1 References to any paragraphs or sub-divisions of a paragraph are references to paragraphs and subdivisions of paragraphs in this letter. References to any enactment, including any subordinate legislation made pursuant to any enactment, are to be construed as referring also to any amendment or re-enactment thereof.
- 3.2 Any annexes to this letter shall be deemed to be incorporated in and form part of this letter and references in this letter to any provisions of this letter shall be deemed to include, where the context so admits or requires, references to provisions of the annexes.
- 3.3 For the purposes of the grant annex (or annexes) to this letter, reference to any date specified in or derived from the terms of that annex (including those specified in or derived from the definition of End Date and the definition of Completion Date) shall in each case be deemed to be a reference to the date so specified or so derived or to such later date as Invest NI may consent to in writing.

4 PRE-CONDITIONS

There are no pre-conditions relating to this letter.

5 GENERAL CONDITIONS

5.1 The Project

The Council shall diligently implement and complete the Project and ensure that the Financial Assistance shall be applied to the Project in accordance with the **Application**.

5.2 Financial and other information

The Council shall furnish Invest NI with the following (each to be satisfactory to Invest):

- 5.2.1 a report of progress against the Performance Indicators as set out in the Project Performance Indicators Annex, within 4 weeks of the end of each quarter;
- 5.2.2 a report of progress against the Key Actions as set out in the Project Key Actions Annex, within 4 weeks of the end of each quarter;
- 5.2.3 progress reports on the Project as and when required by Invest NI, and a final progress report on the project within 3 months after the end of the Project, such reports to be satisfactory to Invest NI;
- 5.2.4 such additional financial and other information as Invest NI may from time to time reasonably require;
- 5.2.5 such information as may be required by the Commission.

5.3 Matters Requiring Consent of Invest NI

The Council shall not, without the prior written consent of Invest NI, such consent not to be unreasonably withheld:

- 5.3.1 change the activities described in the Application Form or;
- 5.3.2 make any significant changes over the lifetime of the Project to the individual categories of expenditure, or expenditure profile or quantifiable targets; or
- 5.3.3 make any change to the Project's use, its financing or ownership; or
- 5.3.4 assign or in any way encumber any rights to receive Financial Assistance or other benefit or entitlement under this letter; or
- 5.3.5 allow any other person or company, other than the Council, to be entitled to participate in or have the benefit of the Financial Assistance or permit any commission, profit sharing or other arrangements under which any other person or company shall benefit from the Financial Assistance.

5.4 Project Manager

If a Project Manager is not already in position the Council shall appoint a Project Manager within six months from the date of issue of this letter, such Project Manager to be satisfactory to Invest NI.

5.5 State Aid

The Council shall ensure that financial or other assistance awarded to undertakings as part of the Project is done so in accordance with the European Commission's State aid regulations including, but not limited to, Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (the General Block Exemption Regulation) and Commission Regulation (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid. The Council shall comply with the EU Treaty on the Functioning of the European Union in respect of the Project.

5.6 CPD Procurement Advice

The Council agrees to co-operate and comply with Central Procurement Directorate (CPD), in connection with the procurement process and shall adhere to Northern Ireland public procurement policy in delivering the Project. The Council shall comply with the EU Treaty on the Functioning of the European Union in respect of the Project

5.7 Publicity

5.7.1 From the date on which this offer is accepted and throughout implementation of the Project the Client shall (a) provide on its website, a short description of the Project including its aims and results, highlighting the financial support from the EU, (b) ensure the EU logo is visible on at least one electronic platform without scrolling and with the device at optimal resolution, on either a page specific to the Project or on the home page of the Client, and (c) place an A3 poster with information about the Project at a location readily visible to the public, such as the entrance of the building in which the Project is undertaken. In addition, the Client shall ensure that those taking part in the Project shall be informed of this funding.

5.7.2 From the date on which this offer is accepted and throughout implementation of the Project, any information and communication measures or documents provided by the Client to the public in respect of the Project shall display (a) the emblem of the European Union together with a reference to the Union and (b) a reference to the European Regional Development Fund.

6 DEFAULT

Any of the following circumstances shall constitute an Event of Default:

- 6.1 in the reasonable opinion of Invest NI, the Project has been abandoned;
- 6.2 any information provided by the Council or any staff of the Council to Invest NI in support of the Council's Application for the Financial Assistance, or otherwise in connection with the purposes or conditions of this letter, is misleading, incomplete or incorrect in any respect which is Material to Invest NI;
- 6.3 the Council fails to pay or repay to Invest NI any sum due to Invest NI when it becomes due under this letter or otherwise;
- 6.4 any Financial Assistance paid to the Council under the terms and conditions of this letter is used by the Council for any purpose other than eligible expenditure in relation to implementation of the Project;
- 6.5 it appears to Invest NI that the Project is unlikely to be completed, that the Project has not been implemented as per the Application, the Project Key Actions have not been achieved;
- 6.6 the Council is in breach of any of its obligations under this letter and such breach is incapable of remedy or, if capable of remedy, remains unremedied for a period of 30 days after written notice by Invest NI. (For the purposes of this provision, where an obligation specifies a time within which or by which a thing is to be done, a breach of that obligation shall not be treated as incapable of remedy for the reason only that the thing is not done within or by the specified time);
- 6.7 a receiver is appointed of any of the Council's assets or undertaking or if circumstances arise which entitle a court of competent jurisdiction or a creditor to appoint a receiver or manager of the Council or if any other person takes possession of or sells the Council's assets;
- 6.8 the Council proposes or enters into a voluntary arrangement or composition with its creditors or makes any arrangement or composition with its creditors or makes an Application Form to a court of competent jurisdiction for a moratorium seeking protection from its creditors in any way and/or a distress or execution order is levied or if Enforcement of Judgments Office proceedings are commenced against any of the property of the Council or any similar proceedings are commenced in another jurisdiction;

6.9 the Council ceases to carry on its business or substantially the whole of its business otherwise than in the reasonable opinion of Invest NI by way of temporary cessation of business;

6.10 the Council ceases to be a legal entity.

7 STOPPING OF PAYMENTS OF FINANCIAL ASSISTANCE

7.1 Without prejudice to any other rights of Invest NI under this letter Invest NI shall be under no obligation to make any payment(s) or any further payment(s) of the Financial Assistance to the Council if:

7.1.1 an Event of Default has occurred;

7.1.2 the Council is in breach of any of its obligations under this letter (whether or not constituting an Event of Default), including without limitation any failure to furnish financial reports or other information within the time limits specified in **paragraph 5**; or

7.1.3 in the reasonable opinion of Invest NI there has been Material and adverse change in the business, assets or other circumstances of the Council.

7.2 In any case where a breach by the Council of its obligations under this letter is capable of remedy and is remedied within 30 days of written notice by Invest NI; and such breach is the sole reason for the exercise of Invest NI's right to cease making payments of the Financial Assistance; Invest NI shall reinstate the making of payment of the Financial Assistance.

8 REPAYMENT OF FINANCIAL ASSISTANCE

If an Event of Default occurs the Council shall on written demand by Invest NI repay to Invest NI the aggregate of all payments of Financial Assistance made to the Council ("**the aggregate sum**") prior to such event, less any part of the aggregate sum which may have been repaid under any other provision of this letter, or such lesser amount as Invest NI may determine.

9 DURATION

This letter other than **paragraphs B, G and H of the Terms and Conditions Annex** shall remain in force for a period of five years from the date of the last payment of Financial Assistance ("**the termination date**") but without prejudice to any claim or right arising out of any breach of any obligation under this letter occurring before the termination date.

10 FAILURE TO INITIATE THE PROJECT

If by the end of the period of 6 months from the date of this letter the Council has not Initiated the Project then the offer of Financial Assistance may be withdrawn by Invest NI and after which shall cease to have any obligations under this letter.

11 ACCEPTANCE

This letter is issued in duplicate and if the Council is prepared to accept the offer on the terms and conditions set out in this letter, acceptance should be indicated below, **and one complete letter** returned to Invest NI, Financial Letters of Offer Team Bedford Square, Bedford Street, Belfast, BT2 7ES.

12 AVAILABILITY

The foregoing offer shall remain open for a period of three calendar months from the date of this letter and if not accepted in the manner referred to above and received by Invest NI, within that time, it shall be deemed to have been withdrawn.

13 **CONTACTS IN INVEST NI**

Although the Stakeholder Executive controlling this case is Katherine Spratt at our Omagh office, any initial queries regarding the terms and conditions of this letter should be addressed to the undersigned. Queries relating to claims and payments should be addressed to Invest NI's Claims Team at 5TH Floor, Bedford Square, Bedford Street, Belfast, BT2 7ES contact us on claims@investni.com.

Yours faithfully

FOR AND ON BEHALF OF
INVEST NORTHERN IRELAND



1

FORM OF ACCEPTANCE - LoO: 1901/130175490

REF: 101000356513

This offer of Financial Assistance is hereby accepted by the Council on the terms and conditions set out in this letter and on the understanding that the Council is responsible for providing or generating any further finance needed for the Project after taking into account the funding as set out in this letter.

Signed by the Council on this _____ day of _____ 20

PRESENT when the COMMON SEAL of
MID ULSTER DISTRICT COUNCIL
was hereunto affixed in the presence of:

[Duly Authorised Officer]

[Duly Authorised Officer]

NOTE

Please do not detach this form of acceptance from the letter (one complete original letter should be signed and dated and returned to Invest NI).

Please quote your reference number and letter number on all correspondence to Invest NI.

DEFINITIONS ANNEX

The following definitions shall apply throughout this letter:

“Application” means the Application Form and/or Business Case dated 20 June 2018 and submitted to Invest NI by the Council and approved by Invest NI in support of the Council's Application for the Financial Assistance setting out details of the Project and its implementation and completion and includes any variation or amendments approved by Invest NI and the Council;

“Approved Conversion Formula” means the conversion formula agreed with Invest NI in relation to the Project;

“Business Premises” means the premises occupied/to be occupied by the Council at Circular Road Dungannon, County Tyrone, BT71 6DT, Northern Ireland and any other Northern Ireland premises deemed acceptable to Invest NI, including any additions, extensions or modifications thereto;

“Commission” means the Commission of the European Union;

“Completion Date” means the date by which the Project must be completed as specified in the Local Economic Development Resource (LED) Grant Annex;

“E-Cohesion” means the exchange of information, after signing this letter, between the Council and Invest NI by means of electronic data transfer that is intended to reduce the administrative burden and allow provision of information only once for requirements including (but not limited to) claims, inspection, audit, disclosure and retention as described in this letter;

“End Date” has the meaning given to it in the grant annex(es);

“Event of Default” means any of the events specified in **paragraph 6**;

“Invest NI Quality Business Referral” means a business being referred from Mid Ulster Gearing for Growth Programme that is capable of accessing financial support from Invest NI. Financial support may include but not be limited to Invest NI mainstream financial support, R&D funding, Innovation Vouchers and Trade support. Referrals from Mid Ulster Gearing for Growth Programme to Invest NI must be submitted using a standard proforma satisfactory to Invest NI and each referral must be ‘accepted’ by Invest NI;

“Job(s)” means a job role in which a person who is employed full-time, i.e. for 30 or more hours per week, or a Full Time Equivalent (FTE) i.e. a combination of two or more persons who are employed for the combined equivalent of 30 hours or more per week, as evidenced in a written contract of employment;

“Job Creation” means the calculation of Jobs in relation to this Project based on a before / after indicator to capture the employment increase that is attributed to the Project. Safeguarded jobs cannot be counted;

“Financial Assistance” means the Financial Assistance specified in **paragraph 1** or any such part or parts thereof as the context requires;

“Initiated the Project” means commencement of activities as per the annexes of this letter;

“Local Economic Development (LED)” means the programme under which Invest NI provides Financial Assistance to Councils to deliver programmes to businesses and individuals within their Council areas to increase job creation;

“Material” means where the context permits, anything which in the reasonable opinion of Invest NI, might have a significant or serious effect on the Project;

“Project” means the introduction, maintenance and completion of actions of the nature described in the Application key actions specified in the Project Key Actions Annex in respect of the Clients business of providing local government authority at/from the Business Premises (**“business activities”**);

“Project Manager” means the individual appointed by the Council to be in charge of managing the Project and the contact for Invest NI on matters relating to the Project;

“Stakeholder Executive” means the official within Invest NI responsible for administering the provision of Financial Assistance to the Project and the prime contact within Invest NI in respect of the Project.

PROJECT KEY ACTIONS ANNEX

1. Council to commence procurement for a delivery agent to manage and deliver the Mid Ulster tender ready programme by 31 March 2019.
2. Deliver an enterprise growth themed seminar (minimum of 30 participants at the seminar) by 31 December 2021.
3. Recruit at least 250 businesses to progress onto programme support by 30 June 2022.
4. Deliver a minimum of 1,080 days mentoring support to at least 250 programme participants, with no participant receiving more than 5 days, by 31 December 2022.
5. To produce a mid-term evaluation twenty four months after programme commencement.
6. To produce a final evaluation report by 30 September 2023.

PROJECT PERFORMANCE INDICATORS ANNEX

1. Progress against the Project Key Actions Annex as listed above.
2. Council will use all reasonable endeavours to refer at least 25 participants to Invest NI by 31 December 2022.
3. Council will use all reasonable endeavours to create at least 250 new jobs as a result of support provided by the Mid Ulster gearing for growth programme support by 30 September 2023.

LOCAL ECONOMIC DEVELOPMENT (LED) RESOURCE GRANT ANNEX

Claims

- 1.1 The grant shall be available from the date of this letter against written claims in Invest NI's standard form received no later than 30 June 2023.
- 1.2 All claims must be accompanied by a written progress report on the Project, unless otherwise agreed with Invest NI, such report(s) to be satisfactory to Invest NI.
- 1.3 The start date of any claim submitted, excluding the first claim, must be after the end date for all previous claims submitted under this letter unless otherwise agreed with Invest NI. All expenditure included within a claim must have been paid between the start and end dates of that claim.
- 1.4 Claims and supporting documentation shall be submitted to Invest NI at intervals of not less than 3 months unless otherwise agreed in writing with Invest NI. All claims and supporting documentation must be completed electronically and submitted via email claims@investni.com.
- 1.5 All claims will be vouched and approved to the satisfaction of Invest NI.

2 Payment

- 2.1 To be considered for grant purposes, expenditure must be incurred and paid by the Council on or after the start date of 20 December 2018 and paid on or before the End Date of 31 March 2023.
- 2.2 Notwithstanding **paragraph 2.1** above, to be considered for grant purposes the Project, and expenditure for all activities in relation to the Project, as set out in the Application Form and Business Case, must be completed by 31 December 2022 (the "**Completion Date**").
- 2.3 The grant shall be payable as per **paragraph 1** above against eligible expenditure, vouched and approved by Invest NI on the costs agreed with Invest NI primarily on the costs below.

Expenditure Type	Eligible Costs
Consultancy Costs – Service Delivery	£384,000
Marketing Costs	£11,200
Grant totalling £316,160 @ 80% on maximum expenditure of £395,200	

3 Repayment of Grant

The Council shall immediately inform Invest NI's Claims Team of the occurrence of any Event of Default, as defined in this letter, which may result in a liability to repay grant.

A STANDARD GENERAL CONDITIONS

A1 Accountancy System

The Council shall:

A1.1 at all times accurately maintain all books, accounts and records required by law (whether in the United Kingdom or otherwise) to be maintained by it: and

A1.2 implement a process for adequate codification of all income and expenditure associated with the Project through one of the following methods: EITHER (I) amend an existing financial accounting system or set up a new financial system to ensure every part funded Project has a unique code assigned and record this for all transactions related to the Project; OR (II) set up a separate bank account for each part funded Project; and

A1.3 inform Invest NI of any irregularities, fraud and theft or of any circumstance which has caused or is likely to cause a loss or misuse of funding and provide a full and detailed report in writing to Invest NI.

A2 Inspection Rights

The Council shall permit Invest NI, the Department for the Economy ("DfE") and its agents, the Northern Ireland Audit Office, the Commission and the European Court of Auditors from time to time upon giving reasonable notice to enter the business premises and any other premises of the Council during normal working hours (unless a statutory or regulatory obligation requires entry outside of these hours) to inspect any asset and any accounting or other record in respect of any Financial Assistance which has been paid or may become payable under the terms of this letter and to review and, if applicable, copy same or to comply with any statutory or regulatory obligation of Invest NI, DfE and its agents, the Northern Ireland Audit Office, the Commission or the European Court of Auditors, subject always to the provisions of **paragraph B**.

A3 Interruption

The Council shall advise Invest NI immediately of any major interruption of business activities or employment at the business premises of more than 15 successive days, except for normal holiday periods, or of the introduction of any short time working arrangements, or of circumstances likely to lead to such interruption or short time working arrangements.

A4 Environmental Impact

The Council shall ensure that all aspects of the Project which might result in a negative impact on the environment are subject to an environmental impact assessment. The Council must also use all reasonable endeavours to adopt and implement an environmental policy in relation to all aspects of the Project.

A5 Equality

The Council shall comply with the relevant statutory provisions from time to time in force in Northern Ireland imposing obligations on the Council in relation to discrimination on the grounds of religious belief, political opinion (including in relation to Section 75 of the Northern Ireland Act 1998), racial group, marital status, age, sexual orientation, gender, disability and having dependants.

A6 Third Parties

Save as provided in **paragraphs A2 and B1**, no term of this letter shall be enforceable by a third party (being any person other than the parties hereto) under the Contracts (Rights of Third Parties) Act 1999.

A7 Insurance

The Council shall from the date of acceptance of this letter, at its own expense insure with a reputable firm of insurers, any of its property, assets and effects of an insurable nature, including (without limitation) its buildings, plant, machinery and equipment against all and any loss, damage, risk, contingency or public liability as may from time to time be reasonably requested by Invest NI (or, if no such request is made, against such loss, damage, risk, contingency or public liability as a prudent company or firm in the same business as the Council would insure against) to the full replacement value thereof and shall produce the policy or policies of insurance together with proof of payment of the necessary premiums to Invest NI on request.

A8 Changes to the Project

In the event of any major change in the Project or any change in circumstances which makes it unlikely that the broad objective of the proposals will be achieved, revised proposals **must** be submitted to Invest NI, for which Invest NI may be prepared to make a new offer of Financial Assistance in place of the existing Financial Assistance or may decide to retain or cancel the existing offer of assistance. If the existing Financial Assistance is terminated, no redundancy or any other compensatory payment will be accepted by Invest NI for dismissal of staff, but negotiations may be entered into in regard to other contractual commitments and in regard to disposal of assets acquired under the Financial Assistance.

A9 Keeping Records

The Council shall maintain records for all expenditure under the headings contained in the Annexes of this letter so that all such expenditure can be clearly identified as applicable to the Project.

In the case of labour costs, these records should take the form of up to date time sheets recording the hours that each named individual worked on the Project. Managers and/or directors must also maintain a record of time spent by them on the Project. The Council shall take appropriate technical and organisational security measures against unauthorised or unlawful processing and against

TERMS AND CONDITIONS ANNEX

accidental loss or destruction of, or damage to, personal and business information created or accessed through the Project. Records of Project delivery held or stored by the Council may only be considered for disposal after a period of time set out in Invest NI's Retention and Disposal Schedule. Records related to the of delivery of the Project can only be disposed of following appropriate review by the Council in line with Invest NI's review process.

A10 Responsibility

A10.1 Invest NI accepts no responsibility, financial or otherwise, for expenditure or liability arising out of the Project, including that arising as a result of the purchase of equipment and/or consumable items.

A10.2 The Council shall ensure that Intellectual Property Rights ("IPR") will not be infringed as a result of undertaking the Project to which the grant applies and indemnifies Invest NI against any liability in relation to infringement of IPR.

A11 Procurement

The Council shall at all times comply with the EU Treaty on the Functioning of the European Union and Northern Ireland Public Procurement Policy in relation to the Project. Where the value of procurement is above the EU Procurement Threshold the Council shall also comply with the EU Procurement Directives and UK Public/Utilities/Concessions Contract Regulations. The Central Procurement Directorate (CPD) has published a number of procurement guidance notes (available on Department of Finance's website) which provide guidance on the procedures to be adhered to in order to comply with the above legal and procurement policy frameworks. The Council shall at all times comply with these procedures in relation to the Project. Contracts for similar goods or services must not be disaggregated for the purposes of avoiding the appropriate EU Procurement Threshold. The Council indemnifies Invest NI against any liability in relation to any procurement breach in respect of the Project.

B DISCLOSURE, PUBLICITY, CONFIDENTIALITY

B1 Invest NI shall be entitled to publish details of the amounts and types of assistance referred to in this letter at such times and in such manner as Invest NI or the Commission may decide.

B2 The Council shall render Invest NI such assistance as Invest NI may reasonably request in connection with any publicity which Invest NI may deem appropriate in respect of the Project.

B3 Invest NI shall be entitled to disclose details of the Council to other government agencies and departments, and bodies engaged in economic

development (subject to the terms of the Data Protection Act 1998 and any other applicable legal

restrictions which prevent the disclosure of such information) where Invest NI considers that disclosure is in the Council's interest.

B4 Invest NI may include any information which it receives in relation to the Council in a database of economic, financial and statistical information and may publish or disseminate reports derived from such database provided that such reports do not specifically identify the Council.

B5 Invest NI shall be entitled to disclose information on the Council to Invest NI's professional advisers who are subject to obligations of confidence or to consultants working on Invest NI's behalf provided such disclosure is made for the specific purpose for which the consultants are engaged.

B6 This letter and the terms and conditions contained herein shall be treated by the Council as confidential and accordingly shall not be disclosed to any other person or entity other than to its professional advisors who are subject to obligations of confidence, for the purpose of negotiating funding for the Council or as required by law, without the prior written consent of Invest NI, such consent not to be unreasonably withheld or delayed.

B7 Subject to **paragraph B1** Invest NI shall treat all information received from the Council in pursuance of this letter as confidential and shall not disclose such information to any third party other than those referred to at **paragraphs B3 and B5**, without the consent of the Council, such consent not to be unreasonably withheld or delayed, except as may be required by law (including without limitation Freedom of Information legislation) or for the purpose of preventing or detecting crime or for the purposes of any parliamentary or governmental enquiry into the activities of Invest NI.

B8 The Council shall give due recognition to EU funding on any brochures, leaflets and in any publicity of the Project and will consult with Invest NI about any publicity or public announcements associated with the Project.

C INVEST NI FINANCIAL ASSISTANCE

This letter and any subsequent payments pursuant hereto shall not be taken to imply that Invest NI shall or be under any obligation to provide any further financial assistance in the future. Invest NI may also offset any of the financial assistance under this letter against any obligation owed at any time by the Council to Invest NI.

TERMS AND CONDITIONS ANNEX

D REPAYMENT OF FINANCIAL ASSISTANCE

D1 Where any sums are repayable to Invest NI under the provisions of **paragraph 8** of this letter, Invest NI shall be entitled to recover from the Council the costs

of Invest NI in establishing the Council's repayment liability and in recovering the sums due.

D2 No failure to exercise, nor delay in exercising nor partial exercise of any right, power, privilege, or remedy under this letter shall in any way impair, affect any further or other exercise thereof or operate as a waiver in whole or in part.

E OTHER FINANCIAL ASSISTANCE

The Council shall not be eligible for any other government assistance in respect of any expenditure coming within the scope of this letter without the prior written consent of Invest NI.

F UNACCEPTABLE PRACTICE

The Financial Assistance made available under this letter must not be used in, or paid to, any business or organisation which is illegal, or which Invest NI in its absolute discretion considers may bring disrepute to Invest NI or to the specific scheme under which the financial assistance is made available.

G RECOVERY OF FINANCIAL ASSISTANCE

Notwithstanding any other provision of this letter, Invest NI may, if required as a result of a decision of the Commission, or as a result of any other obligation under European Union law, at any time: (i) withhold payment of any or all of the Financial Assistance; and/or (ii) require repayment of any or all of the Financial Assistance, together with interest from the date on which the Financial Assistance was paid at the rate from time to time as required by the Commission. The Client shall on demand by Invest NI repay such Financial Assistance together with interest.

H DOCUMENTATION

The Council shall retain all original records concerning the Project and implementation of the Project and make records available for inspection for 10 years from the date of this Letter or such later date as may be required due to legal proceedings or by request of the European Commission. In the event of the Project ceasing for any reason, all documentation must be returned to Invest NI. The council shall not, without the prior consent of Invest NI, dispose of or destroy

any original documentation associated with the Project. The Council undertakes to provide to Invest NI such information and documentation as is required by Invest NI on an ongoing basis or to facilitate Project handover or termination. The Council shall

provide the information promptly upon request from Invest NI and in such format as Invest NI requires. The Council shall notify Invest NI of any material changes to this information as and when they occur.

I SERVICE OF NOTICES BY INVEST NI

Any written notice to be served by Invest NI on the Council under the terms and conditions of this letter may be served by ordinary first class post, e-mail or facsimile transmission at the address referred to in this letter or the Council's registered office address. The Council will be deemed to have been duly served with the notice on the day it is sent if sent by e-mail or facsimile transmission or on the following day if sent by first class post.

J GOVERNING LAW

This letter shall be governed in all respects by the laws of Northern Ireland and the Council hereby irrevocably submits to the exclusive jurisdiction of the Northern Ireland Courts for all purposes in connection with this letter.

K LEGAL COMPLIANCE

The Council shall:

K1 ensure that its business is operated in compliance with all applicable laws or regulations for the time being and shall not do or omit or suffer to be done anything whereby any Act, Order or Regulation from time to time affecting its business is infringed;

K2 The Council shall comply with all applicable laws, statutes, regulations related to anti-bribery, anti-fraud and anti-corruption, including but not limited to the Bribery Act 2010; and

K3 cooperate with Invest NI, Northern Ireland Government departments and the Government of the United Kingdom in allowing them to fulfil their respective obligations under European Regulations and these Regulations shall also be applied by Invest NI in assessing the eligibility of expenditure included in the grant claims submitted under this letter, particularly all the regulations and acts governing the European Regional Development Fund.

L FINAL DATE FOR CLAIMING FINANCIAL ASSISTANCE

Invest NI shall be under no obligation to make any payment or payments of the Financial Assistance in respect of any claim received by Invest NI after the End Date set out in the attached Annexes.

THE MODERN SLAVERY ACT

M1 Under the Modern Slavery Act 2015 (**MSA**), any commercial organisation (defined by the MSA as any commercial organisation in any sector that supplies goods or services that carries on its business (or part of its business) in the United Kingdom and has an annual global turnover, or Group global turnover, of not less than the amount prescribed in accordance with the MSA from time to time (currently, £36 million)) must publish an annual Slavery and Human Trafficking Statement for each financial year ending on or after 31 March 2016, setting out, inter alia, the steps it has taken to ensure that slavery and human trafficking is not taking place in any of its supply chains or in any part of its business.

M2 To the extent that the Council qualifies as a commercial organisation for the purposes of the MSA, the Council shall, and shall procure that its suppliers, sub-Councils and other participants in its or their supply chain(s) shall, comply in full with its or their obligations under the MSA, and shall indemnify Invest NI against any losses, liabilities, damages, costs (including but not limited to legal fees) and expenses incurred by, or awarded against, Invest NI as a result of any delay or failure on the part of any of the foregoing to so comply.

**N EUROPEAN REGIONAL DEVELOPMENT
FUNDING**

N1 The funding of the Project under this letter is dependent on funding being received from the European Regional Development Fund of the EU. In the event of such funding not being received or being discontinued for whatever reason then no liability will exist for Invest NI, the Department of Finance and Personnel, Northern Ireland or any other Government Departments or Agencies in Northern Ireland to provide funding to the Council.

N2 Invest NI is committed to the principle of E-Cohesion. The Council has the option to submit all claim documentation in line with Invest NI's E-Cohesion procedures **but the Council must inform Invest NI of its intention to do so prior to the submission of the first claim and must conform with these procedures for all subsequent claims**

18 January 2019

Ref: 101000356513

Mid Ulster District Council
Circular Road
Dungannon
County Tyrone
BT71 6DT
Northern Ireland



For the attention of Anthony Tohill

Dear Sir

Re: Letter of Offer 1901/130176869 issued 18 January 2019

Please find enclosed two originals of a Letter of Offer for your consideration.

If you wish to accept the offer, you should **sign** the letter where indicated and return **one complete original Letter of Offer** to Invest NI's Financial Letters of Offer Branch, 5th Floor, Bedford Square, Bedford Street, Belfast, BT2 7ES within **THREE CALENDAR MONTHS** from the date of issue, otherwise the letter will be deemed to have been withdrawn.

It is important to note the execution requirements for the form of acceptance found on page 6 of our 'Letter of Offer'.

Should you have any queries, please do not hesitate to contact us.

Yours faithfully
FOR AND ON BEHALF OF
INVEST NORTHERN IRELAND

A handwritten signature in black ink, appearing to be "A. Tohill", written over a horizontal line.

18 January 2019

Ref: 101000356513
LoO Ref No: 1901/130176869

Mid Ulster District Council
Circular Road
Dungannon
County Tyrone
BT71 6DT
Northern Ireland

For the attention of Anthony Tohill

Dear Sir,

PROJECT TITLE: Council EUIGJ - LED2 - Transform Programme

1 FINANCIAL ASSISTANCE

In consideration of Mid Ulster District Council ("**the Council**") entering into the agreement set out in this letter, Invest Northern Ireland ("**Invest NI**") is prepared, subject to the terms and conditions set out in this letter to make available to the Council the following Financial Assistance which may be part funded from the European Regional Development Fund ("**ERDF**") to enable the Council to implement and complete the Project (as defined in **paragraph 2** below).

- 1.1 A Local Economic Development (**LED**) resource grant (not exceeding £210,400) at a rate of 80% of vouched and approved expenditure as per the provisions in the Local Economic Development Resource Grant Annex.

2 DEFINITIONS USED IN THIS LETTER

Expressions in this letter (including the annexes) shall have the meanings set out in the Definitions Annex.

3 REFERENCES AND INCORPORATION AND INTERPRETATION OF ANNEXES

- 3.1 References to any paragraphs or sub-divisions of a paragraph are references to paragraphs and subdivisions of paragraphs in this letter. References to any enactment, including any subordinate legislation made pursuant to any enactment, are to be construed as referring also to any amendment or re-enactment thereof.
- 3.2 Any annexes to this letter shall be deemed to be incorporated in and form part of this letter and references in this letter to any provisions of this letter shall be deemed to include, where the context so admits or requires, references to provisions of the annexes.
- 3.3 For the purposes of the grant annex (or annexes) to this letter, reference to any date specified in or derived from the terms of that annex (including those specified in or derived from the definition of End Date and the definition of Completion Date) shall in each case be deemed to be a reference to the date so specified or so derived or to such later date as Invest NI may consent to in writing.

4 PRE-CONDITIONS

There are no pre-conditions relating to this letter.

5 GENERAL CONDITIONS

5.1 The Project

The Council shall diligently implement and complete the Project and ensure that the Financial Assistance shall be applied to the Project in accordance with the **Application**.

5.2 Financial and other information

The Council shall furnish Invest NI with the following (each to be satisfactory to Invest):

- 5.2.1 a report of progress against the Performance Indicators as set out in the Project Performance Indicators Annex, within 4 weeks of the end of each quarter;
- 5.2.2 a report of progress against the Key Actions as set out in the Project Key Actions Annex, within 4 weeks of the end of each quarter;
- 5.2.3 progress reports on the Project as and when required by Invest NI, and a final progress report on the project within 3 months after the end of the Project, such reports to be satisfactory to Invest NI;
- 5.2.4 such additional financial and other information as Invest NI may from time to time reasonably require;
- 5.2.5 such information as may be required by the Commission.

5.3 Matters Requiring Consent of Invest NI

The Council shall not, without the prior written consent of Invest NI, such consent not to be unreasonably withheld:

- 5.3.1 change the activities described in the Application Form or;
- 5.3.2 make any significant changes over the lifetime of the Project to the individual categories of expenditure, or expenditure profile or quantifiable targets; or
- 5.3.3 make any change to the Project's use, its financing or ownership; or
- 5.3.4 assign or in any way encumber any rights to receive Financial Assistance or other benefit or entitlement under this letter; or
- 5.3.5 allow any other person or company, other than the Council, to be entitled to participate in or have the benefit of the Financial Assistance or permit any commission, profit sharing or other arrangements under which any other person or company shall benefit from the Financial Assistance.

5.4 Project Manager

If a Project Manager is not already in position the Council shall appoint a Project Manager within six months from the date of issue of this letter, such Project Manager to be satisfactory to Invest NI.

5.5 State Aid

The Council shall ensure that financial or other assistance awarded to undertakings as part of the Project is done so in accordance with the European Commission's State aid regulations including, but not limited to, Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (the General Block Exemption Regulation) and Commission Regulation (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid. The Council shall comply with the EU Treaty on the Functioning of the European Union in respect of the Project.

5.6 CPD Procurement Advice

The Council agrees to co-operate and comply with Central Procurement Directorate (CPD), in connection with the procurement process and shall adhere to Northern Ireland public procurement policy in delivering the Project. The Council shall comply with the EU Treaty on the Functioning of the European Union in respect of the Project

5.7 Publicity

5.7.1 From the date on which this offer is accepted and throughout implementation of the Project the Client shall (a) provide on its website, a short description of the Project including its aims and results, highlighting the financial support from the EU, (b) ensure the EU logo is visible on at least one electronic platform without scrolling and with the device at optimal resolution, on either a page specific to the Project or on the home page of the Client, and (c) place an A3 poster with information about the Project at a location readily visible to the public, such as the entrance of the building in which the Project is undertaken. In addition, the Client shall ensure that those taking part in the Project shall be informed of this funding.

5.7.2 From the date on which this offer is accepted and throughout implementation of the Project, any information and communication measures or documents provided by the Client to the public in respect of the Project shall display (a) the emblem of the European Union together with a reference to the Union and (b) a reference to the European Regional Development Fund.

6 DEFAULT

Any of the following circumstances shall constitute an Event of Default:

- 6.1 in the reasonable opinion of Invest NI, the Project has been abandoned;
- 6.2 any information provided by the Council or any staff of the Council to Invest NI in support of the Council's Application for the Financial Assistance, or otherwise in connection with the purposes or conditions of this letter, is misleading, incomplete or incorrect in any respect which is Material to Invest NI;
- 6.3 the Council fails to pay or repay to Invest NI any sum due to Invest NI when it becomes due under this letter or otherwise;
- 6.4 any Financial Assistance paid to the Council under the terms and conditions of this letter is used by the Council for any purpose other than eligible expenditure in relation to implementation of the Project;
- 6.5 it appears to Invest NI that the Project is unlikely to be completed, that the Project has not been implemented as per the Application, the Project Key Actions have not been achieved;
- 6.6 the Council is in breach of any of its obligations under this letter and such breach is incapable of remedy or, if capable of remedy, remains unremedied for a period of 30 days after written notice by Invest NI. (For the purposes of this provision, where an obligation specifies a time within which or by which a thing is to be done, a breach of that obligation shall not be treated as incapable of remedy for the reason only that the thing is not done within or by the specified time);
- 6.7 a receiver is appointed of any of the Council's assets or undertaking or if circumstances arise which entitle a court of competent jurisdiction or a creditor to appoint a receiver or manager of the Council or if any other person takes possession of or sells the Council's assets;
- 6.8 the Council proposes or enters into a voluntary arrangement or composition with its creditors or makes any arrangement or composition with its creditors or makes an Application Form to a court of competent jurisdiction for a moratorium seeking protection from its creditors in any way and/or a distress or execution order is levied or if Enforcement of Judgments Office proceedings are commenced against any of the property of the Council or any similar proceedings are commenced in another jurisdiction;

6.9 the Council ceases to carry on its business or substantially the whole of its business otherwise than in the reasonable opinion of Invest NI by way of temporary cessation of business;

6.10 the Council ceases to be a legal entity.

7 STOPPING OF PAYMENTS OF FINANCIAL ASSISTANCE

7.1 Without prejudice to any other rights of Invest NI under this letter Invest NI shall be under no obligation to make any payment(s) or any further payment(s) of the Financial Assistance to the Council if:

7.1.1 an Event of Default has occurred;

7.1.2 the Council is in breach of any of its obligations under this letter (whether or not constituting an Event of Default), including without limitation any failure to furnish financial reports or other information within the time limits specified in **paragraph 5**; or

7.1.3 in the reasonable opinion of Invest NI there has been Material and adverse change in the business, assets or other circumstances of the Council.

7.2 In any case where a breach by the Council of its obligations under this letter is capable of remedy and is remedied within 30 days of written notice by Invest NI; and such breach is the sole reason for the exercise of Invest NI's right to cease making payments of the Financial Assistance; Invest NI shall reinstate the making of payment of the Financial Assistance.

8 REPAYMENT OF FINANCIAL ASSISTANCE

If an Event of Default occurs the Council shall on written demand by Invest NI repay to Invest NI the aggregate of all payments of Financial Assistance made to the Council ("**the aggregate sum**") prior to such event, less any part of the aggregate sum which may have been repaid under any other provision of this letter, or such lesser amount as Invest NI may determine.

9 DURATION

This letter other than **paragraphs B, G and H of the Terms and Conditions Annex** shall remain in force for a period of five years from the date of the last payment of Financial Assistance ("**the termination date**") but without prejudice to any claim or right arising out of any breach of any obligation under this letter occurring before the termination date.

10 FAILURE TO INITIATE THE PROJECT

If by the end of the period of 6 months from the date of this letter the Council has not Initiated the Project then the offer of Financial Assistance may be withdrawn by Invest NI and after which shall cease to have any obligations under this letter.

11 ACCEPTANCE

This letter is issued in duplicate and if the Council is prepared to accept the offer on the terms and conditions set out in this letter, acceptance should be indicated below, **and one complete letter** returned to Invest NI, Financial Letters of Offer Team Bedford Square, Bedford Street, Belfast, BT2 7ES.

12 AVAILABILITY

The foregoing offer shall remain open for a period of three calendar months from the date of this letter and if not accepted in the manner referred to above and received by Invest NI, within that time, it shall be deemed to have been withdrawn.



13 **CONTACTS IN INVEST NI**

Although the Stakeholder Executive controlling this case is Ciara Kilpatrick at our Omagh office, any initial queries regarding the terms and conditions of this letter should be addressed to the undersigned. Queries relating to claims and payments should be addressed to Invest NI's Claims Team at 5TH Floor, Bedford Square, Bedford Street, Belfast, BT2 7ES contact us on claims@investni.com.

Yours faithfully
FOR AND ON BEHALF OF
INVEST NORTHERN IRELAND

A handwritten signature in black ink, appearing to be "J. Kilpatrick", written over a horizontal line.

FORM OF ACCEPTANCE - LoO: 1901/130176869

REF: 101000356513

This offer of Financial Assistance is hereby accepted by the Council on the terms and conditions set out in this letter and on the understanding that the Council is responsible for providing or generating any further finance needed for the Project after taking into account the funding as set out in this letter.

Signed by the Council on this _____ day of _____ 20

PRESENT when the COMMON SEAL of
MID ULSTER DISTRICT COUNCIL
was hereunto affixed in the presence of:

[Duly Authorised Officer]

[Duly Authorised Officer]

NOTE

Please do not detach this form of acceptance from the letter (one complete original letter should be signed and dated and returned to Invest NI).

Please quote your reference number and letter number on all correspondence to Invest NI.

DEFINITIONS ANNEX

The following definitions shall apply throughout this letter:

“Application” means the Application Form and/or Business Case dated 20 June 2018 and submitted to Invest NI by the Council and approved by Invest NI in support of the Council's Application for the Financial Assistance setting out details of the Project and its implementation and completion and includes any variation or amendments approved by Invest NI and the Council;

“Business Premises” means the premises occupied/to be occupied by the Council at Circular Road, Dungannon, County Tyrone, BT71 6DT, Northern Ireland and any other Northern Ireland premises deemed acceptable to Invest NI, including any additions, extensions or modifications thereto;

“Commission” means the Commission of the European Union;

“Completion Date” means the date by which the Project must be completed as specified in the Local Economic Development Resource (LED) Grant Annex;

“E-Cohesion” means the exchange of information, after signing this letter, between the Council and Invest NI by means of electronic data transfer that is intended to reduce the administrative burden and allow provision of information only once for requirements including (but not limited to) claims, inspection, audit, disclosure and retention as described in this letter;

“End Date” has the meaning given to it in the grant annex(es);

“Event of Default” means any of the events specified in **paragraph 6**;

“Invest NI Quality Business Referral” means a business being referred from Transform Programme that is capable of accessing financial support from Invest NI. Financial support may include but not be limited to Invest NI mainstream financial support, R&D funding, Innovation Vouchers and Trade support. Referrals from Transform Programme to Invest NI must be submitted using a standard proforma satisfactory to Invest NI and each referral must be ‘accepted’ by Invest NI;

“Job(s)” means a job role in which a person who is employed full-time, i.e. for 30 or more hours per week, or a Full Time Equivalent (FTE) i.e. a combination of two or more persons who are employed for the combined equivalent of 30 hours or more per week, as evidenced in a written contract of employment;

“Job Creation” means the calculation of Jobs in relation to this Project based on a before / after indicator to capture the employment increase that is attributed to the Project. Safeguarded jobs cannot be counted;

“Financial Assistance” means the Financial Assistance specified in **paragraph 1** or any such part or parts thereof as the context requires;

“Initiated the Project” means commencement of activities as per the annexes of this letter;

“Local Economic Development (LED)” means the programme under which Invest NI provides Financial Assistance to Councils to deliver programmes to businesses and individuals within their Council areas to increase job creation;

“Material” means where the context permits, anything which in the reasonable opinion of Invest NI, might have a significant or serious effect on the Project;

“Project” means the introduction, maintenance and completion of actions of the nature described in the Application key actions specified in the Project Key Actions Annex in respect of the Clients business of providing local government authority at/from the Business Premises (**“business activities”**);



“Project Manager” means the individual appointed by the Council to be in charge of managing the Project and the contact for Invest NI on matters relating to the Project;

“Stakeholder Executive” means the official within Invest NI responsible for administering the provision of Financial Assistance to the Project and the prime contact within Invest NI in respect of the Project.

PROJECT KEY ACTIONS ANNEX

1. Council to commence procurement for a delivery agent to deliver and manage the Transform Programme by 31 May 2019.
2. Deliver a "business attractiveness" seminar by 30 November 2021 with a minimum of 50 participants.
3. Recruit at least 160 businesses to progress onto programme support by 30 April 2022.
4. 160 attractiveness audits to be completed by 31 August 2022.
5. Deliver a minimum of 650 days mentoring to at least 160 programme participants by 31 December 2022.
6. To produce a mid-term evaluation eighteen months after programme commencement.
7. To produce a final evaluation report by 30 November 2023.

PROJECT PERFORMANCE INDICATORS ANNEX

1. Progress against the Project Key Actions Annex as listed above.
2. Council to use all reasonable endeavours to generate at least 15 Invest NI quality business referrals by 31 December 2022.
3. Council to use all reasonable endeavours to create at least 230 new jobs as a result of Transform Programme support by 30 November 2023.

LOCAL ECONOMIC DEVELOPMENT (LED) RESOURCE GRANT ANNEX

Claims

- 1.1 The grant shall be available from the date of this letter against written claims in Invest NI's standard form received no later than 30 June 2023.
- 1.2 All claims must be accompanied by a written progress report on the Project, unless otherwise agreed with Invest NI, such report(s) to be satisfactory to Invest NI.
- 1.3 The start date of any claim submitted, excluding the first claim, must be after the end date for all previous claims submitted under this letter unless otherwise agreed with Invest NI. All expenditure included within a claim must have been paid between the start and end dates of that claim.
- 1.4 Claims and supporting documentation shall be submitted to Invest NI at intervals of not less than 3 months unless otherwise agreed in writing with Invest NI. All claims and supporting documentation must be completed electronically and submitted via email claims@investni.com.
- 1.5 All claims will be vouched and approved to the satisfaction of Invest NI.

2 Payment

- 2.1 To be considered for grant purposes, expenditure must be incurred and paid by the Council on or after the start date of 20 December 2018 and paid on or before the End Date of 31 March 2023.
- 2.2 Notwithstanding **paragraph 2.1** above, to be considered for grant purposes the Project, and expenditure for all activities in relation to the Project, as set out in the Application Form and Business Case, must be completed by 31 December 2022 (**the "Completion Date"**).
- 2.3 The grant shall be payable as per **paragraph 1** above against eligible expenditure, vouched and approved by Invest NI on the costs agreed with Invest NI primarily on the costs below.

Expenditure Type	Eligible Costs
Consultancy Costs – Service Delivery	£255,500
Marketing Costs	£7,500
Grant totalling £210,400 @ 80% on maximum expenditure of £263,000	

3 Repayment of Grant

The Council shall immediately inform Invest NI's Claims Team of the occurrence of any Event of Default, as defined in this letter, which may result in a liability to repay grant.

TERMS AND CONDITIONS ANNEX

A STANDARD GENERAL CONDITIONS

A1 Accountancy System

The Council shall:

A1.1 at all times accurately maintain all books, accounts and records required by law (whether in the United Kingdom or otherwise) to be maintained by it; and

A1.2 implement a process for adequate codification of all income and expenditure associated with the Project through one of the following methods: EITHER (I) amend an existing financial accounting system or set up a new financial system to ensure every part funded Project has a unique code assigned and record this for all transactions related to the Project; OR (II) set up a separate bank account for each part funded Project; and

A1.3 inform Invest NI of any irregularities, fraud and theft or of any circumstance which has caused or is likely to cause a loss or misuse of funding and provide a full and detailed report in writing to Invest NI.

A2 Inspection Rights

The Council shall permit Invest NI, the Department for the Economy ("DfE") and its agents, the Northern Ireland Audit Office, the Commission and the European Court of Auditors from time to time upon giving reasonable notice to enter the business premises and any other premises of the Council during normal working hours (unless a statutory or regulatory obligation requires entry outside of these hours) to inspect any asset and any accounting or other record in respect of any Financial Assistance which has been paid or may become payable under the terms of this letter and to review and, if applicable, copy same or to comply with any statutory or regulatory obligation of Invest NI, DfE and its agents, the Northern Ireland Audit Office, the Commission or the European Court of Auditors, subject always to the provisions of **paragraph B**.

A3 Interruption

The Council shall advise Invest NI immediately of any major interruption of business activities or employment at the business premises of more than 15 successive days, except for normal holiday periods, or of the introduction of any short time working arrangements, or of circumstances likely to lead to such interruption or short time working arrangements.

A4 Environmental Impact

The Council shall ensure that all aspects of the Project which might result in a negative impact on the environment are subject to an environmental impact assessment. The Council must also use all reasonable endeavours to adopt and implement an environmental policy in relation to all aspects of the Project.

A5 Equality

The Council shall comply with the relevant statutory provisions from time to time in force in Northern Ireland imposing obligations on the Council in relation to discrimination on the grounds of religious belief, political opinion (including in relation to Section 75 of the Northern Ireland Act 1998), racial group, marital status, age, sexual orientation, gender, disability and having dependants.

A6 Third Parties

Save as provided in **paragraphs A2 and B1**, no term of this letter shall be enforceable by a third party (being any person other than the parties hereto) under the Contracts (Rights of Third Parties) Act 1999.

A7 Insurance

The Council shall from the date of acceptance of this letter, at its own expense insure with a reputable firm of insurers, any of its property, assets and effects of an insurable nature, including (without limitation) its buildings, plant, machinery and equipment against all and any loss, damage, risk, contingency or public liability as may from time to time be reasonably requested by Invest NI (or, if no such request is made, against such loss, damage, risk, contingency or public liability as a prudent company or firm in the same business as the Council would insure against) to the full replacement value thereof and shall produce the policy or policies of insurance together with proof of payment of the necessary premiums to Invest NI on request.

A8 Changes to the Project

In the event of any major change in the Project or any change in circumstances which makes it unlikely that the broad objective of the proposals will be achieved, revised proposals **must** be submitted to Invest NI, for which Invest NI may be prepared to make a new offer of Financial Assistance in place of the existing Financial Assistance or may decide to retain or cancel the existing offer of assistance. If the existing Financial Assistance is terminated, no redundancy or any other compensatory payment will be accepted by Invest NI for dismissal of staff, but negotiations may be entered into in regard to other contractual commitments and in regard to disposal of assets acquired under the Financial Assistance.

A9 Keeping Records

The Council shall maintain records for all expenditure under the headings contained in the Annexes of this letter so that all such expenditure can be clearly identified as applicable to the Project.

In the case of labour costs, these records should take the form of up to date time sheets recording the hours that each named individual worked on the Project. Managers and/or directors must also maintain a record of time spent by them on the Project. The Council shall take appropriate technical and organisational security measures against

TERMS AND CONDITIONS ANNEX

unauthorised or unlawful processing and against accidental loss or destruction of, or damage to, personal and business information created or accessed through the Project. Records of Project delivery held or stored by the Council may only be considered for disposal after a period of time set out in Invest NI's Retention and Disposal Schedule. Records related to the of delivery of the Project can only be disposed of following appropriate review by the Council in line with Invest NI's review process.

A10 Responsibility

A10.1 Invest NI accepts no responsibility, financial or otherwise, for expenditure or liability arising out of the Project, including that arising as a result of the purchase of equipment and/or consumable items.

A10.2 The Council shall ensure that Intellectual Property Rights ("IPR") will not be infringed as a result of undertaking the Project to which the grant applies and indemnifies Invest NI against any liability in relation to infringement of IPR.

A11 Procurement

The Council shall at all times comply with the EU Treaty on the Functioning of the European Union and Northern Ireland Public Procurement Policy in relation to the Project. Where the value of procurement is above the EU Procurement Threshold the Council shall also comply with the EU Procurement Directives and UK Public/Utilities/Concessions Contract Regulations. The Central Procurement Directorate (CPD) has published a number of procurement guidance notes (available on Department of Finance's website) which provide guidance on the procedures to be adhered to in order to comply with the above legal and procurement policy frameworks. The Council shall at all times comply with these procedures in relation to the Project. Contracts for similar goods or services must not be disaggregated for the purposes of avoiding the appropriate EU Procurement Threshold. The Council indemnifies Invest NI against any liability in relation to any procurement breach in respect of the Project.

B DISCLOSURE, PUBLICITY, CONFIDENTIALITY

B1 Invest NI shall be entitled to publish details of the amounts and types of assistance referred to in this letter at such times and in such manner as Invest NI or the Commission may decide.

B2 The Council shall render Invest NI such assistance as Invest NI may reasonably request in connection with any publicity which Invest NI may deem appropriate in respect of the Project.

B3 Invest NI shall be entitled to disclose details of the Council to other government agencies and departments, and bodies engaged in economic

development (subject to the terms of the Data Protection Act 1998 and any other applicable legal

restrictions which prevent the disclosure of such information) where Invest NI considers that disclosure is in the Council's interest.

B4 Invest NI may include any information which it receives in relation to the Council in a database of economic, financial and statistical information and may publish or disseminate reports derived from such database provided that such reports do not specifically identify the Council.

B5 Invest NI shall be entitled to disclose information on the Council to Invest NI's professional advisers who are subject to obligations of confidence or to consultants working on Invest NI's behalf provided such disclosure is made for the specific purpose for which the consultants are engaged.

B6 This letter and the terms and conditions contained herein shall be treated by the Council as confidential and accordingly shall not be disclosed to any other person or entity other than to its professional advisors who are subject to obligations of confidence, for the purpose of negotiating funding for the Council or as required by law, without the prior written consent of Invest NI, such consent not to be unreasonably withheld or delayed.

B7 Subject to **paragraph B1** Invest NI shall treat all information received from the Council in pursuance of this letter as confidential and shall not disclose such information to any third party other than those referred to at **paragraphs B3 and B5**, without the consent of the Council, such consent not to be unreasonably withheld or delayed, except as may be required by law (including without limitation Freedom of Information legislation) or for the purpose of preventing or detecting crime or for the purposes of any parliamentary or governmental enquiry into the activities of Invest NI.

B8 The Council shall give due recognition to EU funding on any brochures, leaflets and in any publicity of the Project and will consult with Invest NI about any publicity or public announcements associated with the Project.

C INVEST NI FINANCIAL ASSISTANCE

This letter and any subsequent payments pursuant hereto shall not be taken to imply that Invest NI shall or be under any obligation to provide any further financial assistance in the future. Invest NI may also offset any of the financial assistance under this letter against any obligation owed at any time by the Council to Invest NI.

TERMS AND CONDITIONS ANNEX



D REPAYMENT OF FINANCIAL ASSISTANCE

D1 Where any sums are repayable to Invest NI under the provisions of **paragraph 8** of this letter, Invest NI shall be entitled to recover from the Council the costs

of Invest NI in establishing the Council's repayment liability and in recovering the sums due.

D2 No failure to exercise, nor delay in exercising nor partial exercise of any right, power, privilege, or remedy under this letter shall in any way impair, affect any further or other exercise thereof or operate as a waiver in whole or in part.

E OTHER FINANCIAL ASSISTANCE

The Council shall not be eligible for any other government assistance in respect of any expenditure coming within the scope of this letter without the prior written consent of Invest NI.

F UNACCEPTABLE PRACTICE

The Financial Assistance made available under this letter must not be used in, or paid to, any business or organisation which is illegal, or which Invest NI in its absolute discretion considers may bring disrepute to Invest NI or to the specific scheme under which the financial assistance is made available.

G RECOVERY OF FINANCIAL ASSISTANCE

Notwithstanding any other provision of this letter, Invest NI may, if required as a result of a decision of the Commission, or as a result of any other obligation under European Union law, at any time: (i) withhold payment of any or all of the Financial Assistance; and/or (ii) require repayment of any or all of the Financial Assistance, together with interest from the date on which the Financial Assistance was paid at the rate from time to time as required by the Commission. The Client shall on demand by Invest NI repay such Financial Assistance together with interest.

H DOCUMENTATION

The Council shall retain all original records concerning the Project and implementation of the Project and make records available for inspection for 10 years from the date of this Letter or such later date as may be required due to legal proceedings or by request of the European Commission. In the event of the Project ceasing for any reason, all documentation must be returned to Invest NI. The council shall not, without the prior consent of Invest NI, dispose of or destroy any original documentation associated with the

Project. The Council undertakes to provide to Invest NI such information and documentation as is required by Invest NI on an ongoing basis or to facilitate Project handover or termination. The Council shall

provide the information promptly upon request from Invest NI and in such format as Invest NI requires. The Council shall notify Invest NI of any material changes to this information as and when they occur.

I SERVICE OF NOTICES BY INVEST NI

Any written notice to be served by Invest NI on the Council under the terms and conditions of this letter may be served by ordinary first class post, e-mail or facsimile transmission at the address referred to in this letter or the Council's registered office address. The Council will be deemed to have been duly served with the notice on the day it is sent if sent by e-mail or facsimile transmission or on the following day if sent by first class post.

J GOVERNING LAW

This letter shall be governed in all respects by the laws of Northern Ireland and the Council hereby irrevocably submits to the exclusive jurisdiction of the Northern Ireland Courts for all purposes in connection with this letter.

K LEGAL COMPLIANCE

The Council shall:

K1 ensure that its business is operated in compliance with all applicable laws or regulations for the time being and shall not do or omit or suffer to be done anything whereby any Act, Order or Regulation from time to time affecting its business is infringed;

K2 The Council shall comply with all applicable laws, statutes, regulations related to anti-bribery, anti-fraud and anti-corruption, including but not limited to the Bribery Act 2010; and

K3 cooperate with Invest NI, Northern Ireland Government departments and the Government of the United Kingdom in allowing them to fulfil their respective obligations under European Regulations and these Regulations shall also be applied by Invest NI in assessing the eligibility of expenditure included in the grant claims submitted under this letter, particularly all the regulations and acts governing the European Regional Development Fund.

L FINAL DATE FOR CLAIMING FINANCIAL ASSISTANCE

Invest NI shall be under no obligation to make any payment or payments of the Financial Assistance in

TERMS AND CONDITIONS ANNEX



respect of any claim received by Invest NI after the End Date set out in the attached Annexes.

M THE MODERN SLAVERY ACT

M1 Under the Modern Slavery Act 2015 (**MSA**), any commercial organisation (defined by the MSA as any commercial organisation in any sector that supplies goods or services that carries on its business (or part of its business) in the United Kingdom and has an annual global turnover, or Group global turnover, of not less than the amount prescribed in accordance with the MSA from time to time (currently, £36 million)) must publish an annual Slavery and Human Trafficking Statement for each financial year ending on or after 31 March 2016, setting out, inter alia, the steps it has taken to ensure that slavery and human trafficking is not taking place in any of its supply chains or in any part of its business.

M2 To the extent that the Council qualifies as a commercial organisation for the purposes of the MSA, the Council shall, and shall procure that its suppliers, sub-Councils and other participants in its or their supply chain(s) shall, comply in full with its or their obligations under the MSA, and shall indemnify Invest NI against any losses, liabilities, damages, costs (including but not limited to legal fees) and expenses incurred by, or awarded against, Invest NI as a result of any delay or failure on the part of any of the foregoing to so comply.

N EUROPEAN REGIONAL DEVELOPMENT FUNDING

N1 The funding of the Project under this letter is dependent on funding being received from the European Regional Development Fund of the EU. In the event of such funding not being received or being discontinued for whatever reason then no liability will exist for Invest NI, the Department of Finance and Personnel, Northern Ireland or any other Government Departments or Agencies in Northern Ireland to provide funding to the Council.

N2 Invest NI is committed to the principle of E-Cohesion. The Council has the option to submit all claim documentation in line with Invest NI's E-Cohesion procedures **but the Council must inform Invest NI of its intention to do so prior to the submission of the first claim and must conform with these procedures for all subsequent claims**



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BT45 6EN

Date : 03/01/2019

Invoice Number:
INV2019214820

INVOICE DETAILS

Description	Amount	VAT Rate	VAT
NICC Membership	£2,500.00	20%	£500.00

Total	£2,500.00
Total VAT	£500.00
Amount Due	£3,000.00

Membership subscription includes exceptional networking and business development opportunities, influencing government economic policy and practical support for development of export business.

See www.northernirelandchamber.com for full details or speak to one of the membership team.

Member Level: Corporate

Terms :- 30 days net

VAT Reg. No. 254 4276 58

Bank details for BACS payments: Danske Bank, Donegall Square West, Belfast BT1 6JS

A/C No: 11136488 Sort Code: 95-01-21

It is now possible to pay using Debit/Credit Card. Please phone the NICC office for more information.

Payment terms are strictly 30 days net. Payment due on 02/02/2019

Company Reg: R78 Vat No: 254 4276 58

Communications
Partner



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Accreditation





FINAL EVALUATION REPORT

MID ULSTER VILLAGE SPRUCE UP SCHEME

(Phase 2 – Reserve List)

Completed by Paul Hamill of McCarter Hamill Architects – January 2019

mccarter hamill architects

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1.0 Introduction

This report provides an overview of the Mid Ulster Village Spruce Up Scheme (Phase 2). It presents a breakdown of the applications received, a synopsis of a number of successful projects and the impact of the scheme.

Enabling Town and Village Regeneration is one of the key themes in Mid Ulster District Council's Economic Development Plan 'Our Plan for Growth'. The Mid Ulster Village Spruce Up Scheme was developed as one of the key initiatives to enable the delivery of this theme. The Scheme supported the improvement and enhancement of business and commercial properties within the development limits of forty-six villages within the Council area.

Based on the Mid Ulster Settlement Report as per the development of the Area Plan 'Strategic Settlement Evaluation-Proposition Paper' and Council recommendations, business/commercial properties within the Development Limits of the following Villages were eligible to apply:

Aghaginduff/Cabragh, Annaghmore, Ardboe, Augher, Aughnacloy Ballinderry, Ballygawley, Ballylifford, Ballyronan, Bellaghy, Benburb, Brockagh/Mountjoy, Caledon, Castledawson, Castlecaulfield, Churchtown, Clady, Clogher, Coagh, Desertmartin Donaghmore, Draperstown, Drummullan, Edendork, Eglish, Fivemiletown, Galbally, Granville, Gulladuff, Killyman, Moneymore, Moortown, Moy, Moygashel, Newmills, Orritor, Pomeroy, Sandholes, Stewartstown, Swatragh, Tamnamore, The Bush, The Loup, The Rock, Tobermore and Upperlands.

The Mid Ulster Village Spruce Up Scheme was a Pilot project and offered discretionary grants of up to 75% eligible costs, capped at £5,000 per property for internal and/or external improvements. The Scheme was available to both occupied business/commercial properties and vacant business/commercial properties within the development limits of each village.

The allocation of grant was a competitive process and limited funds were available, therefore only the higher scoring applications were funded.

2.0 Aims and Objectives of the Scheme

The aim of the Mid Ulster Village Spruce Up Scheme was to improve the competitiveness and economic sustainability of the identified villages in the Mid Ulster District Council area by:

1. Making external improvements to the built environment in each village.
2. Encouraging the improvement of the internal appearance of properties visible to the public.

The objectives of the scheme were:

1. To enhance and improve the attractiveness of business/commercial properties by 30 September 2018.
2. To deliver high-quality external and internal improvements to properties in each village
3. To attract new business and investment through improvements to vacant properties.

4. To stimulate private sector investment.
5. To assist businesses in each village to increase competitiveness and sustainability.
6. To improve user perceptions of each village.

3.0 Who Could Apply

Based on the Mid Ulster Settlement Report as per the development of the Area Plan 'Strategic Settlement Evaluation-Proposition Paper' and Council recommendations, business/commercial properties within the Development Limits of the villages listed in 1.0 above could apply.

The grant was available to:

- Business/commercial premises
- Shops (including hairdressers, beauty salons, dry cleaners, clothing retailers etc).
- Financial and Professional services (e.g. estate agents, insurance companies etc).
- Restaurants, Public houses, Cafes and Food takeaways.
- Vacant premises. For a vacant property to be eligible evidence must be provided that:
 - 1) It was previously used as a business/commercial property.
 - 2) That it would be marketed/let as a business/commercial property after improvement works were complete. Evidence had to be provided of how this was to be achieved and actively promoted.

Properties that were ineligible to apply for grant aid included banks, building societies, charity shops, government organisations, political organisations and community groups/clubs.

Application forms were accepted from the property owner/s or tenants as long as the owner was in agreement.

Individual applications from owners/tenants whose properties are adjacent to each other were welcomed. Defined as 'Multiple Applications', these applications were viewed as having a greater positive effect on the appearance of a street and as a result were scored more highly by the assessment panel.

4.0 Scope of Works Eligible for Funding

The property owners/tenants of eligible business/commercial properties in the designated areas could apply for grant-aid to carry out the following:

Internal Works eligible for grant-aid include repair and refurbishment of:

- Walls, ceilings, doors, floors and stairs.
- Internal redecoration work e.g. repainting of walls, ceilings etc
- Rewiring and plumbing.
- Access improvements.
- New interior window display lighting, where shutters are not in use.
- Subdivision to form smaller units.
- Restructuring to form larger units.

- Permanent (i.e. not loose fitted or mobile) display cases/built-in furniture and joinery.
- Please note that internal works to a business/commercial property which is above ground floor level will be considered.

External works eligible for grant-aid include repair and refurbishment of the following:

- Shop fronts, including fascia, signage and lighting.
- Windows.
- Doors.
- Rainwater goods; guttering or downpipes on shopfronts.
- Redecoration (including painting, signage etc.).
- Pedestrian access improvements.
- Security measures (including security glazing/laminated glass which allows window shopping to take place in the evening ,e.g. open or lattice shutters/door grilles-NOT solid shutters).
- Virtual graphics / hoardings.
- Equipment and associated labour costs as deemed appropriate for preparation of work e.g. power washing, hire of lift equipment etc.
- Please note that external works to a business/commercial property which is above ground floor level will be considered.

Ineligible Works included:

- Works which required planning permission which was not in place at the Application stage.
- Routine maintenance such as clearing of debris from gutters, cleaning tarmac, cleaning of roofs, chimneys etc.
- Improvements to residential property, including residential property located above commercial premises.
- Retrospective applications (for work already completed or underway).
- CCTV / Alarm systems.
- Mobile/loose fixtures and fittings or furniture.
- Internal work which was not in the public area of the property.
- Mannequins.

The grant did not include:

- Statutory fees (e.g. Building Control Approval), professional fees etc.
- Insurances
- Interest (on loans taken out to fund your building project)
- VAT (except if the applicant is not VAT registered)

5.0 Procurement

Completed applications had to be accompanied by competitive quotations/tenders from bona-fide reputable contractors. If a contractor is not employed to complete all works, the

appropriate number of quotations/tenders had to be submitted for each element of the scheme.

The scheme required:

- 2 Written Quotations for project elements costing up to £4,999.99
- 4 Written Quotations for project elements costing from £5,000-£30,000

All quotations had to be dated and on headed paper and the funder reserved the right to have an independent quantity surveyor check the validity of quotations/tenders.

6.0 Application Process

Completed application forms were to be returned to McCarter Hamill Architects by 4pm on Friday 15 September 2017. Only fully completed Applications were validated and late submissions were not accepted. There was no separate Application Process for Phase 2. Phase 2 projects were those projects, which were contained the a reserve list from Phase 1 and achieved a Score of 40 or above.

7.0 Assessment of the Applications:

The following criteria was used by the assessment panel to score the application for a grant:

- i) Current Condition of the elements of work requesting funding (25%)
Scoring ranged from 0%-25%, for example, if the current condition of the elements of work requested for funding to the property was considered very poor, the maximum 25% was allocated.
- ii) Impact the proposed element of works will make (30%)
Scoring ranged from 0%-30%, for example, if the proposed element of works would have a transformation impact on the property, the maximum 30% would be allocated.
- iii) Value for Money (25%)
This was calculated based on the formula:- $\text{Impact (points)} \div \text{Grant Sought} = \text{Weighted Criteria}$. Weighted criteria achieved ranged from 5%-25%, with excellent Value for Money allocated the maximum 25%.
- iv) Multiple Application Status (10%)
Multiple applications received a favourable weighting, where individual applications were received from owners/tenants whose properties were adjacent to each other. These applications would be viewed as having a greater positive effect on the appearance of a street and as a result were scored highly by the assessment panel, being allocated a further 10%.
- v) Vacant Business/Commercial Property (10%)
Vacant Business/Commercial Property favourable weighting, allocated 10%.

All applications had to score a minimum of 40% to be considered for funding.

All works had to be completed and claimed by 30th September 2018 for Phase 2.

8.0 Successful Applicants for Phase 2 of the scheme

Letters of Offer were issued to a Reserve List of Applicants on 28 March 2018 for Phase 2 of the scheme.

This was a form of contract that stated:

- The amount of grant awarded
- The terms and conditions associated with the grant

It was made clear to the successful Applicants that no works could commence until a signed 'Letter of Offer' was returned to Mid Ulster Council within the allotted timescale.

In total 44 Letters of offer were issued, out of which 39 schemes were eventually delivered.

9.0 Geographical spread of Successful Applications.

Successful Phase 2 schemes were delivered by schemes in the following villages (in alphabetical order):

VILLAGE	NUMBER OF COMPLETED APPLICATIONS:
Aghaginduff/Cabragh	0
Annaghmore	0
Ardboe	1
Augher	4
Aughnacloy	1
Ballinderry	0
Ballygawley	3
Ballylifford	0
Ballyronan	0
Bellaghy	1
Benburb	0
Brockagh/Mountjoy	0
Caledon	1
Castledawson	3
Castlecaulfield	2
Churchtown	0
Clady	0
Clogher	2
Coagh	0
Desertmartin	0
Donaghmore	0

Draperstown	0
Drummullan	0
Edendork	0
Eglish	1
Fivemiletown	1
Galbally	0
Granville	0
Gulladuff	0
Killyman	0
Moneymore	2
Moortown	1
Moy	6
Moygashel	3
Newmills	0
Orritor	0
Pomeroy	2
Sandholes	1
Stewartstown	2
Swatragh	0
Tamnamore	0
The Bush	1
The Loup	0
The Rock	0
Tobermore	1
Upperlands	0
Total	39

10.0 Payment of Grant

It was stipulated that payment of grant would only be made once Mid Ulster District Council was satisfied that all the terms and conditions in the 'Letter of Offer' had been fulfilled. A site visit was carried out by McCarter Hamill Architects to verify that the works had been completed as stated at application stage and to the required standard.

Payment of grant was be made on receipt of a single claim following a successful site visit. This claim had to include the submission of original invoices and proof of payment.

11.0 Case Studies of selected completed projects.

We have selected the following projects for a brief Case Study of Phase 2 of Mid Ulster Village Spruce Up Scheme.

- i) Project No.163 - Daly's World of Wines Moy
- ii) Project No.83 - The Corner Barber Shop Moy
- iii) Project No.25 - RTC Engineering Sandholes
- iv) Project No.157 – RA Noble Clogher.

- v) Project No.94 - Chil N Cut, Bellaghy
- vi) Project No. 114 - Moneymore Laundry Services

11.1 Project No.163 - Daly's World of Wines Moy

Scope of Works. *New Traditional Timber Shopfront*

Before:



After:



Impact of the Works:

This project was chosen as a Case Study as it is a good example of a new shopfront designed in a traditional style using high quality materials. The works improve the premises and undoubtedly the village as a whole. The materials used should mean that this shopfront will be a feature in the village for many years to come.

11.2 Project No.83 - The Corner Barber Shop Moy

Scope of Works: *Internal and External improvements including tiling, painting, signage and electrics.*

Before:



After:



Impact of the Works:

This project was chosen as a case study as it is a good example of a building which was not only improved inside and out, but one that the developer made a substantial investment of their own funds. The building looks much more striking on the outside whilst the interior has been thoroughly brought up to date.

11.3 Project No.25 - RTC Engineering Sandholes

Scope of Works: *New gate, fencing and landscaping*



After:



Impact of the Works:

This project was chosen as a case study as it is an excellent example of an improvement to an area without involving changes to a building. Although the grant aid was of the scheme average, the works have greatly improved the appearance of this area of Sandholes, much more than the budget would suggest.

11.4 Project No.157 – RA Noble Clogher.

Scope of Works: *New illuminated document displays*

Before:



After:



Impact of the Works:

This project was chosen as a case study as it is an excellent example of how the appearance of a property can be improved on a very small budget. The grant aid on this scheme was only £401.20 but the new displays make the shop more attractive, and at night provide an eye-catching display.

11.5 Project No. 114 - Moneymore Laundry Services

Scope of Works: *New door, Windows, Signage, and Decoration*

Before:



After:



Impact of the Works:

This project was chosen as a case study as it is another example of a comprehensive improvement in which the owner made a substantial investment of their own funds. The shop is on a prominent site in the village, and the new windows, doors, signage and paint scheme make a worthwhile contribution to the building and the street as a whole.

11.6 Project No. 94 – Chic 'n Cut, Bellaghy

Scope of Works – *Signage, Painting and Decoration*

Before:



After:

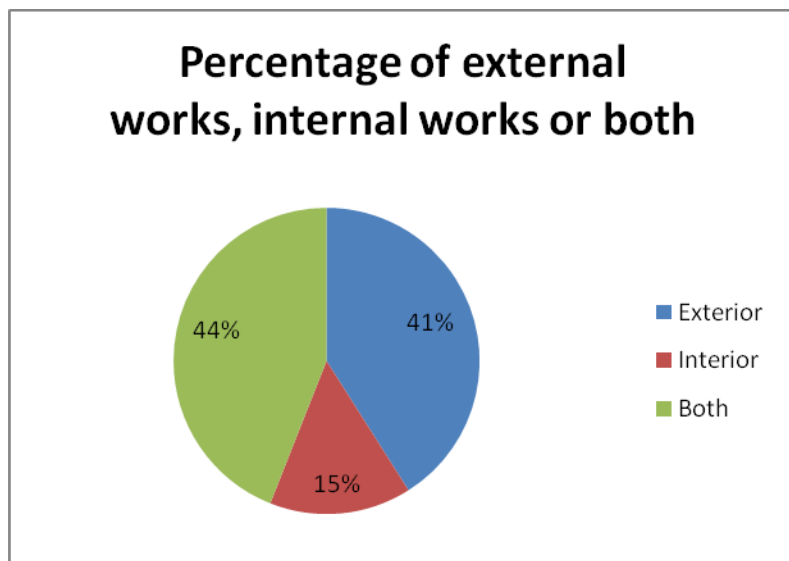


Impact of the Works:

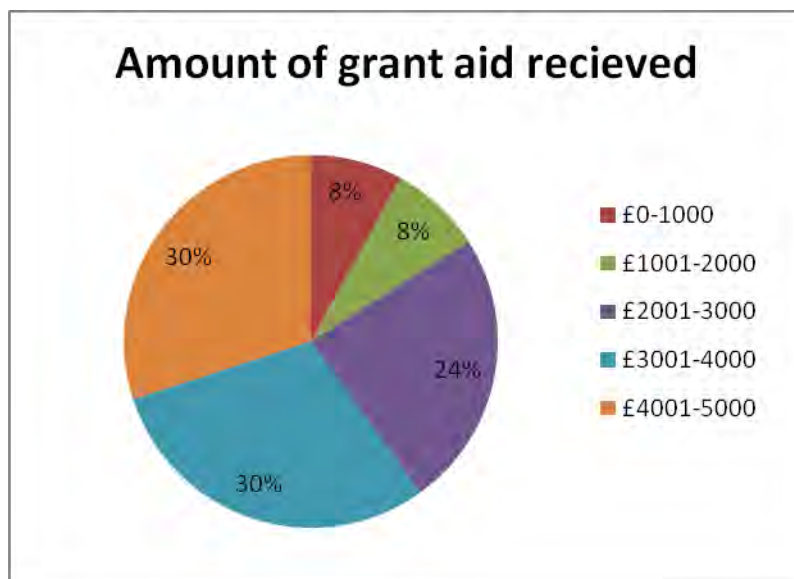
This project was chosen as a case study as it is another example of a comprehensive improvement in which the owner made a substantial investment of their own funds. The shop is on a prominent site in the village, and the signage, decoration and internal redecoration make a worthwhile contribution to the building and the street as a whole.

12.0 Statistical Data and Conclusion

In terms of the ratio of projects that were funded for Internal and External works, 41% carried out External works only, 15% interior works only and 44% carried out both.

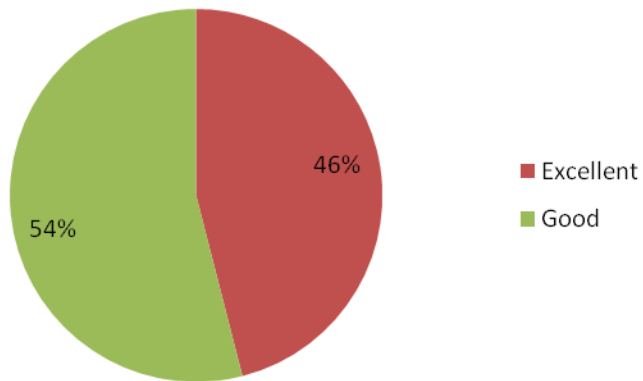


As can be seen from the pie chart below, most grant aid in Phase 2 was awarded for the larger projects, with the £3001-4000 segment and the £4001-5000 segment having an equal share of 30%.

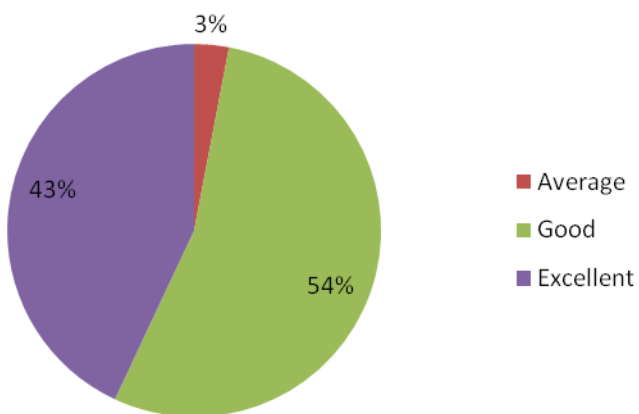


The quality of the materials used overall was good, with 46% deemed as being excellent. Again, quality of workmanship was deemed as being good, with 43% deemed as being excellent.

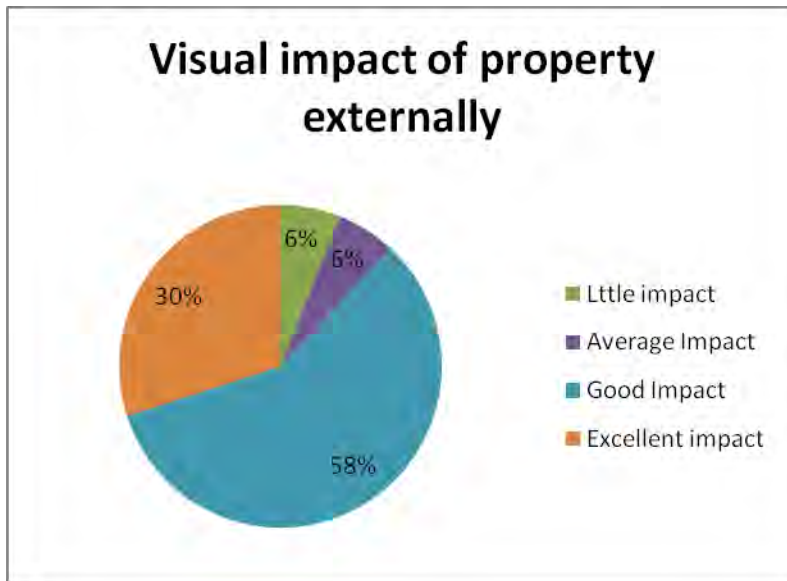
Quality of materials used



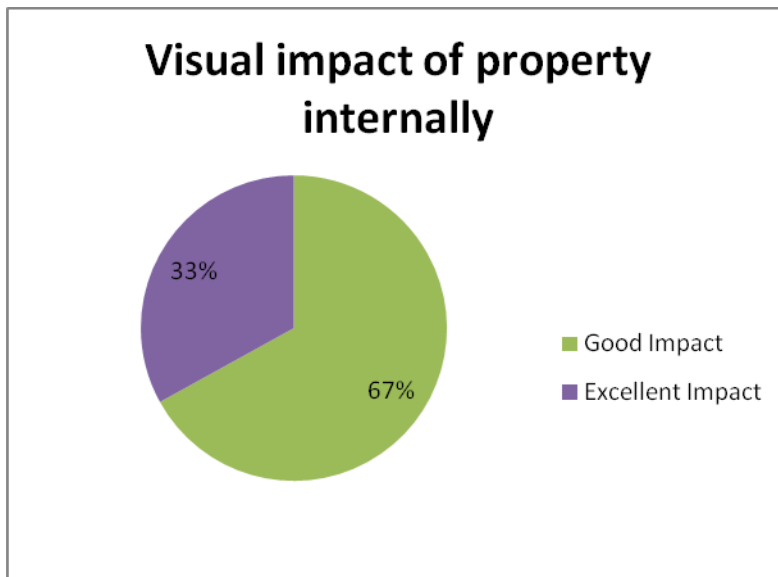
Quality of workmanship



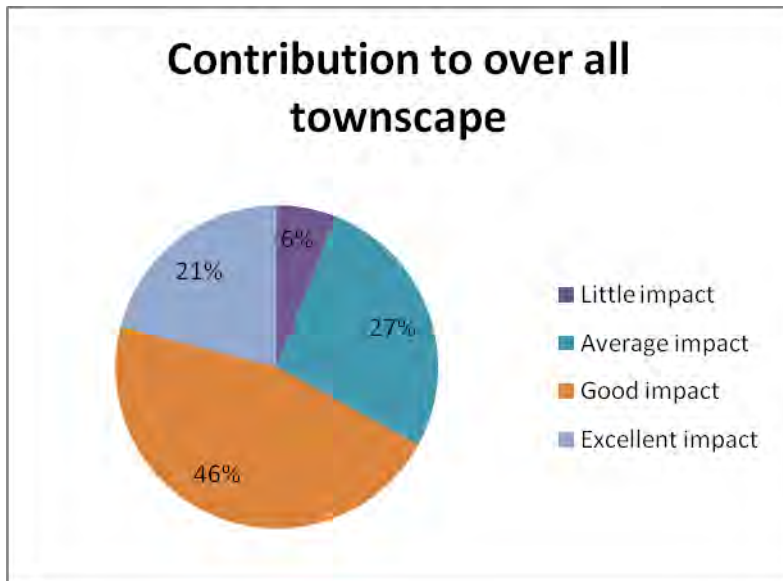
The Visual Impact of the works was rated overall as good (58%), with 30% of schemes rated excellent in this category.



For Internal works, all had either a good or an excellent impact, with 67% deemed as being good and 33% as being excellent.



An important and key statistic in the delivery of the scheme is the Contribution to the Overall Townscape. 46% of schemes had a good impact and 21% had an excellent impact.



13.0 Overview of Scheme

Phase 2 of the Mid Ulster Village Spruce Up Scheme aimed, like Phase 1, to improve the competitiveness and economic sustainability of the eligible villages. Through the delivery of the scheme properties awarded funding strived to achieve a comprehensive improvement to building frontage, internal repairs and refurbishments. The wider impact on each village aimed to visibly enhancing the townscape and improving local economic infrastructure.

A final evaluation of each completed property was carried out with a score awarded between 1 (very poor) and 5 (excellent) to measure the visual improvement to the property on an individual basis, and also to measure the contribution of the improvement works to the overall townscape. The overall impact of the scheme has been impressive. It is clear to see that each property owner planned each element of the works in relation to how it would benefit their business and the streetscape (if works included external elements).

In total £128,878.99 of Grant Aid was awarded to 39 properties across the Council area, with private sector leverage of £67,685.25. Grants ranged from £401.20 to the £5,000 maximum with the average being £3343.48. 10 applications received the maximum £5,000 grant.

McCarter Hamill Architects believe that the relatively small budget for the scheme was put to excellent use as it helped 39 (mostly small) businesses improve their premises and enhance the visual appearance of their village.

14.0 Conclusion

Phase 2 of the Mid Ulster Village Spruce Up Scheme has also made a significant impact to the properties and contributed to the enhancement of their respective Villages.

The funding provided by the scheme has unquestionably improved the external frontages and internal areas of each property.

The scheme has certainly succeeded in offering local businesses a significant and meaningful support. The monetary incentive has encouraged property owners to carry out improvement works to their properties which, in today's economic climate, may not otherwise have been feasible.

The total amount of private investment in Phase 2 of the scheme was £67,685.25, which shows a commitment from the property owners and tenants to successfully deliver the scheme. The impact this has made across the Mid Ulster District Council villages has been significant and will assist the local economy to remain competitive in the current market.

In terms of providing business owners with an incentive to improve their property (and in turn their village), Phase 2 had a very similar result to Phase 1, with Private Sector Leverage totalling 34% of total monies spent in Phase 1 and 34% in Phase 2.

Through the delivery of Phase 1 and Phase 2 of Mid Ulster Village Spruce Up Scheme, 109 properties were enhanced, resulting in a total of £496,112.62 spent on improving properties in the villages. This included a total of £323,997.09 of grant aid and £172,115.53 of private sector investment.

The Scheme provided an incentive to businesses to improve their business property, which has been well received, and has resulted in significant improvements on an individual and village basis. Mid Ulster Village Spruce Up Scheme has been a very successful incentive which produced significant results from delivery through a Council and private sector partnership.

Mid Ulster Village Spruce Up Scheme

Supporting Local Business



Guidance Notes for Applicants

Welcome to the Mid Ulster Village Spruce Up Scheme Guidance Notes for applicants. Before you complete your application form, you must take time to read this document carefully.

These guidance notes are provided to help you understand the aims of the Mid Ulster Village Spruce Up Scheme and how you can make a grant application.

Background

Mid Ulster District Council supports the improvement and enhancement of business/commercial properties within the development limits of each village as identified in attached maps.

The Mid Ulster Village Spruce Up Scheme is a Pilot project and offers discretionary grants of up to 75% eligible costs, capped at £5,000 per property for internal and/or external improvements. The Scheme is available to both occupied business/commercial properties and vacant business/commercial properties within the development limits of each village. Whilst the Mid Ulster Village Spruce Up Scheme is intended to aid minor works to business/commercial premises, large scale schemes may apply however please note the maximum grant aid is up to 75% eligible costs, capped at £5,000 per property.

Please note that allocation of grant is a competitive process and limited funds are available, therefore not all applications will be funded.

Aims and objectives

The aim of the Mid Ulster Village Spruce Up Scheme is to improve the competitiveness and economic sustainability of the identified villages in the Mid Ulster District Council area by:

1. Making external improvements to the built environment in each village.
2. Encouraging the improvement of the internal appearance of properties visible to the public.

The objectives of the scheme are:

1. To enhance and improve the attractiveness of business/commercial properties by 30 March 2018.
2. To deliver high-quality external and internal improvements to properties in each village
3. To attract new business and investment through improvements to vacant properties.
4. To stimulate private sector investment.
5. To assist businesses in each village to increase competitiveness and sustainability.
6. To improve user perceptions of each village.

PLEASE NOTE THAT THIS IS A 'SPRUCE UP' SCHEME INTENDED TO AID MINOR WORKS TO BUSINESS/COMMERCIAL PREMISES IN THE IDENTIFIED VILLAGES OF THE AREA. IT IS NOT ENVISAGED THAT WORKS INCLUDED IN THE SCHEME WILL NEED PLANNING PERMISSION. HOWEVER IF ANY OF THE PROPOSED WORKS DO NEED PLANNING PERMISSION THIS *MUST* BE IN PLACE AT THE TIME OF THE APPLICATION, AND A COPY INCLUDED WITH THE APPLICATION.

Who Can Apply?

Based on the Mid Ulster Settlement Report as per the development of the Area Plan 'Strategic Settlement Evaluation-Proposition Paper' and Council recommendations, business/commercial properties **within the Development Limits** of the following Villages will be eligible to apply (See Maps):

Aghaginduff/Cabragh, Annaghmore, Ardboe, Augher, Aughnacloy Ballinderry, Ballygawley, Ballylifford, Ballyronan, Bellaghy, Benburb, Brockagh/Mountjoy, Caledon, Castledawson, Castlecaulfield, Churchtown, Clady, Clogher, Coagh, Desertmartin Donaghmore, Draperstown, Drummullan, Edendork, Eglis, Fivemiletown, Galbally, Granville, Gulladuff, Killyman, Moneymore, Moortown, Moy, Moygashel, Newmills, Orritor, Pomeroy, Sandholes, Stewartstown, Swatragh, Tamnamore, The Bush, The Loup, The Rock, Tobermore and Upperlands.

Please note that the inclusion of a building within an eligible area does not give any automatic entitlement to a grant. This is a competitive process.

The grant is available to:

- Business/commercial premises
- Shops (including hairdressers, beauty salons, dry cleaners, clothing retailers etc).
- Financial and Professional services (e.g. estate agents, insurance companies etc).
- Restaurants, Public houses, Cafes and Food takeaways.
- Vacant premises

PLEASE NOTE:

For a vacant property to be eligible evidence must be provided that:

- 1) It was previously used as a business/commercial property (If this is not evident from the supplied photograph then evidence (old photographs, rates bills, etc.) must be provided

2) That it will be marketed/let as a business/commercial property after improvement works are complete in March 2018. Evidence must be provided of how this will be achieved and actively promoted.

Application forms will be acceptable from the property owner/s or tenants. If a tenant makes an application it must be co-signed by the property owner(s). Please note should your application be successful, applicants evidence of ownership must be provided at Letter of Offer stage. If the tenant is applying, the tenant will have to request such information from the property owner.

Individual applications from owners/tenants whose properties are adjacent to each other are welcome. Defined as 'Multiple Applications', these applications will be viewed as having a greater positive effect on the appearance of a street and as a result will be scored highly by the assessment panel. In particular, these 'Multiple Applications' will be most effective and score higher, where an agreement is reached on a complimentary design across all the properties involved.

Properties that are **ineligible** to apply for grant aid include banks, building societies, charity shops, government organisations, political organisations and community groups/clubs.

Eligible expenditure - what we can fund...

The property owners/tenants of eligible business/commercial properties in the designated areas may apply for grant-aid to carry out the following:

Internal Works eligible for grant-aid include repair and refurbishment of:

- Walls, ceilings, doors, floors and stairs.
- Internal redecoration work e.g. repainting of walls, ceilings etc
- Rewiring and plumbing.
- Access improvements.
- New interior window display lighting, where shutters are not in use.
- Subdivision to form smaller units.
- Restructuring to form larger units.
- Permanent (i.e. not loose fitted or mobile) display cases/built-in furniture and joinery.
- Please note that internal works to a business/commercial property which is above ground floor level will be considered.

External works eligible for grant-aid include repair and refurbishment of the following:

- Shop fronts, including fascia, signage and lighting.
- Windows.
- Doors.
- Rainwater goods; guttering or downpipes on shopfronts.
- Redecoration (including painting, signage etc.).
- Pedestrian access improvements.
- Security measures (including security glazing/laminated glass which allows window shopping to take place in the evening ,e.g. open or lattice shutters/door grilles-NOT solid shutters).

- Virtual graphics / hoardings.
- Equipment and associated labour costs as deemed appropriate for preparation of work e.g. power washing, hire of lift equipment etc.
- Please note that external works to a business/commercial property which is above ground floor level will be considered.

Ineligible Expenditure - what we cannot fund...

The scheme will not support:

- Works which require planning permission which is not in place at the Application stage.
- Routine maintenance such as clearing of debris from gutters, cleaning tarmac, cleaning of roofs, chimneys etc.
- Improvements to residential property, including residential property located above commercial premises.
- Retrospective applications (for work already completed or underway).
- CCTV / Alarm systems.
- Mobile/loose fixtures and fittings or furniture.
- Internal work which is not in the public area of the property.
- Mannequins.

The grant will not include:

- Statutory fees (e.g. Building Control Approval), professional fees etc.
- Insurances
- Interest (on loans taken out to fund your building project)
- VAT (except if the applicant is not VAT registered)

Procurement guidelines

Completed applications must be accompanied by competitive quotations/tenders from bona-fide reputable contractors. If a contractor is not employed to complete all works, the appropriate number of quotations/tenders must be submitted for **each element** of the scheme: **Please cost each element of work separately in Section 3.1 of Application Form, Pages 4 & 5, and ENCLOSE the appropriate number of quotes for each element of work with your application. (Failure to do so will result in your application being deemed incomplete)**

- 2 Written Quotations for project elements costing up to £4,999.99
- 4 Written Quotations for project elements costing from £5,000-£30,000
- For any items over £30,000 but below EU thresholds you must appoint using a publicly advertised open or restricted tender competition)

All quotations should be dated and on headed paper. The funder reserves the right to have an independent quantity surveyor check the validity of quotations/tenders.

PLEASE NOTE

A QUOTATION/TENDER WILL BE DEEMED UNCOMPETITIVE IF THE APPLICANT IS DEEMED TO HAVE A CONFLICT OF INTEREST (A PERSONAL, PRIVATE OR FAMILY

INTEREST) IN RESPECT OF THE COMPANY(S) QUOTING FOR WORK AND/OR DEEMED TO BE A 'LINKED COMPANY' (EU RECOMMENDATIONS 2330/361/EC). COMPANIES ARE LINKED IF ONE OF THEM DIRECTLY OR INDIRECTLY CONTROLS, OR HAS THE CAPACITY TO CONTROL THE AFFAIRS OF THE OTHER.

How do we assess your application?

The following will be used by the assessment panel to score the application for a grant:

- 1 Current Condition of the elements of work requesting funding (25%)
Scoring will range from 0%-25%, for example, if the current condition of the elements of work requested for funding to the property are considered very poor, the maximum 25% will be allocated.
- 2 Impact the proposed element of works will make (30%)
Scoring will range from 0%-30%, for example, if the proposed element of works will have a transformation impact on the property, the maximum 30% will be allocated.
- 3 Value for Money (25%)
This will be calculated based on the formula:- $\text{Impact (points)} \div \text{Grant Sought} = \text{Weighted Criteria}$. Weighted criteria achieved will range from 5%-25%, with excellent Value for Money allocated the maximum 25%.
- 4 Multiple Application Status (10%)
Multiple application favourable weighting, whereby individual applications from owners/tenants whose properties are adjacent to each other. These applications will be viewed as having a greater positive effect on the appearance of a street and as a result will be scored highly by the assessment panel will be allocated 10%.
- 5 Vacant Business/Commercial Property (10%)
Vacant Business/Commercial Property favourable weighting, allocated 10%.

Please note all applications must score a minimum of 40% to be considered for funding.

There is no internal appeal or review process for unsuccessful applications. The decision of the Independent Chartered Architect is final.

Please note all works must be completed and claimed by **2 March 2018**.

Successful Applications - your 'Letter of Offer'

If your Application is successful, you will be issued with a 'Letter of Offer'. This is a form of contract that states:

- The amount of grant awarded
- The terms and conditions associated with the grant

IMPORTANT - NO WORKS CAN COMMENCE UNTIL A SIGNED 'LETTER OF OFFER' IS RETURNED TO MID ULSTER DISTRICT COUNCIL WITHIN THE TIMEFRAME NOTED ON THE LETTER OF OFFER.

Payment of Grant & financial considerations

Payment of grant will only be made once Mid Ulster District Council is satisfied that all the terms and conditions in the 'Letter of Offer' have been fulfilled.

A site visit will be carried out to verify the works have been completed as stated at application stage and to the required standard. You may be asked to amend work which does not comply with or falls below the agreed standard.

Payment of grant will be made on receipt of a single claim following a successful site visit. This claim will include the submission of original invoices and proof of payment. Proof of payment should be in the form of copy cheques/copy of BACS payment and original bank statements/online bank printouts/printouts from a reputable financial cooperative (clearly showing the name of account and account number).

How do I apply?

Complete the attached application form and return, with relevant documentation listed in section 7 of the application form to the address below by **4pm on Friday 15 September 2017**:

McCARTER HAMILL ARCHITECTS, 44 CIRCULAR ROAD DUNGANNON CO.TYRONE BT71 6BE

Please note only fully completed applications will be considered. A fully completed application constitutes:

- **A Fully Completed Application Form**
- **Submission of all necessary documents as per section 7 page 10 of the application form, prior to 4.00pm on Friday 15 September 2017.**

LATE OR INCOMPLETE APPLICATIONS WILL NOT BE CONSIDERED.

Business Clinics

Property Owners/Tenants are invited to attend business clinics to find out more about the scheme and to get advice/assistance in completing application forms. Representatives from the scheme's Chartered Architect and Mid Ulster District Council will be present. These clinics will be held on two consecutive weeks. The dates and venues for these meetings are as follows:

Date	Town	Time	Venue
Monday 4 th September 2017 & Monday 11 th September 2017	Ballygawley	10am-1pm	Ballygawley Community Hall Fairfield House, Main Street, Ballygawley (Located in Playing fields off Main St)
Monday 4 th September 2017 & Monday 11 th September 2017	Donaghmore	2pm-5pm	Bardic Theatre The Torrent Centre, Donaghmore
Tuesday 5 th September 2017 & Tuesday 12 th September 2017	Stewartstown	10am-1pm	Crieve Centre 2 Hillhead, Stewartstown
Tuesday 5 th September 2017 & Tuesday 12 th September 2017	Moneymore	2pm-5pm	Moneymore Recreation Centre Moneyhaw Road, Moneymore
Wednesday 6 th September 2017 & Wednesday 13 th September 2017	Tobermore	10am-1pm	The Kilcronaghan Centre Rectory Road, Tobermore
Wednesday 6 th September 2017 & Wednesday 13 th September 2017	Bellaghy	2pm-5pm	Seamus Heaney Homeplace Main St, Bellaghy

Who do I contact for more information?

If you need any assistance on any aspect of the Mid Ulster Village Spruce Up Scheme, please contact:

Mary McCullagh mary.mccullagh@midulstercouncil.org Tel: 03000 132 132
 Lynn Shiels lynn.shiels@midulstercouncil.org Tel: 03000 132 132
 McCarter Hamill Chartered Architects, Paul Hamill paul@mcharchitects.co.uk Tel: 028 87727050

All documents can be downloaded at
www.midulstercouncil.org/villagespruceup



Application Form

1. YOUR DETAILS

Name			
	Are you the property owner or tenant?		
	(Please circle)	Property Owner	Tenant
Address			
Telephone	Phone: Mobile:		
Email		Website	

2. PROPERTY DETAILS

2.1 Please provide details of the property for which the grant is being sought

Name of Business Trading in Property:			
Property Address:			
Please provide a short description of the business for which the grant is being sought.			
Are you the owner of the property? (delete as applicable)	Yes/No		
Is the business/commercial property currently vacant? If Yes, please provide details of the vacant business/commercial property indicating: 1) The property's previous use as a business/commercial property 2) How it will be marketed/let as a business/commercial property after improvement works are complete in March 2018.	Yes/No		
Are you registered for VAT?	Yes/No	If yes, please provide VAT registration number.	
Has the building got 'Listed Building Status'?	Yes/No Status Type:- _____		
Have you received Listed Building Consent for the proposed works? Please note that Consent MUST be obtained prior to commencement of works			
Please state the current number of employees			

Type of Business (Please Tick the appropriate box):	Sole Trader	
	Business Partnership	
	Limited Company	
	Registered Company	
	Other (Please specify)	
If a registered charity, please state registration no:		

2.2 Please describe the current condition of the element of work proposed to be improved/refurbished (***a current colour photograph must be attached to your application***)

3 PROJECT DETAILS

3.1 Please provide a full description of work to be carried out and the associated cost under each of the relevant headings below.

Element of Work	Description of Work (e.g. repair, replacement of new feature, materials to be used, colour schemes)	Cost (as per quotations / tenders obtained) Excluding VAT Please cost each element of work separately and ENCLOSE the appropriate number of quotes for each element of work with your application. (Failure to do so will result in your application being deemed incomplete) 2 Written Quotations for elemental costs up to £4,999.99 4 Written Quotations for elemental costs from £5,000-£29,999 For any items over £30,000 but below EU thresholds you must appoint using a publicly advertised open or restricted tender competition)			
		Quote 1 (Chosen Contractor) Contractor Name	Quote 2 Contractor Name	Quote 3 Contractor Name	Quote 4 Contractor Name
Internal Works					

Element of Work	Description of Work (e.g. repair, replacement of new feature, materials to be used, colour schemes)	Cost (as per quotations / tenders obtained) Excluding VAT. Please cost each element of work separately and ENCLOSE the appropriate number of quotes for each element of work with your application. (Failure to do so will result in your application being deemed incomplete) 2 Written Quotations for elemental costs up to £4,999.99 4 Written Quotations for elemental costs from £5,000-£29,999 For any items over £30,000 but below EU thresholds you must appoint using a publicly advertised open or restricted tender competition)			
		Quote 1 (Chosen Contractor) Contractor Name	Quote 2 Contractor Name	Quote 3 Contractor Name	Quote 4 Contractor Name
External Works					
TOTAL COST		£			

Note:

- 1.Colours should be appropriate to their area. Colours which make the building visually stand-out unnecessarily to the detriment of the wider streetscape will not be funded.
- 2.All quotations should be dated and on headed paper. The funder reserves the right to have an independent quantity surveyor check validity of quotations/tenders. Please note that professional fees will not be eligible for grant aid and you employ such services at your own risk, whether or not your application is successful. **PLEASE NOTE A QUOTATION/TENDER WILL BE DEEMED UNCOMPETITIVE IF THE APPLICANT IS DEEMED TO HAVE A CONFLICT OF INTEREST (A PERSONAL, PRIVATE OR FAMILY INTEREST) IN RESPECT OF THE COMPANY(S) QUOTING FOR WORK AND/OR DEEMED TO BE A 'LINKED COMPANY' (EU RECOMMENDATIONS 2330/361/EC.): - COMPANIES ARE LINKED IF ONE OF THEM DIRECTLY OR INDIRECTLY CONTROLS, OR HAS THE CAPACITY TO CONTROL THE AFFAIRS OF THE OTHER.**
- 3.Costs should not include Vat regardless if the company is VAT registered or not
- 4.All works must be completed and claimed for by 2 March 2018.

3.2 Please identify if the proposed project is part of a Multiple Application (See note on page 3 of Guidance Notes)

Is project part of a Multiple Application	Yes/No
If yes please give details below naming adjacent business/commercial premise applying	

3.3 What is the planned start and completion date for the project?

Expected Start Date:		Expected Completion Date:	
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Please note all works must be completed and claimed by 2 March 2018. If successful no works should commence prior to receipt of Letter of Offer.

3.4 Statutory Approvals

Is Planning Permission required for the project?	Yes/No	If yes a copy of the Planning Permission MUST be included with the application.
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Is Building Control approval required for the project?	Yes/No	If yes Building Control Approval must be in place BEFORE payment of grant.
--	--------	--

Is Listed Building Consent required for the project?	Yes/No	If yes a copy of the Listed Building Consent MUST be submitted prior to commencement of works.
--	--------	--

3.5 Please state how your scheme meets the objectives as stated in the Guidance Notes (See note on Pages 1 & 2 of Guidance Notes)

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4 PROJECT COSTS AND ADMINISTRATION

4.1 Please provide details of total project cost and grant aid sought:

Total Project Cost:	£
Grant Aid Sought:	£


Details regarding the amount of grant-aid available through this scheme are detailed in the Guidance Notes Page 1.

4.2 Please complete details of remaining funding for the project:

<p>Are you able to provide the remaining funding for the project? (Proof of available match funding is required i.e bank statement/ / print out from a reputable financial cooperative (clearly showing the name of account and account number) / letter of confirmation from bank on their headed paper confirming the applicant has sufficient funds for the scheme to be delivered).</p>	<p>Yes / No</p>
<p>Can you complete the project within the required timescale (All works must be completed and claimed by 2 March 2018)</p>	<p>Yes / No</p>

5. ADDITIONAL DETAILS

5.1 Please use this space to add any additional information that may support your application:



6. DECLARATION

Notes to Applicants:

- a. Only owners/tenants of properties located **within the scheme boundaries** included within the Guidance Notes are eligible to apply.
- b. Please note that completion of this application does not guarantee an award of grand aid.
- c. Any costs incurred in the completion of this application will be at your own expense and will not be refunded.
- d. Please note that if your application is successful you will be required to provide documentation to Council for funding purposes before any funds can be released (e.g. bank account details, confirmation of VAT status, original bank statements)
- e. No funds can be issued until all the necessary information required by Mid Ulster District Council has been received
- f. If approved, Council will issue a formal Letter of Offer for your scheme – works must not commence until a formal Letter of Offer has been signed and returned to Council.
- g. Work commenced prior to a Letter of Offer being signed and returned to Council or work commenced before the required statutory approvals are in place will be deemed ineligible and will not be funded.
- h. All projects must meet the required timescales.
- i. Grant aid cannot be awarded for works already carried out.
- j. Applicants must comply with publicity arrangements: - Consent to the business being named in and participating in any publicity produced in relation to this Scheme.

I/We confirm that the information contained in this Application is true and accurate to the best of my knowledge and belief. I/We hereby agree to comply with the conditions of the grant.

I/We hereby apply for Mid Ulster Village Spruce Up Scheme

Signature(s).....
(PROPERTY OWNER(S)/TENANTS)

.....

Name(s) (Print).....

Date.....

IF TENANT APPLYING FOR GRANT AID, PROPERTY OWNER(S) MUST COMPLETE THE BELOW

I/We the property owner(s) give permission to _____ (tenant) to conduct and complete the works as detailed in the attached application form to:-

Property Address: _____

Name of Business currently located in property: _____

Signature(s).....
(PROPERTY OWNER(S))

Completed application forms should be returned to the address below in a sealed envelope marked

Mid Ulster Village Spruce Up Scheme

**McCARTER HAMILL ARCHITECTS , 44 CIRCULAR
ROAD,DUNGANNON,CO.TYRONE,BT71 6BE**

PLEASE NOTE a fully completed application constitutes:

- A Fully Completed Application Form
- Submission of all necessary documents as per section 7 page 10 of the application form

CLOSING DATE FOR COMPLETED APPLICATIONS
FRIDAY 15 SEPTEMBER 2017 AT 4PM

LATE OR INCOMPLETE APPLICATIONS WILL NOT BE CONSIDERED



7 DOCUMENTATION REQUIRED

Failure to fully complete the application form and submit the required documentation below will result in your application being deemed incomplete.

7.1 Please provide the following documentation as part of your application:

	Attached (Please tick)
Completed application form, signed appropriately by the tenant/property owner as per pages 8 & 9	
Colour photograph showing the element of works proposed to be improved/refurbished.	
Detailed costs for any works to be completed in Section 3.1. Please ensure to cost each element of work separately and ENCLOSE the appropriate number of quotes for each element of work with your application.	
Proof of available match funding is required i.e bank statement / print out from a reputable financial cooperative (clearly showing the name of account and account number) / letter of confirmation from bank on their headed paper confirming the applicant has sufficient funds for the scheme to be delivered.	
<p>If applying for a property which is currently vacant evidence must be provided that:</p> <ol style="list-style-type: none"> 1) It was previously used as a business/commercial property (If this is not evident from the supplied photograph then evidence (old photographs, rates bills, etc.) must be provided 2) That it will be marketed/let as a business/commercial property after improvement works are complete in March 2018. Evidence must be provided of how this will be achieved and actively promoted. 	
If proposed works require planning permission this must be in place at time of application- a copy of permission MUST be attached	

Mid Ulster Village Spruce Up Scheme

Supporting Local Business



Individual Scoring Assessment Sheet

SECTION A:

1. Applicant Details:

Name of Applicant:			
Address of Applicant:			
Tel No:		Email Address:	
Name of Business:			
Property Address:			
Total Project Cost:		Grant Aid Requested:	

2. Checklist

Eligibility Criteria	Yes	No
Is the property located within the boundary of the scheme as defined in the Guidance Notes.?		
Is the property type eligible for the scheme? (I.e. Commercial, NOT a bank, building society, or charity shop?)		
Did the applicant provide proof that match funding for the project is available?		
Did the applicant demonstrate that they can complete the project within the required timescale?		
Has the application form been signed by tenant and / or property owner or property owner?		
Has a colour photograph of the element of works proposed to be improved/refurbished been provided? (Interior and/or Exterior)		
Are written quotations from bonafide reputable contractors, of which there is no conflict of interest between the applicant and the companies who have the provided quotations?		
If Planning Permission / Listed Building consent needed has a copy been provided?		

SECTION B

1 – CURRENT CONDITION OF ELEMENT(S) TO BE GRANT AIDED (25%)

Weighting Criteria	Score	Comments
Very Poor/Non Existant 25%		
Poor 20%		
Average 15%		
Good 10%		
Very Good 5%		
Excellent 0%		
Score in this Section		

2 – IMPACT PROPOSED ELEMENT/ELEMENTS OF WORK WILL MAKE (30%)

Weighting Criteria	Score	Comments
None 0%		
Minor 6%		
Average 12%		
Good 18%		
Very Good 24%		
Transformation 30%		
Score in this Section		

3 –VALUE FOR MONEY (25%)

Value for money calculated as: Impact (points) ÷ Grant Sought (in thousands to nearest £500)

EXAMPLE 1 Average Impact(12) ÷ Grant Sought(£5000) = 12÷5 = 2.4 =Score of **10%**.

EXAMPLE 2 Very Good Impact(24) ÷ Grant Sought(£2000) = 24÷2 = 12 =Score of **25%**.

Weighting Criteria	Score	Comments
0-1.999 - 5% Poor		Impact =
2-3.999 - 10% Average		-----
4 – 7.999 - 15% Good		Grant Sought =
8 – 11.999 - 20% Very Good		Value for Money =
12 – 30 - 25% Excellent		Score =
Score in this Section		

4 –MULTIPLE APPLICATION (10%)

Weighting Criteria	Actual Score	Comments
Not Multiple Application 0%		
Multiple Application as part of 2 properties 5%		
Multiple Application as part of more than 2 properties 10%		
Score in this Section		

5- VACANT BUSINESS/COMMERCIAL PROPERTY (10%)

Weighting Criteria	Actual Score	Comments
Not Vacant Business/Commercial Property 0%		
Vacant Business/Commercial Property 10%		
Score in this Section		

Summary:

		Maximum Score	Actual Score
1	CURRENT CONDITION OF ELEMENTS TO BE GRANT AIDED	25	
2	IMPACT OF PROPOSED ELEMENT	30	
3	VALUE FOR MONEY	25	
4	MULTIPLE APPLICATION STATUS	10	
5	VACANT BUSINESS/COMMERICAL PROPERTY	10	
	Total Score:	100	

Recommended Grant Aid:	
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Signatures of Assessment Panel:	Date:



Mid Ulster Village Spruce Up Scheme

Supporting Local Business



Commencement Inspection Report

Application Ref No.			
Applicant Name			
Business Name			
Property Address			
Photograph (Before Works Commence)			
Is the photo supplied with the application a true reflection of the current condition of the premises			
Have any of the funding works been carried out (if yes list within comments section)			
Planning Approval Granted	Ref No:	Building Control Approval Granted	Ref No:
Listed building Consent Granted	Ref No:	Advertising Consent Granted	Ref No:

SUMMARY OF WORKS	
Element of Works	Description of Works
Internal Works	
External Works	
Other (Please Specify)	
Comments	
Date Works Due to Commence	
Date Works Due to Complete	
Inspection Conducted by	
Inspection Date	
Signed (original)	

Mid Ulster Village Spruce Up Scheme



Supporting Local Business

Final Site Inspection

Application Ref No.	
Applicant Name	
Business Name	
Property Address	
Photograph of Property before Works	
Photograph of Property on Completion	
Date of Completion	

Has the work been carried out within the required timescale (30th March 2018)	
Verification of Statutory Approvals attached	
Has the works been completed in accordance with the application	

Summary of Works

Element of Works	Description of Works	Progress of Works
Internal Works		
External Works		
Other (Please Specify)		

QUALITY OF WORKS

	1 Very Poor	2 Poor	3 Average	4 Good	5 Excellent
Quality of materials					
Quality of Workmanship					
Comments					

IMPACT OF SCHEME IN RESPECT TO:

	1 Poor / No Impact	2 Little Impact	3 Average	4 Good	5 Excellent
Visual Improvement of the external structure of the property					
Visual Improvement of the internal					

structure of the property					
Contribution to overall townscape					
Comments					

Final Inspection Conducted by	
Final Inspection (date)	
Grant Offered	
Recommendation to Pay Grant	
Comments on impact of Scheme	
Signed	
Date	



Comhairle Ceantair
Lár Uladh
Mid Ulster
District Council

Brexit Working Group

Terms of Reference

1.0 Background

Exiting the EU will be one of the biggest events of this generation and it is critical that the Council understands and anticipates the impacts of what will be a long term process. It is equally important that the Council get the best deal for Mid Ulster and its residents in a post-Brexit settlement.

A cross-party, member-led Brexit working group is being set up in order to understand the impacts and secure the best possible deal for the Council area. It will be looking at the impact of Brexit on the District; the local economy during the Brexit process; potential changes to legislation; financial impact on the Council; and social cohesion.

The Brexit Working Group will explore and evaluate the challenges arising from the decision to leave EU and to deliver on any opportunities that may arise as a result of this decision.

In this context, the Council has resolved to establish an elected member Working Group whose specific remit will be to consider Brexit related matters.

1.1 Working Group Membership

The Council has nominated the following 10 Members to participate on the Brexit Working Group:

SF

Cllr C Elatter
Cllr M Gillespie
Cllr S McGuigan
Cllr S McPeake
Cllr D Molloy

DUP

Cllr P McLean
Cllr W Robinson

UUP

Cllr W Cuddy
Cllr T Wilson

SDLP

Cllr M Kearney

2.0 Meetings

- 2.1 It is anticipated that the Working Group will meet on a quarterly basis, however, the frequency of meetings will be kept under review. The Working Group has indicated that where possible, it would prefer to hold meetings in the evening time.
- 2.2 The venue for the meeting can be determined at the first meeting.
- 2.3 Meetings will be quorate when there is an attendance of 5 Members. Should the meeting be inquorate 15 minutes after the appointed meeting commencement time, the meeting will not proceed. Should the meeting become inquorate at any point, the meeting will terminate.
- 2.4 Members who are unable to attend a meeting can nominate a substitute which will enable a quorum to be met.
- 2.5 Economic Development staff will provide the secretariat for the meetings. Minutes of the meetings will take the form of key discussion points and agreed actions.
- 2.6 Minutes of the meetings are intended for use by and circulation to the Council and Working Group Members.
- 2.7 Any matters which are deemed as Confidential will be clearly described as such.
- 2.8 A schedule of meetings will be agreed and at least 3 working days' formal notice will be given of meetings, together with an Agenda and associated papers. Communications relation to meetings and all related documentation, will be provided electronically.

3.0 Wider Governance Arrangements

- 3.1 The Brexit Working Group does not have any delegated authority from the Council and accordingly, regular reports will be provided to the Council's Development Committee.
- 3.2 To avoid a delay in progressing Working Group recommendations, where necessary, verbal updates of recommended actions will be provided to the Committee with formal written reports to be considered at the next available Committee.

4.0 Key Objectives

- 4.1 The key objectives of the Brexit Working Group are to be a meaningful strategic grouping which will support Mid Ulster District Council in implementing our Corporate Plan 2015 – 2019, Community Plan and Economic Development Plan – Our Plan for Growth 2015 - 2020; and securing growth and improvement by:
- Researching, monitoring and reviewing the financial and operational impact upon the Council and the district as a result of Brexit
 - Identifying any actions the Council may take to mitigate any adverse impacts arising
 - Continuing to champion Mid Ulster as an area to invest and retain investment
 - Supporting Mid Ulster's businesses to trade with existing and potential new trade partners
 - Exploring opportunities that may arise as a result of Brexit
 - Representing the position of MUDC as part of any negotiation and transition arrangements
 - Engaging and working with stakeholders as required
 - Assisting with disseminating Brexit related information and potential changes to legislation to local businesses and wider stakeholders
 - Monitoring the impact on migrant workers, skills gaps and issues arising as a result of Brexit
 - Maintaining positive relations and cultural links with the EU
 - Identifying the implications for EU grant funding and alternative funding Opportunities
 - Seeking to influence decisions with regard to continuing access to and

distribution of EU funds (i.e. Peace, Culture and Interreg programmes)

- Maintaining and promoting positive social cohesion within the district post Brexit
- In respect of any other matter which may require some consideration in the context of Brexit, the Brexit Committee will act in an advisory capacity

5.0 Review

The Brexit Working Group Terms of Reference will be kept under review.



Mid Ulster Broadband Working Group

Monday 10 September 2018

Chamber, Cookstown Office

	Action																														
<p>1. Welcome & Apologies A McCreesh welcomed everyone to first meeting of the Broadband Working Group.</p> <p>Present:</p> <table> <tr><td>Adrian McCreesh</td><td>MUDC</td></tr> <tr><td>Fiona McKeown</td><td>MUDC</td></tr> <tr><td>Colin McKenna</td><td>MUDC</td></tr> <tr><td>Louise Lamont</td><td>MUDC</td></tr> <tr><td>Barry O'Hagan</td><td>MUDC</td></tr> <tr><td>Councillor S McAleer</td><td>MUDC</td></tr> <tr><td>Councillor R Mulligan</td><td>MUDC</td></tr> <tr><td>Councillor W Buchanan</td><td>MUDC</td></tr> <tr><td>Councillor S Clarke</td><td>MUDC</td></tr> <tr><td>Councillor K Ashton</td><td>MUDC</td></tr> <tr><td>Councillor J McNamee</td><td>MUDC</td></tr> <tr><td>Councillor M Gillespie</td><td>MUDC</td></tr> </table> <p>Apologies:</p> <table> <tr><td>Councillor Mark Glasgow</td><td>MUDC</td></tr> <tr><td>Councillor Sean McPeake</td><td>MUDC</td></tr> <tr><td>Councillor Brian McGuigan</td><td>MUDC</td></tr> </table> <p>No Conflicts of Interest were declared.</p>	Adrian McCreesh	MUDC	Fiona McKeown	MUDC	Colin McKenna	MUDC	Louise Lamont	MUDC	Barry O'Hagan	MUDC	Councillor S McAleer	MUDC	Councillor R Mulligan	MUDC	Councillor W Buchanan	MUDC	Councillor S Clarke	MUDC	Councillor K Ashton	MUDC	Councillor J McNamee	MUDC	Councillor M Gillespie	MUDC	Councillor Mark Glasgow	MUDC	Councillor Sean McPeake	MUDC	Councillor Brian McGuigan	MUDC	
Adrian McCreesh	MUDC																														
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Barry O'Hagan	MUDC																														
Councillor S McAleer	MUDC																														
Councillor R Mulligan	MUDC																														
Councillor W Buchanan	MUDC																														
Councillor S Clarke	MUDC																														
Councillor K Ashton	MUDC																														
Councillor J McNamee	MUDC																														
Councillor M Gillespie	MUDC																														
Councillor Mark Glasgow	MUDC																														
Councillor Sean McPeake	MUDC																														
Councillor Brian McGuigan	MUDC																														
<p>2. Election of Chair The D'Hont system was used for the election of chair, Councillor Sean Clarke was nominated. This was seconded by Councillor John McNamee and Councillor Michael Gillespie.</p>																															
<p>3. Election of Vice Chair A McCreesh explained that a Vice Chair was not required for working groups. This was agreed by all. Councillor Sean Clarke took the chair.</p>																															
<p>4. Draft Broadband Working Group Terms of Reference C McKenna provided an overview of the Terms of Reference and suggested that the Broadband Working Group. Councillor J McNamee proposed that meetings are held monthly in the Cookstown office to begin with, with a view</p>																															

<p>that this is reviewed in a few months' time. Councillor W Buchanan seconded the location of the meetings.</p> <p>C McKenna recommended that the Broadband Working Group meetings should only proceed when a minimum of 5 Councillors were available to attend. This was agreed by all.</p> <p>B O'Hagan confirmed that he will attend the Broadband Working Group meetings. A McCreesh confirmed that the Economic Development Department will service all meeting and will deliver on actions required in order for progress to be made.</p>	
<p>5. Presentation – Overview of Broadband in Mid Ulster</p> <p>C McKenna presented an overview of the Broadband situation in Northern Ireland confirming approximately £63 million has been spent on broadband to date. BT state that Northern Ireland is 95% fibre enabled, which includes the Mid Ulster area. This has been achieved mostly via Fibre to the Cabinet (FTTC) technology. In reality this is misleading particularly in Mid Ulster. OFCOM' s 2017 Report shows that Mid Ulster District Council area has the second worst broadband service in Northern Ireland with 6% of premises being unable to get 2Mbit/s (3163 premises).</p> <p>The Universal Service Obligation (USO) set by the government, guarantees that all premises in the UK access to speeds of at least 2 Mbit/s. This is expected to rise to at least 10Mbit/s by 2020, regardless of where premises are located within the UK.</p> <p>Councillor S McAleer highlighted there is a risk that in the future there will be premises which will not receive 10Mbit/s as they are not receiving even 2 Mbit/s currently.</p> <p>Councillor S Clarke asked what figure represents an urban area. A McCreesh confirmed that any population over 3,000 is classified as Urban area.</p> <p>Councillor S Clarke queried how the Broadband is distributed e.g some parts of Pomeroy can get 10MB but this doesn't mean the whole area gets this level of coverage.</p> <p>C McKenna highlighted that FTTC is not the correct solution for rural areas. There now seems to have been agreement on this by DfE and Broadband Providers. The sustainable long term socio-economic benefits to the Mid Ulster Council area will mainly be achieved through Fibre to the Premise (FTTP).</p> <p>Councillor M Gillespie stated that inequality exists in pricing. Many people are currently paying for a poor level of Broadband coverage which they are not receiving at the same price as people who get a good service.</p>	

C McKenna said OFCOM now seem determine to ensure there are changes with regards to equality of service in the future.

C McKenna explained that the £150M Broadband Fund under the Confidence & Supply arrangement has been created to bring Ultrafast fibre (100 Mbit/s.) to rural and semi-rural areas across NI that currently receive less than 30 Mbit/s. In June 2018 the Department for Economy (DfE) presented 2 options which they said were the best way to utilise this fund.

Option A – Rolling out 30 Mbit/s to all rural areas in NI.

Option B – Provide limited Ultrafast broadband into many areas although not exclusively in rural areas.

Option B would result in 5% of NI seeing no improvement in their broadband which is approximately 27% of the Mid Ulster District Council area. The proposal is going out to public consultation in October 2018, consultation with industry has commenced.

C McKenna stated that Option A although good is still short of the 100Mbit/s Ultrafast Broadband.

A McCreesh stated that options A&B have been presented to MLAs representing all the political parties. C McKenna advised that councillors were not involved in these meetings and many were not aware the meetings took place or the outcome of the meetings.

A McCreesh highlighted that all rural communities will not be future proofed if either of these options are accepted.

Councillor W Buchanan asked how much it would cost to get everyone up to 100 Mbit/s, C McKenna said this cost was not known.

F McKeown suggested a further option, that perhaps the available fund could be pro-rated into the worst affected areas, with support from Council.

F McKeown also highlighted that the Strategic Investment Board (SIB) has seconded an officer to undertake a Broadband survey to gather evidence and to analyse data of the worst broadband areas. This work is to be completed through survey Monkey to look at districts in Northern Ireland, however the focus will be on businesses.

The aim of the survey is to determine what speeds are available. F McKeown stressed that the issue with this is that people cannot access email as their broadband is so poor, therefore this could lead to distorted survey results and the

<p>risk of people in Northern Ireland being wrongly sold products they cannot use.</p> <p>Councillor R Mulligan highlighted the importance of FTTP and said where he currently lives he can access only 1.5 Mbit/s but beyond his property service levels decrease.</p> <p>A McCreesh agreed that within the new council area, all areas have all had a little connection but that moving forward the OFCOM 2017 report if a game changer, the body responsible will hold BT and other providers accountable.</p> <p>S Clarke also reiterated that the solution is FTTP.</p> <p>C McKenna summarised that the two options provided are not future proof and that he had spoken to other councils (Fermanagh & Omagh and Newry & Mourne) who also agreed options A&B are not totally suitable solutions.</p> <p>A McCreesh urged members to agree a meeting with the Department for Economy Telecoms section to discuss the issue of Rural Broadband further, all members agreed.</p> <p>Councillor J McNamee suggested Jonathan Rose OFCOM be present at this meeting. C McKenna confirmed the most senior people responsible for Telecoms, Geraldine Fee Director Tourism, Telecoms, Minerals and Petroleum Division and Alan Preston Head of Telecoms would be able to attend a meeting with the group.</p> <p>Councillors K Ashton & S McAleer both suggested a meeting with local MLAs be set up prior to the meeting with the Department to find out if they were aware of Options A & B.</p> <p>It was agreed two meetings would be set up, one for Councillors to meet with MLAs and another for Councillors to meet with the Department to discuss Broadband solutions</p> <p>C McKenna provided suitable dates for the meeting.</p>	<p>C McKenna to arrange meeting with the Department for Telecoms and Members in the Dungannon office</p>
<p>6. Presentation of Local Full Fibre Network (LFFN) Proposal</p> <p>C McKenna provided an overview of the Local Full Fibre Network Proposal. (LFFN).</p> <p>The LFFN is has been set up by the Department of Culture, Media and Sport (DCMS) to stimulate commercial investment in fibre technology. It is a competitive process. Projects must deliver gigabit capable connectivity in urban locations across the UK. A gigabit is 1000 Mbit/s.</p> <p>DCMS advised that NI councils should develop a collective bid. Therefore a consortium called Full Fibre Northern Ireland (FFNI) has been formed to develop and submit a collective bid to secure substantial investment for fibre</p>	

<p>connectivity in Northern Ireland. All connections must be capable of 1Gbps and must have at least 100 Mbit/s, a key aspect of the project is that Council buildings must act as the anchor tenant at the start and end of the fibre connection.</p> <p>There are three project route proposals in the pipeline from:</p> <ol style="list-style-type: none"> 1. The former High School grounds in Maghera through the town to Maghera Recreation Centre. 2. The Hill Of The O'Neill in Dungannon via Mid Ulster District Council offices Circular Road Dungannon to Coalisland Recreation Centre Gortgonis. 3. Mid Ulster Council Offices, Cookstown circulating around the town to the MUSA via Loughry College adjacent to new Desertcreat Fire & rescue facility. <p>Councillor M Gillespie requested for maps for each proposal to be emailed to members</p>	<p>C McKenna to issue maps to members</p>
<p>7. Update on Broadband funding allocation in Rural Development Programme</p> <p>F McKeown highlighted that RDP has a budget of £350k for Broadband enablement with a grant rate of 75% of eligible costs available. The purpose of the scheme is to enable rural dwellers and businesses to avail of Broadband where no broadband exists or not likely to exist in the next three years. The scheme rules dictate:</p> <ul style="list-style-type: none"> • If promoters are successful they cannot apply to any other government fund for another three years. • Grant award is for Community groups only. • £100,000 is the max grant available at a rate of 75% • Promoters are to provide 5% towards project costs. <p>The timescale for application deadline is December 2019 with Letters of Offer to be issued by September 2020.</p> <p>F McKeown asked members to consider if this route should be pursued or if this budget should be transferred to the Rural Services Scheme or the Rural Basic Services Scheme which are both currently over-subscribed.</p>	
<p>8. Draft letter to Secretary of State to lobby for the release of the allocated funding to be spent on broadband provision especially in rural areas in Mid Ulster.</p> <p>F McKeown provided a summary of the letter. The letter is to be issued from the Chair.</p>	<p>F McKeown – Letter to be issued from Chair.</p>
<p>9. Letter from Fermanagh and Omagh District Council re Options for Confidence and Supply Agreement Funding.</p> <p>C McKenna explained that the letter shows Fermanagh & Omagh District Council are like minded and that their members are also concerned about the two options agreed</p>	

by MLAs, the fact that towns and cities can avail of this funding is considered unfair. All members agreed.	
10. Broadband Work Plan F McKeown proposed actions are collected as the working group continues	
11. Any Other Business None	
12. Date of next meeting TBC	



Mid Ulster Broadband Working Group

Thursday 18 October 2018

Meeting with MLA's and Department of the Economy Telecoms Branch

Chamber, Dungannon Office

	Action																																						
<p>1. Welcome & Apologies Cllr Sean Clarke (Chairman) welcomed everyone to meeting of the Broadband Working Group.</p> <p>Present:</p> <table> <tr> <td>Councillor S McAleer</td><td>MUDC</td></tr> <tr> <td>Councillor R Mulligan</td><td>MUDC</td></tr> <tr> <td>Councillor W Buchanan</td><td>MUDC</td></tr> <tr> <td>Councillor S Clarke</td><td>MUDC</td></tr> <tr> <td>Councillor J McNamee</td><td>MUDC</td></tr> <tr> <td>Councillor M Gillespie</td><td>MUDC</td></tr> <tr> <td>Councillor Sean McPeake</td><td>MUDC</td></tr> <tr> <td>Councillor Brian McGuigan</td><td>MUDC</td></tr> </table> <table> <tr> <td>Adrian McCreesh</td><td>MUDC</td></tr> <tr> <td>Fiona McKeown</td><td>MUDC</td></tr> <tr> <td>Colin McKenna</td><td>MUDC</td></tr> <tr> <td>Louise Lamont</td><td>MUDC</td></tr> </table> <p>MLA's:</p> <table> <tr> <td>Oliver Molloy(Representing Michelle O'Neill)</td><td>Sinn Fein</td></tr> <tr> <td>Linda Dillion</td><td>Sinn Fein</td></tr> <tr> <td>Colm Gildernew</td><td>Sinn Fein</td></tr> <tr> <td>Keith Buchanan</td><td>DUP</td></tr> <tr> <td>Ian Milne</td><td>Sinn Fein</td></tr> </table> <p>DfE – Telecoms Branch: Geraldine Fee - Director of Tourism, Telecoms, Minerals & Petroleum Division Nigel Robbins - Broadband Project Director David Hamill Heidi-Beth Hudson Eamonn Blaney</p> <p>Apologies:</p> <table> <tr> <td>Councillor Mark Glasgow</td><td>MUDC</td></tr> <tr> <td>Councillor K Ashton</td><td>MUDC</td></tr> </table>	Councillor S McAleer	MUDC	Councillor R Mulligan	MUDC	Councillor W Buchanan	MUDC	Councillor S Clarke	MUDC	Councillor J McNamee	MUDC	Councillor M Gillespie	MUDC	Councillor Sean McPeake	MUDC	Councillor Brian McGuigan	MUDC	Adrian McCreesh	MUDC	Fiona McKeown	MUDC	Colin McKenna	MUDC	Louise Lamont	MUDC	Oliver Molloy(Representing Michelle O'Neill)	Sinn Fein	Linda Dillion	Sinn Fein	Colm Gildernew	Sinn Fein	Keith Buchanan	DUP	Ian Milne	Sinn Fein	Councillor Mark Glasgow	MUDC	Councillor K Ashton	MUDC	
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<p>Barry O Hagan Arlene Foster Rosemary Barton Sean Lynch Jemma Dolan</p> <p>MUDC MLA MLA MLA MLA</p> <p>No Conflicts of Interest were declared.</p>	
<p>2. 6pm– 7pm Update Meeting (Councillors & MLA’s)</p> <p>In advance of the meeting at 7pm with DfE Telecoms Branch, Colin McKenna presented a recap of Broadband in Mid Ulster reminding everyone of how bad the situation is. Proposed questions that would be asked in the next meeting with DfE Telecoms Branch were discussed.</p> <p>Adrian McCreesh also commented that the rural broadband funding under the RDP would be reallocated to other projects within the RDP programme. This was because by accessing it Communities would be excluded for 3 years any opportunity of funding under the £150m Confidence & Supply funding for broadband.</p>	
<p>3. 7pm – 9.15pm Meeting with Department of the Economy Telecoms Branch</p> <p>Councillor Sean Clarke welcomed the DfE Telecoms team into the meeting. Geraldine Fee, Director of Tourism, Telecoms, Minerals & Petroleum Division outlined what was happening regarding the £150m Confidence & Supply funding for broadband project.</p> <p>Nigel Robbins - Broadband Project Director, then explained what was happening next. That pre-market engagement with suppliers was ongoing who were showing great interest. The timescales to deliver the project would be from late 2019 – 2023.</p> <p>The supplier engagement process resulted in a double figure response from industry as a result the Department is looking into lotting workshops. The expected time frame for Tender release is Dec/Jan 19 with contract implementation to start June/July 19.</p> <p>In July 2018 Open Market Research (OMR) was undertaken and its findings will be published next week. The OMR will show a breakdown of areas not receiving 30M/bits. There will be a 5 week public consultation on its findings which will ask the public to view an online map to identify their postcode area. There are up to 12,000 premises in Mid Ulster receiving less than 30M/bits. Therefore it is important that everyone responds to get included in the areas of intervention.</p> <p>The Department is to provide alternative means and methods for those with poor broadband access to enable them to be part of the consultation process, e.g. a text service, phone call, correspondence address for letters etc. MUDC to ensure public are made of the consultation by advertising on social media etc. Members asked that the public get confirmation that they are on the map if they report the problem to the Department.</p>	

The telecoms team felt that the whole focus of this project was on 12% of NI who at present are unable to access 30M/bits. This is mainly the rural areas. Based on this the team had developed 2 Options on how to spend the £150m (not factoring in suppliers match funding). They stated that they had met the political parties on this and there was political consensus.

The 2 options were:

Option A – Provide limited Ultrafast broadband across NI leaving 5% of NI with no improvement.

OPTION B - Provide 30M/bits to all areas in NI which currently receive less than 30M/bits.

If Option A was preferred it would mean approximately 4,000 premises in Mid Ulster seeing no benefit, requiring an extra £45m to complete the job as this is FTTP.

If Option B was preferred than no one would be left behind, everyone would get 30M/bits. The model being used was not suggested at this point.

This led to a series of questions posed during meeting and responses:

Will further delays in the plan to bring ultra-fast broadband across rural areas of Northern Ireland increase the risk to the £150m funding for the project?

The Department is seeking approval to get the project period extended to 2023/2024, as Industry leaders have advised they will need a period of grace to become operationally viable for the project, which could take 6-9 months. Also, Industry leaders have advised the rollout of the scheme could take 5-6 years.

Supplier Contribution – The Department advised the successful supplier/s should contribute 20% to the project, although this figure has been lower in England & Scotland. To this members asked if the Department should confirm 20% will be enforced on the supplier as part of the contract terms & condition's. Members expressed concerns that previously it looked like BT had control of contracts and this cannot be allowed to happen again. This was rebutted by Geraldine Fee.

With no Minister who will sign this off?

The Department is to seek clarification as to whether or not the Permanent Secretary will have the authority to approve decisions, the Department is currently exploring alternative options.

Are we operating within Best Value for money or Rural Proofing scenario?

The Department confirmed they are duty bound to comply with state aid rules and that the guiding principle is to get best value for money.

The Department stated that Option B is a sensible option as no one is left out and that procurement will address issues raised by MUDC. The Department said that an additional £224m, according to independent consultants would be needed to deliver Ultra-fast broadband across all NI. MUDC would like more evidence of where the figure of £224m

comes from as this seems high and have requested that procurement is designed to reach the areas most in need.

Will any delay in issuing a tender, impact on the contract award, increasing the already significant risk that the £150m funding for broadband will not be utilised?

The drafting of an outline Business case is to start this week and the Department aims to provide as much future proofing to as much of the 12% as possible.

Concerns were raised by MUDC re the accuracy of the map showing current broadband coverage. MUDC to arrange a meeting to view and discuss the Maps when they are issued.

There was also concern that the Department were interviewing suppliers around delivery models. Members stated that they felt the suppliers should not be influencing the deliver rather it should be the Department telling the suppliers.

Given that the tendering process to deliver the project will begin in December, with the contract awarded some six months later, what are the delivery timescales for work on the ground?

The Department advised that Industry has indicated they will need 6-9 months ramp up time to prepare for the project, the CBI report states a minimum of 3 years to deliver the programme however an extension has been requested, if there is no extension there is a risk money will not be used. The Departments timeframe for project start date is December – March 19/20. MUDC to determine how much of Mid Ulster will benefit if an extension is not agreed.

What areas will benefit first? – Will it be the areas with the worst broadband service i.e. FODC & MUDC?

The Department confirmed procurement will be designed to address intervention areas. They also said they could not confirm which area will be started first and stated the start area of the project will be a ministerial decision based on weight of factors. Members asked if tenders could be broken down by Council area and if the OFCOM 2017 report highlights FODC & MUDC areas as the worst in NI, then why would they not start work in these areas first? Members said that we already know what areas lack resources and that FTTP is the only solution.

Will all beneficiaries be entitled to Fibre to the Premise or are hybrid technologies such as Wireless or satellite being considered?

Department confirmed bids will be evaluated against criteria in the tender, and that a range of technology will be allowed. They also said that we should not focus on technology rather focus on the speeds. The Department stated that they cannot describe specific technology in the tender but can dictate certain technology that works at specific speeds, they cannot guarantee FTTP will be provided to all premises. The project costs have been worked out against a range of technology at £90-£96m with the remaining budget to be spent on future proofing. Department then confirmed under option B, **90% of premises will be reliant on fibre to cabinet**, with up to 3% dependant on wireless and 6% availing of FTTP. This was disappointing as the members believed

that the £150m fund was for Ultrafast (Fibre) not cabinets. The members expressed that they wanted FTTP and not Technology neutral methods.

The Department said that the £150m will cover 7% of the 12% of NI which currently has no broadband cover, which leaves 5% not being addressed. The estimated cost to include the remaining 5% will be £374M. MUDC to request detailed figures from the Department and to ensure FTTP is provided to all premises.

Are Option A or Option B the only options?

The Department confirmed the other option was to source funding to cover the entire 12%. MUDC to consider if they can/will contribute additional funding.

Will the Councils have any role on how the roll-out should happen?

The Department was reminded that: 1. OFCOM's report should steer where they start; 2. That similar to Council the Department has signed up to Community Planning and therefore under this spirit we should have a conversation to further advance what needs to be done; 3. We should be working as a partnership.

The Department also stated that there are a large number of publicly funded intervention over the next 3 years, e.g. regional city deals, Local Full Fibre Networks, etc and that they will work with each project regarding interventions. They also stated that everything they do is fully transparent.

Will it be a condition that services provided going forward be equitable in terms of availability and price, regardless of location?

The Department confirmed that by 2033 the UK is expected to have full fibre which will cost approx. £3-£5Billion and that the City Deal project will be descope from this money, the Departments Broadband intervention will not go near the City Deal Intervention.

There is £150m available, however to get the full 12% covered the project is estimated to cost £374m, therefore an additional £224m is required to get Ultrafast Option A. Therefore 4,000 premises in Mid Ulster will not benefit from the project – MUDC to consider if/how much extra they could contribute to the project it is anticipated MUDC would need to contribute £45M to get FTTP.

Councillor Clarke thanked the department for attending the meeting and addressing all the members concerns. The Members agreed that they would be in touch with the Department going forward on this matter.

The meeting finished at 9.10pm

4. Actions Going Forward <ul style="list-style-type: none"> - Meeting to be arranged re maps, see report next week - Push consultation on social media - Drill into figures, and ensure FTTP is the way forward - Prepare a responses with positivity and raise concerns. - Arrange another meeting with MLAs/ Councillors. 	
5. Any Other Business None	
6. Date of next meeting TBC	

APPENDIX 8
LETTER TO PERMANENT SECRETARY, DEPT OF FINANCE
RE RATES RELIEF FOR TOWN CENTRE BUSINESSES



Comhairle Ceantair
Lár Uladh
Mid Ulster
District Council

8 January 2019

Ms Sue Gray
Permanent Secretary
Department of Finance
Clare House
303 Airport Road
Belfast
BT3 9ED

Dear Ms Gray

At a recent meeting of Mid Ulster District Council in December 2018, members joined to express their growing concerns that many local retailers in our town centres are struggling to survive. This difficult trading climate is made even more challenging as traders have to pay significant overheads on rates and rent etc. When that is coupled with the decline in footfall on our high streets, mainly due to the surge in online shopping, this has led to the closure of many local traders and consequently a monthly increase in our town centre retail vacancy rates.

Although this situation is not unique to Mid Ulster it is having a greater proportional effect in our district, due to the reliance on the retail sector. Looking ahead, the turmoil facing the retail sector is unlikely to abate unless Government provides further direct intervention to support the sector.

In the last Budget (October 2018), Chancellor Philip Hammond announced a £1.5bn package of rates relief and town centre infrastructure funding to support beleaguered high streets in England, Scotland and Wales, but sadly the North of Ireland was excluded from this funding support package.

Mid Ulster District Council would urge the Department for Finance to help preserve our high streets by introducing additional incentives similar to the model that exists in England, Scotland and Wales which would ultimately help support retail businesses and the hundreds of people they employ.

I trust you will give this matter your urgent attention and I await your response on what can be done to assist our retailers at this critical time.

Yours sincerely

Cllr Seán McPeake
Chair

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Burn Road
Cookstown
BT80 8DT

Dungannon Office
Circular Road
Dungannon
BT71 6DT

Magherafelt Office
Ballyronan Road
Magherafelt
BT45 6EN

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Department of

Finance

An Roinn

Airgeadais

www.finance-ni.gov.uk

Cllr Seán McPeake
Chair
Mid Ulster District Council
Burn Road
Cookstown
BT80 8DT

PSCOR/21/2019

23 January 2019

Dear Sean

RATES RELIEF

Thank you for your letter of 11 January 2019 regarding high street rates in Mid Ulster and the Chancellor's initiative to help the high street and small businesses. I note the fact that the Council discussed this development at its December 2018 meeting.

On foot of the Chancellor's position, Northern Ireland has been allocated funds through Barnett Consequentials. The additional revenue received as part of that process will be unhypothecated within the budgetary process. Any decisions in relation to Northern Ireland will be taken in the context of the wider public finance and policy position.

In relation to wider business rating policy, the Department is planning to go out to consultation later this year. That process will seek views on potential future options available for longer-term small business rate relief policy. The findings of that consultation will inform advice to be provided to incoming Ministers on this issue.

Yours sincerely

SUE GRAY



APPENDIX 10
LETTER TO PERMANENT SECRETARY, DEPARTMENT FOR INFRASTRUCTURE
RE SEWERAGE TREATMENT WORKS



Comhairle Ceantair
Lár Uladh
Mid Ulster
District Council

8 January 2019

Ms Katrina Godfrey
Permanent Secretary
Department for Infrastructure
Clarence Court
10-18 Adelaide Street
BELFAST
BT2 8GB

Dear Ms Godfrey

As recently as 5th December 2018, Mid Ulster District Council welcomed a meeting with your Department officials to discuss the capacity at the local sewage treatment works and its potential impact on future construction of residential buildings in the Mid Ulster Council area.

The Council would seek a follow up meeting in respect of future funding initiatives for water and sewerage in the Mid Ulster District Council area. In particular, members are concerned that new homes being built in Dungannon could be severely impacted by a lack of capacity at the local sewage treatment works, as Dungannon has been identified among one of the most affected areas.

Northern Ireland Water has advised no new homes will be connected to the wastewater network in affected areas such as Dungannon. As a result, it would appear that developers would have to fund and build their own private sewage treatment works. Dungannon is one of the fastest growing areas in the North of Ireland and the current requirement for new homes is now at a critical stage.

I would be most grateful if a delegation from Council can meet with you and your officials to discuss our ongoing concerns on the matter.

I look forward to hearing from you soon.

Yours sincerely

Cllr Seán McPeake
Chair

APPENDIX 11

ACKNOWLEDGEMENT RESPONSE FROM PERMANENT SECRETARY, DEPT FOR INFRASTRUCTURE RE SEWERAGE TREATMENT WORKS

From: DfI Private Office <Private.Office@infrastructure-ni.gov.uk>
Sent: 14 January 2019 15:26
To: Eileen Forde <Eileen.Forde@midulstercouncil.org>
Subject: COR-0016-2019 - SEWERAGE TREATMENT WORKS, REQUEST FOR MEETING

Cllr McPeake

Thank you for your letter dated 11 January (attached).

The issues you have raised are being considered and a reply will issue shortly.

Kind regards

Madeline Lowry | DfI Private Office

Room 7-08 | Clarence Court | 10-18 Adelaide Street | Belfast | BT2 8GB



Hospitality Ulster

Anthony Tohill
Chief Executive
Mid Ulster District Council
Burn Road
Cookstown
BT80 8DT

17 December 2018



Dear Anthony

As we approach a new financial year, Retail NI, Hospitality Ulster and Manufacturing NI asks that the Council freezes or considers reducing the district rate on non-domestic properties.

Our members are experiencing huge uncertainty with Brexit, along with slow economic growth and the rising costs of running their businesses. The last thing they need is an increase in their business rates. We are urging all Councils to consider our call and not to add to the financial burden of our members

The recent UK Budget gave independent retailers and hospitality businesses in England a third off their rate bills. Their counterparts in Northern Ireland got nothing.

Rates reform is absolutely critical to the future of the economy. Please find enclosed a copy of the 'New Deal for Northern Ireland', which our three organisations jointly launched recently. In this document we call for a radical reduction in business rates to support our town and city centres and to ensure small business owners can reinvest more of their own money into growing their businesses and employing more staff.

Our three organisations recognise that our eleven Councils are key players in economic development and we want to strengthen our relationship with you going forward. We would be delighted to meet with your Councillors to discuss our concerns in greater detail. Please contact Lisa McMaster at lisa@retailni.com to arrange a suitable date.

We look forward to hearing from you.

Yours sincerely

Glyn Roberts
Retail NI CEO

Stephen Kelly
Manufacturing NI CEO

Colin Neill
Hospitality Ulster CEO

DEV
COMMUNITY

**Mid, South & West
Region of Northern
Ireland:
Economic Geography
Baselines and Outlook**

Eoin Magennis & Andrew Park
December 2018

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Executive Summary

1. This report on the economic geography, baseline economic performance and outlook for the Mid, South & West (M,S&W) region of Northern Ireland (NI) has been completed for Armagh City, Banbridge & Craigavon Borough Council (ABC), Fermanagh & Omagh District Council and Mid Ulster District Council by the Ulster University Economic Policy Centre (UUEPC).
2. This report confirms the economic geography of the M,S&W region as one with high levels of self-containment (90% of local jobs are filled by local residents) and strong sectoral specialisations which are aligned with the draft NI Industrial Strategy. The M,S&W region has strong sectoral concentrations in Advanced Manufacturing (eg: materials handling), Food Manufacturing, Construction, Transport / Logistics and Agriculture. The specialisation in Manufacturing is especially strong: 39% of all NI Manufacturing jobs and 30% of Advanced Manufacturing are found in the region. The supply chain linkages, connections forged by movements of employees across firms and interactions with FE and HE institutions provide the potential for stronger and sustained economic growth and development.
3. Northern Ireland's strategic corridor routes - the M1, A1 Dublin/Belfast, A4 Ballygawley/Border, A5(N2) Derry/Dublin, A6 Derry/Belfast and A29 Coleraine/Armagh - all run through the region. This ensures that the region is at the centre of important wider connections and markets. Planned or ongoing improvements to all of these routes will mean better access for the region to key transport infrastructure (airports and ports), Higher Education Institutions and entry routes for tourists. In doing this, the central position of the region becomes a greater asset.
4. Geography and proximity to the border means that the M,S&W is contiguous to counties Donegal, Sligo, Leitrim, Cavan and Monaghan in the Republic of Ireland. The region forms a central part of the Border Corridor with much higher levels of cross-border trade, commuting, access to services and recreational use than would be found in other parts of the island.

Economic Baseline and Outlook

5. The M,S&W region has seen strong **population** growth in the period since 2001, increasing by 15% and with 471,000 people is now a quarter of the total NI population. This growth is significantly ahead of the growth in the NI population,

with Mid Ulster (+18%) and ABC (+16%) the two fastest-growing LGDs in NI, with growth in the 0-15 age group particularly strong. Forecast growth in both total population and working age population to 2027 is expected to continue to be stronger than the NI rates, reaching more than half a million people.

6. The labour market in the M,S&W region has an **employment** rate of 69.2% and has seen a strong recovery since 2012, faster than NI's as a whole. Over 14,000 jobs were added by workplaces in the region, and where the manufacturing sector in NI just recovered lost ground, the M,S&W region saw this strong sector grow further, adding on another 3,500 jobs. Three quarters of the region's jobs are in the private sector – a higher proportion than the NI average and closer to the rebalanced economy to which the industrial strategy aspires.
7. The **business base** in the M,S&W region is a dynamic one, with a strong reputation not only for its levels of entrepreneurship – adding to the business base of 24,500 firms in 2017 or a third of all NI's – but also for a vibrant, often indigenously-owned businesses, especially in the agri-food, advanced manufacturing, life & health sciences, construction and tourism sectors.
8. The enterprises are a mix of the globally-competing, the small firm and the locally-owned. Three quarters of the 9,500 jobs created by Invest NI clients since 2012, were created by indigenous businesses. This cohort of successful, entrepreneurial firms drive export growth, the M,S&W region accounting for 27% of NI exports, a larger share than Belfast's.
9. The region has not only had a strong jobs recovery since 2012 but also a similar recovery in inflation-adjusted Real **GVA** growth rates. These growth rates are well above the NI average, so that the M,S&W region accounts for nearly a quarter of total NI GVA.
10. In summary, the M,S&W region is one which has seen employment and GVA grow strongly in recent years and has the potential for further productivity gains, as an economic driver for NI more generally. Local linkages, including supply chains between firms in the region, and labour markets with high levels of self-containment and strong sector specialisation with global competing world class firms, strengthen a sense of the M,S&W region being a driver of the wider NI and border region economies.

Considerations

11. The strong recovery and the anticipated creation of further jobs to 2027 is likely to mean that the region's labour market will be a **tight** one. This is a situation already facing local businesses and will continue to be one, testing the availability of skills locally and the ability to attract talent from other parts of NI and beyond. The availability of intermediate skills in particular is a pressing one for many businesses, especially for Manufacturing firms.
12. The economic outlook is uncertain due, in part, to **Brexit**. A best-case scenario is one where smooth border management ensures continuing free cross-border movement for residents, goods and services, and any opportunities arising can be realised through investment in areas such as infrastructural connectivity, increased supports for small businesses and the continuation of various funding streams.
13. **Growing sectors**, such as tourism digital and life sciences, point to an opportunity to develop new sectoral concentrations in the region. Tourism is well-established with strong visitor attractions and accommodation offerings in the region and is one with strong potential for greater levels of innovation and further growth. These are sectors, among others, where a potential lies for an ambitious approach to intervention on a regional basis.
14. The strength of the population growth and the dynamic entrepreneurial culture, mark out the region as different to other parts of NI and argue for a tailored approach to addressing productivity challenges. There may be other similarities to be explored in areas such as regeneration of smaller towns and inclusive growth challenges applicable to rural areas.

A compelling case

15. The economic geography, current economic performance and similar challenges across the M,S&W region provide a strong case for greater strategic cooperation. There is a growing understanding that the delivery of the industrial strategy and tackling the productivity challenges facing NI and the UK economy will happen in regions such as this one. Given the potential of the M,S&W region to meet the challenges of improving skills, more effective innovation activity and better, more efficient, economic infrastructure, there is a case for a strategic economic / growth plan for the region.

16. In conclusion, the diffusion of greater levels of innovation to the existing and new entrepreneurial firms will be essential to the further growth of a local economy. If achieved, the Mid, South & West region could not only develop its role as a driver of economic growth in NI but become a wider exemplar of a region, with a large rural area, tackling productivity issues.

1. Introduction

1. This report on the economic geography, baseline economic performance and outlook for the Mid, South & West (M,S&W) region of Northern Ireland (NI) has been completed for Armagh City, Banbridge & Craigavon Borough Council (ABC), Fermanagh & Omagh District Council and Mid Ulster District Council by the Ulster University Economic Policy Centre (UUEPC).
2. The UUEPC has completed the following for the Mid, South & West (M,S&W) region of NI:
 - An assessment of the extent of the natural economic geography within or across the region
 - A baseline of population, the enterprise base, sectoral strengths, the labour market and GVA which identifies strengths and challenges in the region.
 - A set of population, employment and GVA forecasts to 2027 for the region.
 - Some considerations on addressing the productivity challenges in the region, and in NI more generally.
3. The importance of sectoral concentrations and skills availability in local Travel to Work Areas (TTWAs) to economic growth in the region forms the basis of an assessment of the economic geography of the region.
4. This regional growth will be shaped by the current industrial policy, notably the draft NI Industrial Strategy. This is effectively the successor to the 2012 *Economic Strategy* and will form the background to any sub-regional economic development collaboration between the M,S&W region and government in driving forward NI's economic growth agenda.
5. The five pillars of the draft industrial strategy are designed to deliver the aspiration for the NI economy to be in the top three of nine benchmarked small economies by 2030. The pillars are as follows:
 - Accelerating innovation & research (e.g. innovating firms, creative culture, agile government and the creation of 80,000 knowledge economy jobs and £1.5 billion R&D spend by 2030).
 - Enhancing education, skills and employability (e.g. skills for life, careers advice, pipeline of graduates, relevant skills).
 - Building inclusive, sustainable growth.
 - Succeeding in global markets, including 80% growth in external sales and doubling of spend by overseas tourists by 2025.
 - Building the best economic infrastructure

6. The draft industrial strategy has identified the following sectors as either currently world class or with the potential to become so:

- Advanced Manufacturing, Materials and Engineering;
- Agri-food;
- Construction and materials handling;
- Financial, business and professional services;
- Digital and creative technologies; and
- Life and health sciences.

The first three of these are strong features of the M,S&W regional economy. And the Industrial Strategy targets for increasing the numbers of overseas tourists and their expenditure shows the tourism industry's importance to the NI economy and to the M,S&W region.

7. There are two important regional or sub-regional policies for intervention in the M,S&W region. In Northern Ireland the Regional Development Strategy (to 2035) and the emerging local development plans (to 2030) all contain sub-regional or spatial development implications. Given the region's proximity to the border, the implications of the Republic of Ireland's new National Planning Framework to 2040, with its focus on the A1 economic corridor and effective regional development (the Border Counties), have also been factored into this report.

8. The structure of the paper which follows is a section on the economic geography of the M,S&W region, one on current economic performance, another on the forecast outlook for the area (in the absence of strategic economic interventions), and two sections on the potential implications of Brexit and the productivity challenges.

2. Economic Geography of the Mid, South & West Region

Travel to Work / Labour Market Areas

1. Using Census data on commuting, Travel to Work Areas (TTWAs) show an area which is close to being a self-contained labour market where people live and work within the same area. A TTWA has the twin criteria that 75% of the resident workforce work in the area and 75% of the workplace jobs in an area are filled by those who live there.¹
2. Since the 1991 Census the trend across the UK has been for the area size of TTWAs to increase and their total number to decrease. The same has happened in NI, where TTWAs decreased from 11 to 10 between 2001 and 2011. Omagh and Strabane were separate TTWAs in 2001 and have subsequently merged. Seven of the 10 TTWAs have changed between the two censuses, suggesting changing commuting patterns though the average time taken has not altered by much.²
3. Six of the 10 TTWAs fall within the M,S&W region. They are listed in Table 1: Cookstown & Magherafelt; Craigavon; Dungannon; Enniskillen; Newry & Banbridge; and Omagh & Strabane. The total population of the six TTWAS in 2016 was 640,600.

Table 1: Population and characteristics of TTWAs in Mid, South & West region, 2011

TTWA Name	Total Population (2016 est.)	Total Economically Active	% of employed resident working locally	% of local jobs filled by local residents
Cookstown & Magherafelt	82,800	38,000	74%	83%
Craigavon	168,400	74,100	75%	81%
Dungannon	66,800	29,400	73%	75%
Enniskillen	70,700	31,100	89%	90%
Newry & Banbridge	161,800	71,200	77%	86%
Omagh & Strabane	90,100	40,000	82%	89%
M,S&W Region	471,400	214,200	61%	90%

Source: NISRA, Census 2011; 2016 Mid-Year Population. Estimates are for the Super Output Areas in each TTWA

¹ The minimum population for a TTWA is 3,500 and, if more than, 25,000 the self-containment rates can fall to 66.7%.

² If we compare Shuttleworth & Gould (2010) and UUEPC (2017) the average (mean) commuting distances have increased from 13km in 1997-2011 to 24km in 2016. However, the average commuting travel time in NI, similar to most parts of the UK outside London, has stayed the same since 2006, at around 23 minutes (Oxford Economics, 2014).

4. A number of points can be made about the six TTWAs that fall into the M,S&W region:
 - In every TTWA the percentage of local jobs filled by local residents is higher than the percentage of local residents working locally. In other words in each TTWA (as in every NI TTWA bar Belfast) the numbers commuting out of the area to work is higher than the numbers commuting in.
 - Over 63,000 residents of the six TTWAs commute every day outside their 'area'.
 - Not surprisingly, Belfast is the largest single 'draw' for nearly 22,000 of this number. Almost two thirds of these Belfast-bound commuters (63%) come from two TTWAs: Craigavon and Newry & Banbridge.
 - However, a further 30,000 move between the six TTWAs, many for jobs in the Manufacturing and Health sectors. Two TTWAs – Dungannon and Craigavon – attract most commuters from the other areas.
5. Figure 1 shows the six TTWAs which are fully or partly found within the M,S&W region. The red dotted shape has been added to give a sense of the core commuting area or the origin and destination Super Output Areas where people move from and to, to work.
6. This core area is a little different from the Super Output Areas which make up the M,S&W (ie: those in the three Council areas). In the M,S&W region we find that 90% of local workforce jobs are filled by local residents, with over 30,000 people commuting across the region from one Council area to another.
7. Over half (61%) of local residents of the region actually work locally. Workplaces in Belfast and Newry, Mourne & Down draw in a majority (62%) of commuters from the M,S&W region. Of the minority less than a third (29%) travel to work in either Derry City & Strabane or Causeway Coast & Glens. This suggests that there is a larger challenge to create enough jobs to employ local residents than there is to fill local jobs with local residents.

Figure 1: Map of the NI TTWAs, 2011



8. There is strong evidence that the TTWAs do not stop at the border. If we take in cross-border commuting, 2,300 people from the M,S&W region (in the 2011 NI Census) worked across the border every day, more than half of these from Fermanagh & Omagh. Most travelled short distances with counties Donegal and Monaghan being the destination for 78%. Of total NI cross-border commuters in 2011, more than a third (38%) originated in the M,S&W region.
9. These numbers are likely to under-estimate the numbers of people crossing the border to work on a regular basis – not least by those working the Construction sector. Between 100 and 110 million border crossings per annum are made by

residents of NI or the Republic of Ireland. One estimate is that 26,000 border crossings are made for work every day by residents of the M,S&W region.³

Sectoral specialisation and geography

10. An important aspect of functional areas and economic geography is the extent to which a region is specialised – or how far people are employed in particular sectors or occupations. The idea that there is a distinctiveness to urban or rural areas (and therefore complementarity between them) is a key part of the NI Regional Development Strategy.
11. Location Quotients (LQs)⁴ provide a measure of an area's industrial specialisation relative to a larger geographic unit (in this case NI). An LQ over 1 indicates a greater degree of specialisation in this industry. Table 2 highlights those industrial areas where the local authorities have similarities in their industrial specialisation. It also provides a LQ for the M,S&W region as a whole and highlights those industries where the region is more specialised than in NI generally.
12. What Table 2 shows is that for most of those sectors where the region is specialised – Manufacturing, Construction, Mining & Quarrying and Wholesale & Retail – these are specialised in common across the three Council areas. The exception is Agriculture where specialisation in one Council area is not shared in the other two and transport which is strong in two of the Council areas.
13. Table 2 also highlights two sectors, in particular, where the M,S&W has less specialisation: Financial & Insurance Activities and Information & Communications Technology.

³ This is based on 77% of crossings being made by NI residents and third of this share by residents of the M,S&W region. It is also estimated that a third of crossings are made for work, two thirds for social or recreational purposes.

⁴ Industry LQs are calculated by comparing the industry's share of regional employment with its share of national employment.

Table 2: Location quotients (LQs) for employment in the M, S&W Region

		Armagh City, Banbridge & Craigavon LQ	Mid Ulster LQ	Fermanagh and Omagh LQ	M,S&W Region LQ
A	Agriculture, forestry and fishing	0.66	0.64	3.47	1.52
B	Mining and quarrying	1.03	4.76	2.57	1.91
C	Manufacturing	1.47	2.59	1.10	1.75
D	Electricity, gas, steam and air conditioning supply	0.08	0.37	0.49	0.17
E	Water supply, sewerage, waste management and remediation activities	1.49	0.62	1.37	1.29
F	Construction	1.08	1.99	1.63	1.32
G	Wholesale and retail trade; repair of motor vehicles and motor cycles	1.16	1.17	1.16	1.16
H	Transport and storage	1.52	0.90	1.01	1.12
I	Accommodation and food service activities	0.72	0.75	1.10	0.91
J	Information and communication	0.32	0.22	0.50	0.31
K	Financial and insurance activities	0.42	0.41	0.74	0.43
L	Real estate activities	0.90	0.50	0.61	0.81
M	Professional, scientific and technical activities	0.86	0.64	0.65	0.80
N	Administrative and support service activities	0.87	0.31	0.34	0.77
O	Public administration and defence: compulsory social security	0.62	0.41	0.87	0.64
P	Education	0.96	1.00	1.24	0.99
Q	Human health and social work activities	1.08	0.63	1.10	0.99
R	Arts, entertainment and recreation	0.90	0.71	1.02	0.89
S	Other service activities	0.88	0.70	0.61	0.82

Source: NI Business Register and Employment Survey, September 2017

Note: The figure uses employee jobs not employment

14. Manufacturing (including Agri-Food and Advanced forms) is central to the M,S&W region's economy. Almost a fifth (18%) of total workplace employment and a third (35%) of the regions total GVA. Both of these shares are much larger than those enjoyed by other parts of NI, supporting the LQ analysis above in Table 2. In addition, the Manufacturing sector in the M,S&W region critical to

the health of the overall sector in NI. Two fifths (39%) of NI's Manufacturing employment is in the M,S&W region and a quarter (23%) of its GVA.

15. The business strengths in the sector lie primarily in the engineering, food and material handling machinery associated with the mining and quarrying industries. The IDBR figures for numbers of firms by sector shows that the M,S&W region significant specialisations in these sub-sectors when compared to NI. For example, a third (31%) of all NI's agri-food firms are based in the M,S&W region and a higher share (37%) of those businesses manufacturing Machinery & Equipment.
16. An innovative method of identifying specialisation, using firm location, employment size and commuting data, supports the Advanced Manufacturing specialisation in the M,S&W region, with a particular concentration of firms manufacturing of Machinery & Equipment and Transport Equipment.

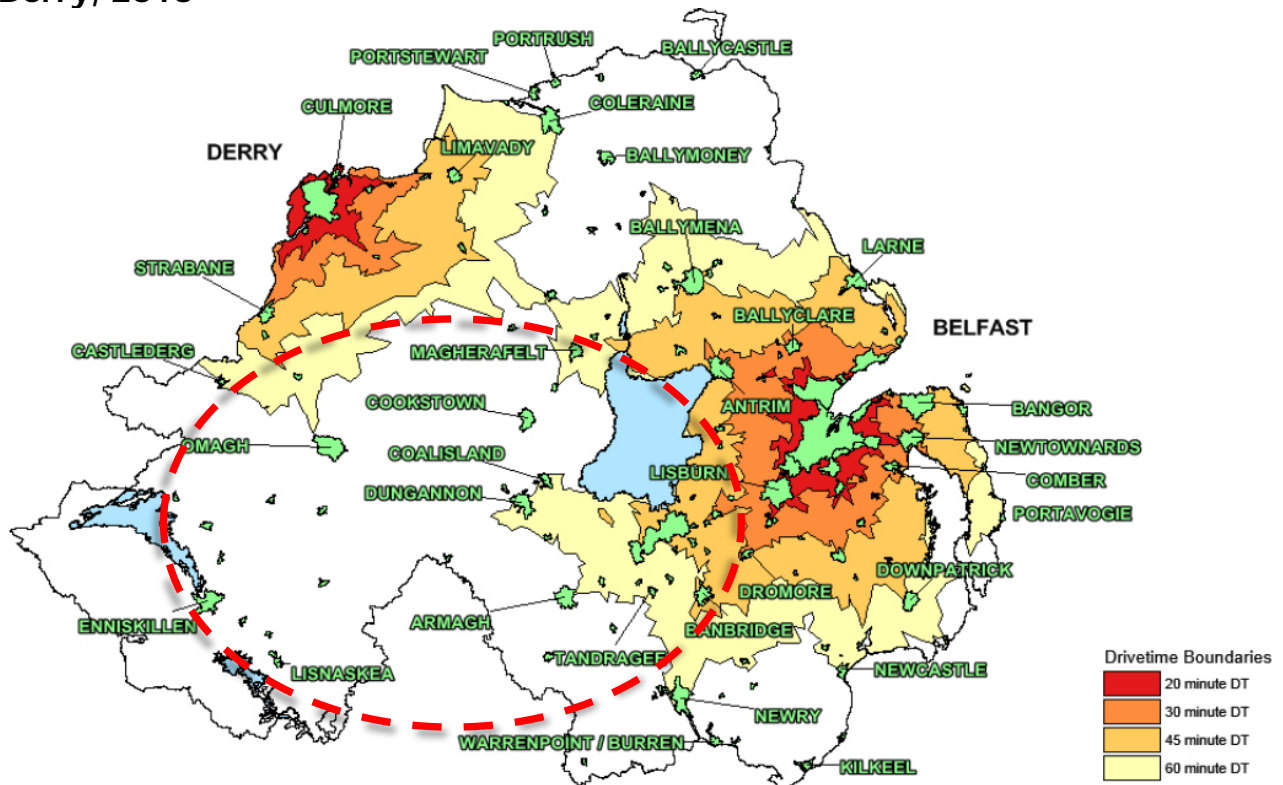
Conclusions

17. The M,S&W region has a distinctive economic geography informed both by labour market interaction and sectoral specialisation.
18. The commuting data suggests that the region is characterised by a number of core TTWAs (Craigavon, Dungannon, Enniskillen and Cookstown & Magherafelt) which have strong levels of self-containment.
19. The commuting data shows how almost a fifth of the 30,000 people commuting within the M,S&W region do so for jobs in the Manufacturing sector. This supports the specialisation shown above and reinforces the distinctive economic geography of the region.
20. The region's geography is also marked by its mix of urban centres and a large rural area. The region has two large urban areas: the 'Craigavon Urban Area' (65,555 at the last Census) and Omagh (19,682). Of the other towns, Banbridge (16,653), Armagh (14,749), Dungannon (14,332), Enniskillen (13,790) and Cookstown (11,620), are in the 'medium town' band, with Magherafelt (8,819) and Coalisland (5,700) in the 'small town' group.
21. The consequence of this is that just over a third (36%) of the total population of the M,S&W region live in urban areas.⁵ Figure 2 shows how much of the

⁵ 62% of total NI population live in urban areas at the time of the 2011 Census. Data from NISRA, *Review of the Statistical Classification and Delineation of Settlements* (2015).

region (shown within the red dotted line) is more than a 60-minute drive to either Derry or Belfast and almost all of it more than three quarters of an hour's drive on the existing roads.

Figure 2: Map comparing 20, 30, 45 and 60 minute drivetime boundaries for Belfast and Derry, 2015



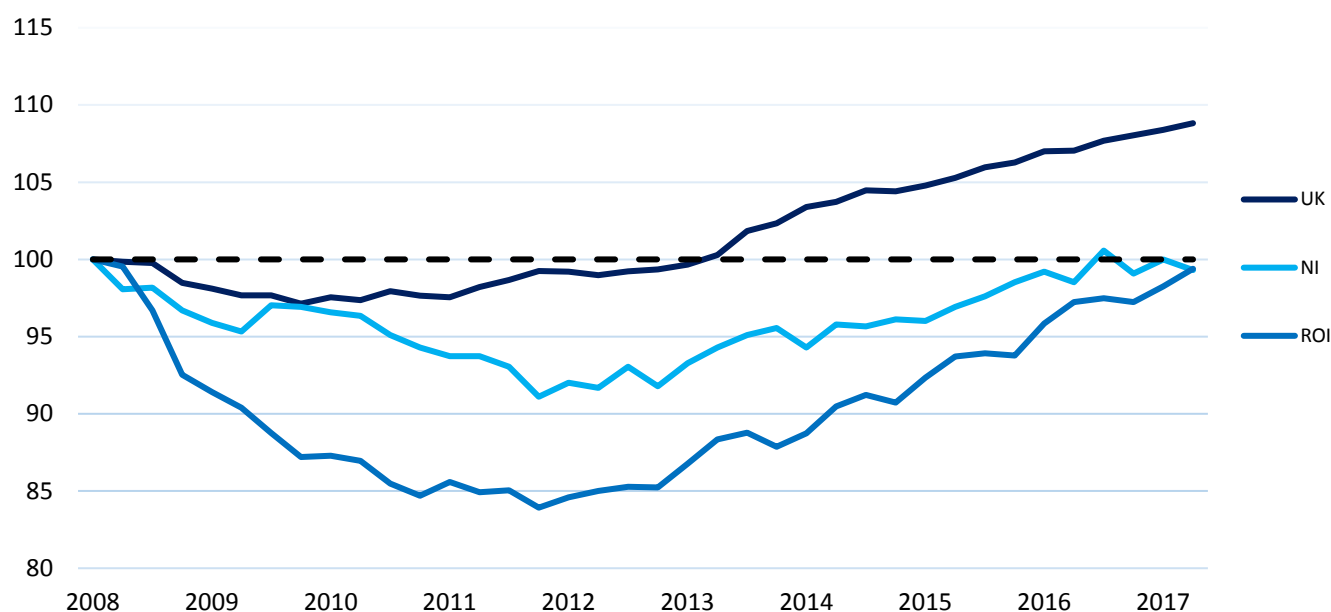
22. Finally, the economic geography of the region is shaped by the presence of the strategic M1, A1 Dublin/Belfast, A4 Ballygawley/Border, A5(N2) Derry/Dublin, A6 Derry/Belfast and A29 Coleraine/Armagh routes. The fact that each of these roads run through the region means tat the M,S&W is at the centre of important wider connections and markets. Planned or ongoing improvements to all of these routes will mean better access for the region to key transport infrastructure (airports and ports), Higher Education Institutions and entry routes for tourists.

3. Current baseline in the Mid, South & West (M,S&W) Region

Introduction: The Crisis and Recovery

1. The UUEPC Winter 2018 Outlook referred to the then position of the NI economy as being one where global 'tradewinds' were meeting some local 'headwinds'. Globally, there is growth at the same time – for the first time since the recession – in the three major economies of the US, EU and China. Global demand is high and economies are being boosted by both exports and domestic demand. However, there are major risks to this growth, not least from protectionism, the still-parlous state of some banks a decade on from the financial crash of 2008 and rising interest rates at a time of increasing household, business and government debt.
2. In the UK exports have been boosted by the fall in Sterling since the EU referendum and employment numbers across the UK regions are at new highs. Figure 3 shows how employment in the UK has grown consistently since 2011, while NI and Republic of Ireland have made up much of the losses suffered in 2008-2012. This trend has continued into 2018 with the Republic of Ireland surpassing the previous employment heights of 2007.

Figure 3: Quarterly Employment Index, NI, UK & ROI, 2008-2017 (2008 Q2=100)



Source: ONS, NISRA, CSO: UUEPC analysis

3. Employment in the M,S&W region has also enjoyed growth, stronger indeed than NI's recovery. Table 3 shows how, by 2016, the number of jobs lost in 2008-2012 had been clawed back. Growth in both Accommodation and services were part of the recovery in the region, but Construction and Retail remain important sector (as Table 2 shows above). Unlike at the NI level, where the manufacturing sector did well to replace jobs lost, the M,S&W region saw a strong sector grow further, adding on another 3,500 jobs.

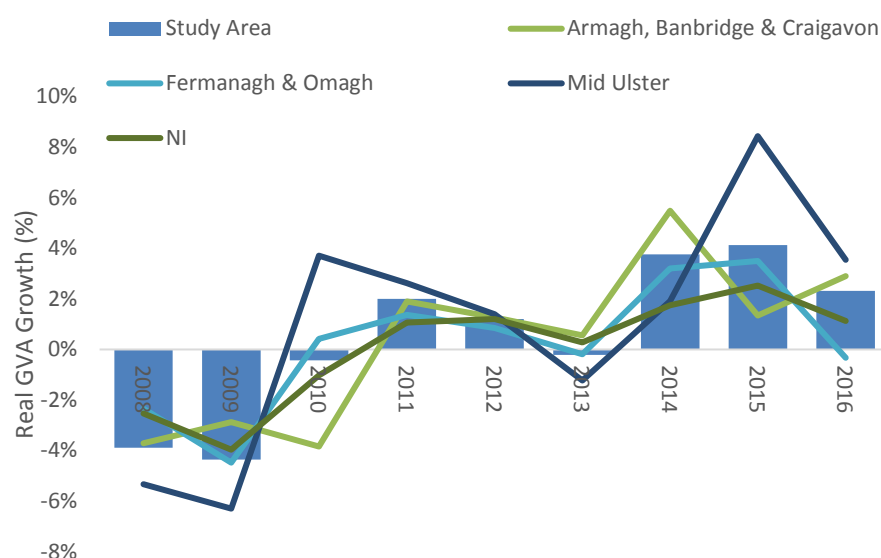
Table 3: Employment change by sector in the M,S&W Region, 2008-2016

Sector	2008-2012 (Recession)	2012-2016 (Recovery)
Agriculture	300	-1200
Mining and quarrying	200	200
Manufacturing	-2400	5800
Utilities	0	400
Water supply & waste	0	0
Construction	-7600	1700
Retail	-2000	1100
Transportation	0	1500
Accommodation	-500	1500
Information & Comm's	-500	100
Financial activities	-500	-100
Real estate	100	-200
Professional & scientific	-200	1100
Administration services	200	2100
Public Admin' & defence	0	-1100
Education	-1000	400
Health & social work	1200	-500
Arts and entertainment	-100	200
Other services	0	1300
TOTAL	-12900	14100

Source: NISRA, BRES; UUEPC analysis

4. In terms of economic output the recovery has not been so positive. NI is still below peak output in 2008, while the UK economy took more than six years to recover to the previous high (making it the longest recovery on record). This has resulted in a 'job-rich but productivity poor' recovery and has raised questions about the causes of the UK productivity puzzle and what interventions are needed to solve it.
5. Turning to GVA, although care must be taken about the accuracy of measurement at LGD level, Figure 4 shows that the M,S&W region has consistently outperformed the NI average growth rates during the recovery.

Figure 4: Real GVA Growth (%) by NI, Councils and Study Area, 2008-2016



Source: ONS; UUEPC analysis

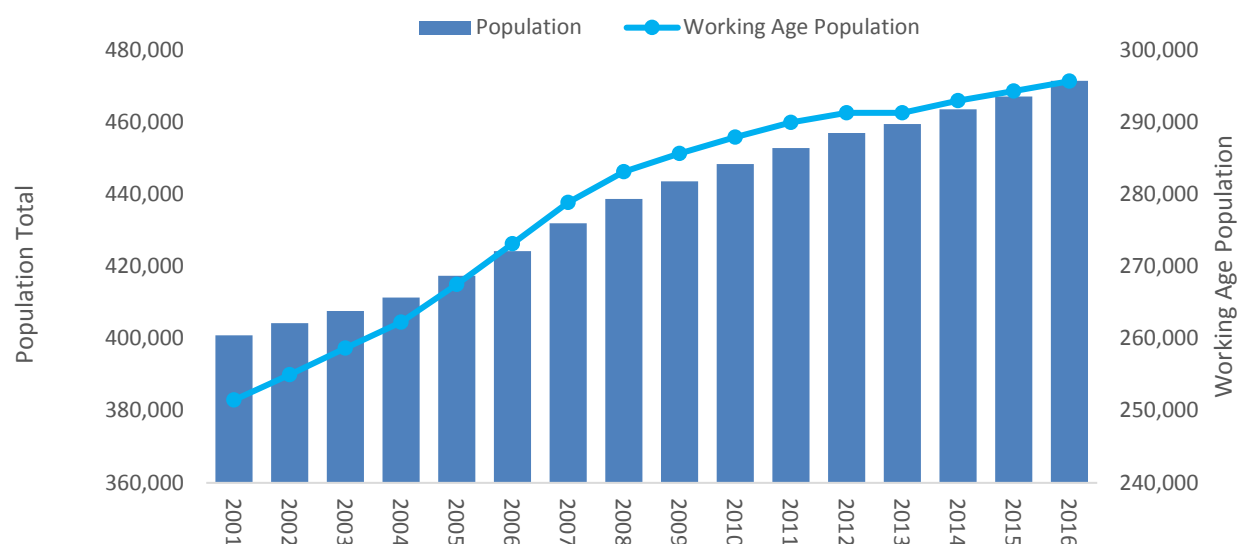
6. In light of the recovery the following sections outline the population, labour market, skills, sectoral concentrations, entrepreneurial and business demography indicators for the study area as well as the three Councils and their share/comparison with NI where appropriate.

Population

7. As Figure 5 shows, the total population of the M,S&W region was 471,448 in 2016, 25.3% of the NI population. This share has slowly increased over the past two decades, up from less than 23% in 1995. The working age population stood at 295,000 in 2016 which means that the dependency ratio is a healthy 62.7%.
8. Since 2001 there has been strong population growth in the region – a 15% increase which is much stronger than the NI average of 9%. Within the area Mid Ulster (+18%) and ABC (+16%) were the two fastest-growing LGDs in NI, with growth in the 0-15 age group particularly strong.
9. The working age population (15-64 age group) has grown at a similar rate as the total population. The rate of growth in Mid Ulster has been quicker than the overall rate of population increase, with only Belfast city showing a similar trend, driven by employment opportunities and in-migration.

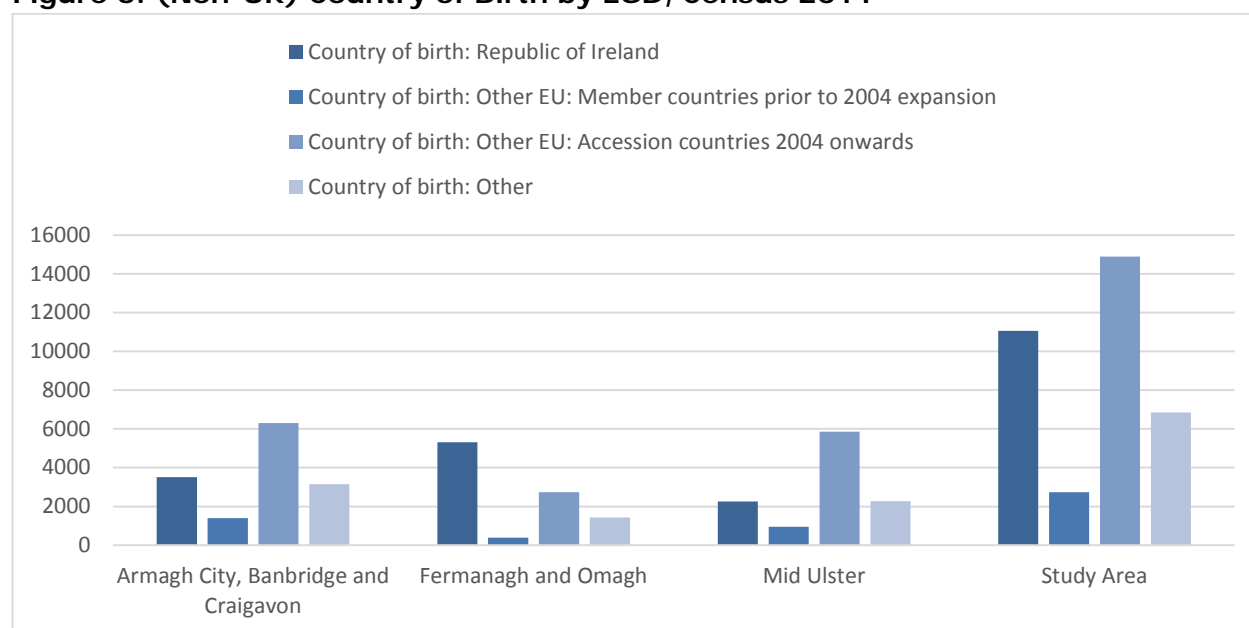
10. The share of population between the different Council areas in the M,S&W region has barely changed over time with ABC continuing to have the largest share (45%), Mid Ulster next (31%) and Fermanagh & Omagh last, with a slightly falling share (24%).

Figure 5: Total Population & Working Age Population, M,S&W region, 2001-16



11. One factor behind the higher than average growth rates has been the addition of migrants to the local population. The phenomenon of higher rates of in-migration than out-migration was a new one for NI as a whole in the 2000s – in particular in the years 2004-2008 – and in-migration was particularly strong in Mid Ulster and ABC. As Figure 6 shows, by 2011 the result was that the M,S&W region had significant numbers of people living there with origins in the EU Accession States.
12. Employment opportunities appear to have been key in attracting migrants to the M,S&W region. While the region had a 29% share of the NI total of those from outside the British Isles in 2011, 33% of all new applications for National Insurance numbers by migrants between 2001 and 2016 were from people based in the M,S&W region.

Figure 6: (Non-UK) Country of Birth by LGD, Census 2011



Labour Market

13. As noted above the NI labour market has recovered well in terms of jobs numbers since 2012. Question marks remain over the wider NI labour market in terms of: the quality of jobs; the high levels of inactivity (more than a quarter of the working age population; and an unimpressive skills profile. These characteristics explain the desire in the draft Industrial Strategy to enhance skills and employability prospects. This section looks at the M, S & W region labour market and comparisons with the wider NI pattern.

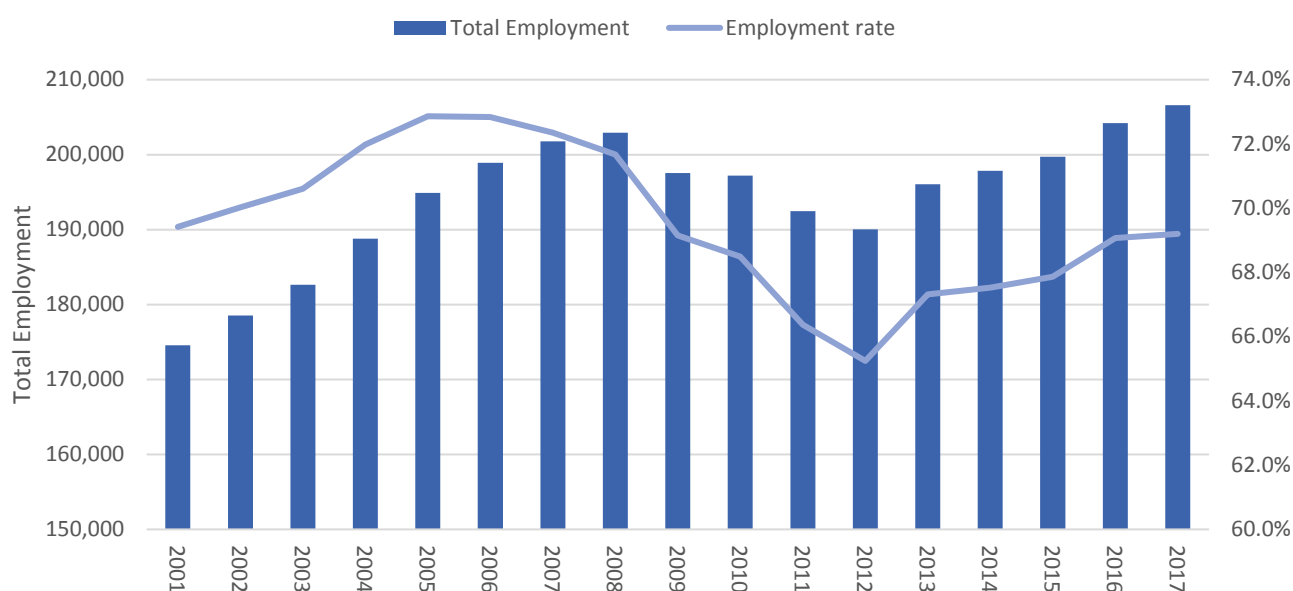
Employment

14. Figure 7 shows that, in 2017, the employment rate across the M,S&W region was 69%, in line with the NI average.⁶ This rate varies a little across the three Council areas when we use a three year average (2014-16): Mid Ulster and ABC with just over 70% rates and Fermanagh & Omagh with one of 68%. One noteworthy issue around employment rates is the much lower levels of female participation across the region, particularly in ABC.

⁶ One thing to note is that the employment (and inactivity) rates taken from the Labour Force Survey tend to be volatile at Council level from year to year, due mainly to small sample sizes.

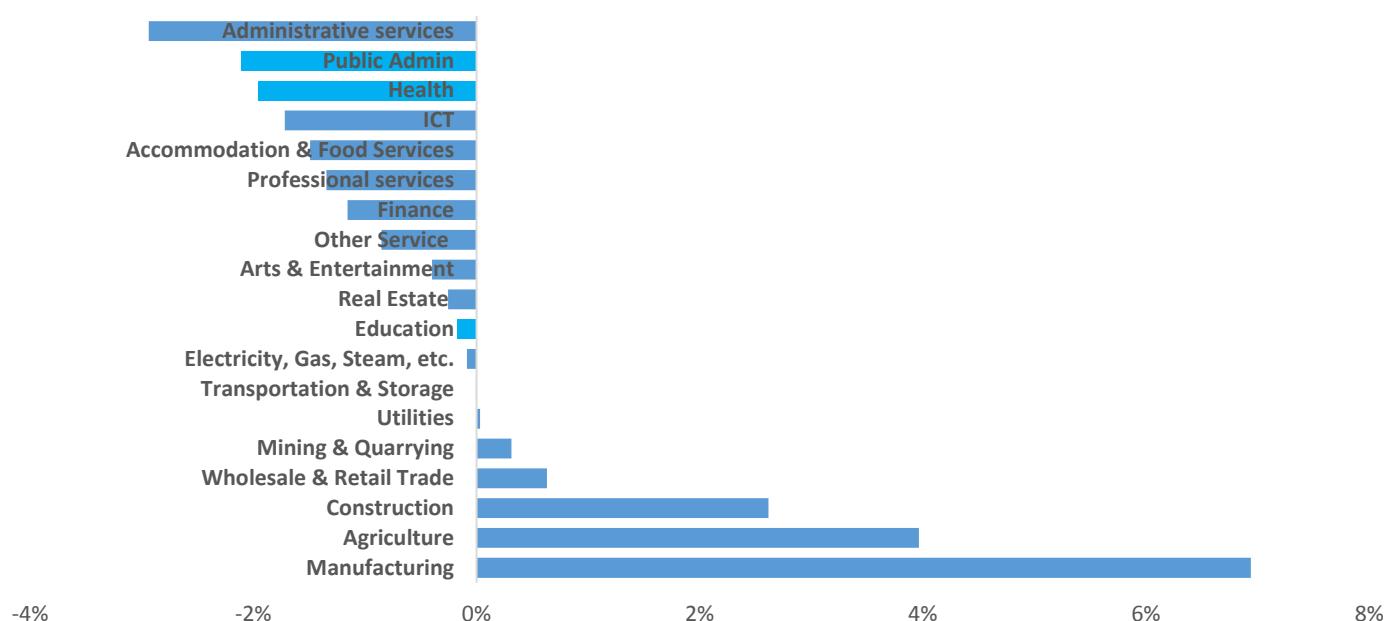
15. In 2017 the UUEPC estimates that there were more than 206,000 jobs⁷ in the M,S&W region: the shares across the Councils were 42% in ABC, 32% in Mid Ulster and 26% in Fermanagh & Omagh.
16. Three quarters of these jobs are in the private sector – a higher proportion than the NI average and closer to the rebalanced economy that any industrial strategy aspires to. The largest sectoral shares are in Manufacturing (17%), Retail (16%) and Health (13%). Figure 8 below shows that there are significant differences in sectoral concentrations when compared to the NI average with the productive sectors and construction more highly concentrated and the services sectors less so.

Figure 7: Total employment and employment rate, Study Area, 2001-2017



⁷ This figure differs from the Invest NI briefing for the region (160,000 jobs) and BRES 2017 (175,000 jobs). The latter includes agriculture employment but not the self-employed numbers, which are added from the Labour Force Survey for the purposes of the UUEPC local model.

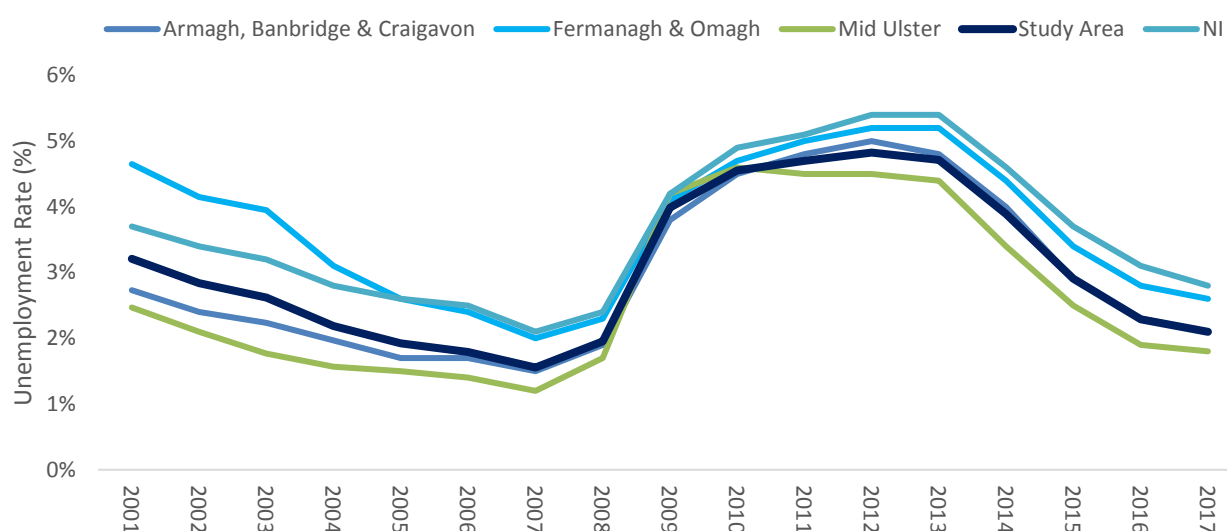
Figure 8: Percentage Point Difference in Sectoral Employment, M,S&W region vs. NI (2017)



Not in Employment

17. Data from the Labour Force Survey suggests that around 30% of the working age population in the M,S&W region are not in employment. They are either 'looking for work', as unemployment claimants, inactive and/or in a more ambivalent position of being unable to work (studying, with health issues or caring for a relative), with some who would like to work but needing employability support to get into the labour market. This picture is not dissimilar to NI as a whole which might suggest similar forces are at work in the study area when it comes to people not being in employment.

Figure 9: Claimant Unemployment Rate (%16-64), M,S&W region vs. NI (2001-2017)



18. Figure 9 shows how unemployment rates in the M,S&W region have consistently been below those in NI as a whole. This was even the case in 2008-10, when the rates came closer together as the numbers laid off in the construction sector rose rapidly. It is also noteworthy is that this picture of lower than average rates holds for all three Council areas.
19. The spread of unemployment rates across the wards in the three Council areas do not show a large range (6.1%) between the lowest rate (0.8%) and the highest (6.9%). This is quite typical of most of the NI councils with the exceptions of Belfast, Derry City & Strabane and Causeway Coast & Glens where much greater disparities exist (9%, 12% and 10% respectively).
20. The rates of inactivity in the study area are much closer to the NI rates – a rolling average of 32% for the 2011-2016 period. Higher rates in Fermanagh & Omagh than in Mid Ulster and ABC make the average inactivity rate higher. The reason for this difference is not immediately clear, but it is something to note when employability issues are raised.

Skills

21. The skills data at LGD level should be treated with great care – given the small sample sizes in the Labour Force Survey⁸ – but Figures 10-11 reveal some clear trends. One is that the percentage share of those in the local population without qualifications has been falling since 2009, but remains higher in the study area than the NI average (perhaps due to a combination of opportunity and incentive). Another trend is that the share of people with NVQ level 4 (degree) or higher has slowly risen but remains slightly below the NI average.

⁸ The UUEPC is currently rolling out a sub-regional skills barometer research project which will be completed by the end of 2018 and will deal with a Southern region (including the three Council areas and Newry, Mourne & Down).

Figure 10: % of Population with No Qualifications, M,S&W Region, 2009-16

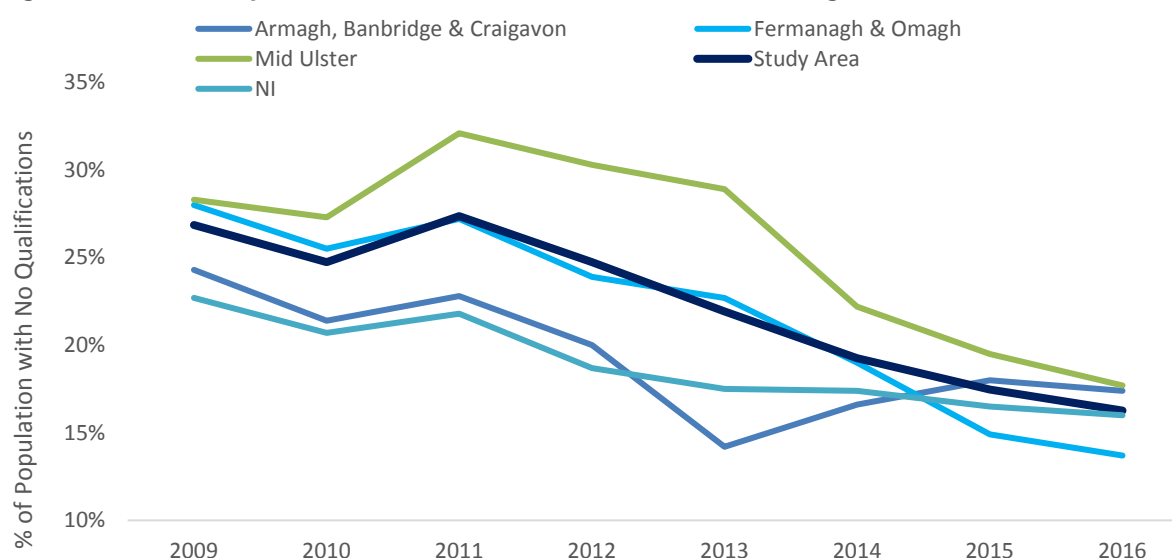
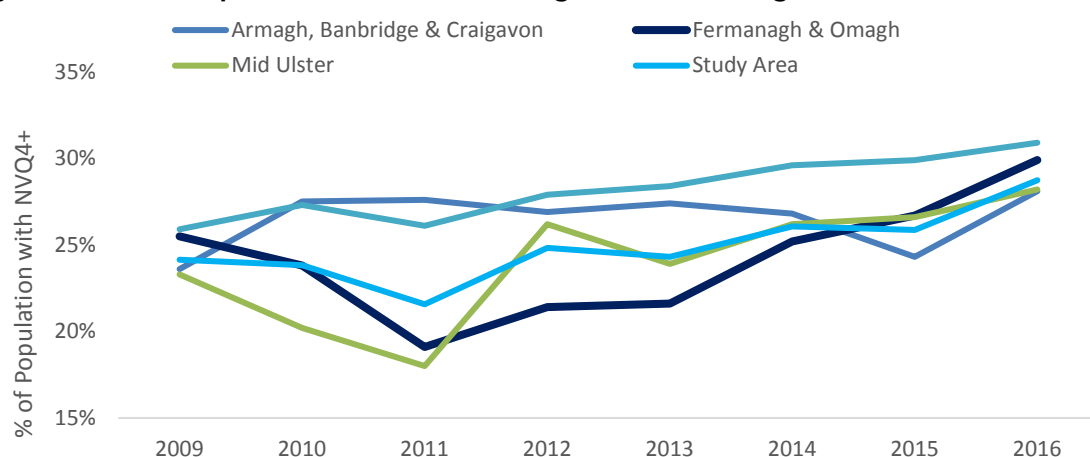
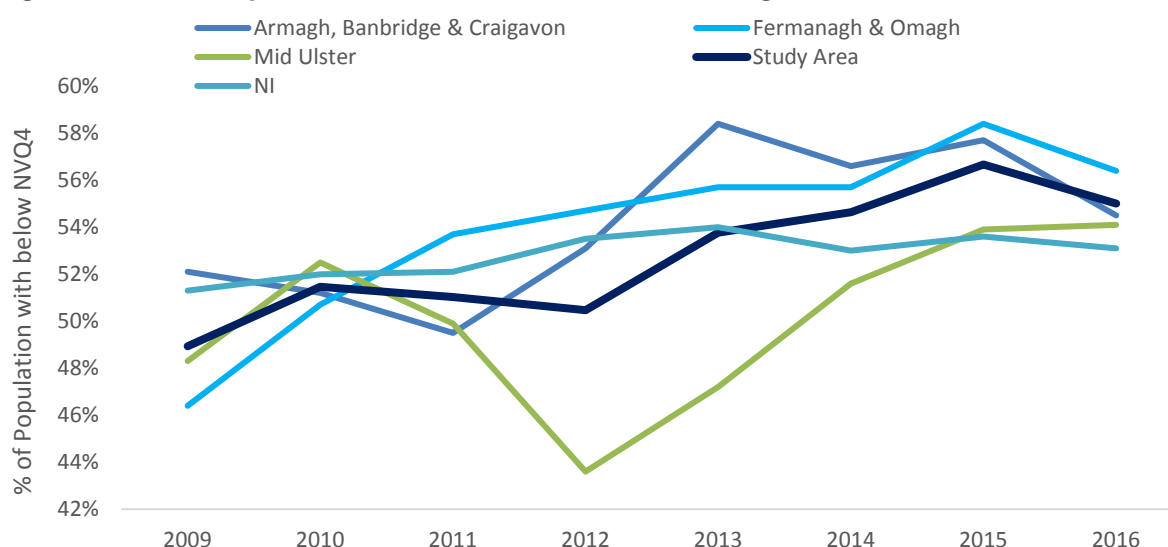


Figure 11: % of Population with NVQ4 or higher, M,S&W Region, 2009-16



22. The largest group (54%) is those who have qualifications which are less than NVQ Level 4 and can be described as intermediate skills (see Figure 12). Their share of the overall population is growing, perhaps because of fewer people entering the labour market with no qualifications. There is a balance to be struck between the danger of creating a 'low skills equilibrium' in the local economies (NERI, 2017) and the need for a strong supply of what might be termed intermediate skills.

Figure 12: % of Population with below NVQ4, M,S&W Region, 2009-16



Conclusions: Tight Labour Market

23. Consultations and the evidence suggest that the Mid, South & West region is an active (or tight) labour market with a consistently strong employment rate and high self-employment rates. Also, it attracts people into the area to work. As shown in the previous section, at least 2,000 cross-border commuters come into the three Council areas, mainly from counties Monaghan and Donegal. In addition, in 2011, 9% of the jobs in the M,S&W region were filled by commuters from other parts of NI.
24. The previous section also detailed how people commute outside the area for work, perhaps for job types and roles not available in the study area, or for higher wages (something deserving further work). In 2011, 16% of the study area's resident workforce commuted to other parts of NI and a further 2,000 crossed the border for work.
25. All three Councils have made skills a priority area in their Community Plans and two of the three (Mid Ulster and ABC) have moved to establish skills fora with local stakeholders involved. In addition Mid Ulster have also recently published a comprehensive skills Action Plan which echoes the finding of consultations which the UUEPC has held with local businesses. In these the issue of the current and future supply of skills was consistently raised, as was the concerns about upskilling staff who might then become targets for recruitment by other firms. Financial supports for skills issued by Invest NI are quite low, in line with NI generally, but this may hide the amount of support available elsewhere from the Department for the Economy or the Department for Communities.

26. A fuller skills profile will show the occupational profile of jobs filled by residents of the M,S&W region, those by commuters and which skills are leaving the area. Such a profile⁹ will provide an insight into how additional employment created in the study area might be filled by the locally inactive, by new residents (from others parts of NI, the border counties or migrants from further afield) and the extent to which local businesses may struggle to fill vacancies.
27. There are, therefore, several questions about whether the labour market in the study area repeats the patterns in NI as a whole, which cannot be fully answered just yet. Although there are similarly high levels of inactivity, there are differences in the sectors people are employed in and, perhaps as a result of this, in male employment rates.

Business base

28. Entrepreneurship has long been an issue in NI with the region performing much worse than UK regions or the Republic of Ireland in terms of aspirations to start a business or the subsequent rate of business births. There are also question marks over the quality of businesses with a smaller share exporting than in other economies and consistently lower rates of innovation activity or R&D expenditure by firms. The factors behind these patterns are much debated – historical path dependencies, institutional failures, poor policy, management failings, or a combination of all of these. The focus in the draft Industrial Strategy continues to be on the need to improve the innovation and exporting profile. This section looks at the current nature of the business base in the study area.
29. The M,S&W region has a strong reputation not only for its levels of entrepreneurship – adding to the business base of 24,500 firms in 2017 – but also for a vibrant, often indigenously-owned businesses, especially in the agri-food, advanced manufacturing, life & health sciences, construction and tourism sectors. Dunbia, Almac, Hyster-Yale, DCE Global, Quinn Group, Kerry Group and Kingspan are just some of the globally-competing firms located in the M, S & W region.

Self-Employment and rates of entrepreneurship

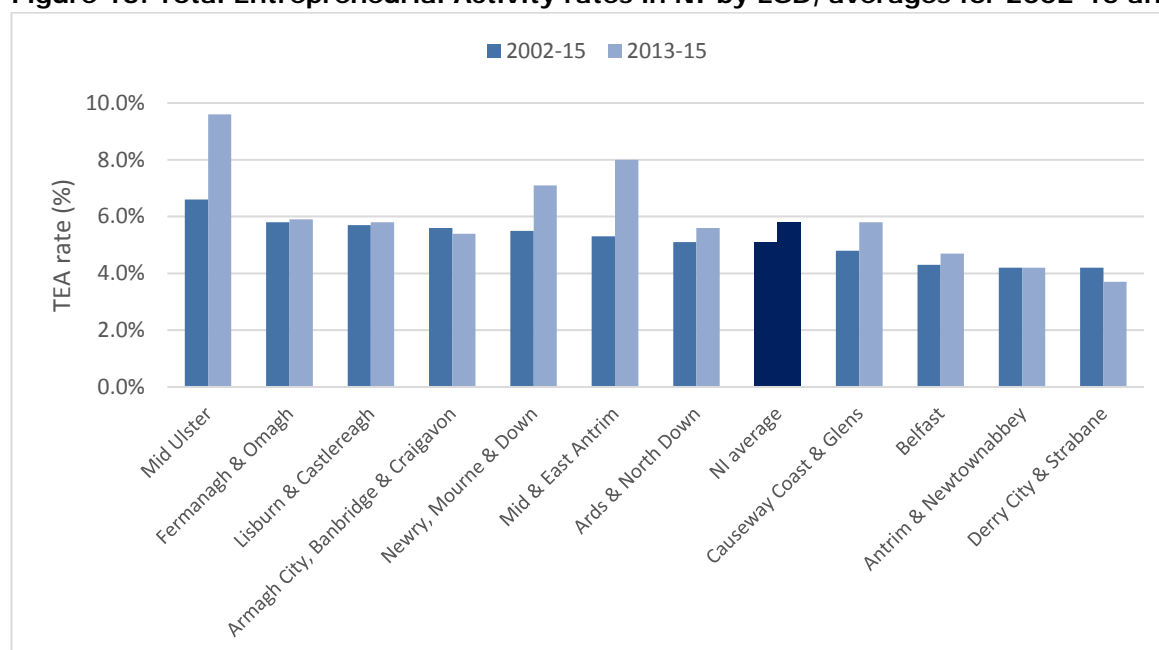
30. In terms of self-employment rates, Mid Ulster and Fermanagh & Omagh have consistently had higher rates than NI as a whole. It is important to remember that there may be some sectoral explanations for this given higher rates of self-

⁹ UUEPC are currently researching sub-regional Skills Barometers for the NI economy, which will be completed early in 2019.

employment in the Construction and Agriculture sectors and their concentrations in the study area.

31. However, Figure 13 shows that the measurement of entrepreneurship using TEA rates¹⁰ has also shown Mid Ulster, Fermanagh & Omagh and ABC (though with a recent decline) outperform the NI average since the early 2000s, with a pattern of much higher male than female rates in the highest two Council areas.¹¹

Figure 13: Total Entrepreneurial Activity rates in NI by LGD, averages for 2002-15 and 2013-15



32. These rates of entrepreneurship are reflected in the much higher than average stock of businesses¹² in the M,S&W region than in NI as a whole – higher indeed than most UK regions bar London (see Figure 14). The study area also sees higher rates of business births (though ABC has shown a dip below the NI average during the recovery – see Figure 15) but also a higher failure rate (again with the exception of ABC). A higher churn rate can act as an indicator of difficult trading conditions locally or, perhaps, of strong competition which means that business survival is far from assured. However, even if the latter is the case, it

¹⁰ Stands for Total Entrepreneurial Activity and comes from the Global Entrepreneurship Monitor methodologies and annual surveys which include NI as a subset within the UK one.

¹¹ Mid Ulster, Fermanagh and Omagh and Newry, Mourne and Down have been among the best performers in terms of entrepreneurship activity among Council areas in NI; see M. Hart, K. Bonner, J. Levie and L. Heery, *GEM UK 2015 Report: Northern Ireland* (2017).

¹² This is measured by numbers of VAT registered businesses per 10,000 people and allows comparisons across geographical areas.

seems clear that the region is above-average when it comes to entrepreneurship.

Figure 14: Number of businesses per 10,000 people, NI LGDs and M,S&W region, 2015-17

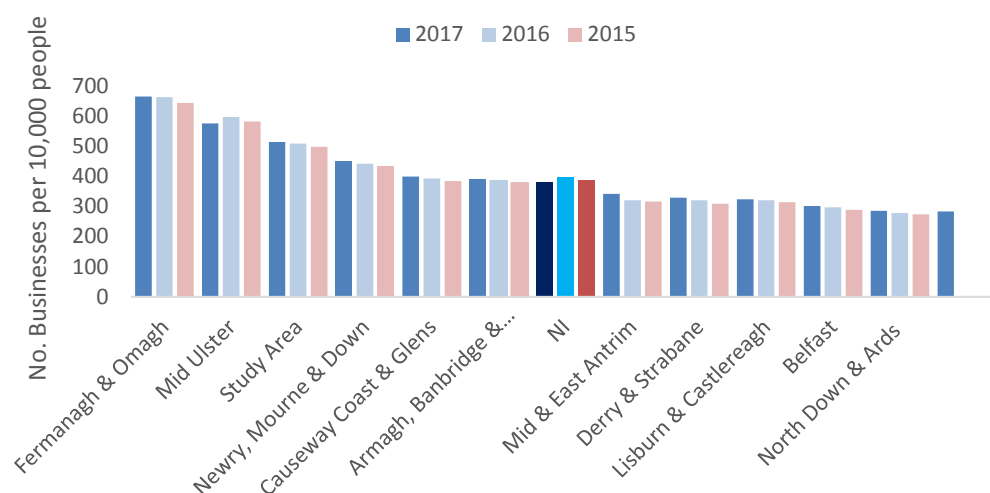
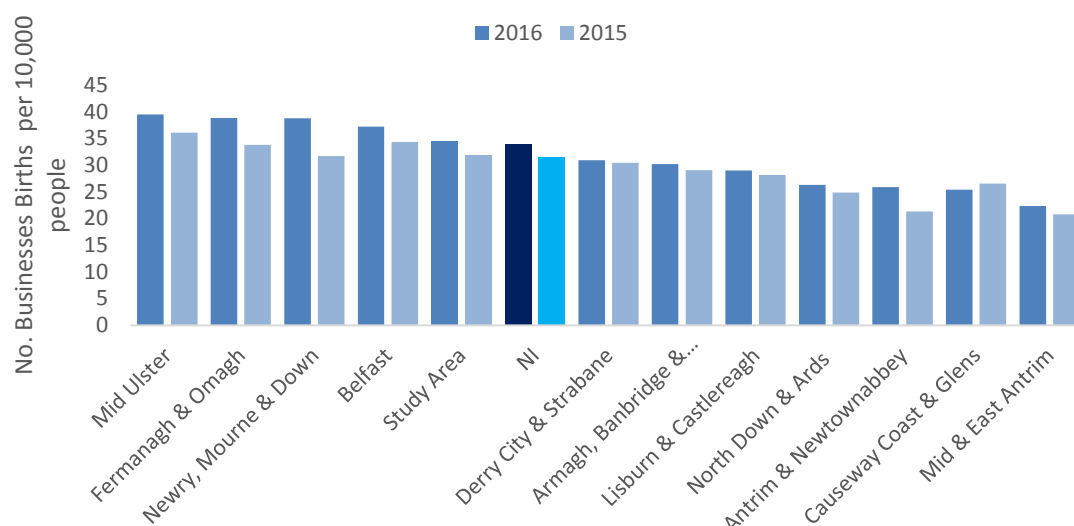


Figure 15: Number of business births per 10,000 people, NI LGD and M,S&W region, 2015-16



33. In 2017 the study area had more than a third of all NI businesses (34%) located there, a much higher share than that of total population (25.3%). The indicators suggest the presence both of an entrepreneurial culture and of resilience in the local economies. The question arises whether this entrepreneurial activity becomes an end in itself or acts as a prompt to broader economic growth in the region.

Characteristics of firms

34. The NI economy has a very high level of micro-enterprises (88% of businesses having less than 10 employees), but the M,S&W region stands out for its level of concentration of these small firms. In the region as a whole 91% of firms are

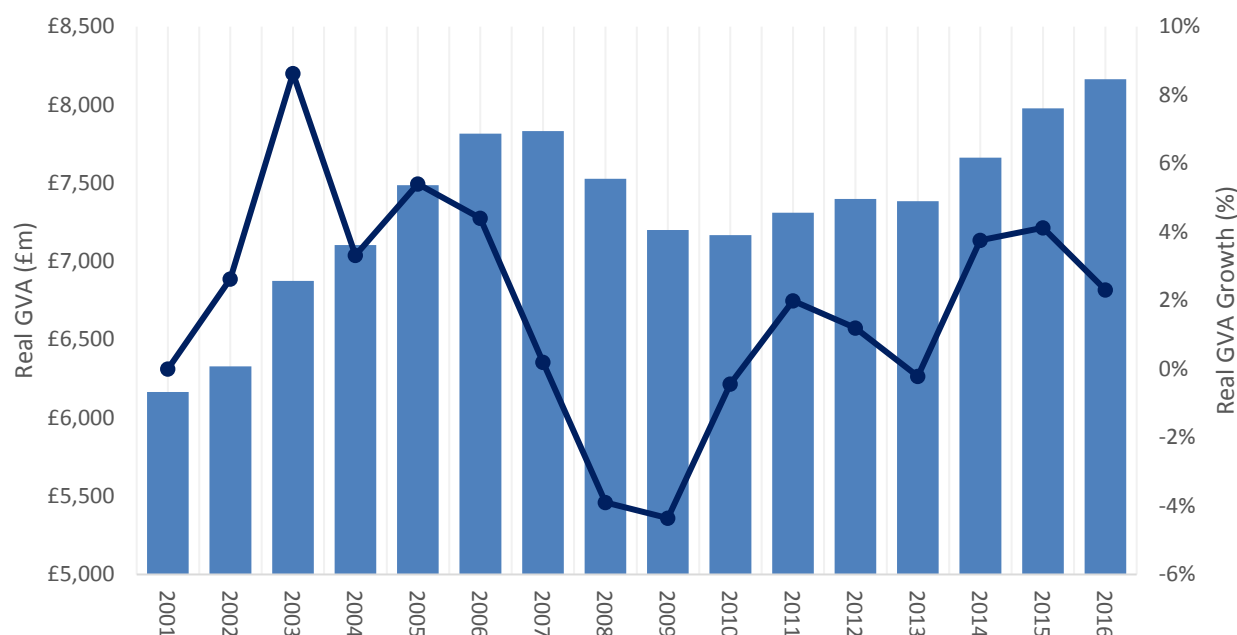
micro-enterprises, with Fermanagh & Omagh (93.5%) leading the way and ABC (89.6%) closer to average.

35. The share of larger firms (+100 employees) is similar for NI and the region (both less than 0.5%). However, this should not be allowed to hide the fact that the study area has a significant number of business with a strong turnover of £5 million plus. In fact there are more than 450 of these firms (26% share of NI), which are large, successful and predominantly locally-owned.
36. There is no question that the M,S&W region, like all of NI, could do with more mid-sized (NI has a larger share than the region: 44.6% vs 39.5%) and larger firms, bringing the question back to scaling businesses through entering new markets and rolling out new product lines.
37. Recent data on the breakdown of 2017 Business Enterprise R&D by Council area shows that the M,S&W region accounted for slightly less than a quarter (22.5%) of the £543 million figure. Of course innovation is a much broader activity than R&D. Figures from Invest NI on its supports for firms in the region (£163 million for over 2,000 businesses in 2012-17) show that 14% of the Invest NI supports fell in the Innovation & Technology category and 18% for R&D, compared to 9% and 24% respectively for NI. Consultations with businesses in the region support the picture of a greater focus upon process innovation and technology transfer rather than frontier research.
38. Finally, moving to exports, the M,S&W region accounts for 27% of NI exports, greater than Belfast's contribution. However, the region has a slightly smaller share (30%) of exporting firms to its share of NI businesses (34%). Consultations suggest a mixed picture where the majority of businesses in the study area serve local (which can sometimes include cross-border) customers only, but that those who are exporting off the island are doing so intensively (to a number of markets and with a number of products).

GVA and productivity

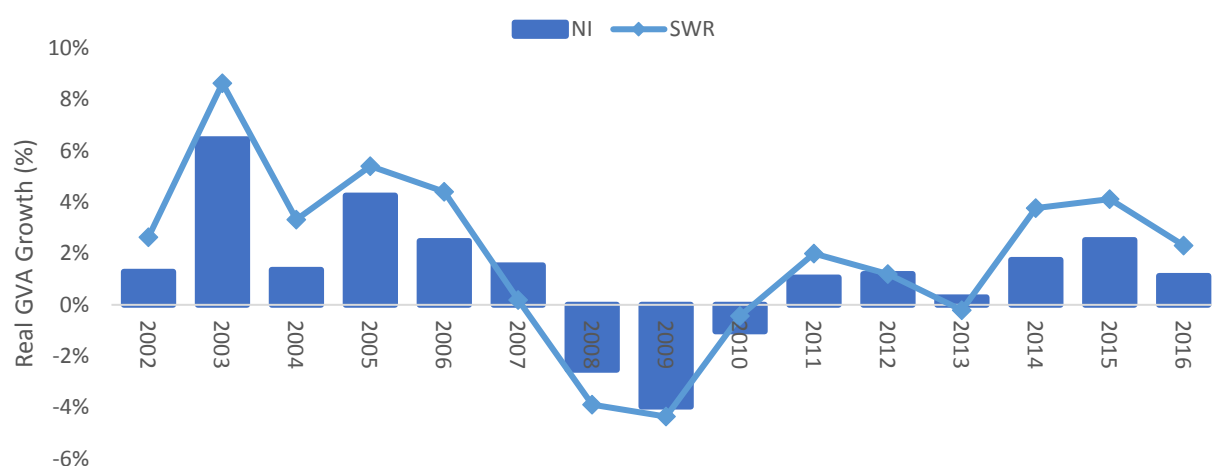
39. Moving to levels of Gross Value Added (or GVA) in the study area there is a mixed picture. The M,S&W region, as shown in Figure 16, has seen Real GVA levels in 2016 surpass the previous peak in 2007. That said, the year-on-year growth rates struggle to rise above 2%, the exception being Mid Ulster – as seen in Figure 4 above.

Figure 16: Real GVA (Value & Growth), M,S&W region, 1998-2016



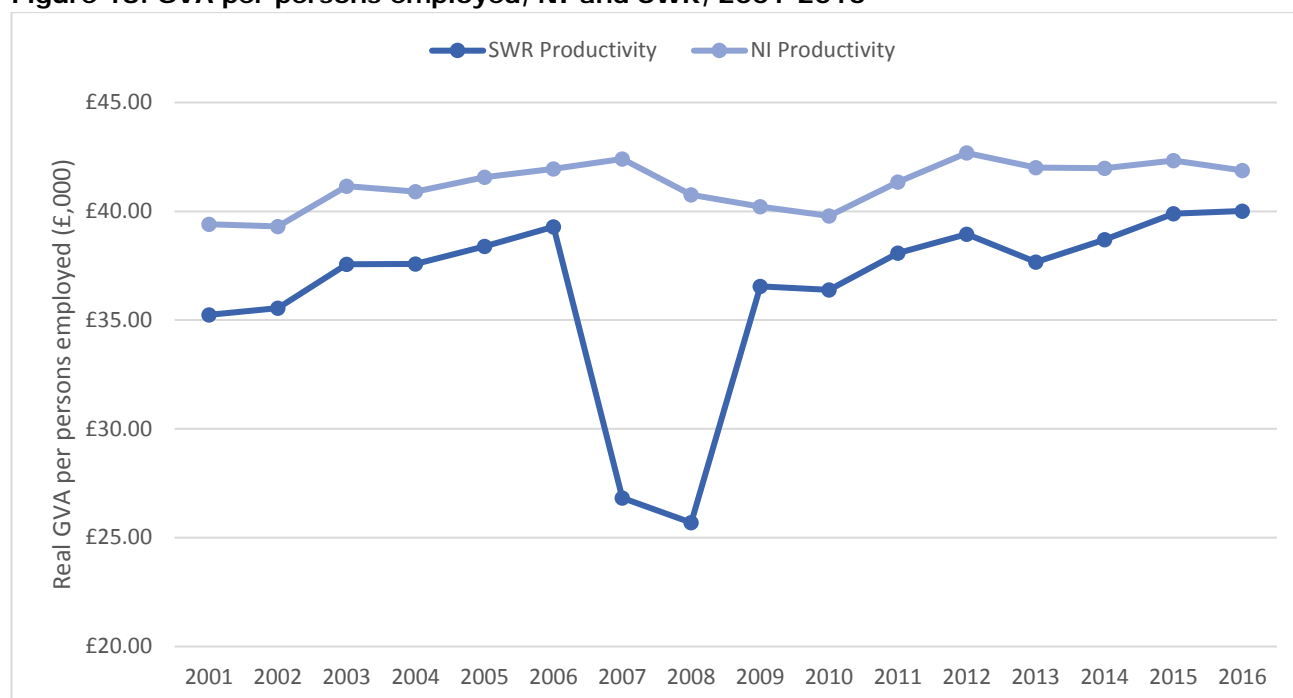
40. Figure 17 shows that the region's GVA growth rates have generally been better than those for NI as a whole. It is interesting to note that the growth rate dipped below the NI average in three years of deepest global recession (2007-2009) and the year (2013) where the UK and EU both threatened a double-dip of recession. This suggests an openness or sensitivity to external growth trends.

Figure 17: Real GVA Growth (%), NI and M,S&W region, 1999-2016



41. Despite this stronger than average, albeit moderate, GVA growth rate, Figure 18 shows that productivity levels in the M,S&W region have had been around 10% lower than the NI average since data began to be made available (2001).

Figure 18: GVA per persons employed, NI and SWR, 2001-2016



Source: ONS, Regional Accounts

42. This gap between the region and the low NI average leads into the ongoing debate about the UK 'productivity puzzle' (ie: the cause of consistently lower levels of productivity growth when compared to other advanced economies). There are certainly issues around measurement of GDP and productivity metrics but the UK and NI industrial strategy both centre on the fundamental questions about growth in the UK, in its regions (including NI) and in NI's sub-regions.
43. The UK debate currently centres at the firm level and whether a 'long tail' of smaller firms need to raise their game to become more productive and profitable, or whether the 'top tail' of most productive firms are not adding as much to growth as they did in previous decades?
44. In NI the debate has not reached that level as yet. There is a longstanding (by some accounts going back to the 1920s) 15% gap between local productivity levels and those of the UK as a whole. The question is how much of the gap can be explained by *what we do* (ie: the sectoral structure of the economy) and how much by *how we do it* (ie: skills levels across firms collectively and individually). Research from the UUEPC suggests that the gap could be closed to 2% if NI's sectoral structure became the same as the UK's; or could close to 8% if in-sector productivity matched that in the UK. The first is only likely to happen over time,

unless there are barriers to restructuring, while the second needs a great deal of support and determination to make happen.

45. Given the further c10% gap between the NI average and the M,S&W region, then the question of how far this can be closed by in-sector productivity improvements – in areas such as upskilling both employees and managers or use/adoption of new technology.

Conclusions

46. The recent economic recovery in the M,S&W region has displayed positives which are reflected in the labour market opportunities and the Real GVA growth. Other positives for the region include the population profile (which suggests a combination of in-migration and retention of young people growing the numbers of people in a region with a large rural area) and a lively and growing business base.
47. The better-than-average GVA growth performance in the period since 2001 in the M,S&W region is particularly striking. This has seen the study area's GVA growth outstrip the NI growth rate in both the strong decade to 2008, and then in the much weaker one since the crash.
48. Despite this above-average GVA growth since the early 2000s there remains a significant gap in productivity between the M,S&W region and NI. These productivity figures suggest that, given its vibrant entrepreneurial culture and sectoral strengths, there are some particular challenges and constraints facing the region, particularly around infrastructural connectivity and access to suitable skills.
49. Looking to the future there are also some question marks about whether the current skills profile in the study area will feed the changing labour market, and how well some sectoral concentrations – particularly in agriculture and construction – will perform. The next section looks at different scenarios for the economic future of the study area and provides a framework for looking at what might be coming if the region follows the current trajectory and previous trends.

4. Outlook for the Mid, South & West Region

1. The forecasts in this section come from the UUEPC's Winter 2018 Outlook (released in February 2018). This Outlook, similar to other recent ones, includes three scenarios (Baseline, Upper and Lower) in order to reflect the high degree of uncertainty in the global and local economy. All three scenarios assume that Brexit will occur, albeit with varying types of impact, which depends on how orderly or otherwise the exit is and how quickly a new trade relationship with the EU is established.
2. The Baseline (or Central) scenario is believed to be the most likely and assumes that Brexit will have the effect of slowing business investment (falling FDI) and introducing a UK-wide cap on inward migration at 185,000 per annum. It is also the scenario in which current economic performance will underpin future trends to the greatest extent. In other words, ***this is a 'steady state' scenario assuming little policy change or intervention impacting on output or productivity growth.***
3. The Upper scenario assumes that the UK will experience a smooth trade-friendly Brexit, based upon a favourable new relationship with the EU, and that NI will converge to the UK's economic performance. This is something which can be regarded as a highly aspirational or best case scenario, and can act as a test for ambitious policy interventions or targets either from central or local government (eg: Community Planning targets, skills policies, etc).
4. In contrast, the Lower scenario assumes a poorly coordinated exit from the EU in conjunction with a continued squeeze on real incomes which leads to much lower growth rates, or a worst case scenario.
5. In this section we detail the forecasts for population, employment and GVA for the study area, for the three individual Councils and provide their share/comparison with NI where appropriate.

Population

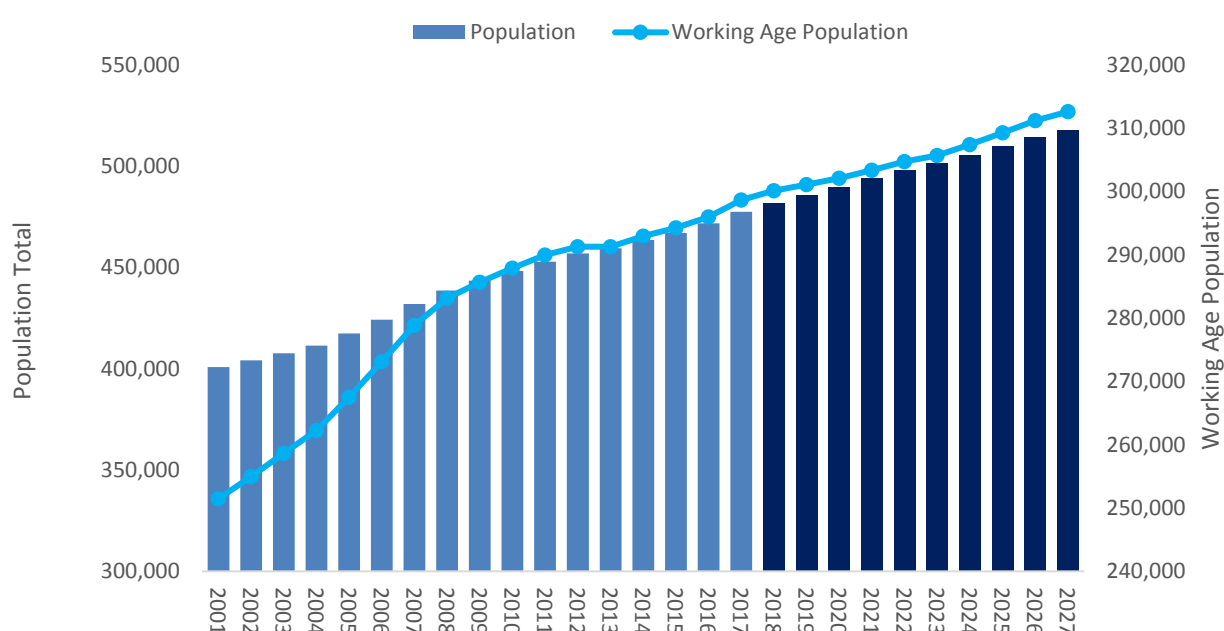
6. The UUEPC forecast¹³ for population is higher than the projections from NISRA as the Centre believes in-migration will be larger, with more people being drawn in (or perhaps retained) by employment prospects. The forecast for the M,S&W region to 2027 is for an increase in both the total population (by approximately

¹³ There is no Upper or Lower scenario for population forecasts.

41,000 or an increase of 8.6%) and the working age population (by around 14,000 or 4.7%). The contrast in growth rates is important as it points to increasing shares at either end of the population pyramid and an increasing ratio of people dependent on the working population – as shown in Figure 17.

7. Within the region the shares of the three Councils are forecast to remain very steady. Mid Ulster is projected to increase its share very slightly at the expense of Fermanagh & Omagh. More generally, Mid Ulster retains its pole position among NI council areas in terms of population growth rates over the next decade.

Figure 17: Total Population & Working Age Population, M,S&W Region, 2001-27

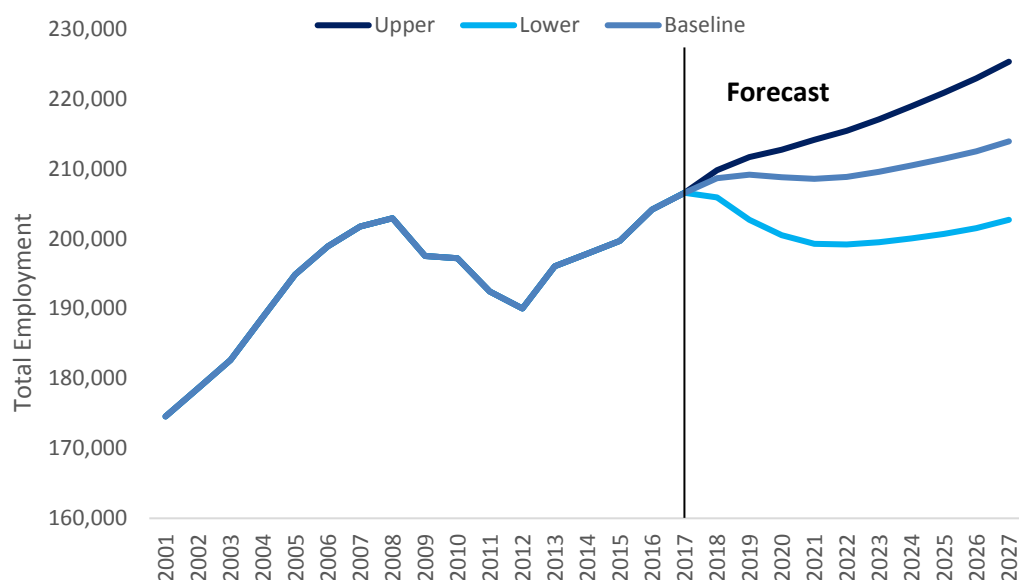


Labour market

8. Figure 18 shows the employment trajectory of the study area since 2001 and including the Upper, Central or Baseline and Lower scenarios. In the Baseline scenario, regarded as most likely, employment growth will be quite flat with only 7,353 new jobs being added by 2027 across the M,S&W region. When we bear it in mind that almost twice this number of jobs were added in 2012-2016, the flatness of the growth is obvious. The annual growth rate for the study area will be 0.39% under this scenario, lower than the 0.43% forecast for NI.
9. The Upper scenario is closer to the recovery trajectory with 18,750 new jobs and an annual growth rate of 0.97%. In this scenario the additional 11,500 jobs over the Baseline would mean a combination of a much higher rate of in-commuting

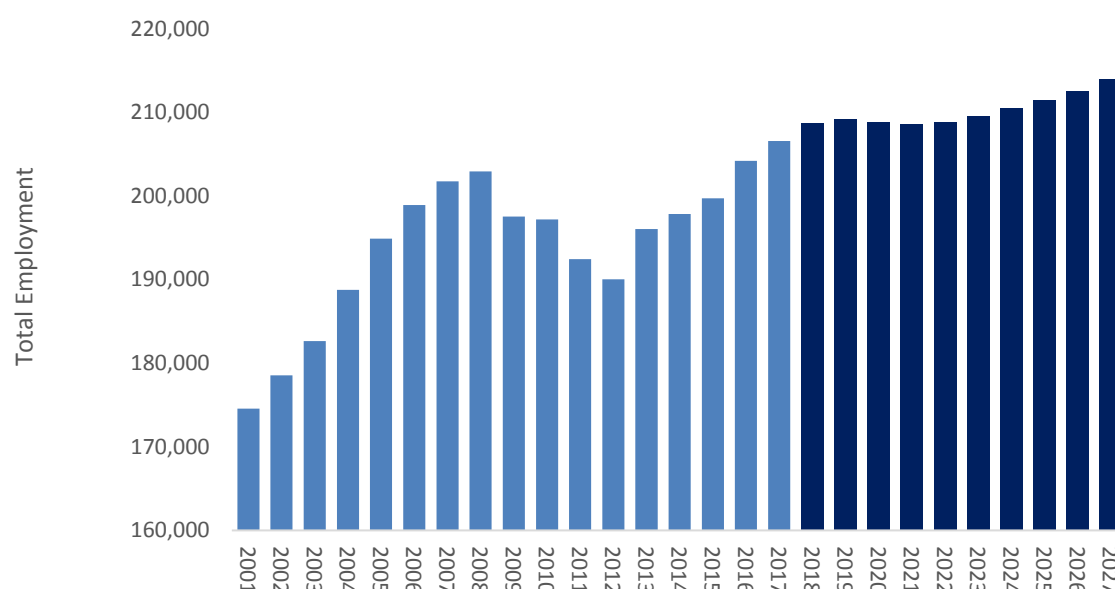
(assuming other parts of NI are not growing as quickly), in-migration and bringing people out of inactivity will be needed. Under the Lower scenario more than 3,800 jobs can be expected to be lost, with a sharp fall to 2023 and only a small increase thereafter.

Figure 18: Current Performance and Upper, Lower and Baseline Employment Forecasts, M,S&W Region, 2001-27



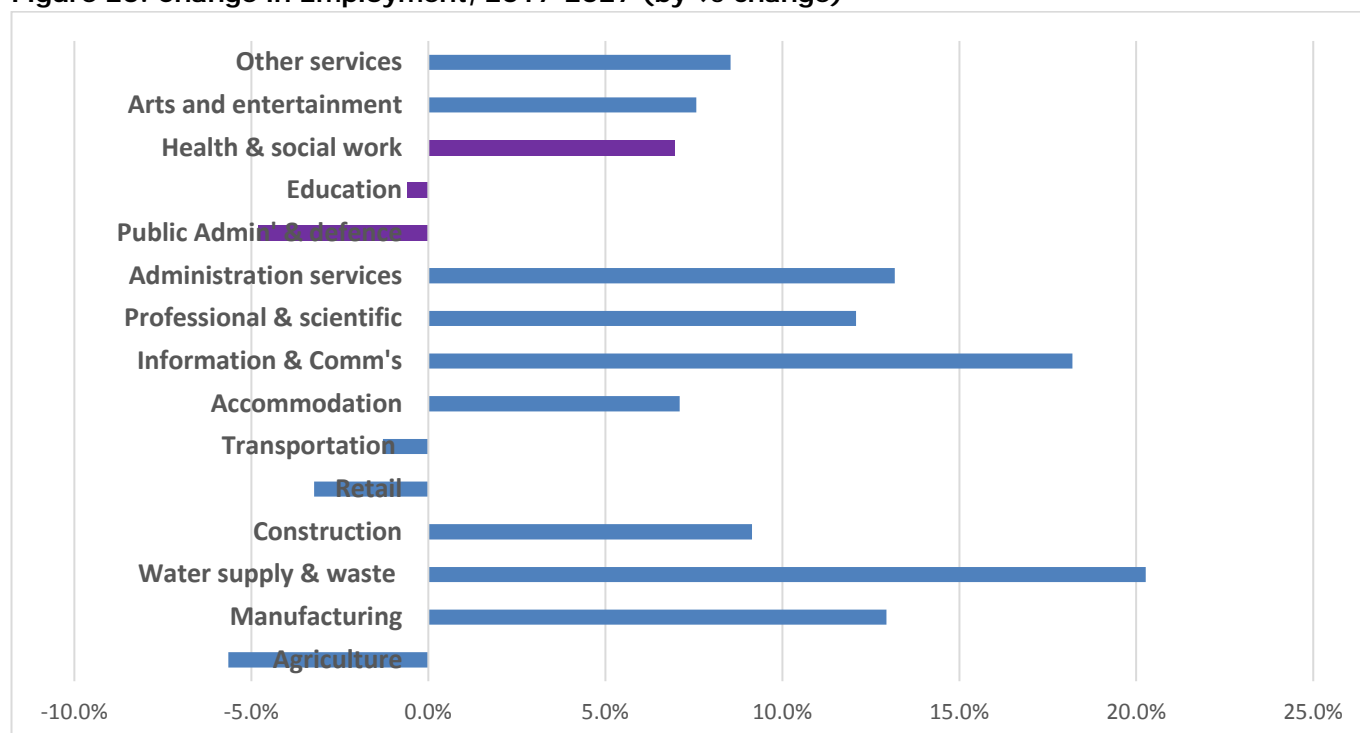
- Figure 19 provides more detail on the Baseline scenario year-by-year and shows that a possible, if slight, downturn is expected in 2020-2021 before employment begins to rise again. Any job losses (600 at most) are expected to be concentrated in ABC and Fermanagh & Omagh, rather than Mid Ulster.

Figure 19: Total Employment, M,S&W Region, 2001-2027



11. Sectorally, the region's sectoral concentrations in Manufacturing and Construction are set to continue as these two sectors may add as many as 4,700 and 1,700 respectively under the Baseline scenario (or three quarters of the total new jobs). One issue to note from the consultations – with regard to Construction – is that much of the work of the firms based in the study area may continue to be in the Republic of Ireland and GB, creating something of a 'headquarter effect' in this sector.
12. Elsewhere sectoral restructuring can be seen for the Agriculture, Retail and Public Administration sectors, which are expected to take the brunt of any losses over the decade in the Baseline scenario. The first two are a result of structural changes either continuing (in the case of farming) or accelerating (in the case of Retail).
13. Figure 20 shows the percentage increase in some sectors and gives a sense of which sectors might be emerging as potential new growth poles to rival the dominant sectors. Manufacturing is expected to grow impressively by 13.5% but this is matched by growth in ICT (18.2%), Administration Services (13.2%) and Professional & Technical Services (12.1%). The numbers added in these latter sectors might not be large, given the lower bases, but the slow, important trend towards diversification could be important in terms of retaining a range of (higher) skills in the region.

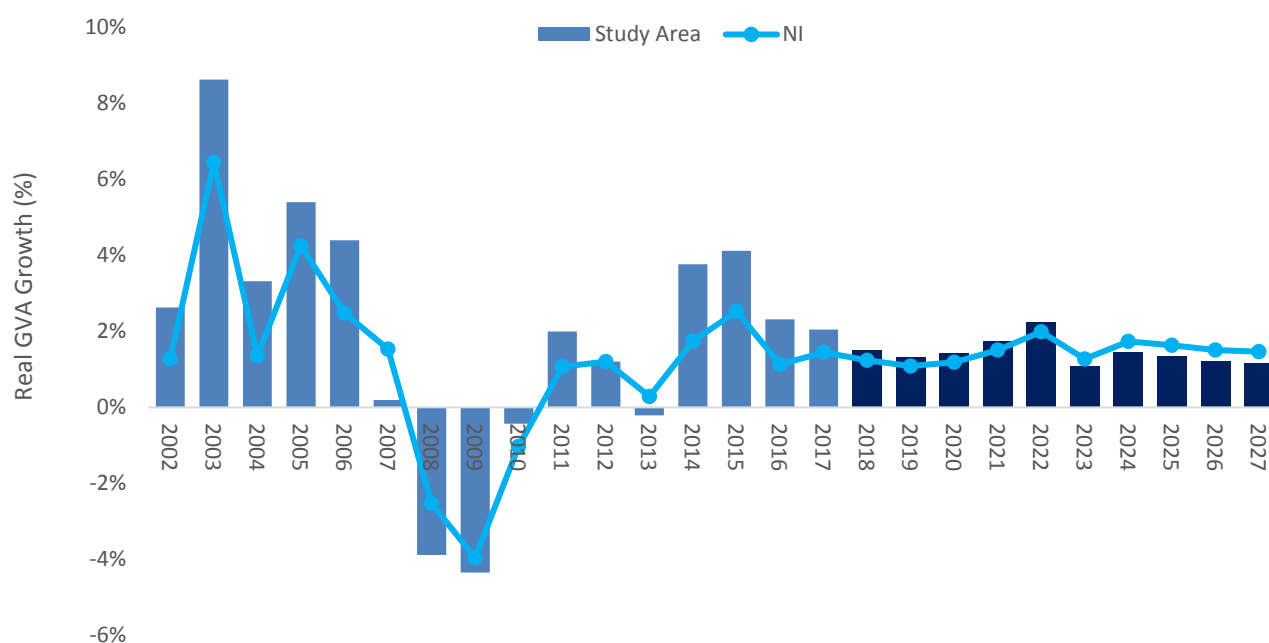
Figure 20: Change in Employment, 2017-2027 (by % change)



GVA

14. GVA growth forecasts are notoriously difficult to make accurately, given the impact that various factors can have.¹⁴ Using the new 'balanced' GVA figures from ONS (designed to reflect both production and income), Figure 21 shows that neither NI as a whole or the SWR are expected in the Baseline scenario to exceed annual growth of 2% to 2027.

Figure 21: Real GVA Growth (%), M,S&W Region and NI, 2002-2027



15. It should be noted that while the low growth (an average annual growth rate of 1.5%) occurs across the decade, that the second half is lower than the first, which may be a function of the structural performance of the economy in the study area or the expected growth in certain sectors. The slowdown in GVA growth is more marked in ABC (1.4% average annual rate) than in Mid Ulster (1.6%) or Fermanagh & Omagh (1.6%).
16. Growth at this level will do little to close the productivity gap between the M,S&W region and the NI average, nor between NI and the larger economies of the UK (annual growth rates of 1.6% forecast by the OBR) or Republic of Ireland (growth rates to 2022 of 3.1%). The result may feel like stagnation for the local economy as a whole under a Baseline scenario without any policy intervention.

¹⁴ For example, several large jobs announcements at lower than average wages might push things in a 'negative' direction unless the businesses make larger than normal profits because of this.

Conclusions

17. The Baseline forecasts show that there are positive growth prospects for the next decade in the M,S&W region, when considering population, employment and Real GVA. The Working Age Population will also rise, ahead of rates seen in most other parts of NI over this period.
18. However, the issue is that in this 'steady state' scenario productivity growth and therefore the creation of wealth in the M,S&W region will remain behind the NI average. The forecast annual GVA growth rate (1.5%) in the region is lower than the rate for employment growth (3.4%). This means that productivity levels in the M,S&W region will continue to be behind NI as a whole. We will return to this challenge in Section 6. The next section will detail a further, related, challenge for the region and other parts of NI: the potential impacts of Brexit.

5. The implications of Brexit

1. The potential impacts of Brexit raise a cause for concern in the border region, of which the Mid, South & West region of NI is a key part. Research by the UUEPC on the Border Corridor also found that the very regional weaknesses and vulnerabilities, whereby small numbers of entrepreneurial firms are strongly reliant on the island economy and access to the Single Market and Customs Union, are those which a poorly-managed UK exit from the EU could turn a spotlight upon. At the same time, a question arises over what opportunities might arise for the M,S&W region from mitigation measures or new policy directions as a result of Brexit.
2. At present, where NI and the Republic of Ireland are both in the EU Single Market and Customs Union, there is an administrative (taxation) and currency boundary in existence. All sides to the negotiations have declared their wish to ensure that Brexit does not harden the border into one which hinders economic and social activity, through labour immobility, lower than potential levels of trade or regulatory divergence in key sectors (eg: agri-food). There are also promises to ensure that the passage of consumers, tourists or citizens accessing services should remain as they currently area, and that some EU special investment and funding will continue.
3. The recent Withdrawal Agreement (November 2018) is the current attempt to square this apparent circle of keeping an external border of the EU open on the island of Ireland. The 'backstop', which was agreed in the Joint EU/UK report from December 2017, will now see the UK as a whole in a 'bare bones' customs union with the EU as this is believed to avoid the need for customs checks on the Irish border or within the UK. In addition, the Agreement's NI/Ireland Protocol has provisions which would effectively mean NI stays within the in 'the' EU customs union, dealing with matters include VAT rules on goods and inspections of food or fisheries products.
4. The Protocol will start at the end of the transition period and last until a new EU-UK relationship is in place and deemed by a working group to meet the need of ensuring no hard border on the island of Ireland.
5. Given that the three Council areas in the study area are at the heart of the Border Corridor of local government district contiguous to the border, the continued unhindered operation of cross-border trade and access to skills through cross-border commuting for work or study is critical to economic

growth. More generally, cross-border access to services and continuing availability of EU (or UK/Irish government) funding and investment for sectors such as agriculture, are demands for communities across the M,S&W region.

6. A key reason for these concerns and demands in the study area is that the UUEPC research on the wider Border Corridor found that the 2016-2026 employment forecasts for that larger region provided some worrying patterns when compared to the rest of the island. Specifically, employment growth rates in both parts of the Border Corridor would be below the average percentage change in NI and the Republic of Ireland. And, in a Lower scenario, there would still be positive growth in the Southern Border Counties, but well behind the national average, while in NI, all Border Council areas were expected to lose jobs.
7. Overall, the research showed that Border Corridor still lags behind NI or Republic of Ireland averages in areas such as productivity and household incomes, in spite of significant EU funding since the 1990s. In a Baseline scenario under Brexit Council areas in the Border Corridor will fall further behind the NI and Republic of Ireland averages. This is expected to happen for the M,S&W region also.
8. Thus, in thinking about the potential impacts of Brexit, the recommendation of the Border Corridor report was for both mitigation measures and solutions that would ensure that future border management is as seamless as possible.
9. In terms of mitigation the Community Plans across the M,S&W region and the wider Border Corridor already suggest a range of proposals to address structural regional weaknesses. These include:
 - Investment in upgrading transport infrastructure such as the A5, A4, N16 (Sligo/Enniskillen), A29, Enniskillen Bypass, etc..
 - Investment in business supports to ensure that many more SMEs are able to prepare for Brexit, including getting advice on tariffs and new customs arrangements if these come into place.
 - Continuation of EU funding to ensure not only that peace and reconciliation projects funded by the Peace programme continue, but so too cross-border cooperation (through Interreg), research collaboration (in Horizon 2020 and successor programmes) and student mobility activities (Erasmus).

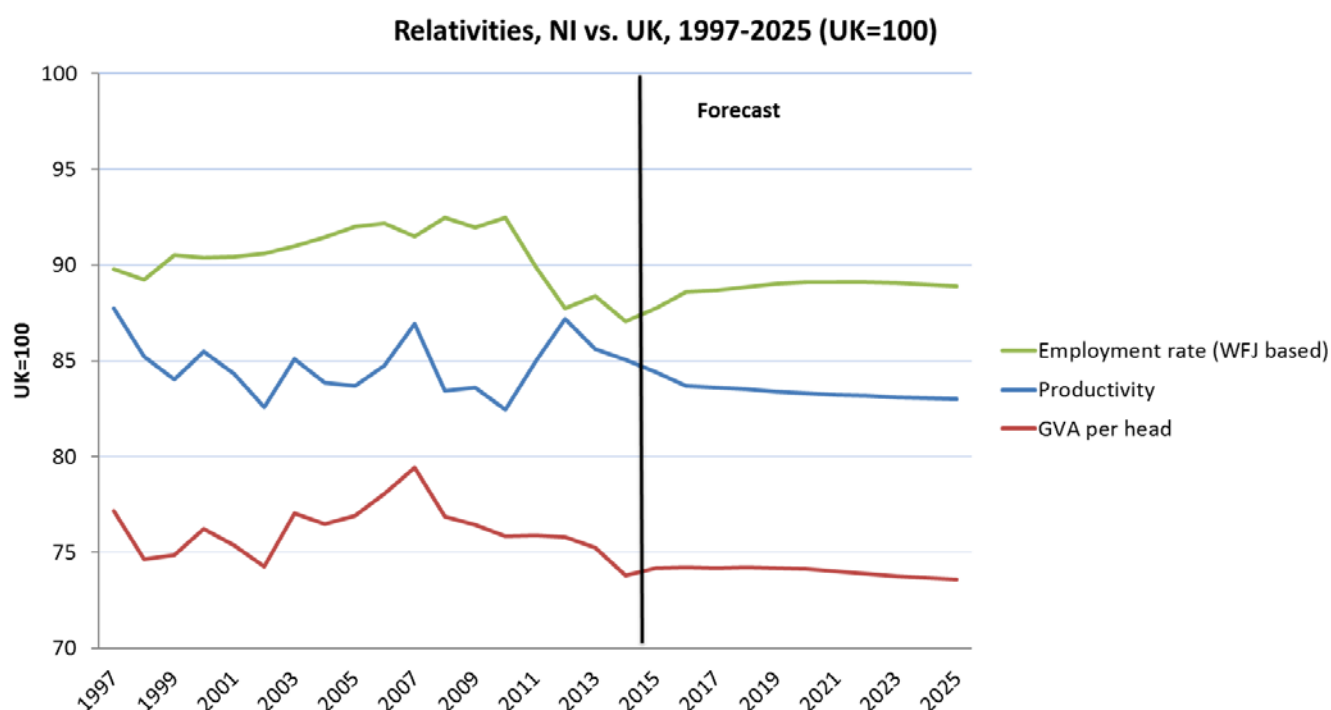
10. When thinking of the best possible border management solution for the M,S&W region, as part of the wider Border Corridor, the UUEPC research suggested that the simplest solution was that the UK remains a member of the Customs Union (and possibly the Single Market). This could be either on a permanent basis or on a transitional basis until a new Free Trade Agreement is signed with the EU, which ensured a close relationship with EU rules and regulations.
11. At the time of the previous research two possible elements of a 'special arrangement' to prevent the return of a 'hard' border returning to the region were the extension of the Common Travel Area to include other EU nationals (33% of the approximate 120,000 non-UK nationals in NI in 2011) and the development of a new economic zone for the Border Corridor within which the free movement of goods and services would continue as now. The application of exemptions for trade by certain sizes of businesses and the introduction of quotas for certain sectors that are highly integrated (eg: agri-food) are ideas that might form the basis of such a zone.
12. It may be that the Withdrawal Agreement, with its NI/Ireland Protocol, contains the bones of this special arrangement. However, absent a regional migration policy or NI or one for the UK which takes into account local and different needs, the access to skills challenge will exacerbate over time. Given the tightness of the local labour market in the M,S&W region this will have its consequences on local investment decisions every much as the uncertainty surrounding the political hurdles still to be crossed for this (or any) agreement.
13. The forecasts for the next decade, with Brexit 'priced in', suggest that in the medium term productivity growth rates in the M,S&W region will fall further behind the NI average. Given that tackling low productivity is a key element of the draft industrial strategy and is hoped for as a positive outcome of Brexit, the next section will outline some ways this might be addressed in the M,S&W region.

6. Meeting the Productivity Challenges

Introduction: What is the productivity challenge?

1. The productivity challenge for every country or region is how to increase output per worker (or per hour worked), as this is the key to the extent to which living standards improve over time. As Paul Krugman has put it, 'productivity isn't everything, but in the long run it is almost everything'.
2. NI has a longstanding productivity problem, perhaps from the early 1900s, which was masked by the then-successful concentrations in shipbuilding, textiles and heavy engineering. Research suggests that the problem deepened as older sectors survived long past their prime and new sectors struggled to emerge or, where they did in the case of artificial fibres, brought only a brief respite in the 1950s and 1960s from the relative decline.
3. The current problem is that the NI productivity gap, relative to the UK, is forecast to remain and indeed grow if present trends continue. As Figure 22 shows employment rates will rise but productivity will diverge further from the UK.

Figure 22: Relative productivity, employment rates and GVA per capita, NI vs UK, 1997-2025

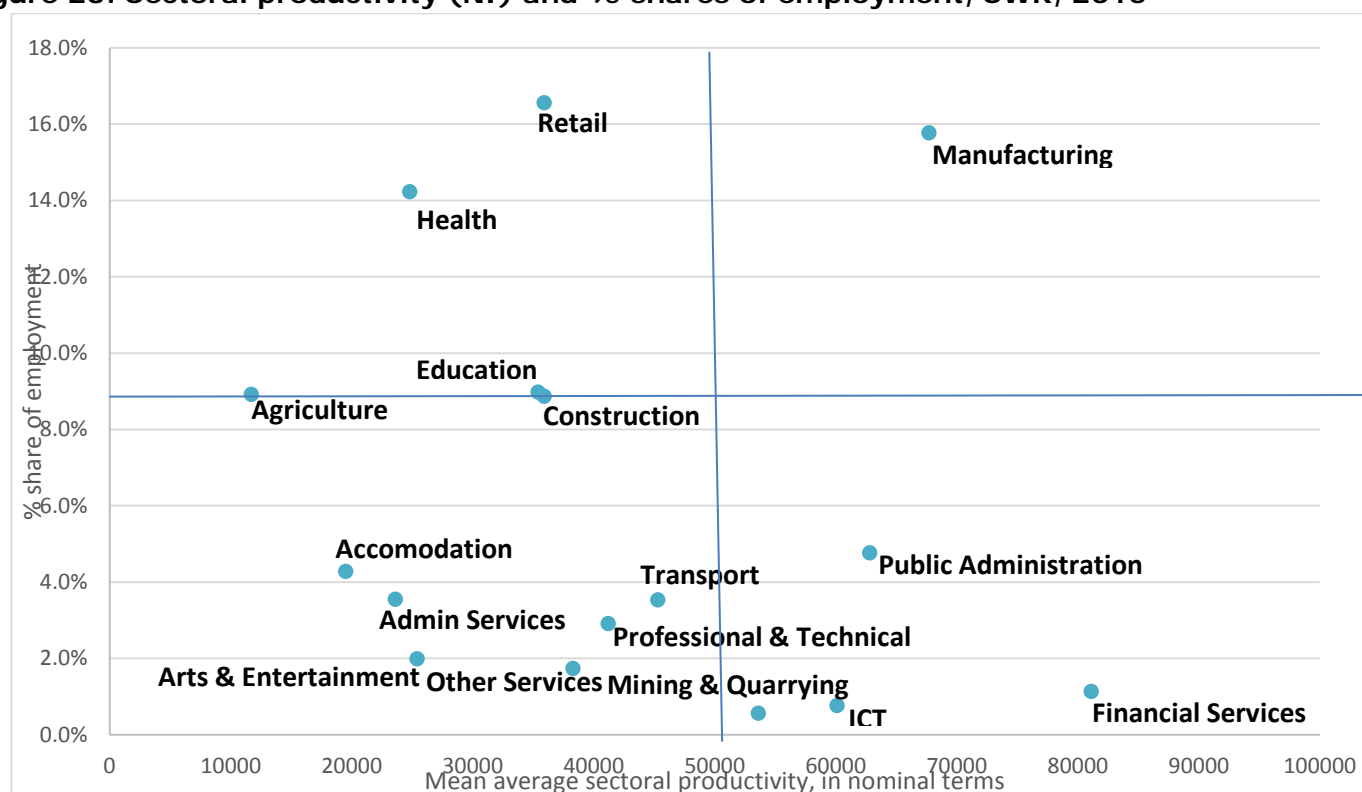


4. There are arguably three reasons for this gap. **First**, a higher employment rate in NI (and the M,S&W region) should deliver a higher productivity rate, but only if

the extra people brought into work had levels of productivity as high as the UK average.

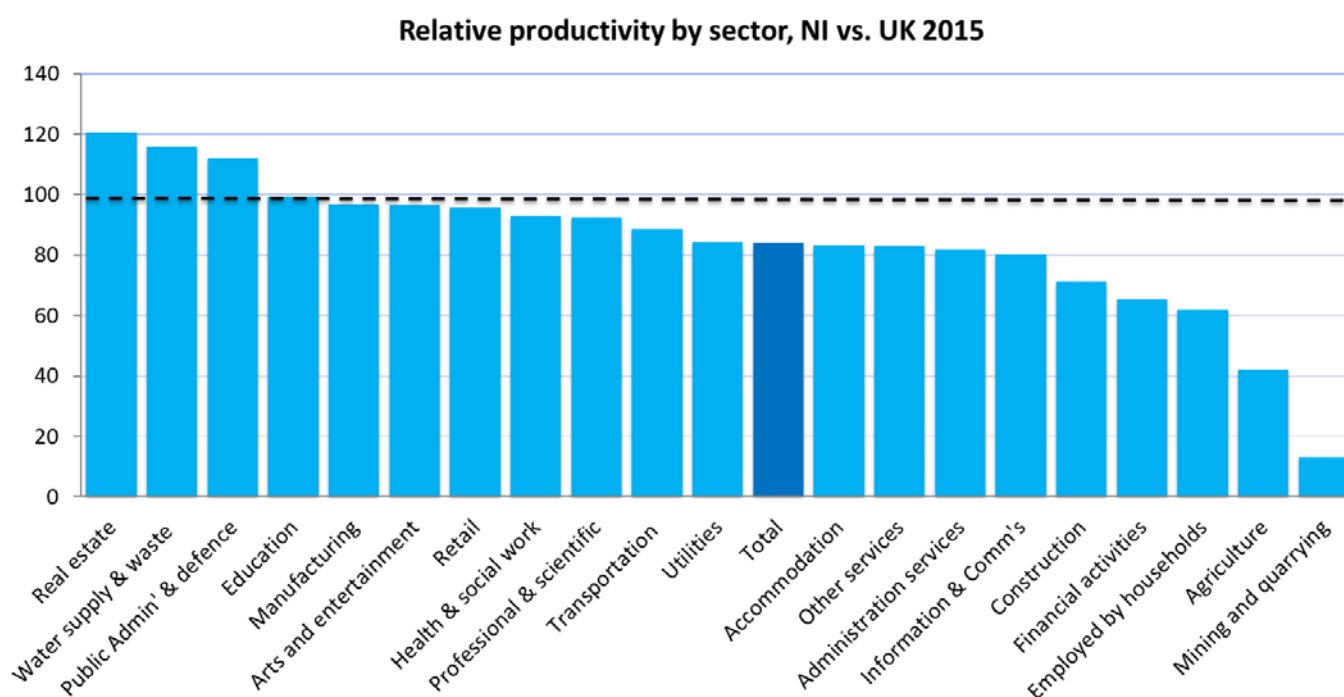
5. **Second**, half of the UK/NI gap comes from NI having a greater concentration of activity in sectors that traditionally have lower levels of productivity. Figure 23 shows the sectors in which the M,S&W region has concentrations of employment – Manufacturing (16%), Retail (17%), Agriculture (9%) and Construction (9%). Only Manufacturing can be found within the higher productivity sectors. Other higher productivity sectors – such as Financial Services or ICT – only currently have a combined 2% of total employment in the region. A sectoral shift will happen slowly and would only close the gap if the in-sector productivity levels were the same or higher than the UK average

Figure 23: Sectoral productivity (NI) and % shares of employment, SWR, 2015



6. **Third**, in almost all sectors NI businesses are underperforming the UK average in sectoral productivity. Figure 24 shows the productivity performance of NI by sector in 2016 relative to the UK. Assuming that the in-sector performance in those sectors in the M,S&W region is little different from the NI average, improving this picture through policy interventions is critical.

Figure 24: Relative productivity by sector, NI vs UK, 2015



7. Manufacturing is one important sector where in-sector productivity is near to the UK average. It is also a sector which is undergoing a new, fourth revolution or Industry 4.0, where the use of the newest smart, digital technology will not only transform how products are designed, made or used and maintained, but also change completely the process of production and manufacturing operations through the likes of robotics or analytics.
8. Ensuring that Manufacturing and allied sectors are able to lead or adapt to the rollout of Industry 4.0 will be a key element of meeting the productivity challenge. In addressing this, the role of skills, investment (public and private), innovation and management capabilities all come to mind. These factors translate into educational qualifications levels and 'matching' of skills supply and demand (a particular issue for NI according to the UUEPC Skills Barometer), access to finance for investment but also productive projects to invest in, Business R&D levels but also cooperation with others in a wider innovation ecosystem, and getting better management practices into businesses..
9. Most of these issues matter not only for a 'long tail' of under-performing businesses but right across most NI firms, a position which is probably largely similar for the M,S&W region. Improving this productivity picture will mean that the challenges of improving skills, more effective innovation activity and better, more efficient, infrastructure should be at the centre of any NI industrial strategy.

Given the potential that exists in the M,S&W region, because of the entrepreneurial firms which operate there and the existence of a vibrant Manufacturing sector, meeting these challenges will be crucial to any strategy that seeks to stimulate further and sustainable economic growth in the area.

10. The rest of this section sets out some ideas that consultations have identified as potential ways to address the local productivity challenges.

Access to better skills

11. A common reason given for low productivity in the NI economy is the relatively low-skilled nature of the workforce and a shortage of key essential skills for some businesses. In terms of available skills one statistic seems to show the problem: 16% of 16 to 64 year olds in NI had less than 5 GCSEs (A-C grade) in 2016, compared to 8% in the UK as a whole. Figures 8-10 above show how the M,S&W region is largely in line with the NI average.
12. The issue of skills or a 'lack of people' is consistently raised as a problem by local businesses (something reinforced in consultations). Given current vacancies and at least 7,000 additional jobs created in the next decade in a 'steady state' scenario alone, it is not surprising that skills is a priority area in all three Councils' Community Plans. Two of the three (Mid Ulster and ABC) have moved to establish skills fora with local stakeholders involved. In Mid Ulster a recent skills action plan has been released with actions in areas such as attracting external talent to the area, engaging better with prospective employees and developing skills through better careers advice and apprenticeship schemes.
13. Meanwhile, in ABC, the Community Plan identified the twin issues in the borough of specific shortages in some sectors and a lower qualification base more generally than NI as a whole. The Council, along with other partners, has similar actions in mind on skills as in Mid Ulster, from the development of 'collaborative initiatives to address skills deficits in target sectors' to 'opening up career pathways and improving employment readiness'. Given the shared nature of these problems there may be cooperative opportunities to set specific sectoral policies/priorities across the study area.
14. Several pieces of the puzzle will need to be in place for any wider cooperative skills initiative to succeed. First, a further deepening of partnerships between central and local government (given the former sets policy) and between Councils and education providers – schools and FE colleges both. Second, an evidence base on the likely demand for skills in the M,S&W region, as well as the current

and future supply of skills in the area. Third, a clear buy-in by businesses beyond individually articulating a 'need' for people, in terms of developing HR functions, in-company skills development and greater inter-firm cooperation.

15. In connection with this last point is the question whether employees are reluctant to acquire additional skills because the opportunities are not there, or employers are loathe to invest in upskilling because of the risks attached to the resultant new business models and/or markets. It is likely to be a mix of the two with the result that the NI and M,S&W region's economy have the twin problems of low skills tied to low-wage jobs and innovative firms unable to find the high skills they need.
16. Given the current reliance on attracting new talent to the region, the local skills base needs further attention. At present, there is a situation of skills mismatches being created, where too many qualifications are found in some sectors or job functions and not enough in other. Creating demand for skills is as important as improving the supply of intermediate and higher skilled people.
17. One final point is that it is important to be cautious about arguing that better workforce skills are the panacea for all productivity ills. A lower skills base may account for less than 20% of the productivity gap between the UK and other advanced economies, much less than investment in infrastructure, R&D or plant. And upskilling staff needs to be accompanied by making workplaces 'smarter' or more in line with Industry 4.0. This includes improving the capabilities of the management of businesses, and these being more innovative and looking to invest. As Michael Best said of the NI economy in the late 1990s: 'The lack of demand for such graduates [skills] is a reflection of the lack of capability development in NI business enterprises'. If this position can be changed, the opportunities are enormous.

Innovation and capabilities

18. The 2015 UK Innovation Survey found that NI is the second-worst performing region. An improvement in performance from 2013 did little to close the gap with other regions. Less than half (45%) of all businesses in NI were innovation active in 2012-2014, up from 40% in 2010-2012, but less 8% fewer than the UK average.
19. In the NI survey larger firms and those in the Manufacturing sector are more likely to be innovative than smaller or service sector businesses. These are characteristics which might augur well for the M,S&W region, when compared to

the rest of NI. Although there is no official data for innovation activity at the LGD level, some of what Michael Best calls 'entrepreneurial firms'¹⁵ clearly exist in the study area.

20. At the same time, the M,S&W region is likely to have a long tail of businesses which do not innovate or invest in R&D. This tail in NI is longer than in other UK regions or in the Republic of Ireland. Either the businesses see no incentive for engaging in innovation or they are unable to adopt new technologies and innovation produced elsewhere. What we might also expect to see are struggling management teams, lower levels of ICT usage (where available) and less interaction with customers and suppliers. The last of these elements is crucial to what makes up an innovation ecosystem.
21. The innovation challenge facing the M,S&W region is how to build upon the presence of successful businesses and the encouraging levels of business start-ups to become a truly innovative region, driving growth in a sustainable manner. This might include:
- Stimulating greater levels of innovation in sectors with lower levels of this activity, such as Tourism, perhaps in areas such as increasing the range of value-added offerings (around food, eco-tourism), and developing the business processes.
 - Developing a role for Councils to play in terms of 'pushing' innovation activity through their procurement practices, such as innovation competitions and so on.
 - Encouraging emerging sectors with higher innovation levels, such as the digital technology-based one (ABC), or creating an encouraging environment through initiatives such as the 'smart region' (in Fermanagh & Omagh).
22. Although an innovation ecosystem involves access to investment finance, strong support agencies and skilled advisers and consultants, a key piece is the further and higher education institutions. The M,S&W region has campuses of both the South West and Southern Regional Colleges, plus Loughry College, all of which have developed capabilities in knowledge transfer. Building upon this provision – perhaps through further access to research bases in the two universities – will be essential to the greater diffusion of innovative practises in the region. So, too, will be the development of clusters and networking among firms and their supply

¹⁵ These firms develop strong technological capabilities within the business, manage the adoption of new technologies, are organised for product-led competition and use this as the basis for innovation.

chains. Central to this might be some variation on the mechanisms found in Germany (such as the *Fraunhofer* institutes) which assist firms, large and small, in their innovations, perhaps using the education providers. This might be done on a sectoral basis, for Advanced Manufacturing, Agri-Food or Tourism.

Infrastructure and Connectivity

23. The National Infrastructure Commission suggests four main ways in which infrastructure contributes to economic growth:

- Lowering costs of production.
- Enabling innovation and hence increases in productivity.
- Facilitating the efficiency of housing and labour markets within the economy.
- Enabling a higher density of people or businesses within a certain geographical area, hence forming the basis for agglomeration or external economies, for example having a network of related businesses.

24. Given these contributions, in particular the second and fourth, there is a strong argument for investment in infrastructure being a key component of regional economic growth and features in the Councils' Community Plans. In addition, the current road network, energy supply (both gas and electricity), and digital/broadband infrastructure is a major weakness for the M,S&W region and in need of significant upgrade.

25. In terms of transport infrastructure, the issue of connectivity and access to markets and a wider pool of labour is critical for growth. For the M,S&W region there are a number of key transport corridors (M1, A1, A4, A5 and A29), the first two of which have planned improvements. In Mid Ulster, town by-passes are also in the pipeline. With regard to public transport, access to rail is largely restricted to the ABC area for either in-commuting to Belfast or use of the cross-border Enterprise service. This is unlikely to change which makes intra-urban transport more of a priority for moving around the region.

26. In terms of digital infrastructure, access to broadband and the internet remains a significant issue in parts of the M,S&W region. According to figures from OFCOM, the rate of households with broadband access (for 2015 and 2016) in Fermanagh & Omagh and Mid Ulster was below the NI average (70% and 71% compared to 77.5%), while ABC was above (78%). When it comes to households and businesses able to access higher speed (>10 M/bits) fixed broadband services the region is towards the bottom end: 23% in Fermanagh & Omagh, 15% in Mid Ulster and 7% in ABC unable to access this speed in 2017. This represents 24,600 premises across the study area, or 44% of those across NI unable to access this

speed. This picture is improving but remains a challenging one, especially when allied to the high levels of rural 'not spots' for mobile coverage in NI, and is increasingly critical for location choices by firms.

7. Conclusions

1. In NI terms, the Mid, South & West (M,S&W) region has seen employment and GVA grow strongly in recent years and shows the potential for the advancement of further economic growth through significant productivity advances. If achieved, this would greatly enhance the region's position as an economic driver for the NI economy.
2. The report finds that the M,S&W region is one with a distinctive economic geography, strong demographic trends and a thriving and sustainable local economy with export connections. At the same time, the region faces challenges associated with a tight labour market and a need for greater productivity levels facilitated by better connectivity, access to skills and higher levels of innovation, particularly the development of new products and services.
3. The distinctive economic geography of the M,S&W region is reflected in the high levels of self-containment (90% of local jobs are filled by local residents) and strong sectoral specialisations which are aligned with the draft NI Industrial Strategy. The specialisations can be found in areas such as Advanced Manufacturing (eg: materials handling), Food Manufacturing, Construction and Agriculture.
4. The strength of the demographic trends in the M,S&W region are reflected in a 15% increase in population since 2001, to 471,000 people or a quarter of the total NI population. This growth is well ahead of the NI average, as Mid Ulster (+18%) and ABC (+16%) have been the two fastest-growing LGDs in NI. The growth is forecast to continue out to 2027 for both total population and working age population. Again this is anticipated to be stronger than the NI rates, reaching more than half a million people by 2027.
5. The M,S&W region has a higher than NI average employment rate of 69.2%, the result of 37,000 net additional jobs since 2001. At this point, three quarters of the region's jobs are in the private sector – a higher proportion than the NI average and symptomatic of a rebalanced economy.
6. There has been a strong jobs recovery in the region since 2012, faster than NI's as a whole. While Manufacturing in NI as a whole barely recovered the ground lost since 2008, the M,S&W region saw a strong sector grow further, adding on an additional 3,500 jobs.

7. The thriving nature of the M,S&W region's economy can be seen in the business base of 24,500 firms in 2017 or a third of all NI's, supported by high levels of entrepreneurship. Many are indigenously-owned businesses, especially in the agri-food, advanced manufacturing, life & health sciences, construction and tourism sectors, and are globally-competing. A sign of this is that the M,S&W region accounts for 27% of NI exports, a larger share than Belfast's.
8. The fact that Real GVA growth rates have been well above the NI average since 2002 means that the M,S&W region accounts for 22% of total NI GVA.
9. The region faces several challenges, some a result of the productivity gap and others to remove constraints to further growth. Despite the above-average GVA growth since 2002 there remains a significant gap in productivity between the M,S&W region and NI. The research highlights potential reasons for this, such as infrastructural connectivity and access to suitable skills.
10. The strength of the growth in employment since 2001 and the anticipated creation of further jobs to 2027 exposes the extent to which the M,S&W region has a tight labour market. This is a situation already facing local businesses and will continue to be one, testing the availability of skills locally and the ability to attract talent from other parts of NI and beyond.
11. The strategic M1, A1 Dublin/Belfast, A4 Ballygawley/Border, A5(N2) Derry/Dublin, A6 Derry/Belfast and A29 Coleraine/Armagh routes all run through the region. These ensure that the region is at the centre of important wider connections and markets but all are in need of improvement. This could ensure better connectivity for the region to key transport infrastructure (airports and ports), Higher Education Institutions and entry routes for tourists. A similar or even more pressing position arises over digital infrastructure.
12. This connectivity is important in light of the central place in the Border Corridor which the M,S&W has. Many of the transport routes above have a cross-border link which facilitate trade, commuting and access to shared services. The need for a frictionless border in any post-Brexit world is also clear.
13. In summary, the M,S&W region is one which has seen employment and GVA grow strongly in recent years and has the potential for further productivity gains, as an economic driver for NI more generally. Local linkages, including supply chains between firms in the region, and labour markets with high levels of self-

containment, strengthen a sense of the M,S&W region being a driver of the wider NI and border region economies.

14. Indeed, the economic geography, current economic performance and similar challenges across the M,S&W region provide a strong case for greater strategic cooperation. The potential of the M,S&W region to meet the challenges of improving skills, more effective innovation activity and better, more efficient, economic infrastructure, make the case for a growth plan for the region. If successful in the delivery and implementation of this, the Mid, South & West region could not only develop further and enhance its role as a driver of economic growth in NI but become a wider exemplar of a region, with a large rural area, tackling productivity issues.

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Appendix 2: Methodology

1. To complete this paper the UUEPC have:
 - Assessed the economic geography and baseline of economic performance for the M, S & W region by reviewing the available population, labour market and business data for the three Councils individually and collectively;
 - Developed a set of ten-year forecasts of employment and GVA for the region; and
 - Consulted key local government officials and business stakeholders in the region about challenges and potential solutions.
2. With regard to the 10-year forecasts the UUEPC used the enhanced NI economic model, which has been developed to provide forecasts at the level of Council areas. This development work was undertaken to assist in the devolution of some economic development powers to local government. The UUEPC can now provide local Councils not only with a range of current economic data (eg: demographic trends or employment by sector), but also ten-year forecasts of employment, GVA and other key indicators which enable officials and elected members to test the outcomes of their Community Plans and other funding and investment propositions.
3. The forecasts are based upon a scenario-based approach for Northern Ireland showing different labour market outlooks based on: aspirational (Upper); central (Baseline) and pessimistic (Lower) growth scenarios. The assumptions behind these scenarios are explained further in Section 4 of the paper.
4. For this paper the UUEPC have produced a forecast of a range of key economic growth indicators for Northern Ireland and both the Mid, South and West Region and the three individual Council areas to help inform thinking around potential cooperation and other proposals. The indicators include ones for employment, employment by sector, population and annual % growth in GVA. Due to data constraints (arising from the levels of apportioning GVA at the LGD level in NI), it is difficult to give a completely accurate picture of productivity (GVA per employee or GVA per hours worked).