

Report on	<ol style="list-style-type: none"> 1) DfE Public Consultation re Corporate Membership within Credit Unions 2) Review of Councils' Statutory Targets (Business Start Activity) 3) Correspondence from Invest NI re Local Economic Development Measure : Investment for Growth & Jobs Programme 4) Magherafelt Town Centre Forum Minutes – 12.11.18 5) Coalisland Town Centre Forum Minutes – 4.3.19 6) Economic Development Service Plan 2019/20 7) Mid Ulster Engineering Innovation Programme: Final Report 8) Economic Development Achievements 2018/19 9) Full Fibre Northern Ireland (FFNI) 10) Business & Communities – Summary of External Investment Leverage 2018/2019
Date of Meeting	13 June 2019
Reporting Officer	Fiona McKeown, Head of Economic Development

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

1.0	Purpose of Report
1.1	To provide Members with an update on key activities as detailed below.
2.0	Background
2.1	<p>DfE Public Consultation re Corporate Membership within Credit Unions The Department for the Economy is carrying out a review into the handling of corporate accounts within Credit Unions. Opinions have been sought from NI Credit Unions and Trade Associations, and other organisations such as Councils have been invited to respond to the consultation also.</p>
2.2	<p>Review of Councils' Statutory Targets (Business Start Activity) NI Business Start Programme (NIBSUP also known as 'Go For It') is a regional business start programme, through which entrepreneurs receive support to develop a quality assured business plan. Business start was one of the functions that transferred to Councils in April 2015, following Local Government Reform. Through the Programme, delivered by the Councils since 2015, NIBSUP's key</p>

outputs are completed and approved business plans, with the 'jobs promoted' then calculated at a conversion rate, determined by previous programme evaluations of actual jobs created.

Following RPA in 2015, statutory targets were allocated to each of the new Councils, totalling 1,625 jobs, as required by the Programme for Government. Mid Ulster's target was 210 jobs, the highest of all Councils outside of Belfast, accounting for 12.9% of the overall 1,625 jobs target.

2.3

Correspondence from Invest NI re Local Economic Development Measure : Investment for Growth & Jobs Programme

As noted in **Appendix 2**, Council has secured Invest NI funding and ERDF funding from the Investment for Growth & Jobs Programme as set out below. Council resources of £330,730 has leveraged 80% grant of £1,322,922 to achieve a total investment of £1,653,653 for the following programmes;

Programme	Total value £	Council 20% £	LEVERAGE £ (ERDF 60% Invest NI 20%)	No. of Businesses / Clients	Jobs Created
Tender Ready	261,200	52,240	208,960	130 businesses	195
Digital First	268,500	53,700	214,800	150 businesses	225
Gearing for Growth	395,200	79,040	316,160	250 businesses	250
Transform	263,000	52,600	210,400	160 businesses	230
NIBSUP	465,753	93,150	372,602	980 clients	600
Total	£1,653,653	£330,730	£1,322,922	690 businesses 980 clients	1,500 Jobs Created

The four programmes highlighted in yellow (above), will support 690 businesses to grow and develop and contribute to the creation of 900 jobs by December 2022.

In addition, Council is also part of the 11 Councils' collaborative Programme, led by Lisburn & Castlereagh City Council, to manage the Business Start (NIBSUP) Programme, which is anticipated to support 980 clients and contribute to the creation of at least 601 jobs by December 2020.

2.4

Magherafelt Town Centre Forum Minutes – 12.11.18

Magherafelt Town Centre Forum was re-established in January 2017. The forum meets on a quarterly basis to act in an advisory capacity, playing a fundamental role in the development and delivery of key town centre initiatives.

2.5

Coalisland Town Centre Forum Minutes – 4.3.19

Coalisland Town Centre Forum was established in March 2019 along similar lines to the Forums / Partnerships already operating in Cookstown, Dungannon, Magherafelt and Maghera. The Forum acts as a strategic body to provide advice and guidance to Strategic Bodies and others regarding the growth of Coalisland town.

2.6	<p>Economic Development Service Plan 2019/20 Each year all Council departments create a service work plan for the incoming year setting out key objectives. The Economic Development Section provides a range of services including economic and business development initiatives, town and village regeneration projects, specific targeted support for rural areas through the Rural Development Programme and cross border activities.</p>
2.7	<p>Mid Ulster Engineering Innovation Programme: Final Report In August 2017 Council appointed South West College Innotech Centre to deliver the Mid Ulster Engineering Innovation Programme at a cost of up to £64,570 (including expenses and excluding VAT). This Programme provided intensive bespoke support to 18 engineering businesses in Mid Ulster over a 15-month period to help them develop new products, processes or services thereby stimulating job creation and an increase in turnover. The programme completed in December 2018.</p>
2.8	<p>Economic Development Achievements 2018/19 There has been huge volume of economic development projects completed during the 2018/19 financial year. It is an opportune time to summarise these to reflect on our achievements.</p>
2.9	<p>Full Fibre Northern Ireland (FFNI) This is a Regional project being developed by 10 Councils with the exception of Belfast to provide a fibre broadband connection capable of delivering gigabit (1,000 <u>mps</u> per second). It requires Council buildings to act as anchor tenants. Projects have been identified within Mid Ulster in Dungannon/Coalisland, Cookstown and Maghera.</p> <p>The objective of the project is to enable commercial providers to further develop fibre broadband to as many premises as possible in urban areas. It is anticipated the project will be delivered in 2 phases (each phase estimated at £1.5m), with phase 1 expected to complete by 2021.</p>
2.10	<p>Business & Communities – Summary of External Investment Leverage 2018/2019 The Council attracts external funding in order to advance the quality of life for residents and increase investment into the District.</p> <p>The Council has agreed to capitalise on external funding opportunities to meet Corporate objectives within the Corporate Plan 2015/2019. This report is to advise members of the external investment leveraged by the Business and Communities Department to support Council priorities in 2018/2019.</p>
3.0	<p>Main Report</p>
3.1	<p>DfE Public Consultation re Corporate Membership within Credit Unions The Department for the Economy (DfE) is carrying out a review into the handling of corporate accounts within Credit Unions. It is our understanding there are 25 Credit Unions in the Mid Ulster area and based on lending figures they have approximately 50% of the personal lending market. Credit Unions play a vital role in assisting not only individual members but corporate members too in the</p>

provision of financial services. In contract however, only a small fraction of corporate funding is accessed by businesses for a number of reasons such as the need to raise the legislative threshold for the provision of loans, additional training is needed for Credit Union staff in this new area of lending, etc. The removal of such barriers would help unlock financial lending facilities to corporate members, which in turn will assist businesses capitalise upon greater investment opportunities. A draft consultation response is enclosed on **Appendix 1** for Members consideration. Please note, Council's 'draft response' has been issued to the DfE to ensure it was received before their consultation deadline of 7th June 2019. If Members request any further changes, an updated version will be sent.

3.2 **Review of Councils' Statutory Targets (Business Start Activity)**

To ensure the programme targets are fit for purpose going forward and reflect current economic conditions, Lisburn and Castlereagh City Council (LCCC), as lead council, appointed Capaxo Ltd to complete an Economic Review of the Statutory Targets by Council Area set under the Review of Public Administration. The Review also made recommendations for a formula to be used to calculate new targets for each Council area.

Capaxo's Report proposes a Proportional Formula on the basis of three indices to provide a range of job creation targets. They include:

- Proportion of NI Small Businesses within Council Areas (2018)
- Proportion of NI Micro Enterprises within Council Areas (2018)
- Proportion of NI Business Births by Council Area (2017)

Each Council's share of these indicators is calculated and then added to each Council's share of the working age population.

The Proportional Formula for each has then been calculated to propose targets for each area. **The recommendation for Mid Ulster is to revise the target downwards from 210 to 153.**

Following each Council's agreement of its figure, the Report will be presented to the Department for the Economy for consideration and Members will be advised of the outcome of this process.

Whilst the Programme's performance in Mid Ulster has been traditionally strong, this target reflects the new economic realities in the District impacting on numbers engaging in entrepreneurship activity. These include; having one of the region's lowest unemployment rates, the uncertainty caused by Brexit, many EU citizens who settled here choosing to return home etc.

3.3 **Correspondence from Invest NI re Local Economic Development Measure : Investment for Growth & Jobs Programme**

The letter from Invest NI (**Appendix 2**) notes that Mid Ulster Council's 5 currently 'live' business initiatives total £1,653,653. The 11 Councils are currently working on a second bid for a NIBSUP2 Programme to Dec 2020 which could potentially use a further estimated £223,200 of MUDC's remaining £325,356 ERDF allocation, leaving approximately £102,156. (Members are reminded that this

figure makes up 60% of a total programme cost, the remainder coming from 20% Council and 20% Invest NI).

Council officers are currently exploring any gaps in provision which could meet the criteria for an ERDF application and are aligned to the delivery of Council's Economic Development Plan. The 11 Councils have also met to review all their current programmes to identify any gaps in provision which meet the ERDF criteria and could form the basis of a collaborative application, but scope is very limited.

Approval is sought for Officers to scope and submit initial project ideas to Invest NI to meet potential gaps in business support provision that comply with ERDF application criteria. A report will be brought to a future meeting, to seek the necessary approvals from Members if a full application is to be made at a later date.

3.4 Magherafelt Town Centre Forum Minutes – 12.11.18

Minutes of Magherafelt Town Centre Forum Meeting held on 12 November 2018 are attached at **Appendix 3**.

3.5 Coalisland Town Centre Forum Minutes – 4.3.19

Minutes of the inaugural meeting of Coalisland Town Centre Forum held on the 4th March 2019 are attached on **Appendix 4**.

3.6 Economic Development Service Plan 2019/20

Economic Development Department is specifically responsible for the development, implementation and management of Council's Economic Development, Rural Development, Town Centre and Village Regeneration Strategies and regularly inputting towards a range of other key strategic local and regional economic development initiatives. The Economic Development Service Plan on **Appendix 5** outlines the key activities to be delivered during the 2019/20 financial year. ED will deliver this is included in the Service Improvement Plan.

3.7 Mid Ulster Engineering Innovation Programme: Final Report

Following the completion of the Programme a final report was prepared (**Appendix 6**) and all 18 businesses were contacted to assess the impact of the Programme. Each of the ambitious targets established at the outset were achieved as follows;

- ✓ 18 businesses supported to develop a new product, process or service
- ✓ 15.5 new jobs created to a value of £617,500.
- ✓ 200.5 jobs were sustained to a value of £3.5m
- ✓ A combined average of 15% in turnover across all 18 businesses
- ✓ 120 people attended the Engineering Innovation Seminar in June 2018

3.8 Economic Development Achievements 2018/19

Council's Economic Development Plan, outlines a wide range of projects to be undertaken under the 4 thematic groups;

1. Economic Growth
2. Employability & Skills
3. Urban and Rural Regeneration

4. Infrastructure and Connectivity

As we embark upon a new year, it is an opportune time to take stock of the headline achievements attained during 2018/2019 financial year. These are summarised below and documented in more detail on **Appendix 7**.

- ✓ 204 new jobs created through the business start programme
- ✓ ESF Programmes recruited 501 participants, which assisted 179 people gain employment, 701 gain new qualifications and 103 progress to Further Education/Training
- ✓ 18 engineering businesses received specialist innovation support to develop new products and services, creating 15.5 new jobs and overall increase in turnover of 15% by participating companies
- ✓ Assisted development of 40 groups/social enterprises
- ✓ 3 digital events & 3 business seminars hosted with 395 people attending
- ✓ £1.187m funding secured for 4 new business programmes to support 690 local businesses
- ✓ 12 strategic events delivered attracting 84,400 into our 5 town centres
- ✓ 37 villages being supported to develop projects
- ✓ Public Realm Schemes being progressed in Maghera and Coalisland
- ✓ Progressing development of 2 strategic sites at Ann Street and Maghera

Generated in excess of £6.3million external investment leverage (for every £1 invested, the economic development section has levered an additional £10 of other external monies).

3.9 Full Fibre Northern Ireland (FFNI)

The formal Letter of Offer for the Mid Ulster element of the scheme is expected soon. The Department of Culture Media and Sport is planning a roadshow in June 2019 to promote the project and further details are awaited in this regard.

3.10 Business & Communities – Summary of External Investment Leverage 2018/2019

With pressures upon Council funding both direct and indirect, it is essential that Council seeks to optimise the amount of external resources which support the delivery of key actions and priorities. However, attracting significant levels of external funding is becoming more challenging, particularly in a time of Government austerity.

The Department has secured the funding either by direct funding bids or supported other departments and partners in attracting funding from a number of sources.

The total external funding leveraged in 2018/2019 by the Business & Communities Section was **£7.5million**, a breakdown of which is shown in Table 1 below, with a more detailed analysis contained on **Appendix 8**.

Table 1 : Business & Communities – Summary of External Leverage Funding 2018-2019

	Total Project Cost 2018-2019	MUDC Funding 2018-2019	External Leverage Funding 2018-2019
Economic Development	£6,907,808.94	£603,784.38	£6,304,114.56
Community Development	£1,693,762.00	£816,288.00	£877,474.00
Tourism	£277,090.04	£18,993.04	£258,097.00
Culture and Arts	£63,707.56	£3,341.96	£60,365.60
TOTALS	£8,942,458.54	£1,442,407.38	£7,500,051.16

In summary for every £1 invested, the Council has leveraged an additional £5.20 of other external monies.

To maximise funding opportunities for the District, collaboration with partner organisations plays an increasingly important role in securing financial support for projects in the future.

4. Other Considerations

4.1 Financial, Human Resources & Risk Implications

Financial:

Business & Communities – Summary of External Funding Leverage 2018/2019

There are no direct financial implications arising from this report. However, the report sets out the level of external funding that has been leveraged by the Business & Communities section, which totals £7,500,051

Human:

Staff time on project development / delivery

Risk Management:

Risks are regularly reviewed at Team Meetings and key risks highlighted on the Grace Risk Management system.

4.2 Screening & Impact Assessments

Equality & Good Relations Implications: n/a

Rural Needs Implications:

A number of programmes and projects have delivered direct support and investment in rural areas.

5.0	Recommendation(s)
	It is recommended that Members;
5.1	DfE Public Consultation re Corporate Membership within Credit Unions Approve Council's consultation response (Appendix 1C) to the Department for the Economy with regard to Corporate Membership within Credit Unions. <i>(Council's 'draft response' has been issued to DfE to meet the closing date for consultation responses of 7/6/19 and can be updated, if Members wish to make amendments).</i>
5.2	Review of Councils' Statutory Targets (Business Start Activity) Approve the recommendations contained within the independent Capaxo Evaluation and revise Mid Ulster's Annual Statutory Jobs Target for Business Start Activity to 153 jobs per annum , subject to approval by Department for the Economy.
5.3	Correspondence from Invest NI re Local Economic Development Measure : Investment for Growth & Jobs Programme Approve Officers scope and submit initial project ideas to Invest NI to meet potential gaps in business support provision that comply with ERDF application criteria. A report will be brought to a future meeting, to seek the necessary approvals from Members if a full application is to be made at a later date.
5.4	Magherafelt Town Centre Forum Minutes - 12.11.18 Note minutes of Magherafelt Town Centre Forum on 12 November 2018.
5.5	Coalisland Town Centre Forum Minutes – 4.3.19 Note minutes of Coalisland Town Centre Forum on 4 March 2019.
5.6	Economic Development Service Plan 2019/20 Approve Economic Development Service Plan for 2019/20.
5.7	Mid Ulster Engineering Innovation Programme: Final Report Note Engineering Innovation Programme Final Report – March 2019.
5.8	Economic Development Achievements 2018/19 Note Economic Achievements Report for 2018/19.
5.9	Full Fibre Northern Ireland (FFNI) Note Full Fibre NI Update.
5.10	Business & Communities – Summary of External Funding Leverage 2018/19 Note Business & Communities – Summary of External Funding Leverage 2018/19.
6.0	Documents Attached & References
	Appendix 1A – DfE Public Consultation Letter re Corporate Membership of Credit Unions

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| <p>Appendix 1B – DfE Public Consultation Questionnaire re Corporate Membership of Credit Unions</p> <p>Appendix 1C – Draft Council Response to DfE Consultation re Corporate Membership of Credit Unions</p> <p>Appendix 2 - Correspondence from Invest NI re Local Economic Development Measure : Investment for Growth & Jobs Programme</p> <p>Appendix 3 – Magherafelt Town Centre Forum Minutes -12.11.18</p> <p>Appendix 4 – Coalisland Town Centre Forum Minutes – 4.3.19</p> <p>Appendix 5 - Economic Development Service Plan 2019/20</p> <p>Appendix 6 – Mid Ulster Engineering Innovation Programme (2017-2019) : Final Report</p> <p>Appendix 7 – Economic Development Achievements 2018/19</p> <p>Appendix 8 – Business & Communities - Summary of External Funding Leverage 2018/19.</p> |
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