

APPENDIX 1

APPENDIX 1 SMART CONSTRUCT EVENT 25 OCTOBER 2018 - GLENAVON HOTEL, COOKSTOWN

From: Naomh McElhatton [mailto:naomh@smartglobal.online]
Sent: 03 August 2018 11:52
To: Fiona McKeown <Fiona.McKeown@midulstercouncil.org>
Shirley McIntyre <Shirley.McIntyre@midulstercouncil.org>;
Subject: SMART Construct

Hi Ladies - great to see you both earlier in the week.

As I mentioned SMART Construct is happening on the 25th October in the Glenavon Hotel, the ethos of the event is to engage with companies from the construction, manufacturing and engineering sectors to discuss the progression of technology and innovation within this space.

We literally have some of Ireland's largest companies in attendance and I think that this is a massive opportunity to showcase the best of Mid Ulster!!

We will create a 50% discount code for the event for you guys to circulate with your database of potential delegates.

Please see attached the partnership pack highlighting the relevant partnership opportunities.

My colleague Gemma will liaise with your comms team to create a series of marketing messages on the build up to the event to gain maximum impact.

If Sean is available we would love him to open the event with a key note on the morning.

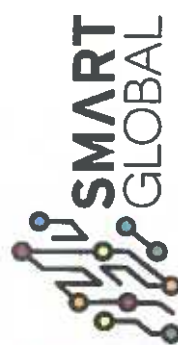
Have a look and please come back to me with your thoughts.

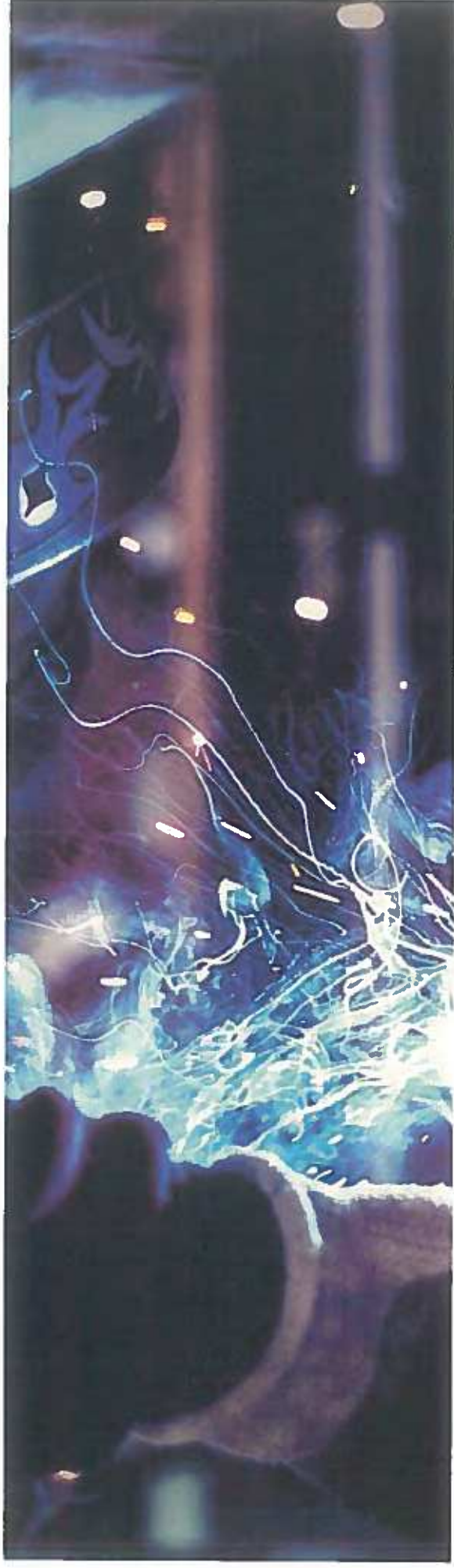
Best,
Naomh

Naomh McElhatton
Director of Digital Education
+44 7710 522 134
@naomhs
[smartglobal.online](mailto:naomh@smartglobal.online)



SMART Construct
25.10.2018





SMART CONSTRUCT

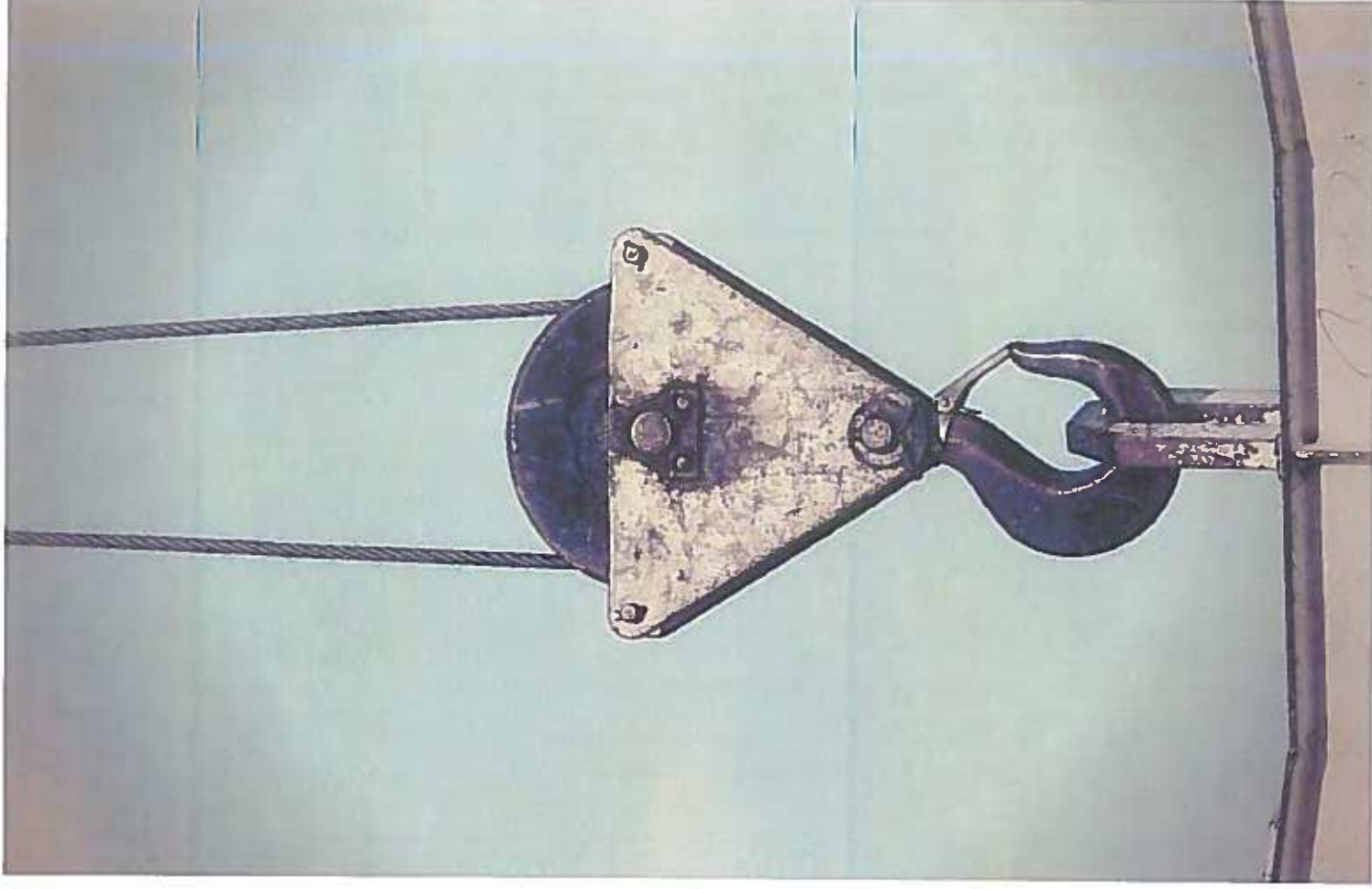
SMART Construct was designed to educate those working in construction, engineering and manufacturing. Providing an insight into the latest immersive tech and digital innovation currently changing the dynamics of the space.

Content Pillars:

- 3D Printing
- AR/VR Simulators
- BIM
- Blockchain & Data
- Commercial Drones
- Cyber Security
- Governance
- Machine Automation & Robotics
- Process & Supply Management
- SMART Cities & IoT
- Sustainability, Energy & Utilities
- Transport & Mobility

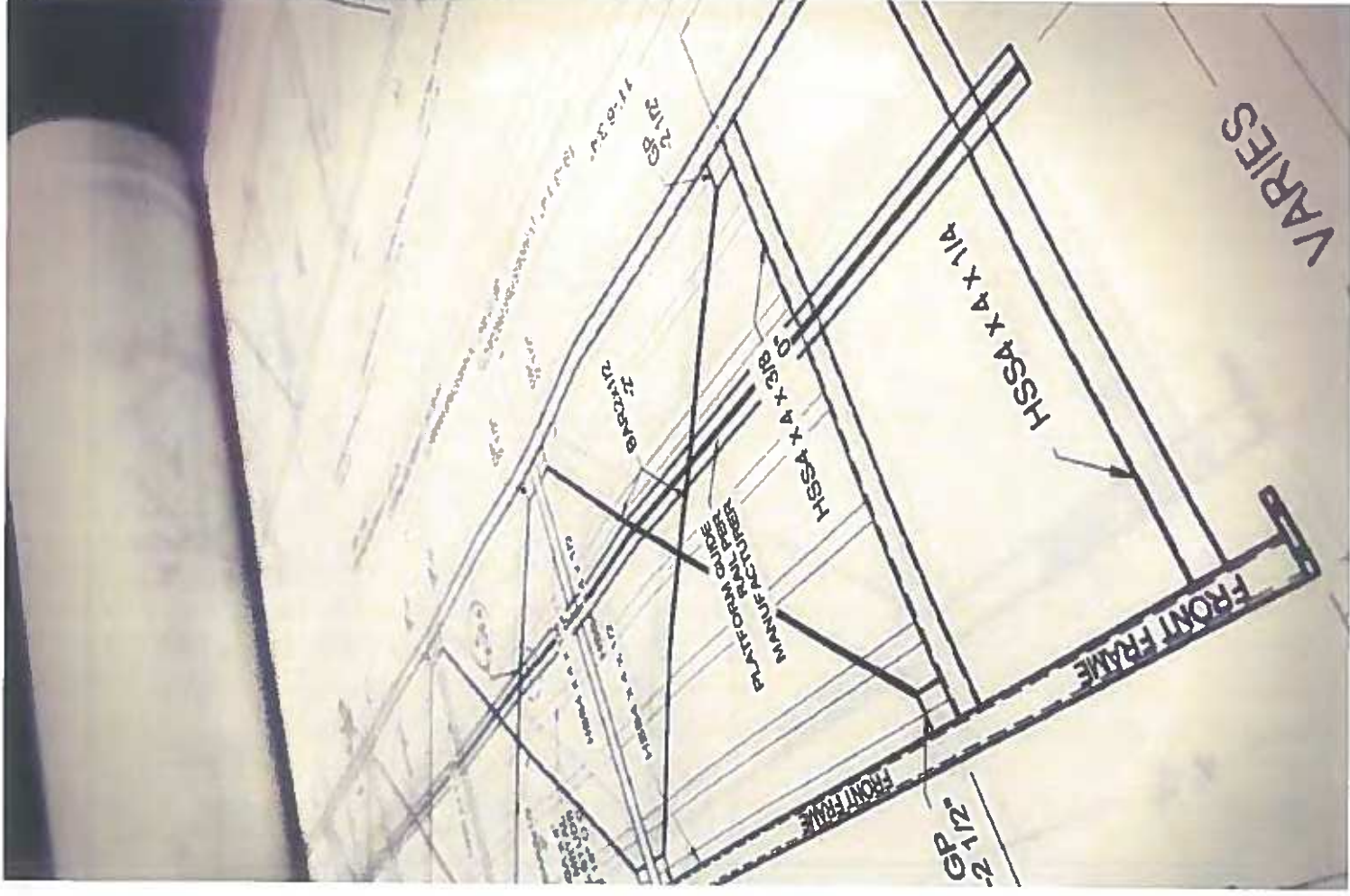
The Attendees

- Architects / Designers Builders
- Business Development Managers
- Consultants to the Industry
- Contractors
- Engineers
- Government
- Investors
- Marketing Managers
- Operations
- Procurement Managers
- Project Managers
- Property Owners / Developers Quantity
- Surveyors / Cost Engineers
- R&D / Academics
- Supply Chain Manager
- Urban Planners



Sector Types

- Automotive
- Community
- Civil
- Education
- Electrical & Mechanical
- Engineering
- Entertainment
- Government
- Hotels
- Industrial
- Manufacturing
- Medical
- Offices & Warehouses
- Residential
- Retail
- Sports
- Transport
- Water & Sewer





Become a Partner

The reasons you'll love it

- Put your brand in the spotlight in front of decision makers, waiting to meet a company like yours.
- Build relationships onsite, to generate new leads, engage with a new audience to identify new collaboration opportunities.
- You'll have the opportunity to showcase how your solutions are driving innovation and results in an interactive environment.

Partnership Opportunities

Where Industry meets Technology

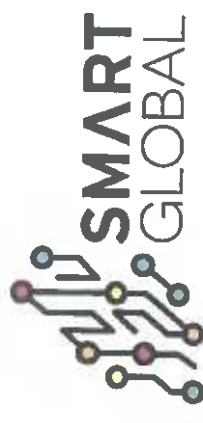


SMART Construct will help your business gain the exposure it needs!

Title

Partner

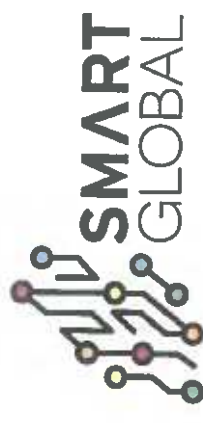
- Invigorate your Business
- Establish your presence in the marketplace
- Introduce new products
- Reinforce relationships with existing customers
- Develop new business partnerships
- Partner name mentioned on All PR and news
- Bespoke social media campaign
- Position on Q&A Panel
- Branding on ALL event material
- Full branding on staging and audio visual coverage
- Pre-launch PR
- Welcome address at opening of conference
- Keynote message within the event brochure
- Online presence included onsite & e-marketing
- Exhibitors booth
- 8 Full conference passes
- Cost £6,000 + vat



Associate Partner

SMART Construct will help identify new collaboration opportunities.

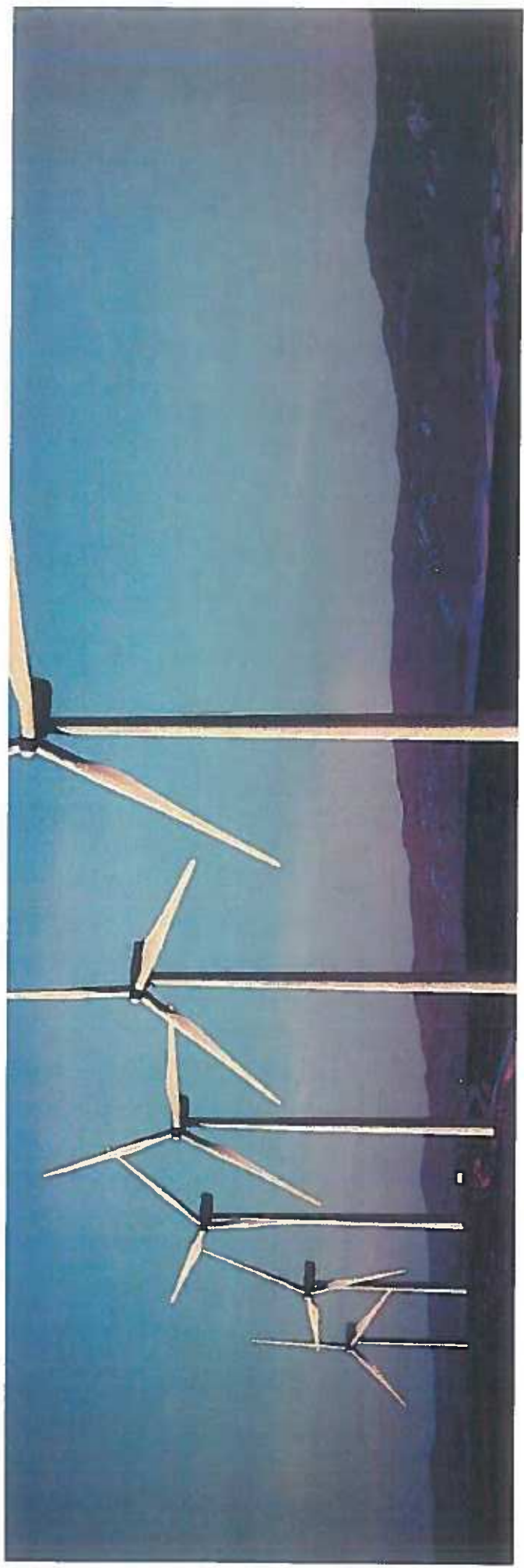
- Develop new business partnerships
- Partner name mentioned on All PR and news
- Scheduled social media campaign
- Position on Q&A Panel
- Branding on ALL event material
- Branding on staging and audio visual coverage
- Online presence included onsite & e-marketing
- Exhibitors booth
- 4 Full conference passes
- Cost £3,000 + vat



Exhibitors

- Meet your new customers!
- 3x1x8ft Exhibition booth with logo / area for pop ups and display stands
- 2 complimentary passes for stand managers (which includes breakfast and lunch)
- Exhibitor listing on SMART Global website (incl. organisations name and logo)
- Pre-conference publicity as an exhibitor via social and email marketing
- Dedicated Exhibitor listing in the SMART Global Programme (distributed on the day)
- Cost £950 + vat





Thank you.

Please don't hesitate to contact us if you have any questions.

naomh@smartglobal.online gemma@smartglobal.online
+44 7710 522 134 +44 7708 384 041

www.smartglobal.online/
@SMARTGlobal_



Mid Ulster Business Breakfast Digital Seminars 2018

Seminar 1: Achieving Growth with Online Sales and Advertising

Date: Wednesday 19 September 2018

Time: 8:30am - 10:30am (breakfast from 8am)

Venue: Ranfurly House, Dungannon

The 2 workshop sessions will advise specifically how to use **Facebook Advertising** and **Google Ads for a Black Friday sale**.

2 digital experts, Andy Hill (Dokoo Digital) and Mark McColgan (senior Advertising Strategist at Loud Meath Media), will share their knowledge, experience and answer your questions during a 40 minute panel discussion and each will then lead a workshop. After the discussion, you have the choice of attending one of the practical hands on workshops that are focused on providing actionable advice and guidance.

Daniel McDonnell, Style Boutique (Cookstown), will share his digital success story and 2017 Black Friday experience.

Seminar 2: Achieving Growth with Your Website

Date: Wednesday 17 October 2017

Time: 8:30am - 10:30am

Venue: The Elk, Toomebridge

At the workshops, digital experts will explore other aspects of increasing online sales with your website; Dhaiti Conlon (Managing Director of WebsiteNI) will explore **Essential Elements to a Successful Website** while Safron Thomas (Digital Marketing Manager) will take delegates through how to deploy **Data Driven Digital Marketing**.

Colm Grimes (CK International Dungannon) will also be on hand to explain how and why their website works and provide insights into what is required to achieve online growth.

Seminar 3: Achieving Growth with a Digital Brand and Strategy

Date: Wednesday 14 November 2017

Time: 8:30am - 10:30am

Venue: Burnavon Theatre, Cookstown

The final seminar will involve 2 digital experts with experience in digital brand development:

Aiden McGale (former Global Head of Recruitment for Accenture Digital, lead the talent acquisition process for digital marketing agencies across the world) will outline '**How to Develop Your Digital Marketing Strategy**', and Andi Jarvis (international speaker and digital strategist) will outline '**How to use LinkedIn to Develop Your Personal Brand**'.

Local entrepreneur Naomh McElhatton (SMART Global / DANI Awards CEO) discuss how she has successfully developed her personal brand to launch the Irish Experience Awards and the SMART Global Conferences Programme).

Please note: Delegates **MUST** register for each event – this will only open 2 weeks before event 1 and for events 2 and 3 **after** the previous event is over.


THE BUSINESS OF LEADERSHIP ROUND 2

Sponsor Pack



Venue:
The Junction
Beechvalley
Dungannon

Event date: October 2018 TBC



“This is your organisation’s opportunity to be part of the most exciting business event in Mid Ulster this year.”

In September 2016, Dungannon Enterprise Centre organised the first ever “Business of Leadership” event.

An audience of over 200 listened to Leaders from the world of sport as they shared their experiences of leading in their field of expertise and related their experiences to business people.

Compere, Adrian Logan, interviewed Manager of the NI Football team, Michael O'Neill, GAA All Star, Peter Canavan, Irish Rugby Union player, Tommy Bowe and Portrush Golf Club Manager, Wilma Erskine.

... and now it's Round 2.

We have a new line up of personalities from sport that have a deep understanding of how to successfully lead under pressure, and who are now prepared to share their experience.

This business event, in The Junction, Dungannon, will leave attendees inspired and ready to lead their own teams to success.

Why be part of this event

- The Business of Leadership Round 2 will have a high profile among press and media channels in Northern Ireland. This will be evident throughout the build up to the event and also on the day. All sponsors will be part of the publicity.
- On the day, sponsors will be given photo opportunities with the speakers, at a private breakfast event, which can be used for their own PR.
- All of the speakers are recognised as successful leaders in their own sports. Sponsors have the opportunity to be associated with their success.
- Following the day, there will be post-event promotion of the conference, including videos, social media and printed press coverage.

“Sport has many parallels with business: competition, goals, recognising talent, motivating people, adapting to change. The list goes on.”

The Line Up:



Rory Best, OBE, is currently the captain of Ireland's Rugby Union team and plays hooker for Ulster. With over 100 caps for Ireland since 2005, Best is one of the most capped players in Irish national team history and led Ireland this year to a historic third Grand Slam victory.



Mervyn Whyte, is Event Director of the Vauxhall International North West 200. The Limavady man has been involved with the North coast races for 45 years since beginning as a marshal at Station Corner in 1973. Under his guidance and direction, the event has become Ireland's biggest outdoor sporting attraction.



Dame Mary Peters is a former British athlete, best known as a competitor in the pentathlon and shot put. She represented Northern Ireland at every Commonwealth Games between 1958 and 1974 and won 2 gold medals for the pentathlon, plus a gold and silver medal for the shot put. She is a Freeman for Lisburn and Belfast.



Tomás 'Mossy' Quinn, is an Irish All-Ireland winning Gaelic footballer from Dublin. In January 2014, Tomás took up his role as Commercial and Marketing Manager for Dublin GAA, the first role of its kind for GAA counties.



DUNGANNON
ENTERPRISE CENTRE

This is a Dungannon Enterprise Centre managed event

Sponsorship Opportunity

4 complimentary tickets for the event (worth £140)

Private breakfast reception with the celebrity speakers
in Deli on the Green

Opportunity to ask the panel one question from the audience

Professional photos taken with individual sponsors and celebrity speakers for
your own PR

Company logo prominently displayed on promotional material

Company mentions on online and offline promotion for the event (including
Social Media, Printed Press, and Eventbrite)

Company logo on stage display and video footage of the event

Live mentions on the day of the event

Permission to erect pop-up displays in the lobby

Your clients get special discount off their tickets

**£1,500 to become a sponsor of
The Business of Leadership event - Round 2**

**If you are interested in becoming a sponsor for this event, please contact
brian@dungannonenterprise.com or call 028 8772 3489**

MID ULSTER AREA SKILLS REPORT & ACTION PLAN 2018-2021

FINAL



Comhairle Ceantair
Lár Uladh
Mid Ulster
District Council



Cogent Management Consulting LLP

March 2018

MID ULSTER AREA SKILLS REPORT & ACTION PLAN 2018-2021

FINAL

CONTENTS

Page

EXECUTIVE SUMMARY

I

1. INTRODUCTION AND BACKGROUND	1
1.1 Introduction	1
1.2 Background.....	1
1.3 The Scope of the Work	2
1.4 Scope of Report and Methodology	4
2. A CHANGING CONTEXT	6
2.1 The Importance of Skills	6
2.2 Accessing Talent – A UK and NI Picture.....	6
2.3 Apprenticeships	8
2.4 Brexit	8
2.5 Global Risks	9
2.6 Technological Changes/Advancements	10
2.7 Inward Investment Prospects.....	11
2.8 Trends in Skills Activity	11
2.9 Sector Specific Considerations	12
3. MID ULSTER’S PLATFORM FOR GROWTH	17
3.1 Mid Ulster’s Economic Performance	17
3.2 Business Start-Up v Business Scale-Up	17
3.3 Mid Ulster’s Business and Employee Profile.....	18
3.4 Availability of Skilled Labour (at Present and in Future)	19
3.5 Education and Skills (at Present and in Future).....	22
3.6 Specific Sectoral Skills Needs	23
3.7 Differentiating the Issues.....	33
4. SWOT ANALYSIS.....	34
5. CONCLUSIONS.....	36
5.1 Overarching Conclusion	36
6. THE ACTION PLAN 2018-2021.....	37
6.1 Introduction	37
6.2 The Goal	37
6.3 What will this Action Plan Support?	38
6.4 The Action Plan	38
6.5 Wider Considerations	44

APPENDICES

- I Socio-Economic Profile: Mid Ulster Area**
- II Feedback from Businesses: Statistical Appendix**
- III Qualifications Framework**

This report has been prepared for, and only for Mid Ulster District Council and for no other purpose. Cogent Management Consulting LLP does not accept or assume any liability or duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

List of Abbreviations

Abbreviation	Definition
A Level	Advanced Level
AMME	Advanced Manufacturing, Materials and Engineering
BITC	Business in the Community
CAD	Computer-Aided Design
CAFRE	College of Agriculture, Food and Rural Enterprise
CAM	Computer-Aided Manufacturing
CBI	Confederation of British Industry
CEC	Careers and Enterprise Company
CEIAG	Careers Education, Information, Advice and Guidance
CIPD	Chartered Institute of Personnel and Development
CITB	Construction Industry Training Board
CNC	Computer Numerical Control
DfC	Department for Communities
DfE	Department for the Economy
ETC	Engineering Training Council
EU	European Union
FDI	Foreign Direct Investment
FE	Further Education
FMB	Federation of Master Builders
FSB	Federation of Small Businesses
FTE	Full-Time Equivalent
GB	Great Britain
GCSE	General Certificate of Secondary Education
GVA	Gross Value Added
HEFCW	Higher Education Funding Council for Wales
HLAs	Higher Level Apprenticeships
HR	Human Resources
ICT	Information and Communication Technology
ISCO	International Standard Classification of Occupations
IT	Information Technology
JSA	Job Seekers Allowance
LFS	Labour Force Survey
LGDs	Local Government District
MIG	Metal Inert Gas
MS	Microsoft
MUDC	Mid Ulster District Council
NEETs	Not in Employment, Education or Training
NISCA	Northern Ireland Schools and Colleges Careers Association
NISRA	Northern Ireland Statistics and Research Agency
NRC	Northern Regional College
NUS	National Union of Students
NVQ	National Vocational Qualifications
OECD	Organisation for Economic Co-operation and Development
ONS	Office for National Statistics
PAYE	Pay-As-You-Earn
QUB	Queen's University Belfast
ROI	Republic of Ireland
SMEs	Small and Medium Sized Enterprises
STEM	Science, Technology, Engineering and Mathematics
SWC	South West College
SWOT	Strengths, Weaknesses Opportunities, Threats
TIG	Tungsten Inert Gas
UK	United Kingdom
UKCES	UK Commission for Employment and Skills
USA	United States of America
UU	Ulster University
UUEPC	Ulster University Economic Policy Centre
VAT	Value-Added Tax

EXECUTIVE SUMMARY

Introduction and Background

The Mid Ulster District Council area represents a population of more than 145,000 and it is the fastest growing new Council area in Northern Ireland (its population is expected to grow to 165,000 by 2030). The Mid-Ulster sub-region is home to over 8,000 small businesses, which is the 2nd largest concentration of small businesses outside of the Belfast Metropolitan area. With circa 700,000 people within a one-hour commute of the district boundaries, the area supports approximately 50,000 jobs, which are mainly concentrated within micro businesses and Small and Medium Sized Enterprises (SMEs)¹. As the most entrepreneurial region in Northern Ireland², the Mid Ulster area contributes towards producing 7.3% of the region's total economic output (Gross Value Added is £2.075 billion).

Its business base provides the lifeblood of the local economy, whilst the skills and capabilities of its workforce are vital to its sustainability and growth. The availability of a high performing workforce, appropriately equipped to meet the current and future needs of the local industry's key sectors is therefore of vital importance.

While predictions of a changing world of work and the nature of jobs undertaken, alongside increasing technological advancements such as automation, will necessitate a medium-term focus amongst stakeholders in the Mid Ulster area on its ability to upskill and reskill the local workforces (including opportunities for adult and lifelong learning), more immediate concerns are driving a need to review the availability of skills in the Mid Ulster area. For example, the UK's vote to leave the European Union (EU) ('Brexit') is causing many businesses to think more about their future skills needs, assuming less access to migrant labour from the EU. The introduction of the Apprenticeship Levy³ (April 2017) has also created an urgent need (amongst relevant employers) to ensure that the reforms drive quality over quantity and deliver the skills needed now and in the future.

In recognition of such issues, the Mid Ulster Skills Forum⁴ offers a unique opportunity to initiate the development of a Mid-Ulster wide approach to employability and skills. This will help to match education and skills provision to meet the critical workforce needs of local employers in the Mid Ulster area.

It is hoped that the evidence collated, and the resultant Action Plan, will command broad support and will provide a strong foundation for members of the Mid Ulster Skills Forum to address the key skills challenges in the long term, across economic and political cycles.

A Changing Context

There are several macro and sector specific factors that are of relevance when considering the context within which the Action Plan has been developed and will be implemented. Typical example of macro factors include:

- **The importance of skills and accessing talent**, which will only be met if businesses have the widest pool of talent to draw on (this involves increasing employee diversity and accessing global talent).
- **Apprenticeships**, which are a key way of developing skills and are therefore a crucial part of plans for growth and improved productivity.
- **Brexit**, which represents a period of significant uncertainty and has the potential to present particular challenges for the Mid Ulster area.
- **Technological Changes/Advancements** (such as automation) are nothing new but stakeholders in the Mid Ulster area need to think, act and educate now for the economy of the future.

¹ Defined as having: fewer than 250 full time equivalent employees, an annual turnover not exceeding €50m (£35m) and/or an annual balance sheet total not exceeding €43m (£30m).

² In terms of business start-ups (Global Entrepreneurship Monitor Report, 2017).

³ See Section 2.3 for further details.

⁴ Which includes representation from local businesses, colleges, universities, local enterprise agencies, key sectoral business organisations, government departments and their agencies and the Council.

Mid Ulster's Platform for Growth

The considerable and growing issue of businesses within the Mid Ulster area accessing prospective employees (or the 'lack of people'), as reflected in Sections 2 and 3 of the Mid Ulster Skill Report and Action, will inevitably not be a surprise to businesses in the area - **the 'need for labour' is now**. However, this issue, coupled with the identified skills issues, should serve as a clear signal to policymakers that urgent attention is required to ensure that the growth of local businesses is not curtailed.

This is not to say that local businesses, with support from key stakeholders, do not have a role to play. They are faced with several options in terms of increasing the pool of prospective employees, such as: seeking to attract external talent to the Mid Ulster area; increasing levels of investment in labour saving technology (such as automation); encouraging more local people back into the labour market (e.g. possibly through higher wages); and/or re-locating to another jurisdiction with easier access to skilled labour.

Beyond these options, there is also a need to actively promote the development of productive, inclusive and engaging workplaces that get the best out of people, but also a need to take a much more strategic view of skills and the systems and mechanisms through which they are developed and sustained. In a period of considerable uncertainty, just focusing on the supply is not enough if businesses are to meet the huge challenges of rapid technological change, an ageing workforce, and changing cultures and expectations amongst the younger workforce. For example, businesses need to think more broadly about their own investment in developing talent and skills and how the growth of different employment models, flexi-working, contract and portfolio working may require a significant change to the ways they attract, invest in and develop people and skills in the future. The HR function within a business has a vital role to play in helping organisations to take a more strategic view of the kind of workforce they will need for the future and how they set about engaging with prospective future employers in a timely and strategic manner.

The opportunity is clear – despite these issues there is the potential to create approximately an additional 2,355 new FTE jobs by 2020⁵ if the Action Plan that has been developed is appropriately resourced, financed and implemented.

The Action Plan 2018-2021

The ability to grow, attract and retain skilled labour, build resilience and adaptability in the current and future workforce is a prerequisite for future economic growth in the Mid Ulster area.

The Goal: to create a larger and stronger private sector. In order to achieve this, it will be important to have a successful skills and employment strategy, which enhances skills supply and thereby feeds the demand for well-skilled employees.

The ambition is clear: for all the residents of the Mid Ulster are to be in a position to achieve their goals through productive, fulfilling employment with skills at the heart of personal and professional development, whether entering the world of work for the first time or progressing in their careers.

Other areas face similar challenges. Some have similar strengths. Many have similar ambitions. However, the Mid Ulster area uniquely combines a realistic aspiration to be a top performing region in Northern Ireland at the same time as maintaining its position as being the most entrepreneurial region in Northern Ireland.

Similar to the Council's Economic Plan, the Strategic Priorities, Goals and Actions set out overleaf will require the development of strong partnerships and joint ventures, including strong leadership amongst businesses, using a multi-agency approach to secure and maximise resources in order for them to be fully delivered. The Mid Ulster Skills Forum will work with relevant key responsible Government Departments (e.g. DfE, DE,

⁵ Please note, the ability to achieve this target is inherently linked to the outcomes of future negotiations associated with Brexit. There is a risk any policy relating to the level of free movement that is afforded to EU27 Nationals in the UK and vice versa exacerbates the situation in the Mid Ulster area.

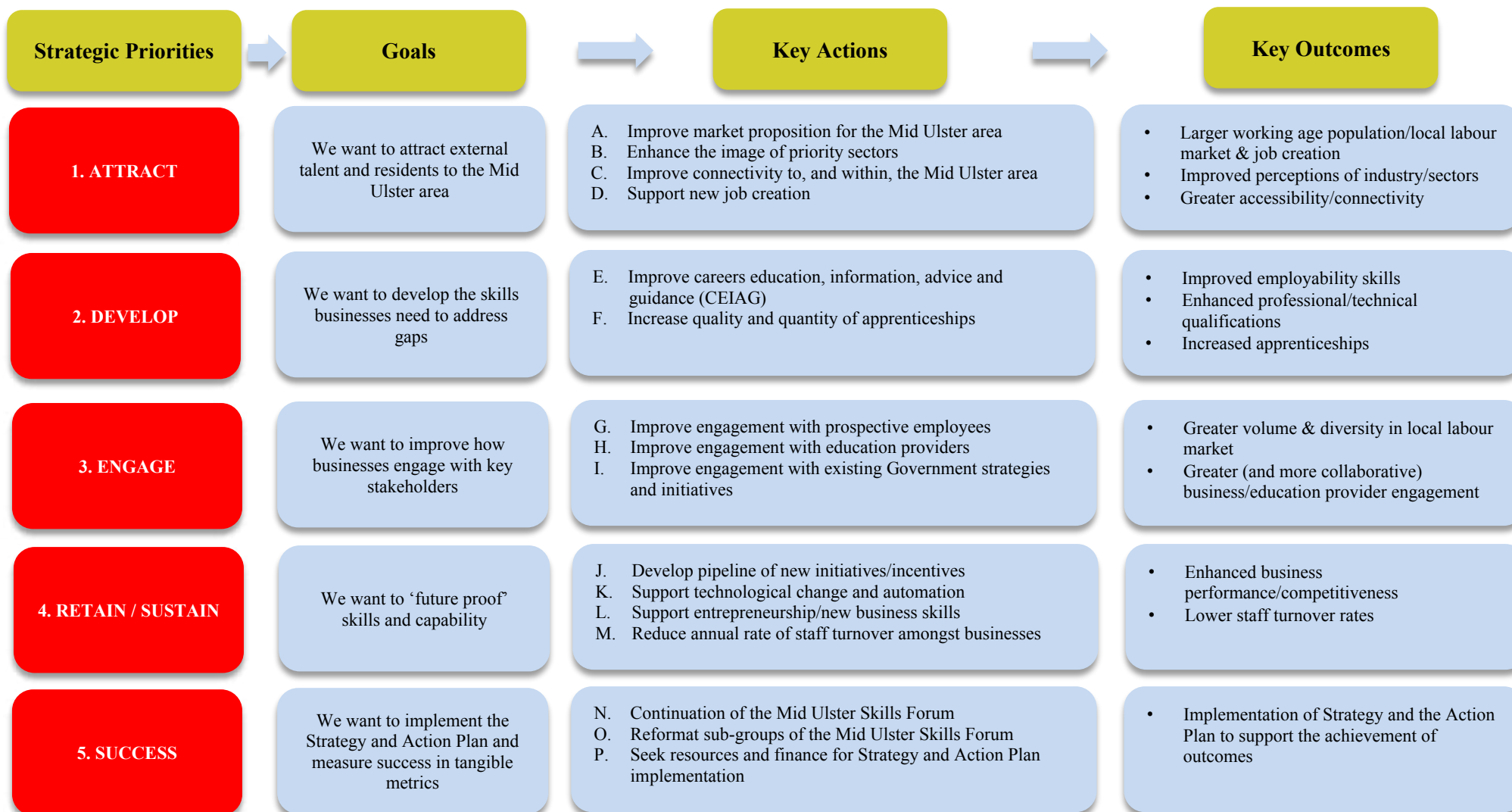


DfC, DfI etc.) and their delivery bodies in implementing the commitments with the Action Plan. Central to this will be the Council who will act as a key enabler in the region, adopting a direct lobbying approach to become a leading strategic influencer of skills development and policy in the area.

Given the inadequate supply of applicants (or the 'lack of people'), Mid Ulster District Council, alongside other Councils in Northern Ireland, could potentially lobby the UK Government for a regional migration policy post-Brexit i.e. being able to issue work visas for Northern Ireland only rather than having to comply with a one-size fits all UK migration policy. The rationale being that Northern Ireland has a different economic profile than the rest of the UK and therefore migration policy should reflect that.

VISION:

“By 2021, to have supported the creation of approximately 2,300 additional jobs in the Mid Ulster Council area through effective collaboration and partnership working”



1. INTRODUCTION AND BACKGROUND

1.1 Introduction

Mid Ulster District Council (the Council' or MUDC) has commissioned Cogent Management Consulting LLP ('Cogent' or 'the Consultancy Team') to develop a Skills Report and Action Plan for the Mid Ulster District Council area for the period 2018-2021.

The report provides a comprehensive analysis of the existing skills shortages, gaps and deficits and the future skills requirements in the Mid Ulster District Council area and identifies a solution and action plan to address these issues.

The newly formed Mid Ulster Skills Forum⁶ has acted as a key driver for this initiative supported by the Council.

1.2 Background

The Council area represents a population of more than 145,000 and it is the fastest growing new Council area in Northern Ireland (its population is expected to grow to 165,000 by 2030). The Mid-Ulster sub-region is home to over 8,000 small businesses, which is the 2nd largest concentration of small businesses outside of the Belfast Metropolitan area. With circa 700,000 people within a one-hour commute of the district boundaries, the area supports approximately 50,000 jobs, which are mainly concentrated within micro businesses and Small and Medium Sized Enterprises (SMEs)⁷. As the most entrepreneurial region in Northern Ireland⁸, the Mid Ulster area contributes towards producing 7.3% of the region's total economic output (Gross Value Added is £2.075 billion). Its business base provides the lifeblood of the local economy, whilst the skills and capabilities of its workforce are vital to its sustainability and growth.

The availability of a high performing workforce, appropriately equipped to meet the current and future needs of the local industry's key sectors is therefore of vital importance. From education through to industrial strategy, the skills that are developed are important both for the local economy and for providing an opportunity for individuals. While predictions of a changing world of work and the nature of jobs undertaken, alongside increasing technological advancements such as automation, will necessitate a medium-term focus amongst stakeholders in the Mid-Ulster area on its ability to upskill and reskill the local workforces (including opportunities for adult and lifelong learning), more immediate concerns are driving a need to review the availability of skills in the Mid-Ulster area. For example, the UK's vote to leave the European Union (EU) ('Brexit') is causing many businesses to think more about their future skills needs, assuming less access to migrant labour from the EU. The introduction of the Apprenticeship Levy⁹ (April 2017) has also created an urgent need (amongst relevant employers) to ensure that the reforms drive quality over quantity and deliver the skills needed now and in the future.

In recognition of such issues, the Council had identified skills as one of the four Strategic Priorities in its Economic Development Plan "*Our Plan for Growth*" 2015-2020.

The Council recognises a need to build momentum to address such key labour market challenges and a desire for stronger collaboration and more effective partnership working with local employers, sectoral bodies, government departments, universities, and local schools (careers department).

⁶ Which includes representation from local businesses, colleges, universities, local enterprise agencies, key sectoral business organisations, government departments and their agencies and the Council.

⁷ Defined as having: fewer than 250 full time equivalent employees, an annual turnover not exceeding €50m (£35m) and/or an annual balance sheet total not exceeding €43m (£30m).

⁸ In terms of business start-ups (Global Entrepreneurship Monitor Report, 2017).

⁹ See Section 2.3 for further details.

To this end, the Mid Ulster Skills Forum offers a unique opportunity to initiate the development of a Mid-Ulster wide approach to employability and skills. This will help to match education and skills provision to meet the critical workforce needs of local employers in Mid-Ulster.

1.3 The Scope of the Work

1.3.1 Overview

Following the completion of an initial piece of research undertaken during 2015 by staff within the Council, which reviewed the statistics and data that was available at that time, it was identified that much of the skills related research that had been undertaken was at a regional level, with a significant gap in information on this issue at a sub-regional level (Mid Ulster District Council area).

Recognising this issue, the Council has identified a requirement for in-depth scoping work to map the issues relevant to businesses in a number of key sectors (and emerging growth sectors) within the Mid Ulster District Council area.

The overall aim of the work is to develop a comprehensive Skills Report and Action Plan 2018-2021 for the Council area. This will require:

- Analysis of skills shortages and skills gaps, including insight into skill level differentials in the Council area;
- Analysis of both current and a future search of workforce needs, to be benchmarked against the regional position;
- A review of local economic development activities throughout the sub-region and a report highlighting the potential opportunities that may be exploited; and
- Identification of the economic gaps and opportunities that require attention.

This analysis will identify and quantify the nature of the challenges facing businesses in the Council area. A resulting Action Plan will use the sourced evidence to develop a strong foundation for members of the Mid Ulster Skills Forum to address the key skills challenges in the short/medium term. All funding opportunities should be considered and explored in full.

A more detailed 'Statement of Requirements' is set out below.

1.3.2 Statement of Requirements

The Mid Ulster Skills Report and Action Plan 2018-2021 is required to include:

1. A comprehensive Skills Report identifying skills and deficits gaps (both in skill area and skill level) across each of the following sectors in the Mid Ulster area:
 - Manufacturing & Engineering;
 - Food & Agri-Food;
 - Construction;
 - Retail;
 - IT; and
 - Hospitality.

The Council also recognises the need to develop and support weaker or new emerging sectors with growth potential.

2. A robust and practical Skills Action Plan (2018-2021) to include a number of interventions detailing opportunities and actions, roles, responsibilities, timescales, costs and funding sources.

The Council has split the work into four key stages as follows:

Stage 1: Desk Research	<ul style="list-style-type: none"> a) Collate a detailed, robust evidence base which must be referenced from a credible source and provide an analysis of the current and future employability, qualifications and skills challenges in the short, medium and long-term within the Mid Ulster District Council area (2018-2021). b) Collate and summarise the key support provisions for each of the sectors currently available. c) Review the effectiveness of labour market interventions for each of the sectors within the Mid Ulster District Council area. d) Research Government Plans, strategies and policies impacting upon each sector's employment, skills and training needs. e) Research Best Practice examples from Northern Ireland, Great Britain (GB), Republic of Ireland (ROI), Europe and internationally. f) Report on existing local and regional evidence that has an impact on anticipated growth and associated future skills needs across all sectors (including new emerging and weaker sectors).
Stage 2: Consultation and Engagement	<ul style="list-style-type: none"> a) Conduct in-depth and qualitative face to face business interviews (at a senior level) with: <ul style="list-style-type: none"> • The owner or HR Manager of a minimum of 32 businesses across the MUDC area with equal representation as far as possible across Dungannon, Cookstown and Magherafelt areas (ensuring a good cross-section business sectors and different sizes of companies). • The Chief Executives of the 3 local Enterprise Agencies (Cookstown Enterprise Centre, Dungannon Enterprise Centre and Workspace Enterprises Ltd.) and all Training Service providers across the MUDC area such as Coalisland Training Services, Network Personnel and Rutledge. • CAFRE (Loughry Campus), South West College (SWC) and Northern Regional College (NRC). • Government departments such Department for the Economy (DfE), Invest NI, Tourism NI and representative sectoral body organisations such as Federation of Small Businesses (FSB), Confederation of British Industry (CBI), NI Food and Drink Association, Manufacturing NI, Business in the Community (BITC), Construction Industry Training Board (CITB), Engineering Training Council (ETC), EEF, Northern Ireland Statistics and Research Agency (NISRA), Federation of Master Builders (FMB) and Food NI. • Queen's University, Belfast (QUB) and Ulster University (UU). b) Conduct 3 focus group meetings for career teachers/advisors from all secondary/grammar schools within the MUDC area. c) Conduct and analyse the results of an online business survey (using survey monkey) focussing on skills and deficits gaps across the key identified sectors within Mid Ulster. The online survey to all businesses in MUDC area (using the Council's website) will require a minimum 250-300 responses.
Stage 3: Interim Skills Report & Action Plan (2018-21)	<ul style="list-style-type: none"> a) Report on the analysis of research regarding the provision around skills, training and employability interventions available. b) Develop targets to increase skill levels which match the growing demand across Council's key sectors and emerging growth sectors. c) Determine the current and future key skill gaps that exist (both in skill area and skill level) and outline the nature and level of support or intervention required and key actions needed to deliver and make substantial progress towards the identified targets. d) Develop a robust, practical Action Plan to increase skill levels now and into the future. The Action Plan will clearly state the priorities, specific actions, targets, roles and responsibilities for partners and deliverers and implications for resources and
Stage 4: Final Skills Report and Action Plan (2018-21)	<ul style="list-style-type: none"> a) Report being to be presented and adopted by the Mid Ulster Skills Forum and Mid Ulster District Council. b) To formally present the findings via MS PowerPoint at a formal launch event.

1.4 Scope of Report and Methodology

1.4.1 Scope of Report

The scope of this report is **tightly focused on the skills needs** of businesses in the Council area, both now and in the medium-term. Whilst it necessarily touches upon jobs and economic growth, it is not an overall economic strategy for the area. This is covered by the Council's Economic Development Plan "Our Plan for Growth" 2015-2020.

Second, it describes an **agenda for the Mid Ulster area as a whole** rather than just for Mid Ulster District Council. This agenda will be delivered only with support from both public-sector stakeholders from across Northern Ireland and the private sector in the Council area. This said, the Council is well placed to coordinate, convene and direct other stakeholders.

Third, it seeks to identify **the priorities for action**, drawing together common themes from both existing research and research undertaken as part of this exercise into an up-to-date and integrated agenda for action.

The report has been organised around four strands of activity, namely: a review of the context in which Mid Ulster is operating; extensive data analysis looking at Mid Ulster's strengths and weaknesses; a review of Mid Ulster's relationship with the broader Northern Ireland economy; and wide consultation with the business leaders and key stakeholders within the area involved with the skills agenda. It is hoped this action plan will command broad support and serve Mid Ulster well for the long term, across economic and political cycles.

1.4.2 Methodology

In developing the Skills Report and Action Plan, the Consultancy Team undertook a variety of activities, including:

Desk Research	<ul style="list-style-type: none"> • A review of key strategies/policies to understand the regional and local context within which the Skills Report and Action Plan will sit including the Council's Corporate Plan, Community Plan and Economic Development Plan. • In-depth research on the external factors that are having, or have the potential to have, an impact on the anticipated growth and future skills needs across the key sectors (e.g. Brexit). • A review of existing research to examine the current and future challenges faced by each of the key sectors identified. • A review of a range of recently published data and metrics to understand the economy of the Council area and in particular its position relating to skills availability, and its performance in comparison to the rest of Northern Ireland. • An examination of existing provision and interventions that seek to: support businesses within the Council area to address their skills needs; and support individuals to become up-skilled in those areas where there are identified skills deficiencies. • In-depth research to appropriately define each of the six identified priority sectors. Please note, Appendix I provides the basis upon which each of the six priority sectors have been defined for the purposes of this report.
----------------------	---

Consultation and Engagement

- In-depth consultations with the owners or HR Managers of businesses across the Council area (N=35), comprising forum (N=14) and non-forum members (N=21) i.e. the core research sample.
- Online survey of businesses operating within the Council area (N=158).
- Business consultations (N=193) have been disaggregated by sector as follows:
 - Manufacturing and Engineering (N=47)
 - Construction (N=27)
 - Food and Agri-food (N=10)
 - IT (N=9)
 - Retail (N=19)
 - Hospitality (N=20)
 - Other (N=61)

Please note, a detailed methodology relating to the Consultancy Team's engagement with businesses is included in Appendix II.

- In-depth consultations with:
 - Sectoral Bodies (N=10), including Manufacturing NI, FSB NI, Business in the Community, CBI, CITB, FMB, Food NI, Hospitality Ulster, Food and Drink Sector Skills NI and NI Food & Drink Association.
 - Government Departments (N=4), including DfE, Invest NI, Tourism NI and NISRA.
 - Enterprise Agencies (N=3), including Dungannon Enterprise Agency, Cookstown Enterprise Centre and Workspace, Draperstown.
 - Education providers (N=5) including QUB, UU, NRC, SWC and CAFRE.
 - Local Training providers (N=2), including Network Personnel & Rutledge Training and Recruitment.
- Focus group (N=6) and in-depth consultations (N=4) with post-primary schools in the Council area.

2. A CHANGING CONTEXT

This section sets out the context within which the Action Plan has been developed (see Section 6) and will be implemented, including some of the potential implications of the UK's vote to leave the EU, as well as other broader economic trends that have relevance.

2.1 The Importance of Skills

The Government's framework for raising productivity highlights skills as one of a handful of key productivity drivers. Research undertaken by the Department for Business, Innovation and Skills (BIS) indicates that around 20% of the UK's productivity gap to France and Germany is attributable to low skill levels. In addition, the Office for National Statistics (ONS) estimates that Germany, France and the USA are each about a third more productive than the UK. Research has indicated that the gap could be partially explained by the UK's lower emphasis on technician and higher-level vocational education that combines on and off-the-job training.

There are substantial skills shortages throughout the UK. In 2015, the Employer Skills Survey, conducted by the UK Commission for Employment and Skills (UKCES), reported 209,000 vacancies which were 'hard to fill' due to applicants lacking requisite skills, and around 1.4 million employees lacking some skills to be fully proficient in their current role. The most common technical skills gaps among applicants included specialised skills, knowledge to perform the role and problem-solving skills. The most common people and personal skills gaps included customer-handling skills and time management.

Therefore, lifelong learning is a critical part of realising success in the Mid Ulster area as it will ensure that: young people will be 'work ready'; employees can develop their own talent and progress in work, and the unemployed can either move closer to the labour market or gain employment.

However, it is important to bear in mind that activity in the Mid Ulster area does not and will not operate as a silo; it is part of a wider skills system, in which national (UK) and Northern Ireland policy influences the skills and training of both young people, the unemployed and those in work.

2.2 Accessing Talent – A UK and NI Picture

Accessing appropriate talent and skills is not just an issue for businesses in the Mid Ulster area. It is one of the top three issues for 'ScaleUp' businesses throughout the UK¹⁰, with 82% of scaleup leaders stating that they would be able to grow their company more easily if applicants had the skills needed to meet customer demand.

The ScaleUp survey found that business leaders consider the need to attract staff to join at entry-level positions and therefore to develop talent at the school and graduate level (82%) to be more important than being able to hire people from overseas who had scaled a company before (65%) or to attract large company executives to join the company (56%). The greatest talent 'pinch' was felt among companies with more than 20 employees but less than 250.

More specifically, the skills gaps that scaleups identify for their particular businesses are varied: business skills (34%), management skills (30%), technical skills (29%) and social skills (28%). Notably, only 12% of scaleups surveyed nominated finance skills as one of their top three gap areas.

More than 78% of scaleups reported apprenticeships to be beneficial in developing skills and talent in the business. Notably, scaleup leaders indicated that more work could be done in improving the availability and accessibility of these schemes as a viable career path for students. There was also a desire expressed to ensure that intended levies on these do not impact their ease of use in scaling businesses.

¹⁰ ScaleUp Survey 2016.

Scaleup leaders believe it is critically important for the UK to remain a country open to others and able to easily recruit overseas talent. This is particularly salient given the current political and economic climate following the UK's vote to leave the EU.

The main concerns arising from scaleup business leaders centre around:

- Making it easier to hire the right people with the requisite talent and skills by having more flexible and cost-effective recruitment processes;
- Maintaining the ability to attract and retain talent from abroad – ensuring that despite the Brexit vote, it is easier to obtain overseas skilled labour; and
- Making sure that foreign students that are trained here have more ready access to job opportunities.

These views were strongly held by scaleup leaders regardless of sector or location.

At a local level, a sample of Northern Ireland businesses indicated that the key skills lacking amongst applicants included a combination of technical and practical skills and people skills such as (ordered from most to least commonly cited)¹¹:

Technical and Practical Skills	<ul style="list-style-type: none"> • Specialist skills needed for the role; • Knowledge of how the organisation works; • Knowledge of the organisation's products and services; • Solving complex problems; • Complex numerical skills; • Basic numerical skills; and • Adapting to new equipment.
People Skills	<ul style="list-style-type: none"> • Ability to manage and prioritise own tasks; • Customer handling skills; • Managing or motivating other staff; • Sales skills; • Team working; • Persuading or influencing others; and • Managing their own feelings or those of others.

A key development in England that has sought to address the access to talent issue has been the creation of the Careers and Enterprise Company (CEC) in 2015, which focuses on the employability of students and developing better linkage and alignment between local entrepreneurs and business leaders with teachers and students. Similar focus is developing in other parts of the UK, for example, in Wales the Agreement on Skills and Employability between the Higher Education Funding Council for Wales (HEFCW), Universities Wales, CBI Wales and NUS (National Union of Students) Wales. The aim is to increase the employment of graduates from Welsh universities through work placements and work experience, employer approved courses and embedding employability skills across all higher education curricula.

In Northern Ireland, the Northern Ireland Schools and Colleges Careers Association (NISCA) works to enhance the quality of careers provision in schools and regional colleges, to promote dialogue with employers and employers' organisations, and to create a desire for life-long learning. Also, Careers Service NI provides a careers information, advice and guidance service throughout Northern Ireland, supporting young people (and their parents) and adults to make informed choices about their future career paths. Part of this service is the Government's 'Connect to Success NI', which is a free online portal (for employers and prospective employees) that exclusively advertises apprenticeships and school work experience opportunities.

The above challenges will only be met if businesses have the widest pool of talent to draw on. It means businesses in the Mid Ulster area must continue to increase employee diversity to unlock the potential

¹¹ UK Commission for Employment and Skills (UKCES) (2016) 'Employer Skills Survey'.

of the whole UK workforce. Businesses also need access to global talent to fill any skills gaps and to help them compete overseas.

2.3 Apprenticeships

Successive governments have considered apprenticeships to be a key way of developing skills, and they are therefore a crucial part of plans for growth and improved productivity. It is thought that, without government intervention, employers would not invest an economically optimal amount in training, including apprenticeships.

In Northern Ireland, an apprenticeship is a full-time paid job (a minimum of 21 contracted hours per week), available to those aged 16 or over¹². It incorporates on and off the job training, usually on a day-release basis with a training provider. Apprentices work towards achieving vocational qualifications and essential skills qualifications (reading, writing, maths and computers), leading to a nationally recognised certificate.

Some people become an apprentice by joining a new employer, whilst others begin an apprenticeship with their existing employer. Apprenticeships take at least one year to complete and several years to reach the highest levels. They are available at various levels, depending on the requirements of the job and the apprentice's existing qualifications. The table below explains these levels in more detail.

Apprenticeship levels ¹³		
Name	Level	Educational equivalent
Intermediate	2	Five GCSEs at grades A* to C
Advanced	3	Two A levels
Higher	4, 5, 6 and 7	Diplomas, certificates and degrees
of which: Degree	6 and 7	Bachelor's or master's degree

The world of work is continuing to change, and the government identified a need for higher level skills in the Northern Ireland economy. Consequently, in 2015 Higher Level Apprenticeships (HLAs) were launched (as a pilot) in partnership with local employers, further education colleges and universities. HLAs provide an opportunity for individuals to gain a degree whilst still in work.

As well as providing economic benefits, the government expects apprenticeships to add value in other ways, such as improving outcomes for young people and boosting workplace diversity.

From April 2017, employers with a pay bill of more than £3 million pay a levy to fund apprenticeships ('the apprenticeship levy'¹⁴). The Levy is charged at a rate of 0.5% of an employer's pay bill, whilst each employer receives an allowance of £15,000 to offset against their Levy payment¹⁵. At the same time, steps have been made to make it easier for employers to choose and pay for the apprenticeship training and assessment they want. Also, during April 2017, an independent and employer-led Institute for Apprenticeships was created. Its role includes regulating the quality of apprenticeships.

2.4 Brexit

Following the UK's vote to leave the EU in June 2016, the Mid Ulster area is at the beginning of a period of significant uncertainty, during which businesses and households are likely to find it more difficult to plan for the longer term. Brexit will impact businesses in the Mid Ulster area directly if restrictions are placed on their ability to access EU27 Nationals as employees. The Government has, at

¹² Terms and conditions apply if an individual is 25 years old and over e.g. there are only some apprenticeships available in specific sectors.

¹³ Source: National Audit Office.

¹⁴ Introduced by HM Revenue and Customs across the UK on 6th April 2017.

¹⁵ There are a number of differences in the skills and training systems (and in turn the apprenticeship systems) operating across Northern Ireland, England, Scotland and Wales.

the time of writing, signalled its intention to take the UK out of the single market and the EU Customs Union alongside establishing a new immigration system. What this means, right now, is that the legal status of EU nationals and their ability to live and work in the UK is in doubt. Clearly, the outcomes of future negotiations will be vital in determining the level of free movement that is afforded to EU27 Nationals in the UK and vice versa. This is important as workers from the EU fill vital roles in a variety of sectors in the Mid Ulster area (such as manufacturing & engineering, hospitality and food & agri-food), which are vital to the area's economic growth and productivity. Overall, EU27 Nationals comprise a large proportion of the total migrant population living in the Mid Ulster area.

Although it is hard to predict the shape of the eventual settlement, Brexit has the potential to present particular challenges for the Mid Ulster area. These include:

Brexit - Potential Challenges

- Businesses may postpone investment and expenditure, which in turn will slow the growth in employment and output. Local stakeholders have limited scope to reduce this uncertainty, but they can take steps to reduce uncertainty in other areas such as skills training.
- Unless the UK can secure access with limited tariffs or barriers to export markets in the EU and globally, there will be consequences for many exporting businesses in the Mid Ulster area. Reduced access to the EU Single Market is likely to affect many of the key sectors in the Mid Ulster area. If the UK leaves the Customs Union, businesses of all sizes face new costs in reorganising supply chains and managing movement across customs frontiers. A weaker sterling may increase the competitiveness of some sectors, but at the same time it will raise costs for major importers and reduce purchasing power for consumers.
- The Government has sought to curb lower-skilled migration from outside the EU through changes to the points-based visa system and the closure of several unskilled visa routes. EU migrants, particularly from countries that acceded after 2004, therefore make up the bulk of incoming lower-skilled workers. Depending upon the settlement on free movement of people, restrictions on migration are likely to hit many of the largest businesses in the Mid Ulster area. Indeed, the withdrawal of mid and lower-skilled labour (in particular) may exacerbate vacancy rates in the Mid Ulster area in lower-paid sectors such as hospitality, food & agri-food and construction, given the relatively low overall rates of unemployment. Mid-skilled and lower-skilled migrants fill a range of roles in the Mid Ulster labour market, including:
 - Within cyclical sectors, where it is hard to generate and train a pipeline of local workers because the number of jobs varies dramatically from peak to trough e.g. construction;
 - Sectors where, in principle, enough Northern Ireland workers could be trained (e.g. food & agri-food), but where in practice it appears difficult to match local supply with demand; and
 - Lower-paid sectors, where local workers appear to be unwilling to undertake the roles e.g. hospitality.

Lower-skilled immigration may be the target of new restrictions following exit from the EU. Given this, a challenge for the Mid Ulster area may be to train the low-income local population to fill roles previously filled by migrants, while continuing to secure recruitment in those areas where immigration will remain a key component of the labour force.

These challenges are not insurmountable. In this report, some ways in which Mid Ulster might seek to overcome them and develop the resilience to capitalise on new opportunities are discussed.

2.5 Global Risks

The outlook for the global economy is uncertain. Across the world, the trend towards increased flows of trade, money and people is looking less certain. The era of 'easy growth' fuelled by credit and demographics is probably over, with global economic growth set to slow by almost half, from 3.6% to 2.1%, in the next 50 years¹⁶. Recently, global trade growth has slowed, alongside a slowdown in leading emerging market economies (such as Brazil, Russia, China and South Africa) and subdued demand across the world. In developed economies, productivity growth has been decelerating for decades¹⁷.

¹⁶ McKinsey Global Institute, Turbulence Ahead, 2016.

¹⁷ OECD, The Productivity-Inclusiveness Nexus, 2015.

Alongside widespread opposition to free trade deals, such as the Trans-Pacific Partnership and Transatlantic Trade and Investment Partnership, the World Trade Organization estimates that protectionist trade measures among the G20 are multiplying at their fastest rate since 2008¹⁸. National governments are experimenting with alternative economic strategies in response to these challenges.

Strained by growing inequality, the historic global economic consensus is being tested, particularly around migration and security. Global flows of people are facing new restrictions, as developed economies seek to control the scale of immigration in response to the concerns of those left behind by globalisation. In addition, forced migration from refugee crises across the world has altered these patterns substantially. Further, the recent terrorist attacks in Great Britain and other European cities mean that security risks remain front of mind.

The world will also see the continuing rise of disruptive innovation e.g. the further reach of the mobile internet, the cloud and the internet of things and the growth of advanced robotics, hydraulic fracturing, autonomous vehicles and 3D printing. Patterns of work will change dramatically too, with the rise of flexible work enabled by 'gig economy'¹⁹ players such as Deliveroo. Economic growth driven by innovation and technology is here to stay, and regions which are well equipped to adjust to new ways of working will prosper more than others²⁰.

2.6 Technological Changes/Advancements

The economy is changing. That is nothing new. New technologies replace the old, new occupations and jobs are created and others disappear.

Historical perspectives provide some comfort in relation to technological progress (such as automation) and its impact on society. Research²¹ suggests that, for example, automation has, over recent years, increased productivity, which reduced average prices, making goods and services more affordable and freeing up cash for other purchases, thereby promoting consumption. Demand has increased for these products and individuals' quality of life and average income subsequently increased due to automation. Automation has been good for society in general, but at a micro level there are losers and government, through policy and decision-making, need to consider the best options.

Research²² has estimated that 35% of all jobs within the UK are highly susceptible to automation within the next 10-15 years and that lower-paid jobs in industries that are often dependent on labour from outside the UK are the most likely to be affected. There are also suggestions²³ that demand for jobs becomes more 'U-shaped' with automation, for example:

- There is demand for lower skill occupations that cannot be automated e.g. service industries such as barbers, beauticians etc.;
- Mid-level skills, such as machine operatives etc., are more easily automated and demand is relatively lower;
- Highly skilled occupations that require strategy, thought leadership, conversational skills and persuasion are not easily automated and demand is relatively higher.

Whilst jobs may be at risk due to technological progress (such as automation), others will be created, potentially in occupations created by automation that do not yet exist.

¹⁸ World Trade Organization, Report on G20 trade measures, June 2016.

¹⁹ A labour market characterised by the prevalence of short-term contracts or freelance work as opposed to permanent jobs.

²⁰ McKinsey Global Institute, Disruptive technologies: Advances that will transform life, business, and the global economy, May 2013.

²¹ Source: 2017 Knowledge Economy Report (Connect at Catalyst Inc., January 2018).

²² Deloitte and Reform (2017) 'Citizens, Government and Business: The State of the State 2017-18'.

²³ Source: 2017 Knowledge Economy Report (Connect at Catalyst Inc., January 2018).

An inability to access skills has prompted some businesses to, wherever possible, consider investing in automation. However, this option requires significant time and substantial capital expenditure. Given the current uncertainty around Brexit, the business case for technology investment does not stack up for many businesses. For example, it would seem irrational for an indigenous large business to invest more in automation in a local plant when potentially hefty tariffs may be imposed on their EU exports and, in addition, their domestic sales may not compete against products from low wage economies, where production standards are lower. Decisions to invest in automation, therefore, involve much more than mere feasibility.

In many services sectors, the opportunity to substitute labour with technology is simply not possible. For example, there are limitations involving low-skilled jobs such as waiting or cleaning hotel rooms in the hospitality and tourism sectors. Also, 'unpredictable environments' in areas such as construction sites, medical care, hospitality, farming etc. make automation very difficult²⁴.

Planning for the future is key. It looks like society is on the cusp of another technological disruption, where big data, blockchain, artificial intelligence etc. change how individuals live their lives. The world is changing, and the Mid Ulster area has no control over the pace of change. This report considers how stakeholders in the Mid Ulster area need to think, act and educate now for the economy of the future.

2.7 Inward Investment Prospects

Northern Ireland's attractiveness to Foreign Direct Investment (FDI) is strongly linked to continued access to inward flows of migrant workers. The talent pool in any economy is always cited as one of the guiding factors on investment location decisions. Given Northern Ireland's acute shortage of skills at all levels, it is likely that foreign direct investors may prioritise other economies (e.g. the Republic of Ireland), where the governments are committed to improving the value proposition for foreign investors²⁵.

Furthermore, inward investment prospects are, like many other things, dependent on any agreements reached as part of the Brexit negotiations. For example, FDI companies with a base in Northern Ireland have reported that if they wish to invest more (in, for example, technology, automation etc.), they must compete for investment funding against their sister operations around the world. This means that for foreign-owned plants in Northern Ireland, their ability to attract funding for further investment has 'dried up', as global owners are reluctant to invest any more into their Northern Ireland operations until the Brexit outcome is established.

2.8 Trends in Skills Activity

This section summarises key aspects and trends in the skills ecosystem:

- Whilst the UK has been found to compare well on the provision of higher-level qualifications, its performance on most other indicators of qualifications or skills has been found to be "*either poor or mediocre*"²⁶.
- Many of the biggest challenges lie in the workplace itself. The majority of people who will be working in 2030 are already in the workforce and will be untouched by the current round of educational reforms. However, UK employers spend less on training than other major EU economies and less than the EU average.
- Whilst Northern Ireland's skills levels have been improving, other countries are moving ahead even faster. For example, the Northern Ireland skills profile remains behind many OECD²⁷ and European Union countries, particularly in terms of the high proportions of individuals in Northern Ireland with

²⁴ Source: McKinsey (2016).

²⁵ CBI Northern Ireland 'Response to Migration Advisory Committee's Call For Evidence'.

²⁶ From 'inadequate to 'outstanding': making the UK's skills system world class (CIPD, April 2017).

²⁷ Organisation for Economic Co-operation and Development.

low or no qualifications. Improving the skills and employability of those who face the greatest barriers to accessing the labour market remains a priority so that all can share in the benefits of growth²⁸. The task is to:

- Equip all people with the education and skills that will allow them to achieve their full potential;
 - Ensure that Northern Ireland has a skills pipeline that meets, and responds in an agile way to, the changing demands of business and the economy; and
 - Support those who need help to access the skills that will help them compete for employment opportunities.
- The Northern Ireland Skills Barometer²⁹ is considered to be a valuable tool to help understand the Northern Ireland skills landscape and to identify growth sectors, skills shortages and future skills needs. This and other research points to the importance of developing Northern Ireland's skills base and the employability of its people and, in particular, the importance of skills in Science, Technology, Engineering and Mathematics (STEM).
 - The Department of Education (DE) and DfE work closely together on cross-cutting issues related to the education and training provision for 14 to 19-year olds. They share a common focus on young people having access to the right courses; on quality teaching and learning; on careers provision; on helping young people avoid being part of the not in employment, education or training (NEETs) statistics and STEM. Both Departments are determined to enhance the contribution of schools, further education, higher education and training to the development of the local economy.

2.9 Sector Specific Considerations³⁰

2.9.1 Manufacturing and Engineering

Across Northern Ireland, the manufacturing and engineering sector has been in long-term decline as the service sector has grown. However, in the Mid Ulster area, it still accounts for 21% (10,740 employee jobs) of employment and is highly productive, representing 17% of Northern Ireland's manufacturing GVA (in 2015). The sector is of profound importance to the area's economy – especially in key specialisms such as the manufacture of mining and quarrying machinery, production of general and special purpose machinery etc., which have linkages and supply chain associations with the construction and food & agri-food sectors. For instance, 40% of world's mobile crushing and screening equipment is made in the Mid Ulster area.

Key challenges and priorities facing the sector across Northern Ireland include:

- In terms of the skills profile, the sector relies on a strong foundation in the basic numeracy and literacy, management and STEM skills. However, the sector also needs more high-level and technical skills e.g. interpersonal/communication skills, problem-solving and commercial acumen etc.
- The increasing use of design packages and bespoke software in the manufacturing process is also requiring greater 'IT literacy' and skills in utilising specific computer-aided design (CAD)/computer-aided manufacturing (CAM) and computer numerical control (CNC) machining software. 'Smart factories' of the future will require workers with the relevant production and IT 'know-how'. The general shift to shorter, more tailored production runs, driven by both customer demand and the availability of more flexible production technology, is also increasing demand for design skills.
- Within the manufacturing and engineering sector as a whole, there is a marked difference between the Advanced Manufacturing, Materials and Engineering (AMME) subsector and other subsectors, particularly in the distribution of skills levels amongst the workforce.
- In the absence of disruptive innovations and exogenous shocks, it appears that the manufacturing and engineering sector might continue to provide employment opportunities across all skill levels, although the AMME subsector is likely to have a growing need at skill level 4+³¹. The skills system, therefore, needs to serve this plurality of skills needs.

²⁸ 'Economy 2030': Industrial Strategy for Northern Ireland (DfE, January 2017).

²⁹ Ulster University Economic Policy Centre (UUEPC) and DfE (June 2017).

³⁰ Where appropriate, this section draws upon the key findings, and definitions for each sector, as set out in Appendices I and II.

³¹ Please see Appendix III for the Qualifications Framework.

Yet once more, management and leadership skills will be critical to helping ‘the makers’ flourish – especially against the background of innovation, digitalisation and technological change/advancement. As international competition intensifies, so does the pressure on local businesses to perform and to innovate.

2.9.2 *Food & Agri-Food*

The production and processing of food plays a critical role in the Northern Ireland and Mid Ulster area economies. The sector creates 2.2% of Northern Ireland’s GVA³² and accounts for 3,379 employee jobs (7% of employment) in the Mid Ulster area. The sector also makes a significant contribution to jobs and wealth creation throughout the local economy through its purchase of goods and services such as transport, packaging and engineering. Businesses range from small-scale family-owned and locally focused businesses, to larger firms serving the domestic, national and international retail and foodservice markets and seeking to expand further internationally.

Despite the above, there is a recognised shortage of appropriate skills within Northern Ireland to serve the food & agri-food sector, with the future success of the sector requiring greater investment in innovation and skills.

Key challenges and priorities facing the sector across Northern Ireland include:

- A poor perception of the industry, lack of understanding of agriculture and food production, lack of awareness of the career options, and difficulty in recruiting graduates, particularly those with scientific and technical skills. The sector must become an attractive career option - from semi-skilled to technical to business management, with opportunities for graduate talent.
- Management and leadership training must be enhanced, and industry must increase their uptake of the support on offer.
- There is a need for business skills in the industry, both at primary and processing levels - cost analysis, commercial viability, and application of technical skills.
- A lack of marketing skills and failure to appreciate the need to meet or exceed customer expectations, throughout the supply chain.
- The need to better harness the fresh talent at FE Colleges, universities and CAFRE, through apprenticeships opportunities, both on-farm, in the factory and in skilled occupations such as the bakery sector.
- Like many other industries, the sector also faces the challenges of dealing with rising energy and other input costs, securing affordable finance from lenders, upskilling its workforce and competing on price and quality of products and produce.
- Introducing food into the education curriculum at pre-school, primary and secondary level was recently suggested by the Agri-food Strategy Board³³ to be an approach that could enhance the understanding of agriculture and food. It also suggested examining the scope for development of primary and secondary level curriculum-based training in agriculture and food to GCSE exam level.

The Northern Ireland Government has prioritised the food & agri-food industry for development, and with its support, the sector can capitalise on the clear opportunities available and overcome the barriers to growth.

2.9.3 *Construction*

The construction sector is a major component of the economy in the Mid Ulster area economy, with a workforce of over 4,425, many of whom are working outside of the area. There are around 1,340 construction businesses, with the overwhelming majority being micro-sized companies with less than 10 employees.

³² Source: ‘Agri-Food Horizon Panel Report’ (MATRIX, 2008).

³³ ‘Going for Growth: A Strategic Action Plan in Support of the Northern Ireland Food Industry’ (Agri-Food Strategy Board, 2013).

Key challenges and priorities facing the sector across Northern Ireland include:

- *A steady supply of talent* - The image of the construction sector has long been a barrier to attracting young people, many of whom associate the industry with insecurity, difficult working conditions and low pay. The pool of people employed in the industry younger than 25 years old has shrunk significantly over the past decade. The sector is stereotyped as being male and working class. However, the construction sector offers a wide variety of roles in trades and professions and clear progression paths. Nonetheless, this is rarely showcased and there is not a coordinated approach to debunking misperceptions or promoting the positive aspects of working in the sector.
- *Boom and Bust*: More so than in most other sectors, the construction sector has historically endured a boom and bust cycle that many in the industry accept as an intractable issue. This cyclical nature means that companies may adopt short-term horizons that makes investing in people a difficult choice. It is likely that no single solution is likely to solve this problem but nonetheless actions should be identified and implemented with the intention of mitigating the negative effects of boom and bust.
- *Migration*: Migration is a further area of concern for the sector, especially given the uncertainty associated with the Brexit negotiations.
- *Improving Training Provision*: The provision of training needs to be of the quantity, quality and type to match any forecasted need for skills in the sector. This includes the training made available to the current workforce, as well as the training of new entrants for the sector. Barriers to achieving this include the capacity and resources of businesses (the majority of which are small or micro businesses) to upskill their workforce, the ability of training providers to recruit teachers and lecturers of a high quality and the matching of training to the ever-changing needs of the sector resulting from such factors as the introduction of new methods and technology. In order to help mitigate the effects of the cyclical nature of the industry, the provision of training that looks to provide a workforce with the skillset and flexibility to move between sectors is also desirable.
- *Business models*: The sector's existing business models, low margins and fragmented supply chains do not encourage firms to invest and innovate. There are opportunities to unlock the industry's technical knowledge and vision to help deliver the solutions needed while collaborating with key actors in the sector such as the government's Construction Leadership Council.

The skills system needs to support the construction sector through developing skills across the different levels, working closely with employers to ensure mismatches are minimised and that training content matches need. Once more, this activity needs to be shaped by the understanding that advanced technical skills at higher levels (level 4+) are likely to increasingly shape the construction industry.

2.9.4 Retail

The retail sector comprises the largest sector of the private economy in Northern Ireland. It is not surprising, therefore, that retail is identified as an important factor contributing to local economies. However, the sector is polarised with a concentration of large multiple retailers at one extreme and, at the other, a large majority of small businesses.

Key challenges and priorities facing the sector across Northern Ireland include:

- Employers face considerable challenges in that, retail employs the highest proportion of part-time workers, suffers a higher than average staff turnover, and has a poor image as a career destination, particularly for well-qualified employees. Indeed, retailing has traditionally been 'trapped in a low skills, low pay equilibrium'³⁴.
- While independent retailers greatly outnumber the multiples, they are economically weak in comparison with the efficiency and productivity generated by the large corporate chains. As a result, the independent sector has steadily declined in contrast with the rising dominance of a few large multiples, particularly in sectors such as food. An associated impact is a decline in specialist skills, profitability and increased costs for independents due to this greater competition.
- Furthermore, developing technology has driven efficiency within retail operations; within stores, supply chains and in more recent sales channels such as the Internet. This has been mainly exploited by the larger multiples, as smaller independents often lack the resources, economies of scale and the skills to keep up with new technology.

³⁴ Skillsmart Retail, 2004.

- For the retail industry, replacement demand i.e. the labour required to replace those leaving the industry is typically much higher than the labour required to meet expansion. However, the need to match labour with daily and weekly trading peaks in retail has encouraged a more flexible, efficient staffing approach using part-time employment. Not surprisingly, part-time work typically attracts a greater proportion of ‘returners’ to the retail workforce and therefore a higher ratio of female: male employees.
- Sales and customer services underpin the retail sector and not surprisingly these occupations account for the majority of employment within retail. While management occupations comprise the second largest occupational group in retail, it is a much smaller proportion of the workforce than in other sectors. Undoubtedly, this occupational structure affects the qualification/skills profile and quality of entrants into the retail sector. The nature of retail sales occupations has traditionally demanded low-level skills. As a result, retail employs a relatively high proportion of workers with lower than average levels of qualification attainment. A key implication of low skills is lower pay, which in turn can greatly influence the attraction, recruitment and labour turnover in retail.
- New technology requires workers to have up-to-date IT skills, which can be a challenge for older workers who are less likely to have good IT skills than younger workers.
- The retail industry in Northern Ireland needs to raise and enhance the image of the sector, to identify the skills sets for specific roles, and to clarify the retail qualifications and training required for delivering these. This means presenting retail as an attractive and promising career to those who may be overlooking it in favour of other options. To continue to attract younger workers, the opportunity to use and develop technology-based skills and knowledge within a retail career should be promoted. The range of potential career options at higher levels and in management roles should also be promoted to undergraduates and graduates through universities and careers intermediaries.

2.9.5 IT

The Northern Ireland IT sector comprises over 1,300 businesses and has a strength in its software engineering expertise, along with clusters in mobile telecoms, financial software, information management, cyber security and connected health. The sector employs around 15,000 people, the majority (75%+) of which are employed in computer programming and consultancy. The median earnings for IT specialists in Northern Ireland is well above the region’s average salary, whilst IT companies typically pay better than average wages.

However, in the Mid Ulster area, the sector accounts for less than 1% (233 employee jobs) of employment, who are employed by 62 businesses (representing 1% of the business base within the Council area).

Key challenges and priorities facing the sector across Northern Ireland include:

- The pace of digital change makes predicting the future difficult, but there are a number of trends that are driving innovation and development in the Northern Ireland IT sector. For example, as the capabilities of computers expand beyond routine work, tasks that were once considered too complex for automation will be converted into well-defined problems capable of digital solutions. Exponential growth in computing power, combined with a dramatic reduction in cost, has seen computer technologies transform the workplace, displacing labour from some jobs but also creating new types of work that call for different skills. Jobs and skillsets that barely existed five years ago, such as iOS/Android developer, data scientist, cloud services specialist, big data architect, will experience an increase in demand by businesses.
- There are specific challenges to growing the IT sector in Northern Ireland, including, *inter alia*, the supply of skilled, committed and passionate talent. Leading countries have a strong focus on education and training, drawing on a tech-savvy workforce with exemplary project management and system integration strengths. However, while Northern Ireland has a particular strength in the calibre of its software engineers, it has a weakness in the quantity of talent that is available to support the growth of the ICT sector.
- An undersupply in STEM-related subjects is a consistent finding across skills research for many years now. There are a number of reasons for this finding, not least because sectors such as IT have significant growth potential and the skills are in demand across a wide range of sectors and occupations. However, a further reason could be that ICT is amongst a relatively small number of occupations that require a qualification in a relevant subject discipline. This places greater significance on the volume of qualifications being achieved in these subjects on an annual basis relative to other subject areas.
- Furthermore, the continuing decline in females entering the IT profession is a real threat for Northern Ireland (as it is throughout the UK) and an issue that needs to be addressed. Doubtless the continued poor

representation of women within the IT workforce is an inevitable waste of valuable potential resource and, as such, is an issue which warrants further examination by the government.

- Talent production needs to accelerate past addressing the current shortfall to drive growth, rather than maintain the status quo. In addition, a digitally talented and capable workforce will drive the whole economy, not just the IT sector. The attraction of talent from outside of Northern Ireland offers a major opportunity to address the talent gap and introduce a diversity of talent and skills that other regions thrive on to progress.

2.9.6 Hospitality

While the hospitality sector in Northern Ireland faces a range of unique challenges (e.g. uncertainty associated with Brexit and the recent introduction of the National Living Wage), encouragingly, the trajectory of growth remains upwards. Across Northern Ireland, the hospitality sector is, at the time of writing, enjoying the benefit of a more competitive exchange rate, along with a significant increase in investment in the hotels sector. In the Mid Ulster area, the sector accounts for 6% (2,968 employee jobs) of employment, with the food and drink component of the sector (pubs, restaurants etc.) being a key contributor.

Key challenges and priorities facing the sector across Northern Ireland include:

- The sector also has a prominent role in the local economy, supporting tourism, attracting investment and contributing to overall quality of life. It has a strong part-time working representation in its labour force (on average, nearly two-thirds of all jobs within hospitality are part-time) – offering flexible working and opportunities for youth employment and employment for those attempting to re-engage with the labour market.
- The biggest challenges facing businesses in the sector are the supply and retention of talent across all levels of their business, along with the high reliance on EU nationals, who represent between 12% to 24% of the current workforce. The sector already struggles to recruit, with particular challenges in recruiting chefs, other kitchen staff, housekeeping and front of house staff, which are among the roles with the highest proportion of EU migrant workers.
- Consequently, the sector is likely to be more significantly impacted by any change in the availability of EU labour than other sectors which rely less heavily on EU nationals. The hospitality sector is also associated with high levels of staff turnover - each year it loses and has to recruit a large number of people relative to its total employment.
- It is estimated that the high levels of staff turnover, coupled with projected employment growth in the sector, will generate a significant labour market requirement for workers from outside the sector. This figure will increase over time as the total employment in the sector grows. This recruitment need is currently filled with a combination of:
 - UK workers previously unemployed or inactive;
 - UK workers moving from other sectors;
 - EU nationals; and
 - Rest of the world nationals.
- However, assuming the continuation of current levels of recruitment from UK and rest of world migrant workforce, restrictions to new EU migrants entering the UK for work in the sector will likely generate a recruitment gap, which will have a cumulative impact on the UK hospitality sector over time.
- The hospitality sector faces challenges in recruiting enough workers, particularly in specific roles. Key reasons for this include:
 - A lack of willingness by job seekers to work in the sector due to: careers not being seen as viable in the long-term - roles are often seen as short-term and temporary and primarily aimed at young people/students; roles are perceived to be low-paid and high-effort; seasonal work and shift patterns in the industry are not desired by UK workers; and a lack of knowledge about career progression and opportunities within the hospitality industry.
 - A lack of necessary skills - chefs and front of house staff are the two most frequently cited hard-to-fill roles in the sector.
 - Overall labour market conditions in the context of low unemployment.

3. MID ULSTER'S PLATFORM FOR GROWTH

This section sets out the Consultancy Team's understanding of the economy of the Mid Ulster area and in particular, its position relating to skills availability, and its performance in comparison to the rest of Northern Ireland.

It draws together a wide range of data (demographic, economic, supply and demand of skills) and the findings from the primary research in order to paint a detailed picture of the labour market and skills need in the Mid Ulster area. Please note, detailed findings are included in Appendices I and II.

3.1 Mid Ulster's Economic Performance

Located in the heart of Northern Ireland, the Mid Ulster area has been at the forefront of industrial and entrepreneurial development. The reputation of the area in the fields of manufacturing, engineering and food sectors is well known, and where other regions have seen manufacturing decline, the area has worked hard to retain and attract such industries into the area and has been successful in this endeavour.

The economic performance of the Mid Ulster area has been driven by a set of complementary strengths, which, in combination, delineate its unique position in Northern Ireland economy. Given the preceding analysis of the changing context - and in particular, the vote to leave the EU - the Consultancy Team is of the view that the need for each of these strengths has the potential to become more, not less, significant in the future. Therefore, the skills priorities that have been set out for the area begin with sustaining and developing these platforms for growth:

- Mid Ulster (incorporating the former council areas of Cookstown, Dungannon and South Tyrone and Magherafelt) possesses the second largest business base outside of Belfast³⁵.
- Strategically located, the Mid Ulster area has a widely acknowledged strong, diverse and dynamic business base, together with an educated and entrepreneurial workforce.
- It has the 2nd lowest claimant count in the region at 1.3%³⁶.
- The Gross Value Added (GVA) is £2.075 billion, the 4th highest in the region in 2014, producing 7.3% of the region's total economic output.
- The area population of 145,000 is the fastest growing new Council area.
- Total workforce - 91,711 of working age (aged 16-64).
- 700,000 people within a one-hour commute of the district boundaries.
- Circa 11,000 people employed in circa 600 manufacturing & engineering businesses in Mid Ulster area.
- 40% of world's mobile crushing and screening equipment is made in the Mid Ulster area.

3.2 Business Start-Up v Business Scale-Up

It should be noted that while regions with strong entrepreneurial foundations grow faster, they do so not through continual replication of small businesses but rather through retaining employment growth in those establishments that ultimately become large³⁷. Therefore, the Mid Ulster area needs to be an attractive place not only to start new businesses up but also to scale them up. This is reflected in the recent Scale-Up Report on UK Economic Growth, an independent report to the government³⁸.

Scale-up companies, such as those present in the Mid Ulster area, can be major contributors to local economies, especially with regards to acting as role models and inspiring others. Scale-up companies can have a particularly dynamic effect on local ecosystems when they are clustered together, buying goods and services from each other, attracting and developing talented people and building networks with the local ecosystem.

³⁵ Circa 8,245 businesses, which represents 12% (N=70,060) of the regional total.

³⁶ NISRA (2017) 'Northern Ireland Labour Market Report March 2017'.

³⁷ See, for example, Glaeser, Kerr & Kerr, Entrepreneurship and urban growth; An Empirical Assessment with Historical Mines, NBER Working Paper No. 18333, August 2012.

³⁸ Coutu, Sherry, The Scale-Up Report on UK Economic Growth, November 2014.

However, scale-ups businesses report problems accessing talent and recruiting people with appropriate skills, with skills shortages being cited as the most significant issue.

The Mid Ulster area needs sufficient numbers of people who have the right skills. This requires action by both business and government. There are some short-term 'fixes' required and some long-term 'fixes', which fall primarily to the government to address. For example, young people should be made aware of the skills they need for the jobs that will be available to them when they are finished with full-time formal education, whilst career opportunities should be promoted to those who are employed and unemployed (including this categorised as students).

3.3 Mid Ulster's Business and Employee Profile

There are circa 8,245 VAT and/or PAYE registered businesses within the Mid Ulster area. These businesses represented 12% the total number of registered businesses within Northern Ireland and the area has the second largest business base outside of the Belfast Metropolitan area.

- Four-fifths (80%) of the businesses within the Mid Ulster area are operating within the six identified priority sectors.
- The Mid Ulster area has a relatively high concentration of Food & Agri-Food businesses (38%) compared to Northern Ireland as a whole (26%).
- The area also has higher proportions of Construction (16% versus 13%) and Manufacturing & Engineering (7% versus 6%) businesses when compared to Northern Ireland as a whole.
- The manufacturing & engineering sector within the Mid Ulster area has strong specialisms in the production of general and special purpose machinery, along with the manufacture of products which directly supply the construction and agricultural sectors. It was also noted that the manufacture and wholesale of produce, which falls within the broader Food & Agri-Food sector, are concentrated in the Council area.
- It was also suggested that, in addition to the portfolio of companies in the quarrying and construction sectors (including those companies specialising in the manufacture of mining and quarrying machinery), food manufacture and the agri-food business is also well represented in the area.
- Employment specialisms within the Council area are strongly associated with the most prominent employing sectors in the economy, namely supplying bespoke machinery for the manufacturing and construction sectors.

The Consultancy Team's primary research with businesses indicates that most of the businesses are headquartered in the Mid Ulster area, which is broadly reflective of the area's largely indigenous business base (with a small cohort of FDI businesses).

Whilst there is a proportionately lower rate of business start-ups within the Mid Ulster area³⁹, those businesses which do start-up tend to be more sustainable, resulting in a lower business death rate than in most other Northern Ireland LGDs.

Over the period 2012/13 to 2016/17, there was a range of activity in the Mid Ulster area that was supported by Invest NI. For example:

- 798 unique businesses within the Mid Ulster area received 3,061 offers of support from Invest NI, including 780 (98%) businesses that were locally owned.
- The value of the support provided by Invest NI (£68.31m) contributed towards leveraging further investments totalling £362.56m, including £46.78m from externally-owned businesses into the Mid Ulster area.

As of 2016, the total employee jobs within the Mid Ulster area equated to 52,372, which represented 7% of the total employee jobs in Northern Ireland. The area is, vis-à-vis the Northern Ireland average, less dependent on the public sector for its employee jobs.

³⁹ The 'birth rate' (i.e. the number of business births as a proportion of the total number of active enterprises) in the area was 9.3%, which was lower than the overall business birth rate of 10.2% for Northern Ireland.

In 2015, nearly two-thirds (63%) of the employee jobs in the Mid Ulster area were in the six identified priority sectors, as illustrated below:

Employee Jobs (2015) by Sector and Gender ⁴⁰						
Sector	Mid Ulster area					
	Male		Female		Total	
	No.	%	No.	%	No.	%
Priority Sectors						
Manufacturing & Engineering	8,869	83%	1,871	17%	10,740	21%
Retail	4,675	47%	5,260	53%	9,935	20%
Construction	3,826	86%	599	14%	4,425	9%
Food & Agri-Food	<i>Agriculture</i>	<i>41</i>	<i>79%</i>	<i>11</i>	<i>21%</i>	<i>52</i>
	<i>Food Manufacturing</i>	<i>2,324</i>	<i>70%</i>	<i>1,002</i>	<i>30%</i>	<i>3,326</i>
	Subtotal	2,365	70%	1,013	30%	3,379
Hospitality	1,138	38%	1,830	62%	2,968	6%
IT	150	64%	83	36%	233	<1%
Subtotal Priority Sectors	21,024	66%	10,656	34%	31,680	63%
'Other' Sectors	6,070	33%	12,406	67%	18,476	37%
Total Employee Jobs	27,094	54%	23,062	46%	50,156	100%

Key points to note include:

- Nearly two-thirds (63%) of the employee jobs in the Mid Ulster area were in the six identified priority sectors. The area has, vis-à-vis the Northern Ireland average (43%), a higher dependence on these priority sectors for its employee jobs.
- The dependence on these sectors is particularly pronounced within the manufacturing & engineering and retail sectors, whereby over a fifth (21% & 20% respectively) of the employee jobs in the Council area are within these sectors (compared to 9% and 17% respectively of all employee jobs at a Northern Ireland level).
- The Mid Ulster area is, vis-à-vis the Northern Ireland average (of 8% and 2% respectively), less dependent on the hospitality (6% of jobs) and IT (less than 1%) sectors for its employee jobs.
- Two-thirds (66%) of employee jobs within the six priority sectors are held by males. The gender imbalance is more pronounced in some sectors than others. For example, less than a third (<33%) of the employee jobs in the construction, manufacturing & engineering and food & agri-food sectors are held by females. The clear gender imbalance perhaps points to some potential solutions to address some of the skills issues faced by businesses in the area.
- Full-time workers in the Mid Ulster area also earn nearly a fifth (16%) less per week than an equivalent worker elsewhere in Northern Ireland.

3.4 Availability of Skilled Labour (at Present and in Future)

Mid Ulster District Council is, in population terms, the sixth largest local government district (LGD) in Northern Ireland. In recent years, the Mid Ulster area has demonstrated the fastest population growth of the 11 LGDs, which has largely been driven by strong natural increases (i.e. number of births well in excess of number of deaths) and consistent net inflows of migration. However, the uncertainty associated with Brexit is likely to impact on future levels of net inward migration into the area. In contrast to the net inward migration experienced over the last decade, there is projected to be consistent net out-migration between 2015 and 2020 based on a subdued labour market.

⁴⁰ Source: NISRA Business Register and Employment Survey (BRES) 2015. Please note, the sample sizes in the 2016 BRES were too small to enable sectoral analysis. Further details are included in Appendix II.

There is a greater proportion of children (aged 0-15 years old) within the Mid Ulster area (23.1%) than the average for Northern Ireland (20.9%). This relatively larger share of people aged below 16 years old provides some indication that the area may potentially have a larger supply of future labour to draw on.

The performance of the labour market in the Mid Ulster area has, relative to Northern Ireland averages, been historically strong. For example:

- Greater proportions of the working age population within the Mid Ulster area are, in comparison to Northern Ireland averages, economically active (76.0% versus 74.0%) and in employment⁴¹ (72.9% versus 69.3%). This provides some indication that the labour market in the Mid Ulster area is, to a greater extent than the Northern Ireland average, operating more efficiently with minimal excess supply.
- As per the latest Labour Force Survey (LFS)⁴², just 3.1% of the working age population is unemployed versus 4.7% across Northern Ireland.
- As of early 2017, there was a marked difference between employment levels amongst males and females in the Mid Ulster area. For example, over four-fifths (82.4%) of males of working age were in employment, compared to just two-thirds (59.9%) of females. This provides some indication that there is potential to support more females to move from economic inactivity and unemployment into employment within the Council area.
- Nearly a quarter (24%) of the working age population in the Mid Ulster area is categorised as being economically inactive. As is the case throughout the UK as a whole, there will always be individuals within labour market classified as economically inactive at a given point in time (e.g. students, early retirees etc.). Notwithstanding this, the proportion of the working age population in the Mid Ulster area that is classified as economically inactive (24.0%) remains higher than the UK average rate of 21.5%. **There is, therefore, the potential for a proportion of those who are not seeking a job and/or indicate that they do not want a job to be encouraged to move into the active labour market⁴³.**
- Claimant count data provides details on the number of people claiming Jobseeker's Allowance (JSA) benefits from Jobs and Benefits offices. As of November 2017, the Jobs and Benefits Offices within the Mid Ulster area recorded that there were 1,310 claimants of JSA benefits. This equates to circa 1.5% of the working age (16-64) population (89,000) in the Mid Ulster area, which is over one percentage point lower than the Northern Ireland average.
- The short-term claimants (of which there were just 1,010 in the Mid Ulster area) represent the more likely pool of candidates to fill existing and arising employment vacancies than the long-term claimants.

Discussion with NISRA indicates that the number of vacancies that are notified and added in Department for Communities (DfC) job centres/jobs and benefits offices is one measure of estimating the demand for labour in a given area⁴⁴.

Analysis of data relating to employment vacancies indicates that, in the 2016/17 fiscal year, there were 4,743 vacancies notified and added in job centres/jobs and benefits throughout the Mid Ulster area. This equates to a 32% uplift in the number of notified employment vacancies when compared to the previous year. Of note:

- Over a fifth (21%) of the notified vacancies were for Elementary Occupations, whilst a similar proportion (18%) were for 'Skilled Trades'. A further 13% were for 'Process, Plant and Machine Operatives'.

⁴¹ Those (aged over 16 years old) who undertook some paid work in the reference week of the survey (either as an employee or self-employed); those participating in government training and employment programmes; and those doing unpaid family work.

⁴² Further details are included in Appendix I.

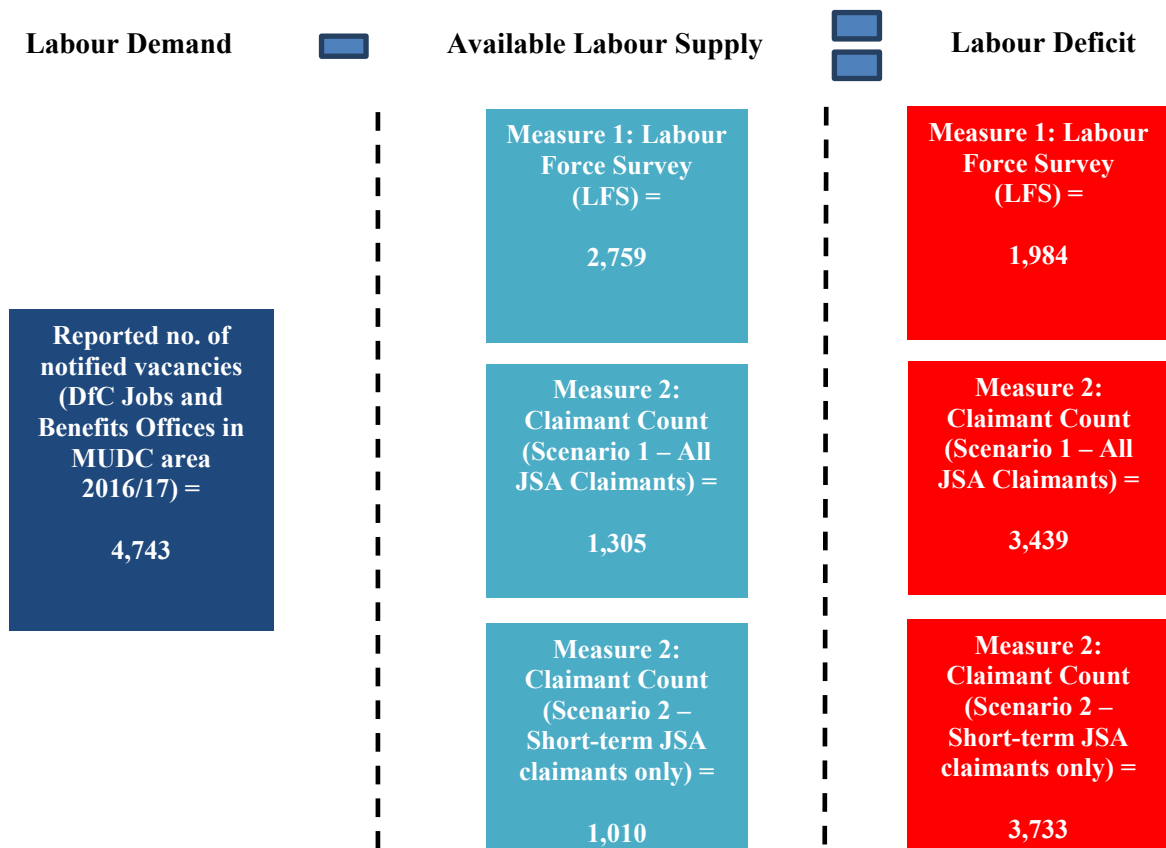
⁴³ For example, the Northern Ireland Economic Inactivity Strategy (further details of which are included in Appendix I) focuses on the forms of economic inactivity which are caused when an individual's particular personal circumstances, often combined with various structural issues, geographical nuances and economic conditions, restrict their access to the labour market.

⁴⁴ However, according to NISRA, this only represents a minimum position, as it does not represent the total 'unmet demand' for staff by employers in Northern Ireland (i.e. it is solely those vacant positions that employers notify to DfC).

- Nearly a fifth (18%) of the notified vacancies were in the ‘Other Service Activities’ sector, whilst similar proportions were in the ‘Wholesale and Retail’ and ‘Manufacturing’ sectors (17% and 15% respectively). A further 10% were in the ‘construction’ sector.

Based on the preceding analysis (and that included in Appendix I), the Consultancy Team has estimated that there is, at the time of writing, a **deficit of available skilled labour within the Mid Ulster area**. This is depicted in the diagram below:

Figure 3.1: Estimated Labour Deficit in the Mid Ulster area



Key points to note include:

- Depending on which measure is used (i.e. the LFS or claimant count data), it is estimated that the pool of available labour within the Mid Ulster area ranges from 1,010 to 2,759 individuals.
- However, given that there are, as a minimum, 4,743 job vacancies to be filled, there is a resultant **deficit of available labour within the Mid Ulster area**, estimated to range from 1,984 (if the LFS measure of unemployed is adopted) to 3,733 (if only short-term claimants of JSA are considered) individuals.
- Given that the measure of labour demand is solely those vacant positions that employers notify to DfC⁴⁵, there is potential that the actual ‘unmet demand’ for labour within the Mid Ulster area is in excess of 4,743 stated above. Such a scenario would **exacerbate this calculated labour deficit**.
- Conserve to the above point, as previously stated there is potential for a proportion of those who are classified as economically inactive to be encouraged to move into the active labour market. Such a scenario would potentially increase the labour supply in the Mid Ulster area and contribute towards reducing the labour deficit.
- The key finding seems to be that **employers within the Mid Ulster area are likely to be experiencing issues accessing prospective employees**, given this deficit in the local labour market. Therefore, in the absence of significant net inflows of human resources into the area, any

⁴⁵ According to NISRA, it does not represent the total ‘unmet demand’ for staff by employers in Northern Ireland.

initiatives/interventions taken forward as part of this Skills Strategy and Action Plan should, in the first instance, **seek to attract external talent and residents to the Mid Ulster area.**

3.5 Education and Skills (at Present and in Future)

When seeking to improve employability and productivity within the workforce, it is important to develop skills at all levels. Improving the skill sets of those with no formal qualifications enhances employability prospects, whilst also addressing associated issues such as poverty and social exclusion.

As of March 2017⁴⁶, the proportion of the working age population in the Mid Ulster area with:

- No qualifications (16.3%) was marginally higher than the average rate across Northern Ireland (16.0%); and
- Qualifications of National Vocational Qualifications (NVQ) level 4 or above was 30.2%, which was marginally lower than the Northern Ireland average (32.5%).

Interestingly, despite the below average performance at both ends of the education spectrum, recent education publications (2015/16)⁴⁷ have shown that school leavers within the Mid Ulster area are performing at a level above the Northern Ireland average attainment. For example:

- At the GCSE qualification level, 85.4% of school leavers in the Mid Ulster area (N=1,882) attained at least 5 GCSE grades A* to C, compared with a rate of 81.7% across Northern Ireland as a whole.
- In addition, 58.4% of school leavers in the Mid Ulster area achieved at least 2 A-levels with grades A*-E, compared with a rate of 57.3% of pupils in Northern Ireland as a whole.

Almost four-fifths (79.2%, N=1,882) of school leavers in the Mid Ulster area proceeded to attend either an Institute of Higher Education e.g. universities or teacher training colleges (44.3%) or Institutes of Further Education (34.9%). Each of these proportions were higher than the average rates across Northern Ireland, indicating a greater propensity for Mid Ulster students to progress into further and higher education than is demonstrated elsewhere.

Students from the Mid Ulster area enrolled in Further Education (FE) Colleges are, vis-à-vis students from other areas of Northern Ireland, more likely to student subjects which are considered to be STEM⁴⁸ subjects.

Interestingly, only 16.8% of school leavers in the Mid Ulster area entered the labour market, either directly into employment (7.9%) or as part of some form of training (8.9%). Notably, these figures were lower than the corresponding figures for Northern Ireland as a whole (8.9% and 9.7% respectively).

As of April 2017, there were 919 individuals within the Mid Ulster area participating on Apprenticeships within the Apprenticeships NI Framework⁴⁹, which were relatively evenly split between Levels 2 (37%), 2/3 (27%) and 3 (36%). Almost three-quarters (72%) of the overall apprentices, and nearly all (91%) of the Level 2/3 apprentices were male. Whilst there are some exceptions across individual sector disciplines (e.g. within disciplines relating to the hospitality and food & agri-food sectors), this provides some indication that there is potential to support more females to move into apprenticeship within the Council area.

The recent update to the 2015 Northern Ireland Skills Barometer⁵⁰ projected that (under an assumed high-growth scenario), there will be 87,000 new jobs within Northern Ireland by 2026, which is broadly similar to the target from the Industrial Strategy to create 80,000 new jobs by 2030. Whilst this study

⁴⁶ Department for Communities (2017) 'Labour Market Analysis: Mid Ulster Local Government District'.

⁴⁷ Department of Education (2017) 'School Leavers Survey 2015/16'.

⁴⁸ Science, Technology, Engineering and Mathematics, including any subjects that fall under these four disciplines.

⁴⁹ Data provided by the Department for the Economy from its Client Management System as at 28th July 2017.

⁵⁰ Ulster University and DfE (2017) 'NI Skills Barometer: Update Report'.

looks at Northern Ireland as a whole (without comparable data being available at a LGD level), it is important to recognise the projected demand for jobs and skills across Northern Ireland as this would likely resemble the localised trends.

At an overall level, the study projects that there will be an annual average gross demand of 80,400 jobs between 2016 and 2026, of which 28,600 would be required to be filled from the education system and migration, rather than from the existing labour force. The sectors which are anticipated to deliver the greatest level of job growth over 2016-2026 are (those denoted in bold are part of the six identified priority sectors):

- **Construction;**
- **Manufacturing;**
- **ICT;**
- **Restaurants and hotels;**
- **Professional, scientific and technical;**
- Admin and support services; and
- Health and social work.

3.6 Specific Sectoral Skills Needs

In this section, the six identified priority sectors within the Mid Ulster area are investigated further. In doing so, the following subsections provide the key findings emerging from the primary research with the businesses located within the Mid Ulster area (a detailed analysis is included in Appendix II).

3.6.1 *Employment and Employee Profile*

In total, the businesses that participated in the research stated that, as of 2017, they had 11,734 employees based in Northern Ireland, of which 9,962 (85%) were based within the Council area.

Across the businesses, three-quarters (75%) of all employees were male. This compares with an overall working age male population in the MUDC area of 51%. The gender imbalance is more pronounced in some job roles⁵¹ than others. For example:

- ‘Skilled trade’ workers are over-represented by 45% towards males. It is noted that nearly a fifth (18%) of all workers were reported as being in this category;
- ‘Elementary’ workers are over-represented by 35% towards males;
- ‘Professional Services’ workers are over-represented by 31% towards males;
- ‘Process, Plant & Machine Operatives’ workers are over-represented by 28% towards males. It is noted that a third (32%) of all workers were reported as being in this category;
- ‘Managers/ Directors’ workers are over-represented by 23% towards males;
- ‘Admin/Secretarial’ workers are over-represented by 27% towards females; whilst
- ‘Caring, Leisure & Other Service’ workers are over-represented by 20% towards females.

The construction (88% of employees are male) and the manufacturing & engineering (86%) sectors are particularly skewed towards male employees. However, nearly two-thirds (62%) and over half (56%) of workers in the hospitality and retail sectors respectively are female.

The clear gender imbalance perhaps points to some potential solutions to address some of the skills issues faced by businesses in the area e.g. there may be opportunities to build upon existing initiatives such the promotional profile articles in regional newspapers (e.g. Belfast Telegraph) of ‘successful

⁵¹ As per Standard Occupational Classification 2010 (as per ONS Labour Market Statistics) based on the OECD International Standard Classification of Occupations (ISCO).

women in work in the manufacturing industry⁵² or promotion activities undertaken⁵³ to encourage women into professional roles in the construction sector e.g. quantity surveying, architecture etc.

There is a dependence within the manufacturing & engineering, construction and food & agri-food sectors on employees categorised as being 'Skilled Trade' or 'Process, Plant & Machine Operatives', with 50%+ of their employees falling within these job roles.

The hospitality (68%), retail (54%), food & agri-food (54%) and manufacturing & engineering (54%) sectors have particularly strong representation amongst young people (aged 18-34) compared with the overall profile in the Mid Ulster area (35%). Whilst this is encouraging in many respects, it may also signal a key factor in the recruitment and skills issues facing those same businesses. That is, they may well have maximised much of the available opportunity to recruit from that pool of individuals.

On an overall basis, the businesses draw heavily upon the Mid Ulster area's local population for their workforce, with respondents suggesting that over half (56%) of their workforce originally came from the Council area.

However, it is evident that some sectors are more reliant on drawing employees from outside the area. In particular, nearly two-thirds (64%) of the employees in the food & agri-food sector originally came from elsewhere in the EU (other than the UK or the Republic of Ireland), including countries such as Poland, Romania, Bulgaria, Lithuania and Hungary. As previously highlighted, the uncertainty associated with Brexit may have significant consequences for sectors such as the food & agri-food sector, whereby restrictions may be placed on businesses ability to access EU27 Nationals as employees.

Positively, nearly three-quarters (71%) of the businesses indicated that their annual rate of staff turnover⁵⁴ was, as of 2017, 5% or less. However, a small cohort of businesses (7%), primarily operating in the hospitality, manufacturing & engineering and food & agri-food sectors, were experiencing a staff turnover rate of over 20%. It was suggested that a number of interrelated issues have contributed to this position:

- A small local labour pool; resulting in
- Strong wage competition;
- Individuals being asked to operate in roles within which they are not proficient and being required to work regular overtime; and
- Low staff morale.

In terms of principal markets, over two-fifths (43%) of businesses indicated that they have 70%+ of their sales in external or export markets, which exposes them to, for example, currency fluctuations, competition labour etc. Discussion with these businesses indicates that the uncertainty associated with Brexit is already having significant consequences for their business operations.

3.6.2 Issues Attracting and Retaining Staff

Nearly three-quarters (71%) of the businesses suggested that they had faced challenges in attracting appropriately skilled staff during recent times (e.g. in the last 3 years). This issue was particularly prevalent in those businesses that operate in the manufacturing & engineering, food & agri-food and construction sectors.

Compounding these issues was the fact that nearly two-fifths (39%) of businesses suggested that they also experienced issues retaining appropriately skilled staff. Again, this issue was particularly prevalent in the food & agri-food and manufacturing & engineering sectors.

⁵² Developed by Manufacturing NI.

⁵³ By CITB.

⁵⁴ i.e. the percentage of staff who leave each year as a proportion of the total employees

The findings suggest that issues associated with attracting and retaining staff are particularly acute for the following ‘hard to fill’ roles and specialisms:

Manufacturing & Engineering	<ul style="list-style-type: none"> Welders⁵⁵ Hydraulic fitters Automotive engineers/electricians Design engineers Mechanical engineers Health and safety professionals Electricians Marketing staff 	<ul style="list-style-type: none"> Individuals with spray painting expertise e.g. parts spraying Materials handlers Skilled joiners with Computer-aided design (CAD) expertise Machine/production operatives Assembly workers Health and safety staff
Construction	<ul style="list-style-type: none"> Process engineers Chemists (related to cement processing) Design technicians Planners 	<ul style="list-style-type: none"> Skilled/unskilled construction operatives IT staff Skilled and experienced joiners Skilled and experienced plumbers
Food & agri-food	<ul style="list-style-type: none"> Skilled and experienced butchers Skilled and experienced bakers Innovation staff Specification writing 	<ul style="list-style-type: none"> New product development staff Quality controllers/assurance Skilled/unskilled production operatives Refrigeration engineers
Retail	<ul style="list-style-type: none"> Shop floor operatives (specifically for the night and early morning shifts) 	<ul style="list-style-type: none">
Hospitality	<ul style="list-style-type: none"> Experienced Chefs General kitchen/bar staff 	<ul style="list-style-type: none"> Housekeeping staff

The principal reasons for the recruitment and retention related issues include:

- Nearly two-thirds (65%) of the businesses suggested that **applicants did not have the necessary skills** (with skills and qualifications less advanced than required for job role).
- Three-fifths (60%) suggested that **few or no applicants** contributed towards having certain positions/vacancies that were considered ‘hard-to-fill’. Research suggests that the lack of applicants may be a result of economic activity and employment levels for those over 16 years old being considerably higher (between January and March 2017) for the Mid Ulster area vis-à-vis Northern Ireland averages (76.0% versus 74.0% and 72.9% versus 69.3% respectively).
- A similar proportion (59%) also suggested that **applicants did not have the necessary experience**.

The following provides an indication as to the extent these issues were prevalent across individual sectors:

- Over three-quarters (78%) of the businesses that operate in the manufacturing & engineering sector, and a similar proportion (77%) that operate in the hospitality sector, indicated that **few or no applicants** contributed towards having certain positions/vacancies that were considered ‘hard-to-fill’.
- More than two-thirds (66%+) of the businesses that operate in the hospitality, food & agri-food, manufacturing & engineering, construction and IT sectors indicated that **applicants not having the necessary skills** contributed to having ‘hard to fill’ vacancies.
- Within the retail, construction and food & agri-food sectors, over two-thirds (69%, 67% and 67% respectively) of businesses suggested that **applicants not having the necessary experience, rather than skills**, contributed to having ‘hard to fill’ vacancies.

⁵⁵ One core research respondent noted that they faced particular challenges in recruiting welders with experience in MIG (Metal Inert Gas), TIG (Tungsten Inert Gas) and aluminium welding, which are all types of welding processes.

Inadequate supply of applicants

Businesses cited that an inadequate supply of applicants was primarily due to:

Reasons for an inadequate supply of applicants
<ul style="list-style-type: none"> • Competition within the local labour market; and/or • The small local labour market within the Mid Ulster area; <p>And to a lesser extent:</p> <ul style="list-style-type: none"> • A perception (amongst potential applicants) that the Mid Ulster area is too far away from their homes; and/or • The hours associated with the job; • A perceived lack of career prospects in the job/industry; and/or • Potential applicants not having a suitable means of transport to the business' location (including suitable public transport options); and/or • The wages offered being less favourable/competitive relative to those offered elsewhere; and/or • Negative perceptions of the industry/sector.

Across each of the six identified priority sectors, competition within the local labour market, along with the small local labour market, were consistently cited as being the key cause of positions being 'hard to fill'.

However, there were a number of subtle differences between sectors as to what additional factors (above and beyond the two key reasons cited above) that contributed towards an inadequate supply of applicants. For example:

- **A perceived lack of career prospects in the job/industry** was cited by businesses in the food & agri-food, construction and retail sectors as one of the key reasons why they had an inadequate supply of applicants. This view was shared by several stakeholders such as Invest NI, the two FE Colleges, the local enterprise agencies and key sectoral business organisations e.g. CITB, Food & Drink Sector Skills, Hospitality Ulster, CBI, BITC, Tourism NI, FMB, Manufacturing NI etc. These stakeholders suggested that more collaborative awareness raising and promotion, particularly within schools (and where possible involving parents⁵⁶), could be undertaken by businesses in an effort to identify the nature and type of opportunities that might be available for individuals in the six priority sectors. For instance, there could be more joined-up and widespread use of social media channels (e.g. case study materials/profiles identifying the type of roles, skills required, opportunities available etc.), facilitated site visits, open nights or insight/exploration days for students and parents, preferably outside of school hours (where possible) etc.
- **Potential applicants not having a suitable means of transport to the business' location** (including suitable public transport options), was cited by businesses in the food & agri-food sector. Indeed, Invest NI, the local enterprise agencies and key sectoral business organisations (e.g. CBI, Manufacturing NI etc.) suggested that connectivity to, and within, the Mid Ulster area could be improved. For example, this could include enhancements to the existing public transport linkages and park and ride facilities.
- **The wages offered being less favourable/competitive** relative to those offered elsewhere, was reported by businesses in the food & agri-food, hospitality, retail and, to a lesser extent, manufacturing & engineering sectors. Indeed, a representative from the CITB suggested that wage levels are, in some instances, not high enough to attract employees into the construction sector in the local marketplace.

⁵⁶ Who are considered to be the key 'influencer' in students' future careers options.

- **Negative perceptions of the industry/sector** was reported by businesses in the food & agri-food, retail and, to a lesser extent, construction sectors. Again, this view was shared by several stakeholders such as the two FE Colleges, Invest NI, the local enterprise agencies and key sectoral business organisations e.g. CITB, Food & Drink Sector Skills, Hospitality Ulster, CBI, BITC, Tourism NI, FMB, Manufacturing NI etc. These stakeholders suggested that more collaborative awareness raising and promotion, particularly within schools (and where possible involving parents), could be undertaken by businesses in an effort to, *inter alia*, redress the negative perceptions of certain sectors. For instance, the ‘tasty careers’ initiative⁵⁷ for the food & agri-food sector could be expanded and, where possible, replicated for the other priority sectors.
- **A perception that Mid Ulster is too far away from potential applicants' homes**, was reported by businesses in the IT, construction and food & agri-food sectors.
- **The hours associated with the job** was reported by businesses in the hospitality and the food & agri-food sectors.

Lack of skills and/or qualifications

For those businesses that experienced challenges attracting and/or retaining staff with the necessary skills and/or qualifications required for the job role:

Types of skills and/or qualifications applicants lack	
<ul style="list-style-type: none"> • Nearly three-quarters (71%) of the businesses cited that they required general employability skills⁵⁸ and attributes (e.g. good work ethic, ‘can do’ approach and a positive attitude, initiative and flexibility etc.). This was broadly consistent across each of the key sectors. • Nearly three-fifths (60%) suggested they required the requisite professional or technical qualifications (e.g. essential skills, GCSEs, A Levels, degrees, technical/vocational qualifications etc.). This was more prevalent in the hospitality and manufacturing & engineering sectors. These businesses were asked to identify the specific qualifications and posts that they require and those that they anticipate that they will require during the period to 2020. These findings have been collated and presented in Appendix II and are aligned with the Qualifications Frameworks and the main stages of education/employment that are set out in Appendix III. • A similar proportion required the requisite technical/practical employability skills (e.g. specialist skills or knowledge, lacked a knowledge of products and services offered by the business etc.). This was more prevalent in the food & agri-food and retail sectors. 	

Significance of Issues on Businesses

In summary, businesses ranked the aforementioned key issues in order of importance as follows:

1. **An inadequate supply of applicants i.e. a ‘lack of people’;**
2. **A lack of broader employability skills (in order of importance these were a lack of: strong work ethic; positive ‘can do’ attitude; specialist skills or knowledge; and general communication skills); and then**
3. **A lack of professional or technical qualifications.**

⁵⁷ Which is an initiative designed to raise the profile of, and provide information on, the food & agri-food sector in Northern Ireland. The initiative provides a dedicated website (which has, *inter alia*, details of job vacancies, job descriptions, training opportunities, an ‘interactive careers map’ etc.), promotional booklets and Tasty Careers Ambassadors who undertaken school visits to promote careers in the sector.

⁵⁸ NB - The UK Commission for Employment and Skills (UKCES) defines employability as “*the skills almost everyone needs to do almost any job*”, although it is recognised that employability is not just about skills, it is also about capabilities or competencies, aptitude, attitude and behaviour.

As previously highlighted, the situation for businesses in the Mid Ulster area, and in particular the issue relating to an inadequate supply of applicants, is compounded by wider macro factors such as relatively high rates of economic activity and employment levels (as set out above) and corresponding low levels of unemployment within the Council area vis-à-vis the Northern Ireland averages.

Again, this points to the fact that any initiatives/interventions taken forward as part of this Skills Strategy and Action Plan should, in the first instance, seek to attract external talent and residents to the Mid Ulster area. This view was shared by several stakeholders such as Invest NI, the two FE Colleges, the local enterprise agencies and key sectoral business organisations e.g. CITB, Food & Drink Sector Skills, Hospitality Ulster, CBI, BITC, Tourism NI, Manufacturing NI etc.

Furthermore, to re-dress this issue, it was suggested that Mid Ulster District Council, alongside other Councils in Northern Ireland, could potentially lobby the UK Government for a regional migration policy post-Brexit i.e. being able to issue work visas for Northern Ireland only rather than having to comply with a one-size fits all UK migration policy. The rationale being that Northern Ireland has a different economic profile than the rest of the UK and therefore migration policy should reflect that.

Impact of Recruitment and Retention Related Issues

Businesses across each of the six identified priority sectors suggested that the recruitment and retention related issues were having a range of impacts on their respective businesses. For example:

- Nearly four-fifths (80%) of the businesses cited that the issues had **increased the workload for other staff** (e.g. additional shifts, additional responsibilities and duties that are not part of their job description etc.).
- Nearly two-thirds (58%) suggested that they have been **unable to maintain current operations or to achieve growth in line with projections**, whilst a similar proportion (54%) experienced **difficulties in meeting customer services objectives**.
- Just under half (43%) suggested that they had **increased operating costs** (e.g. paying overtime to service contracts, recruitment fees etc.) and had experienced **delays in developing new products/services**.

The impact of these issues experienced by businesses was broadly consistent across the various sectors.

Businesses indicated that they have taken a variety of steps to overcome the problem of having ‘hard-to-fill’ vacancies, including changing their recruitment practices. For instance:

- Nearly two-thirds (64%) of the business respondents cited that they have started **advertising or are advertising more widely** (e.g. regional newspapers in addition to local newspapers, social media such as Facebook, online forums etc.).
- Over two-fifths (43%) of the business respondents suggested that they **upskill or train their existing workforce** to fill the vacancies, whilst a similar proportion (40%) have **increased the salary of the posts** to make the job more attractive.
- Of note, those businesses that operate within the food & agri-food sector have, to a greater extent than the other sectors, actively sought to attract workers from outside Northern Ireland. There may be an opportunity for businesses in the other priority sectors to be more proactive in adopting a similar practice.

Interestingly, the analysis indicates that the above types of practices seem to be more prevalent amongst a small pool of businesses (across the six identified priority sectors), which perhaps suggests that these types of practices could be encouraged more amongst the wider business base within the Mid Ulster area.

3.6.3 *Views on New Entrants into the Labour Market*

A number of businesses operating in the construction, manufacturing & engineering and food & agri-food sectors suggested that there was very little, if any, evidence of individuals coming directly from schools into the workplace (regardless of sector). During consultation, these businesses expressed their view (which was one shared by key stakeholders such as the local enterprise agencies and key sectoral business organisations e.g. Hospitality Ulster, CBI, BITC, FMB, Manufacturing NI etc.) that schools appeared to be encouraging students to remain in the education system and to progress to the Further/Higher education sectors, rather than channelling them into employment. Furthermore, it was suggested that schools appeared to be guiding students towards other sectors (e.g. law, medicine, ICT etc.) that were perceived to be more attractive.

This finding is supported by the fact that, as previously highlighted, only 16.8% of school leavers in the Mid Ulster area enter the labour market, either directly into employment (7.9%) or as part of some form of training (8.9%). Notably, these figures were lower than the corresponding figures for Northern Ireland as a whole (8.9% and 9.7% respectively).

Across each of the six identified priority sectors, over half of the businesses (52%) strongly agreed (8%) or agreed (44%) that, on average, any new entrants into the labour market that were recruited since 2014 were considered to be 'well prepared for work'. However, businesses that operate in the retail and hospitality sectors strongly disagreed (11% and 7% respectively) or disagreed (56% and 50% respectively) with this statement, potentially suggesting that more could be done for new entrants that enter the workforce of these two sectors.

3.6.4 *Views on Existing Workforce (including training)*

Encouragingly, over two-thirds (69%) of businesses suggested that all (42%) or almost all (27%) of their existing workforce were 'fully proficient in their jobs'. This finding was broadly consistent across each of the six priority sectors. Of note, food & agri-food businesses suggested that maintaining high levels of proficiency amongst staff is a necessity, given both the highly-regulated industry within which they operate but also due to the regularity of which they were audited by their customers.

Businesses indicated that there are a variety of reasons as to why some of the existing workforce are not considered to be fully proficient in their jobs. For instance, over half (56%) of businesses cited this was due to insufficient time and resources being dedicated towards the training and development of staff.

For those within their existing workforce that were not considered to be fully proficient in their jobs, it was suggested that the following employability skills are required:

- **General skills and attributes** (e.g. good work ethic, flexibility, basic literacy, numeracy or communication skills etc.) – this was particularly pronounced for those businesses that operate in the construction, retail and, to a lesser extent, manufacturing & engineering sectors; and/or
- **Technical/practical employability skills** (e.g. specialist skills or knowledge, numerical/ statistical skills, IT skills, communicating in a foreign language etc.) – this was particularly pronounced for those businesses that operate in the construction and, to a lesser extent, the food & agri-food sectors.

Businesses across each of the six priority sectors reported that they had taken a variety of steps to improve workforce proficiency. For example:

- Nearly all (84%) indicated that they provided dedicated additional time and resources towards the training and development of their staff; and/or
- Nearly a quarter (22%) reallocated work/jobs within the business to redress this issue; and/or
- A small number of the businesses (11%) suggested that they have also implemented 'other' types of initiatives such as a 'buddy system', new or more regular performance reviews/appraisals etc.

In addition, nearly all (88%) of the businesses offered on-the-job training opportunities to their existing workforce, which was typically delivered at the business' location and involved 'hands-on' training. Furthermore, two-thirds (60%) of the businesses provided off-the-job training, which was delivered to employees at a place other than their business' location. From a sectoral perspective, the analysis suggests that more on-the-job training opportunities could potentially be provided by businesses that operate in the construction, retail and hospitality sectors.

On-the-job training is considered to be beneficial as it can be tailored to the specific needs of a particular role and/or to the work practices/operations of an individual business. For some businesses, this type of training was suggested as a necessary response to the challenges they faced in attracting staff with the requisite skills and experience. In these cases, in-house training was provided to upskill existing staff for those 'hard to fill' roles e.g. welders and bakers. Indeed, key sectoral business organisations (e.g. CITB, Manufacturing NI etc.) suggested that businesses are increasingly 'training their own' to address the labour and skills shortages.

Off-the-job training involves various types of apprenticeships delivered through South West College and Northern Regional College, along with courses that are specific to individuals and/or the businesses, some of which are required to obtain accreditation e.g. in the construction sector, staff are required to completed the industry approved health and safety training course and assessment to be registered on the Construction Skills Register.

Nearly two-thirds (59%) of the businesses that participated in the research have not yet participated in some form of training programme (labour market intervention) e.g. apprenticeships or other public sector funded programmes within the Mid Ulster area. It was suggested that the reasons for this are that there is a lack of awareness of what types of programmes are available in the marketplace and/or that the existing programmes are not appropriate for individual businesses operating in the six priority sectors.

These findings suggest that there may be opportunities to promote, market and raise awareness of the various programmes that are available to businesses located in the Mid Ulster area. Also, there may be a requirement to ascertain businesses specific needs (across each of the sectors) and better align existing programmes, or develop new programmes, to address help address those needs.

Notwithstanding the above, for those businesses that did partake in training programmes/labour market interventions, the type and level of uptake were different across different sectors. For example:

- Businesses that operate in the manufacturing & engineering, construction and food & agri-food sectors predominantly availed of support through an Invest NI intervention (such as Skills Growth Programme and its precursor programmes) and were also involved in apprenticeships.
- Conversely, businesses that operate in the retail and hospitality sectors largely availed of support offered by the Council and/or other sources e.g. Network Personnel, Workable NI etc.

3.6.5 *Apprenticeships and the Apprenticeship Levy*

Over a third (36%) of the businesses that participated in the research were unaware of apprenticeships, whilst a much greater proportion (70%) were unaware of the apprenticeship levy. Awareness of apprenticeships and the apprenticeship levy was particularly low amongst those businesses that operate in the retail and hospitality sectors. Whilst businesses that operate in the manufacturing & engineering, construction and food & agri-food sectors reported high levels (71%+) of awareness of apprenticeships, these same businesses were less aware of the apprenticeship levy (56% or less).

These findings suggest there may be opportunities to better promote and raise awareness of apprenticeships, and to a greater extent, the apprenticeship levy amongst businesses (across each of the sectors) in the Mid Ulster area. This view was shared by several stakeholders such as DfE and key sectoral business organisations e.g. CITB, CBI etc. For example, there may be opportunities to:

- Better promote and raise awareness of initiatives such as the Government's 'Connect to Success NI'⁵⁹; and/or
- Establish a 'brokerage scheme' with DfE in the Mid Ulster area⁶⁰, which would involve DfE scheduling and facilitating meetings with businesses (within each of the Council's six priority sectors) to stimulate demand for apprenticeship schemes – focusing apprenticeships on the specific needs of businesses.

Of those businesses that were aware of the apprenticeships, nearly two-thirds (60%) either strongly agreed (18%) or agreed (42%) that apprenticeships were appropriate for their business. Conversely, the analysis also suggests that there was, across the sectors, general agreement that the apprenticeship levy is not appropriate for businesses. In the main, businesses considered the apprenticeship levy to be an additional tax that they would be required to pay, with little or no means of accessing any subsequent benefits.

A number of specific actions were identified that the Northern Ireland Government (e.g. DfE etc.) could be taking to ensure that appropriate training support is available in Northern Ireland for apprenticeships. These included:

- DfE and individual FE Colleges could be more proactive about sourcing work placements for apprentices and working with the host businesses to tailor the content of the NVQ to support the practical needs of businesses within the Mid Ulster area.
- There could also be more support provided for older apprentices (i.e. those over 25 years old) in the marketplace.
- Apprenticeships could be better supported and promoted within schools, which in turn would help inform a student's decision-making process in relation to their future career options.

3.6.6 Future Employment Scenarios

Businesses were asked to quantify (in the context of their businesses' recent performance and current or anticipated changes in the marketplace) the extent to which they considered skills-related issues were having an impact upon their business' growth and performance. 25 businesses indicated the following:

- In total, during the 3 years to 2017, employment within their business had increased by 12% (from 4,894 employees during 2014 to 5,503 employees at present). This equates to a compound annual growth rate of 3.99%;
- Under current labour market conditions, those same 25 businesses projected that their employment would likely increase by 8% (419 jobs) over the 3-years to 2020 (or a compound annual growth rate of 2.48%);
- However, when asked what the position might be if their business had access to the requisite skills (where it might currently be facing issues), the businesses projected that their employment could grow to 6,391 (i.e. 888 new jobs or a compound annual growth rate of 5.11%); and
- ***In summary, for the 25 businesses, if the skills issues that they are encountering are addressed, there is potential for them to create an additional 469 new jobs by 2020 than might otherwise be the case or to double their annual growth rate.***

⁵⁹ Which is a free online portal (for employers and prospective employees) that exclusively advertises apprenticeships and school work experience opportunities.

⁶⁰ Similar to the scheme implemented by DfE (taught through Belfast Metropolitan College in partnership IT Assist) for the ICT sector in the greater Belfast area (involving companies such as Kainos, Liberty IT, Fujitsu etc.).

Projected Employment Under Two Scenarios (2014-2020)							
Location	2014 (actuals)	2017 (actuals)	% change (2014- 2017)	Projected, under current conditions		Projected, given access to requisite skills	
				2020	% change (17-20)	2020	% change (17-20)
In Northern Ireland	5,462	6,135	12%	6,520	6%	6,973	14%
In the Council area	4,894	5,503	12%	5,922	8%	6,391	16%
No. of FTEs (N=24)	4,702	5,309	13%	5,706	7%	6,251	18%
No. Agency/Contract Workers (N=31)	645	687	7%	724	5%	477	-31%

In addition, if the estimated 942 new FTE jobs to potentially be created (given access to requisite skills) over the 3-years to 2020 is 'grossed up' to the entire business population (i.e. by a factor of 5⁶¹), this equates to the potential creation of approximately an additional 4,710 new FTE jobs by 2020 than might otherwise be the case.

The Consultancy Team recognises that the projected employment figures provided by businesses are subject to 'respondents' effect'. That is, businesses may have exaggerated (in an upwards direction) their projected employment if they had access to the requisite skills. That being the case, for prudence the Consultancy Team, in agreement with the Mid Ulster Skills Forum, applied a 50% optimism bias sensitivity to the potential employment creation reported by businesses. Under this sensitivity, this equates to the potential creation of approximately an **additional 2,355 new FTE jobs by 2020**⁶² than might otherwise be the case.

However, such a position will be significantly constrained given the previously identified estimated labour deficit in the Council area, which ranges from 1,984 persons (if the Labour Force Survey measure of unemployed is adopted) to 3,717 (if only short-term claimants of Job Seekers Allowance benefits are considered).

A further point to note is businesses' views that they would become much less reliant on agency/contract workers if the skills issues that they are encountering were addressed, with a suggested reduction in agency staff of 31% by 2020.

The Consultancy Team further notes that the projected employment figures referred to above relate to businesses' anticipated growth plans (or 'expansion demand') and do not take account of replacement demand i.e. the number of positions that will become available as a result of staff leaving employment (typically due to retirement, family reasons, ill health or to move to another sector). The Northern Ireland Skills Barometer⁶³ estimates that circa 67% of future employment (2016-2026) will be derived from replacement rather than expansion demand, albeit replacement rates (based on current trends) may change. For example:

- In austere times people may become more reluctant to leave the security of their current job; and/or
- A change in policy could change behaviour e.g. the introduction of the living wage could increase supply from unemployment or the economically inactive.

Discussion with key stakeholders (e.g. the Council and Invest NI) indicates that further work (beyond the scope of this assignment) may need to be undertaken to explore replacement demand on a sub-regional basis (i.e. in the Mid Ulster area) in more detail.

⁶¹ Given that, on average, the businesses that participated in the research (including 'other' sectors) account for a fifth (20%) of the employee jobs within the six priority sectors in the Mid Ulster area. Please see Appendix II for further details.

⁶² Please note, the ability to achieve this target is inherently linked to the outcomes of future negotiations associated with Brexit. There is a risk any policy relating to the level of free movement that is afforded to EU27 Nationals in the UK and vice versa exacerbates the situation in the Mid Ulster area.

⁶³ NI Skills Barometer Update Report 'Skills in Demand' (Ulster University and the DfE, June 2017).

3.6.7 Moving Forward

Businesses cited some recommendations/specific actions as to how to address the gaps between the demand and supply of people/skills within their sector within the Mid Ulster area. These include:

- There could be more awareness raising and promotion within schools in an effort to encourage young people to pursue careers in the six priority sectors. For example, this could include businesses facilitating site visits for local careers teachers in order for them to identify the nature and type of opportunities that might be available for young people, to assist redressing the negative perceptions of certain sectors etc.
- Connectivity to, and within, the Mid Ulster area could be improved. For example, this could include enhancements to the existing public transport linkages.

In relation to skills and employability issues, it was suggested by businesses that collaboration between the public sector and employers could be enhanced or improved moving forward. For example:

- Linkages between careers teachers in schools and local businesses could be enhanced, which would, amongst other things, assist careers teachers to better understand the needs of the businesses/sectors etc.
- There may be opportunities for the public sector to better promote, market and raise awareness of the various programmes that are available to businesses located within the Mid Ulster area.
- Also, there may be a requirement to ascertain businesses specific needs (across each of the sectors) and better align existing programmes, or develop new programmes, to address help address those needs.

3.7 Differentiating the Issues

The Consultancy Team's research and consultations with businesses throughout the Mid Ulster area provides a clear indication that when businesses discuss skills they are for the most part not referring to qualifications. Although these two terms are often treated interchangeably, skills are not the same as qualifications. Skills associated with the ability to use initiative, to apply common sense, to communicate with others, to perform numerical and analytical tasks, and use computers to help solve problems are at the heart of how businesses in the Mid Ulster area function. Other attributes, such as the ability to work well with customers and clients, and being creative, are also highly valued in some jobs. However, it should be recognised that some of these are difficult to pin down as specific skills.

The process of acquiring qualifications undoubtedly builds on and improves skills – the well-educated, for example, also tend to be highly skilled. But qualifications also provide specialist knowledge, they validate personal competencies to clients and customers, and they signal to employers a wide range of desirable attributes and skills. These complement the generic skills that are used in the workplace but are distinct from them and should not be readily used as proxies for one another.

Both qualifications and skills matter, as a workforce with low levels of qualifications, is also one likely to have low levels of skills. The Consultancy Team's consultations with businesses in the Mid Ulster area provide a strong indication that they consider that a 'skills gap' exists which is more damaging to their business' prospects than a 'qualifications gap'. It appears to be skills mismatch rather than qualifications mismatch which is having the bigger impact on local productivity. This has important implications as it raises the question as to whether too much emphasis is being placed by policymakers on qualifications rather than skills⁶⁴. This question is perhaps beyond the scope of this current exercise, but what is evident from the research is that whilst qualifications are easy to measure, skills are difficult to both define and measure.

⁶⁴ Indeed, the 2014 OECD review of UK skills policy noted that, with likely changes in the economies of most OECD countries with the growth of employment in technical and associate professional occupations, many would need a substantial and growing amount of post-secondary vocational provision below bachelor's degree level. The OECD concluded that *'the UK system therefore contains a substantial gap in provision, or alternatively, overprovision of vocational bachelor degrees for jobs that do not require three years of training'*.

4. SWOT ANALYSIS

The following SWOT analysis draws together both existing research and new analysis to understand the Mid Ulster area's strengths and weaknesses across the most important factors that relate specifically to skills and its influence on economic growth. The Consultancy Team has sought to understand what strengths have driven the Mid Ulster area's past economic success (including whether the area can rely on them in the future) and what weaknesses and threats challenge the area's economic success today (including whether these challenges are likely to worsen or improve).

Strengths	Weaknesses
<ul style="list-style-type: none"> The second largest concentration of small businesses outside of the Belfast Metropolitan area. Strategically located, the area has a widely acknowledged strong, diverse and dynamic business base, together with an educated and entrepreneurial workforce. It has the 2nd lowest claimant count in the region. The area population of 145,000 is the fastest growing new Council area. Strong specialisms in the production of general and special purpose machinery, along with the manufacture of products which directly supply the construction and agricultural sectors (e.g. 40% of world's mobile crushing and screening equipment is made in the Mid Ulster area). School leavers within the Mid Ulster area are performing at a level above the Northern Ireland average attainment. High levels of on-the-job and off-the-job training amongst the business base. 	<ul style="list-style-type: none"> The calculated deficit of available skilled labour within the Mid Ulster area. Inadequate supply of applicants for certain positions/vacancies that are considered 'hard-to-fill'. A lack of broader employability skills amongst those in the labour market. Clear gender imbalance in the workforce, which is more pronounced in some sectors and roles than others. Levels of earnings are lower for workers in the Mid Ulster area vis-à-vis elsewhere in Northern Ireland. The proportion of the working age population in the Mid Ulster area that is classified as economically inactive is higher than the UK average. Below average performance at both ends of the education spectrum e.g. those with no qualifications and those with NVQ level 4 or above. Number of school leavers in the Mid Ulster area entering the labour market, either directly into employment or as part of some form of training, is lower than the corresponding figures for Northern Ireland. Some sectors (e.g. food & agri-food) are reliant on drawing employees from outside the Mid Ulster area such as EU nationals. Some sectors are not viewed as offering an attractive career option by existing and potential employees. Currently, many vacancies require technical skills that applicants do not possess, as skills mismatches between labour supply and demand imply that qualifications and training being completed often does not meet the needs of occupations in the Mid Ulster area. There are concerns that there is an excessive focus (amongst local schools) on degree-level qualifications through universities when alternative and more vocational qualifications through alternative routes might be more appropriate for the individual. Lack of awareness and understanding of Apprenticeships and, in particular, the Apprenticeship Levy. A view that the Apprentice Levy prioritises young people at the expense of other groups and areas such as adult education. Poor connectivity to, and within, the Mid Ulster area.

Opportunities	Threats
<ul style="list-style-type: none"> The Mid Ulster Skills Forum offers a unique opportunity to initiate the development of a Mid-Ulster wide approach to employability and skills. Promotion of Mid Ulster area as a positive life destination. Support for new economic migrants. Highlight positive career options within the Mid Ulster area's key sectors. Whilst jobs may be at risk due to technological progress (such as automation), which could be considered a threat (as per adjacent column), others will be created, potentially in occupations that do not yet exist. Opportunity, therefore, to support technological change and automation. Opportunity to attract and retain skilled labour, build resilience and adaptability in the current and future workforce. Opportunity to create a larger and stronger private sector. Job creation and growth that translates into opportunity, with employment rates maintained higher than the Northern Ireland average. Diversity and resilience, with strong performance across a wider range of economic sectors in order to improve the area's resilience against crises. Strong sectoral strengths - protect and grow the Mid Ulster area's key sectors, whilst recognising the importance of emerging sectors. Opportunity, therefore, to the region to identify its unique strengths and use these to build strong regional propositions which will be attractive to potential investors and which can be promoted internationally. Increase uptake, and quality, of modern apprenticeships, including exploration of shared apprenticeship schemes. Increase and improve business engagement with, and recruitment directly from, secondary, further and higher education establishments. Develop and promote a range of high-quality vocational routes to employment as complementary to a university education. Improve careers education, information, advice and guidance (CEIAG) to develop the skills businesses need to address gaps. Opportunity to explore, in conjunction with SWC and other stakeholders, the potential for additional support to be provided towards the development of an advanced Manufacturing & Engineering Innovation Centre/Facility in the Mid Ulster area. 	<ul style="list-style-type: none"> Uncertainty associated with the Brexit negotiations. Inability to gain access to 'people' to meet businesses' requirements. The continued absence of the Northern Ireland Executive and absence of clear policy direction. Recent changes to the welfare system in Northern Ireland. Jobs at certain skill levels are highly susceptible to technological progress (such as automation).

5. CONCLUSIONS

5.1 Overarching Conclusion

The considerable and growing issue of businesses within the Mid Ulster area accessing prospective employees (or the lack of ‘people’), as reflected in Sections 2 and 3 of this report, will inevitably not be a surprise to businesses in the area - **the ‘need for labour’ is now**. However, this issue, coupled with the identified skills issues, should serve as a clear signal to policymakers that urgent attention is required to ensure that the growth of local businesses is not curtailed.

This is not to say that local businesses, with support from key stakeholders, do not have a role to play. They are faced with several options in terms of increasing the pool of prospective employees, such as: seeking to attract external talent to the Mid Ulster area; increasing levels of investment in labour saving technology (such as automation); encouraging more local people back into the labour market (e.g. possibly through higher wages); and/or re-locating to another jurisdiction with easier access to skilled labour.

Beyond these options, there is also a need to actively promote the development of productive, inclusive and engaging workplaces that get the best out of people, but also a need to take a much more strategic view of skills and the systems and mechanisms through which they are developed and sustained. In a period of considerable uncertainty, just focusing on the supply is not enough if businesses are to meet the huge challenges of rapid technological change, an ageing workforce, and changing cultures and expectations amongst the younger workforce. For example, businesses need to think more broadly about their own investment in developing talent and skills and how the growth of different employment models, flexi-working, contract and portfolio working may require a significant change to the ways they attract, invest in and develop people and skills in the future. The HR function within a business has a vital role to play in helping organisations to take a more strategic view of the kind of workforce they will need for the future and how they set about engaging with prospective future employers in a timely and strategic manner.

The opportunity is clear – despite these issues there is the potential to create approximately an additional 2,355 new FTE jobs by 2020⁶⁵ if the Action Plan that has been developed (see Section 6) is appropriately resourced, financed and implemented. To achieve this, the Mid Ulster Skills Forum will work with relevant key responsible Government Departments (e.g. DfE, DE, DfC, DfI etc.) and their delivery bodies in implementing the commitments with the Action Plan.

⁶⁵ Please note, the ability to achieve this target is inherently linked to the outcomes of future negotiations associated with Brexit. There is a risk any policy relating to the level of free movement that is afforded to EU27 Nationals in the UK and vice versa exacerbates the situation in the Mid Ulster area.

6. THE ACTION PLAN 2018-2021

6.1 Introduction

The ability to grow, attract and retain skilled labour, build resilience and adaptability in the current and future workforce is a prerequisite for future economic growth in the Mid Ulster area. This section sets out Mid Ulster's skills ambitions and the priorities for action that will be required to deliver them. It aims to be realistic about the challenges that the Mid Ulster area faces and its baseline position. Each of the Actions presented, and the means by which they are anticipated to be created, have been agreed with the Mid Ulster Skills Forum.

The priorities range from those which could straightforwardly be described as corrections for market failures (e.g. in the provision of training), through broader advocacy relating to existing areas of public policy (e.g. immigration), to priorities that address the governance issues that need to be resolved to support Mid Ulster's development.

While some of the suggested actions are challenging, the Consultancy Team has sought to ground them in what is achievable, whilst recognising that it does not have all the answers to some very intractable questions. Instead, the Consultancy Team suggests that it is better to focus on making significant progress in a limited number of areas, by building on what the Mid Ulster area already has and recognising that meaningful change will be gradual and requires stability and consistency.

6.2 The Goal

The Council's economic strategy is clear: to create a larger and stronger private sector. In order to achieve this, it will be important to have a successful skills and employment strategy, which enhances skills supply and thereby feeds the demand for well-skilled employees.

The Skills Forum wishes to lead the way as an exemplar of what can be achieved through a dynamic, integrated work and skills system which recognises that with better skills comes improved employability and, in turn, increased productivity. Over the medium term, the Mid Ulster area needs a transformational education, skills and employment system that delivers the employability and technical skills needed to drive the productivity in the area's growth sectors. Such a system is one which prepares all individuals for the rapidly changing world of work and upskills those already in work – so they can develop their full potential in terms of knowledge, skills and capabilities.

The ambition is clear: for all the residents of Mid Ulster to be in a position to achieve their goals through productive, fulfilling employment with skills at the heart of personal and professional development, whether entering the world of work for the first time or progressing in their careers.

The Skills Forum wants to ensure that Mid Ulster's employers have access to, and ownership of, an adaptable, resilient local workforce with the skills they need to thrive now as well as a work-ready talent pool to draw upon for the future.

However, the Mid Ulster area's future success in those sectors where it has historically been successful (e.g. manufacturing & engineering, construction, food & agri-food etc.) cannot be taken for granted, perhaps in particular following the UK's vote to leave the EU in June 2016. Both Northern Ireland and the Mid Ulster area is at the beginning of a period of significant uncertainty, which has the potential to deter investment and reduce growth.

Other areas face similar challenges. Some have similar strengths. Many have similar ambitions. However, the Mid Ulster area uniquely combines a realistic aspiration to be a top performing region in Northern Ireland at the same time as maintaining its position as being the most entrepreneurial region in Northern Ireland. However, to pursue these aspirations while managing the implications of the vote to leave the EU, and within constrained public finance, it is recognised that one of the main drivers of strong economic growth will be the availability of a high performing skilled workforce.

This action plan is designed to support the delivery of the Council's Economic Development Plan and a Mid-Ulster area economy with:

- A workforce with the skills necessary to deliver economic growth.
- Job creation and growth that translates into opportunity, with employment rates maintained higher than the NI average.
- Diversity and resilience, with strong performance across a wider range of economic sectors in order to improve the area's resilience against crises.
- Strong sectoral strengths - protect and grow the Mid Ulster area's key sectors, whilst recognising the importance of emerging sectors.

Whilst the concept is simple, the context is highly complex, with some elements devolved whilst others remain under the purview of central Government. Against that backdrop, stakeholders must establish how best to focus resources and efforts in order to maximise the impact of activity across Mid Ulster. The Action Plan aims to draw together those numerous interrelated strands of activity across a rich and diverse work and skills landscape, to bring cohesion, and to set out a direction of travel for the coming years.

Importantly, it must become a shared vision to which all stakeholders in the Mid Ulster area can commit and work towards together. Achieving the goals that have been set out will require focused implementation and a coordinated approach amongst a range of public and private sector stakeholders. No single body has all the levers that the area will require to drive success and different priorities and sectors can have different leaders. However, Mid Ulster District Council, through its Economic Development and Community Plans, is well placed to coordinate and drive this agenda as a whole by building partnerships across government, business and wider society.

6.3 What will this Action Plan Support?

Given the specific focus of this action plan, the ultimate measure of its success will be the availability of appropriately skilled individuals to support business growth, job creation and increased productivity. The Consultancy Team's consultations with businesses based in the Mid-Ulster area indicates that if this is achieved it could support the creation of an additional 2,355 new FTE jobs in the area by 2020⁶⁶.

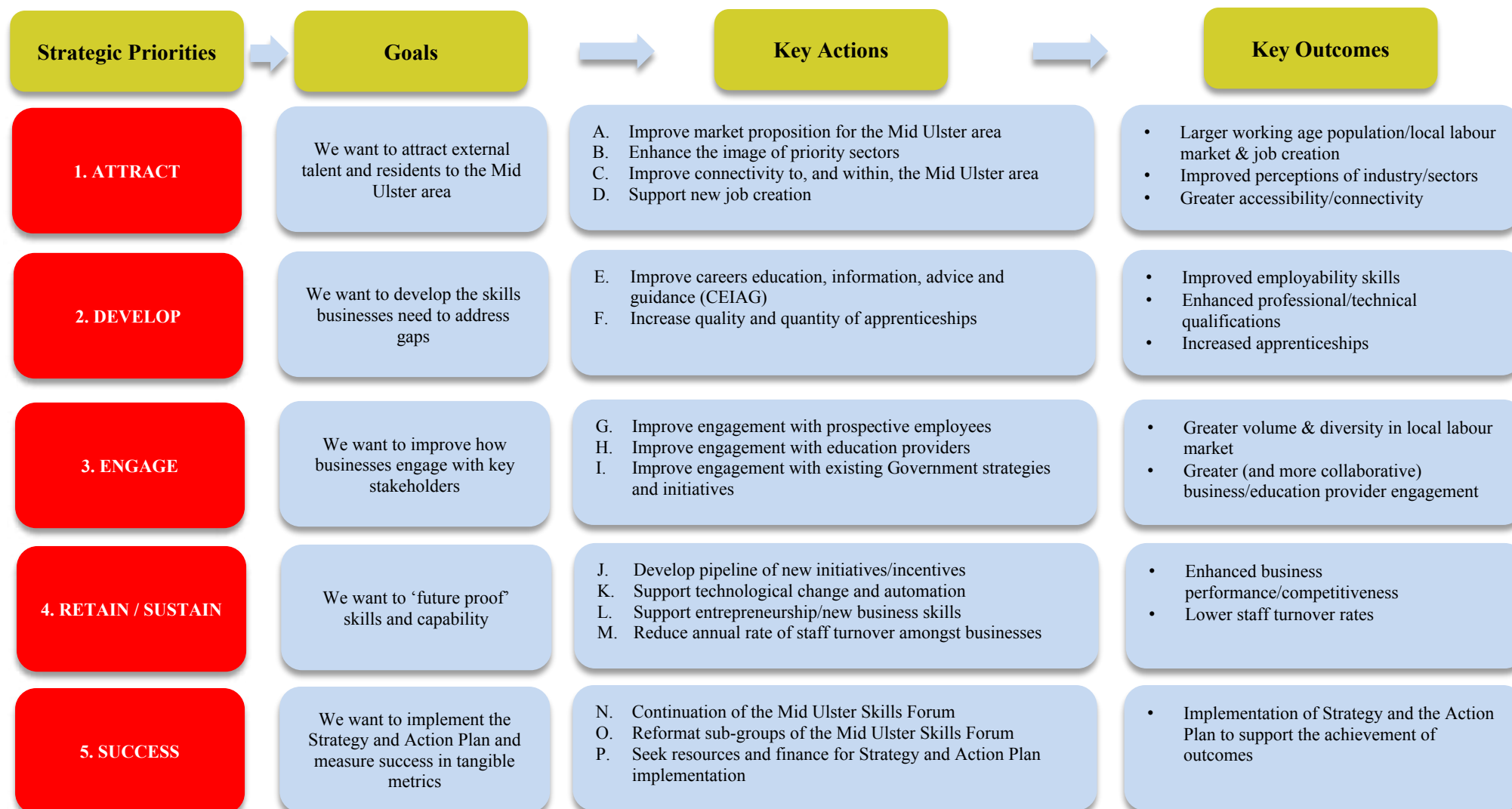
6.4 The Action Plan

Similar to the Council's Economic Plan, the Strategic Priorities, Goals and Actions set out overleaf will require the development of strong partnerships and joint ventures, including strong leadership amongst businesses, using a multi-agency approach to maximise resources in order for them to be fully delivered. Central to this will be the Council who will act as a key enabler in the region, adopting a direct lobbying approach to become a leading strategic influencer of skills development and policy in the area.

⁶⁶ Please note, the ability to achieve this target is inherently linked to the outcomes of future negotiations associated with Brexit. There is a risk any policy relating to the level of free movement that is afforded to EU27 Nationals in the UK and vice versa exacerbates the situation in the Mid Ulster area.

VISION:

“By 2021, to have supported the creation of approximately 2,300 additional jobs in the Mid Ulster Council area through effective collaboration and partnership working”



The following subsection provides further details on each Strategic Priority of the Action Plan, including the rationale for each Action and the specific activities that fall under each, along with associated timeframes for delivery i.e. short (year 1), medium (year 2) or long-term (year 3+). The Mid Ulster Skills Forum will work with relevant key responsible Government Departments (e.g. DfE, DE, DfC, DfI etc.) and their delivery bodies in implementing the commitments with the Action Plan.

Strategic Priority	Action	Rationale	Activities	Lead	Timeframe
1. ATTRACT We want to attract external talent and residents to the Mid Ulster area	A. Improve market proposition for the Mid Ulster area	Increase supply of labour and compete for talent from other areas	1. Develop a cohesive and strong marketing/promotional campaign for the Mid Ulster area. This should: <ul style="list-style-type: none"> Identify key messages to be used consistently across organisations and existing communication mediums/platforms. Promote the area's sectoral clusters e.g. manufacturing & engineering, construction and food & agri-food businesses. Identify, in conjunction with key stakeholders (e.g. the Home Office), if there are areas of NI, GB, the EU or the rest of world where employment and lifestyle opportunities within the Mid Ulster area could be actively targeted and promoted, thereby addressing labour shortages in the Mid Ulster area. 	Skills Forum with relevant key responsible departments & stakeholders	Short term
	B. Enhance the image of priority sectors	Increase volume and diversity	2. Provide collective input into the campaign being developed by industry (in partnership with DfE) to promote the hospitality sector in Northern Ireland. This should involve the development of a 'skills brand and toolkit' to include key messages that businesses can use as part of their own promotional campaigns.	Skills Forum with relevant key responsible departments & stakeholders	Short term
			3. Explore opportunities to initiate the development and implementation of promotional campaigns across the Mid Ulster area and NI for the Manufacturing & Engineering; Food & Agri-Food; Construction; ICT; and Retail sectors. This should involve the development of a 'skills brand and toolkit' for each sector to include key messages that businesses can use as part of their own promotional campaigns.	Skills Forum with relevant key responsible departments & stakeholders	Medium term
			4. Develop new, and support existing, initiatives to promote and redress the gender imbalance towards males in individual sectors (e.g. manufacturing and engineering, construction, food and agri-food and IT). For example, Manufacturing NI is involved in developing promotional profile articles in regional newspapers (e.g. Belfast Telegraph) of 'successful women in work in the manufacturing industry'.	Skills Forum with relevant key responsible departments & stakeholders	Short term
	C. Improve connectivity to, and within, the Mid Ulster area	Make the Mid Ulster area a preferred place to live and work – supports Actions A and B	5. Explore possible enhancements to the existing public transport linkages/networks and road infrastructure e.g. additional park and ride facilities, private bus transportation, proposals relating to the A29 road etc.	Skills Forum with relevant key responsible departments & stakeholders	Medium term
	D. Support new job creation	Supports achievement of outcomes	6. Support the creation of approximately 2,300 additional jobs in the Mid Ulster Council area ⁶⁷ (from a baseline position of 31,493 employee jobs across the six priority sectors ⁶⁸).	Skills Forum with relevant key responsible departments & stakeholders	Long term

⁶⁷ Please note, the ability to achieve this target is inherently linked to the outcomes of future negotiations associated with Brexit and in particular the level of free movement that is afforded to EU27 Nationals in the UK and vice versa.

⁶⁸ Source: NISRA Business Register and Employment Survey 2015.

Strategic Priority	Action	Rationale	Activities	Lead	Timeframe
2. DEVELOP We want to develop the skills businesses need to address gaps	E. Improve careers education, information, advice and guidance (CEIAG)	Harness and encourage local talent	7. Work with DfE/DE to inform, where appropriate, future joint Action Plans emanating from the 'Preparing for Success 2015-2020' Careers Strategy to ensure that the needs of principals and careers teachers (including training) are being met, that the types of resources/information available to schools is consistent and that businesses/industry have opportunities to, where possible, shape the curriculum design and inform careers education programmes.	Skills Forum with relevant key responsible departments & stakeholders	Medium term
			8. Support education providers to encourage business representatives to act as governors etc., thereby bringing business/industry expertise into the decision-making processes.	Skills Forum with relevant key responsible departments & stakeholders	Medium term
	F. Increase quality and quantity of apprenticeships	Grow local talent	9. Establish a 'brokerage scheme' with DfE in the Mid Ulster area, similar to the scheme implemented for the ICT sector in the greater Belfast area. This would involve DfE scheduling and facilitating meetings with businesses (within each of the Council's six priority sectors) to stimulate demand for apprenticeship schemes – focusing apprenticeships on the specific needs of businesses.	Skills Forum with relevant key responsible departments & stakeholders	Short term
			10. Promote and raise awareness of initiatives such as the Government's 'Connect to Success NI', which is a free online portal (for employers and prospective employees) that exclusively advertises apprenticeships and school work experience opportunities.	Skills Forum with relevant key responsible departments & stakeholders	Short term
			11. Support a 10% increase in the number of individuals within the Mid Ulster area participating on Apprenticeships (within the Apprenticeships NI Framework) from a baseline position of 919 (as of July 2017).	Skills Forum with relevant key responsible departments & stakeholders	Long term
3. ENGAGE We want to improve how businesses engage with key stakeholders	G. Improve engagement with prospective employees	Increase supply of labour to increase volume and diversity	12. Establish additional thematic/sectoral sub-groups of the Mid Ulster Skills Forum, which should focus on, and have a remit for, the development of each of the Council's six priority sectors. These groups should, amongst other things, define the future needs of individual sectors and, where appropriate, instigate sector specific collaborative opportunities beyond the Mid Ulster area e.g. to pursue, in conjunction with other Council areas, the development of a Manufacturing Strategy for NI.	Skills Forum with relevant key responsible departments & stakeholders	Short term
			13. Expand the 'tasty careers' initiative for the food & agri-food sector.	Skills Forum with relevant key responsible departments & stakeholders	Short term
			14. Replicate the 'tasty careers' initiative for other priority sectors.	Skills Forum with relevant key responsible departments & stakeholders	Short term
			15. Expand on existing, or establish new, social media channels (on twitter e.g. @midulsterjobs) for businesses to, through a centralised search point, advertise existing posts/vacancies, work placements and apprenticeship opportunities.	Skills Forum with relevant key responsible departments & stakeholders	Short term

Strategic Priority	Action	Rationale	Activities	Lead	Timeframe
3. ENGAGE We want to improve how businesses engage with key stakeholders	H. Improve engagement with education providers	Perception and inspiration – there are opportunities to inspire the future workforce	16. Consider strategies to better coordinate education providers and businesses. For example, this may include expanding existing school/college partnerships with businesses or re-establishing former initiatives such as the Business Education Partnerships (previously funded through DfE and DE).	Skills Forum with relevant key responsible departments & stakeholders	Short term
			17. Through existing or new school/college partnerships with businesses, develop a structured approach (to include sectoral communication plans) which should serve to formalise the practicalities of businesses engaging with education providers e.g. when businesses engage, how often, who they engage with, through what means etc. This approach should be ‘tiered’ and adapted as students’ progress through the education system e.g. different types of information/engagement for different age groups.	Skills Forum with relevant key responsible departments & stakeholders	Medium term
			18. Through existing or new school/college partnerships with businesses, agree on practical methods for businesses to engage, in a joined-up manner, with careers teachers, students and parents (as they are the key ‘influencer’ in students’ future careers options). For example: <ul style="list-style-type: none"> • More widespread use of social media channels e.g. case study materials/profiles identifying the type of roles, skills required, opportunities available etc. • Facilitated site visits, open nights or insight/exploration days for students and parents, preferably outside of school hours (where possible). • Career fairs/days e.g. ‘Mid Ulster Jobs Fair’ - facilitated in non-school environments e.g. Council (local civic centres) or business premises (this might include businesses organising transport to and from the schools). Where possible, this should involve existing jobs fairs delivered by DfC in conjunction with local Councils. • Bursaries or sponsorships. • Guest speakers or sector ‘Ambassadors’ e.g. local business leaders under 35 years old who provide a ‘view from the younger generation’. • Work experience gained through business placements and/or internships – these can provide opportunities for students to learn about a particular sector or type of work and determine whether it is the right field for them. They also play a useful part in strengthening students’ employment readiness. 	Skills Forum with relevant key responsible departments & stakeholders	Medium term
	I. Improve engagement with existing Government strategies and initiatives	Lack of awareness of what initiatives are available to businesses	19. Promote and raise awareness of the various programmes that are available to businesses located in the Mid Ulster area.	Skills Forum with relevant key responsible departments & stakeholders	Short term

Strategic Priority	Action	Rationale	Activities	Lead	Timeframe
4. RETAIN / SUSTAIN We want to 'future proof' skills and capability	J. Develop pipeline of new initiatives/incentives	Support businesses sustain skills and capability	20. Explore, in conjunction with DfE and DfC, the potential for additional support to be provided for older apprentices (i.e. those over 25 years old) and those categorised as economically inactive in the marketplace.	Skills Forum with relevant key responsible departments & stakeholders	Short term
			21. Explore, in conjunction with SWC and other stakeholders, the potential for additional support to be provided towards the development of an advanced Manufacturing & Engineering Innovation Centre/Facility in the Mid Ulster area.	Skills Forum with relevant key responsible departments & stakeholders	Medium term
	K. Support technological change and automation	Finding the right balance of technology and human capital will enable both businesses and people to succeed	22. Raise awareness of existing, and/or develop new, initiatives to support businesses to implement technological change and/or automation to redress the existing and potential future labour shortages.	Skills Forum with relevant key responsible departments & stakeholders	Medium term
			23. Raise awareness of existing, and/or develop new, initiatives to support businesses to invest in training, reskilling and education for those displaced by automation and embrace new working models. Whilst future labour demand could be in occupations created by automation that do not yet exist, there is a need to think, act and educate now for the benefit of the economy in the future ⁶⁹ .	Skills Forum with relevant key responsible departments & stakeholders	Medium term
	L. Support entrepreneurship/new business skills	Enhance business performance/competitiveness	24. Raise awareness of existing, and/or develop new, initiatives to support entrepreneurship and leadership development.	Skills Forum with relevant key responsible departments & stakeholders	Medium term
	M. Reduce annual rate of staff turnover amongst businesses		25. Support 80%+ of business respondents indicating that their annual rate of staff turnover is, as of 2021, 5% or less (from a baseline position of 71%, N=188 ⁷⁰).	Skills Forum with relevant key responsible departments & stakeholders	Long term
5. SUCCESS We want to implement the Strategy and Action Plan and measure success in tangible metrics	N. Continuation of the Mid Ulster Skills Forum	Supports the implementation of the Strategy and Action Plan and the achievement of associated outcomes	26. Maintain the collaborative and partnership working of the Mid Ulster Skills Forum	Skills Forum with relevant key responsible departments & stakeholders	Short term
	O. Reformat sub-groups of the Mid Ulster Skills Forum		27. Reformat sub-groups of the Mid Ulster Skills Forum to best support the Strategy and implementation of the Action Plan.		Short term
	P. Seek resources and finance for Strategy and Action Plan implementation		28. Discuss and agree with key stakeholders/partners the resources and finance required to implement and fulfil Strategy and Action Plan.		Short term

⁶⁹ Source: 2017 Knowledge Economy Report (Connect at Catalyst Inc., January 2018).

⁷⁰ Source: Survey Findings, as per Statistical Appendix (Cogent Management Consulting, March 2018).

6.5 Wider Considerations

The above Action Plan should be seen as a living document that is reviewed and updated in response to emerging opportunities and changes in the employment and skills landscape over time. At the time of writing, the Consultancy Team has identified that such opportunities and changes might involve:

The Apprenticeship Levy	Businesses must have confidence that the apprenticeship levy system, and the funding available for skills, can deliver what they need. Each sector has very different skills needs, structures and routes to progression and businesses require flexibility to train according to their specific needs.
Brexit	With the advent of Brexit, competitiveness has never been more important – appropriately skilled labour is vitally important for businesses’ competitiveness. The Brexit sub-group of the Mid Ulster Skills Forum is tasked with identifying new opportunities and key challenges, as the final position relating to Brexit becomes clearer.
Welfare reform	Given the recent changes to the welfare system in Northern Ireland, the Skills Forum may, for example, identify future opportunities to explore the challenges associated with attracting long-term unemployed back into the labour market.

Appendix III – Qualifications Framework

Main stages of education/employment	Level	Framework for higher education qualifications in England, Wales and Northern Ireland	Regulated Qualifications Framework for England and Northern Ireland
Professional or postgraduate education, research or employment	8	Doctoral Degrees	Technical/Vocational Qualifications Level 8
Higher education Advanced Skills Training	7	Master's Degrees, Integrated Master's Degrees, Postgraduate Diplomas, Postgraduate Certificate in Education (PGCE), Postgraduate Certificates	Technical/Vocational Qualifications Level 7
Entry to professional graduate employment	6	Bachelor's Degrees with Honours, Bachelor's Degrees, Professional Graduate Certificate in Education (PGCE), Graduate Diplomas, Graduate Certificates	Technical/Vocational Qualifications Level 6
Specialised education and training	5	Foundation Degrees, Diplomas of Higher Education (DipHE) Higher National Diplomas (HND)	Technical/Vocational Qualifications Level 5, Higher National Diplomas (HND)
Qualified/Skilled worker Entry to higher education Completion of secondary education	4	Higher National Certificates (HNC), Certificates of Higher Education (CertHE)	Technical/Vocational Qualifications Level 4 Higher National Certificates (HNC)
Progression to skilled employment Continuation of secondary education	3	Access to HE Diploma	Technical/Vocational Qualifications Level 3, GCE AS and A Levels
Secondary education. Initial entry into employment or further education	2		Technical/Vocational Qualifications Level 2 GCSEs at grade A* - C (NI) Essential Skills Qualifications (NI)
	1		Technical/Vocational Qualifications Level 1. GCSEs at grade D-G Essential Skills Qualifications (NI)
	Entry Level		Entry Level Certificates (sub levels 1-3), Essential Skills Qualifications (NI)

**MID ULSTER ENGINEERING SECTOR STUDY
FINAL REPORT**



Comhairle Ceantair
Lár Uladh
Mid Ulster
District Council



Cogent Management Consulting LLP

June 2018

MID ULSTER ENGINEERING SECTOR STUDY

FINAL REPORT

CONTENTS

Page

EXECUTIVE SUMMARY

I

1. INTRODUCTION AND BACKGROUND	1
1.1 Introduction	1
1.2 Background.....	1
1.3 Statement of Requirements.....	2
1.4 Scope of Report and Methodology	4
2. THE IMPORTANCE OF THE ENGINEERING SECTOR.....	7
2.1 Introduction	7
2.2 Overview of the Engineering Sector	7
2.3 Challenges and Priorities facing the Sector.....	9
3. SECTOR PROFILE.....	18
3.1 Introduction	18
3.2 Business Location.....	18
3.3 Businesses by Sub-Sector.....	18
3.4 Size of Business.....	19
3.5 Business Operations	19
3.6 Employment and Employee Profile.....	20
3.7 Summary Conclusions.....	26
4. PROSPECTS FOR GROWTH AND SUPPORT REQUIRED.....	27
4.1 Introduction	27
4.2 Prospects for Growth.....	27
4.3 Issues inhibiting Growth.....	31
4.4 Support required to facilitate Growth.....	42
4.5 Collaborative/Partnership Activities.....	45
4.6 Summary Conclusions.....	47
5. CONCLUSIONS.....	48
5.1 Overarching Conclusions	48
6. ACTION PLAN	50
6.1 Introduction	50
6.2 The Goal	50
6.3 What will this Action Plan Support?	51
6.4 The Action Plan.....	51

APPENDICES

- I Definition of the Sector**
- II Mid Ulster Area: Key Statistics**
- III Database of Engineering Businesses in the Mid Ulster Area**
- IV Feedback from Businesses: Statistical Appendix**

This report has been prepared for, and only for Mid Ulster District Council and for no other purpose. Cogent Management Consulting LLP does not accept or assume any liability or duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

List of Abbreviations

Abbreviation	Definition
A Level	Advanced Level
AMME	Advanced Manufacturing, Materials and Engineering
BIM	Business Information Modelling
BRES	Business Register and Employment Survey
CAD	Computer-Aided Design
CAE	Computer-Aided Engineering
CAM	Computer-Aided Manufacturing
CBI	Confederation of British Industry
CNC	Computer Numerical Control
DAERA	Department of Agriculture, Environment and Rural Affairs
DfC	Department for Communities
ETCNI	Engineering Training Council NI
EU	European Union
FDI	Foreign Direct Investment
FE	Further Education
FTE	Full-Time Equivalent
GB	Great Britain
GCSE	General Certificate of Secondary Education
GDP	Gross Domestic Product
GVA	Gross Value Added
HR	Human Resource
IDBR	Interdepartmental Business Register
IT	Information Technology
JSA	Job Seekers Allowance
LFS	Labour Force Survey
LLP	Limited Liability Partnership
MIG	Metal Inert Gas
MUDC	Mid Ulster District Council
NI	Northern Ireland
NISRA	Northern Ireland Statistics and Research Agency
OECD	Organisation for Economic Co-operation and Development
ONS	Office of National Statistics
PAYE	Pay-As-You-Earn
PSM	Private Sector Median
R&D	Research and Development
RoI	Republic of Ireland
SIC	Standard Industrial Classification
SMEs	Small and Medium-Sized Enterprises
SOC	Standard Occupational Classification
STEM	Science, Technology, Engineering, and Mathematics
TIG	Tungsten Inert Gas
UK	United Kingdom
UKCES	United Kingdom Commission for Employment and Skills

EXECUTIVE SUMMARY

Introduction and Background

The Mid Ulster District Council area represents a population of more than 145,000 and it is the fastest growing new Council area in Northern Ireland (its population is expected to grow to 165,000 by 2030). The Mid-Ulster sub-region is home to over 8,000 small businesses, which is the 2nd largest concentration of small businesses outside of the Belfast Metropolitan area. These businesses provide the lifeblood of the local economy.

With circa 700,000 people within a one-hour commute of the district boundaries, the area supports approximately 50,000 jobs, which are mainly concentrated within micro businesses and Small and Medium Sized Enterprises (SMEs)¹. As the most entrepreneurial region in Northern Ireland², the Mid Ulster area contributes towards producing 7.3% of the region's total economic output (Gross Value Added is £2.075 billion).

The Interdepartmental Business Register (IDBR)³ estimates that there are 4,870 production businesses in Northern Ireland, of which 775 are located in the Mid Ulster area. The Council understands from its knowledge of the local business landscape that a considerable proportion of the 775 are categorised as businesses operating in the engineering sector (with possibly some being classified under other headings as well e.g. motor trades). However, to date there is no data available to confirm accurate figures.

Similarly, there is currently no, or very limited, data on employment figures for the engineering businesses in the Mid Ulster area. There is, therefore, no way to identify the proportion of the overall employment figure attributable to the engineering sector, its comparison with Mid Ulster's key sectors and its contribution to the Mid Ulster economy.

In recognition of such issues, the Council is now seeking to address this lack of data on the engineering sector in the Mid Ulster area to provide a clearer insight into the profile of the local sector, and make recommendations about its needs, issues and key challenges over the next 5 years, supported by a robust evidence base, to inform the design, direction, timeframe and costs of future interventions to promote the sector's growth.

The Importance of the Engineering Sector

Northern Ireland has a rich and often underestimated engineering and industrial history. Whilst the number of people employed in the engineering sector has reduced significantly over the last few decades (primarily as a result of cheaper international labour costs), the fundamental skills and expertise base - which created the sector in the first instance - remains strong, with small and large companies producing increasingly more complex and higher value-added products.

The sector has a decisive role in the performance of the Northern Ireland economy. It provides highly skilled and well-paid jobs, drives innovation, R&D and productivity, as well as providing external balance to the economy.

The Mid Ulster area has been at the forefront of industrial and entrepreneurial development. The reputation of the area in the fields of manufacturing and engineering is well known, and where other regions have seen manufacturing and engineering decline, the area has worked hard to retain and attract such industries into the area and has been successful in this endeavour.

The economic performance of the engineering sector in the Mid Ulster area has been driven by a set of complementary strengths, which, in combination, delineate its unique position in the Northern Ireland economy⁴. For example:

¹ Defined as having: fewer than 250 full time equivalent employees, an annual turnover not exceeding €50m (£35m) and/or an annual balance sheet total not exceeding €43m (£30m).

² In terms of business start-ups (Global Entrepreneurship Monitor Report, 2017).

³ NISRA (2018) 'Inter-Departmental Business Register (IDBR)'. Figures as at 31st January 2018.

⁴ Further specific details are included in Appendix II.



- Mid Ulster (incorporating the former council areas of Cookstown, Dungannon and South Tyrone and Magherafelt) possesses the second largest business base outside of Belfast⁵.
- Strategically located, the Mid Ulster area has a widely acknowledged strong, diverse and dynamic business base, together with an educated and entrepreneurial workforce.
- It has the 2nd lowest claimant count in the region at 1.3%⁶.
- The Gross Value Added (GVA) is £2.075 billion, the 4th highest in the region in 2014, producing 7.3% of the region's total economic output.
- The area population of 145,000 is the fastest growing new Council area.
- Workforce - 91,711 of working age (aged 16-64).
- 700,000 people are within a one-hour commute of the district boundaries.
- There is a **minimum of 532 engineering businesses are located in the Mid Ulster area - the area has a higher proportion of engineering businesses when compared to Northern Ireland** as a whole. This reflects the relative importance of the sector to the Mid Ulster economy.
- The engineering sector supports jobs and economic growth across in both rural and urban areas. **In the Mid Ulster area, the sector is the largest employer and accounts for more than a quarter of the economic output.**
- **Over a fifth (21%) of the employee jobs (10,740 employee jobs) in the Council area are within the engineering sector** (compared to 9% of all employee jobs at a Northern Ireland level). Again, this reflects the importance of the sector to the Mid Ulster economy in terms of employment. The sector is highly productive, representing 17% of Northern Ireland's manufacturing GVA (in 2015).
- Over four-fifths (83%, N=10,740) of the employee jobs within the engineering sector in the Mid Ulster area are held by males (which is broadly comparable with the Northern Ireland figures for the sector).

The engineering sector is of profound importance to the area's economy – especially in key specialisms such as the manufacture of mining and quarrying machinery, production of general and special purpose machinery etc., which have linkages and supply chain associations with the construction and food & agri-food sectors. For instance, 40% of world's mobile crushing and screening equipment is made in Northern Ireland, with many of the businesses in the Mid Ulster area contributing towards this level of activity.

Sector Profile – Mid Ulster Area

The Consultancy Team's analysis illustrates that:

- Nearly two-fifths (37%) of the businesses in the engineering sector fall within the 'Manufacture of fabricated metal products, except machinery and equipment' and 'Manufacture of machinery and equipment' sub-sectors.
- There is a notable clustering of engineering businesses in the Dungannon area, particularly amongst those businesses that fall within the two main sub-sectors.
- Nearly all the businesses within the sector are categorised as SMEs, which is broadly reflective of the Council area as a whole.
- In total, the businesses that participated in the research stated that, as of 2018, they had 4,240 employees based in Northern Ireland, of which 3,901 (92%) were based within the Council area.
- Across the businesses, over four-fifths (87%) of all employees in the sector were male. This compares with an overall working-age male population in the Council area of 51%. The gender imbalance is more pronounced in some job roles in the engineering sector than others e.g. 'Skilled trade' workers such as Welders, Electricians, IT Engineers etc. and 'Process, Plant & Machine Operatives' workers.
- Whilst the overall workforce in the Council area receives salaries that are lower than their counterparts working in other Council areas across Northern Ireland (per Appendix II), on average, over three-quarters (78%) of the employees within the engineering sector receive salaries above the Northern Ireland 'Manufacturing' sector median, which equates to £21,180 per annum.
- Employee salaries in the sector have increased significantly of recent years, particularly amongst those employed in various 'skilled trade' roles e.g. welders. A highly competitive and small local labour market has created an "employee market", which has necessitated salary increases in order to retain existing, or to attract new, staff.
- The engineering sector in the Mid Ulster area has a particularly strong representation amongst young people (aged 18-34 years old) when compared with the overall profile in the Mid Ulster area.

⁵ Circa 8,505 businesses, which represents 12% (N=71,615) of the regional total.

⁶ NISRA (2017) 'Northern Ireland Labour Market Report March 2017'.



- Whilst engineering businesses draw heavily upon the Council area's local population for their workforce, a quarter (25%) of the workforce within the sector originally came from elsewhere in the EU (other than the UK or the Republic of Ireland). The uncertainty associated with the UK's decision to leave the EU (i.e. Brexit) may have a significant impact on business' operations, whereby restrictions may be placed on businesses ability to access EU27 Nationals as employees.
- Over four-fifths (82%) of the business respondents' employees typically travel to work from within the Mid Ulster area. On average, higher salaries seem to be acting as an incentive for employees to travel further for work.
- Nearly a fifth (16%) of the businesses indicated that their staff turnover was, as of 2018, greater than 20%. A number of interrelated issues have reportedly contributed to this position:
 - A small local labour pool; resulting in
 - Strong wage competition;
 - Individuals being asked to operate in roles within which they are not proficient and being required to work regular overtime; and
 - Low staff morale.

Prospects for Growth and Support Required

The Consultancy Team's analysis also illustrates that:

- Whilst businesses' turnover/sales within the engineering sector in the Mid Ulster area is anticipated to grow over the 2018-2023 period, the levels of overall growth are anticipated to be slower than the previous five-year period i.e. 2013-2018.
- Businesses will, as of 2023, be marginally more reliant on the GB (England, Scotland and Wales) and, to a lesser extent, the Republic of Ireland markets for their sales/turnover.
- Businesses anticipate that they will continue to be reliant on the engineering sector for the majority of their sales. For example, by 2023, over a third (35%) of businesses anticipate that 75%+ of their sales will be within the engineering sector, which represents a marginal (3 percentage points) increase on their 2018 position.
- Over a quarter (28%) of the businesses indicated that at least 50% of their sales are (as of 2018) represented by their single largest customer, which may expose them to risks such as: pressure from their business' and/or their customer's competition; downward pricing pressure from the customer, which may result in decreased profits and cash flow; and an overdependence on too few customers can lower the value of a business.
- In terms of employment growth, it is the estimated that, **by 2023, approximately 749 new jobs within the engineering sector in the Mid Ulster area could potentially be created.**
- However, there are a number of identified issues that are inhibiting the future growth of the sector and of individual businesses. These are (in rank order):

1. Skills/qualifications related issues;
2. Staff recruitment/retention issues;
3. Uncertainty relating to UK's decision to leave the EU (i.e. Brexit);
4. Rising Operating Costs;
5. Negative/adverse perceptions of the sector;
6. Site/premises constraints;
7. Public transport linkages/network and road infrastructure related issues;
8. Competition in domestic (UK) markets;
9. Competition in export (non-UK) markets;
10. Negative/adverse perceptions of the MUDC area; and
11. Technological changes/advancements related issues.

- There are opportunities for Government (including support available through organisations such as the Council, Invest NI etc.) to provide specific support to businesses in order to assist the sector to grow.

Conclusions

The future of the engineering sector in Europe and worldwide has had much attention, with many of the known challenges and priorities facing the sector being equally relevant in a Mid Ulster area context.

The considerable and growing issue of businesses within the engineering sector in the Mid Ulster area accessing prospective employees (or the ‘lack of people’) with the requisite skills, as reflected in Sections 2-4 of this report, will inevitably not be a surprise to businesses in the area. However, this issue, coupled with the wide range of other identified issues, should serve as a clear signal to policymakers that urgent attention is required to ensure that the growth of local engineering businesses is not curtailed.

This is not to say that local businesses, with support from key stakeholders, do not have a role to play. They are faced with several options in terms of increasing the pool of prospective employees, such as: seeking to attract external talent to the Mid Ulster area; increasing levels of investment in labour saving technology (such as automation); and/or encouraging more local people back into the labour market (e.g. possibly through higher wages).

Beyond these options, there is also a need to actively promote the development of productive, inclusive and engaging workplaces that get the best out of people, but also a need to take a much more strategic view of recruitment, skills and the systems and mechanisms through which they are developed and sustained. In a period of considerable uncertainty, just focusing on the supply is not enough if businesses are to meet the huge challenges of rapid technological change, an ageing workforce, and changing cultures and expectations amongst the younger workforce. For example, businesses need to think more broadly about their own investment in developing talent and skills and how the growth of different employment models, flexi-working, contract and portfolio working may require a significant change to the ways they attract, invest in and develop people and skills in the future. The HR function within a business has a vital role to play in helping organisations to take a more strategic view of the kind of workforce they will need for the future and how they set about engaging with prospective future employers in a timely and strategic manner.

Businesses also need to think more about enhancing their business’ attractiveness to both its existing and prospective employees. This may include, for example, refurbishment works at their premises to provide better working environments, as well enhancing their branding/promotional materials, creating/updating their business’ website etc.

There is, however, a solid foundation for the future growth of the sector. It is encouraging to note that the sector is generally optimistic about their business prospects over the next 5 years, both in terms of turnover/sales and employment.

To support this growth, and **in recognition of the importance of the sector in the Mid Ulster area**, South West College was recently designated as the ‘Engineering & Advanced Manufacturing Hub’ within the Northern Ireland Further Education sector. In essence, the College now leads on the development of all Engineering & Advanced Manufacturing training within the Further Education sector.

However, there are a number of other areas where the Council and other key stakeholders should seek to develop the infrastructure and eco-system to ensure that engineering businesses can fulfil their full potential in the future.

In conclusion, **there is a unique opportunity for growing the local, and wider, engineering sector and employment creation.** The opportunity, therefore, is clear – despite the identified issues there is potential to create approximately an additional 749 new jobs by 2023 if the Action Plan that has been developed (see Section 6) is appropriately resourced, financed and implemented.

1. INTRODUCTION AND BACKGROUND

1.1 Introduction

Mid Ulster District Council ('the Council' or 'MUDC') has commissioned Cogent Management Consulting LLP ('Cogent' or 'the Consultancy Team') to undertake a research study into the Engineering Sector within the Mid Ulster District Council area.

This report provides robust quantifiable data on all aspects of the sector, including a detailed profile and analysis of the industry and its sub sectors, benchmarked against the sector's regional performance. It also provides a comprehensive analysis of the key issues, gaps and potential opportunities facing the sector over the next 5 years, informing an Action Plan with recommendations detailing what is required to address these.

1.2 Background

The Council area represents a population of more than 145,000 and it is the fastest growing new Council area in Northern Ireland (its population is expected to grow to 165,000 by 2030). The Mid-Ulster sub-region is home to over 8,000 small businesses, which is the 2nd largest concentration of small businesses outside of the Belfast Metropolitan area. These businesses provide the lifeblood of the local economy.

With circa 700,000 people within a one-hour commute of the district boundaries, the area supports approximately 50,000 jobs, which are mainly concentrated within micro businesses and Small and Medium Sized Enterprises (SMEs)⁷. As the most entrepreneurial region in Northern Ireland⁸, the Mid Ulster area contributes towards producing 7.3% of the region's total economic output (Gross Value Added is £2.075 billion).

The Interdepartmental Business Register (IDBR)⁹ estimates that there are 4,870 production businesses in Northern Ireland, of which 775 are located in the Mid Ulster area. The Council understands from its knowledge of the local business landscape that a considerable proportion of the 775 are categorised as businesses operating in the engineering sector (with possibly some being classified under other headings as well e.g. motor trades). However, to date there is no data available to confirm accurate figures.

Similarly, there is currently no, or very limited, data on employment figures for the engineering businesses in the Mid Ulster area. There is, therefore, no way to identify the proportion of the overall employment figure attributable to the engineering sector, its comparison with Mid Ulster's key sectors and its contribution to the Mid Ulster economy.

In recognition of such issues, the Council is now seeking to address this lack of data on the engineering sector in the Mid Ulster area to provide a clearer insight into the profile of the local sector, and make recommendations about its needs, issues and key challenges over the next 5 years, supported by a robust evidence base, to inform the design, direction, timeframe and costs of future interventions to promote the sector's growth.

⁷ Defined as having: fewer than 250 full time equivalent employees, an annual turnover not exceeding €50m (£35m) and/or an annual balance sheet total not exceeding €43m (£30m).

⁸ In terms of business start-ups (Global Entrepreneurship Monitor Report, 2017).

⁹ NISRA (2018) 'Inter-Departmental Business Register (IDBR)'. Figures as at 31st January 2018.

1.3 Statement of Requirements

A comprehensive research study on the engineering sector in the Mid Ulster area is required. The Council has split the work into four key stages as follows:

Stage 1: Desk Research	Undertake an in-depth review of all relevant desk top information relating to the engineering sector, both on a local (Mid Ulster District Council area), regional and national basis, identifying key trends and issues facing the sector to contextualise the local sector's issues.
Stage 2: Production of sectoral database and key sectoral statistics	<p>1) To compile a database of all currently trading engineering businesses in the Mid Ulster area. The Consultancy team will be expected to use a range of sources to identify and make contact with all engineering businesses, including accessing all relevant desktop and online sources such as Mid Ulster District Council's Online Business Directory, yell.com, Engineering Training Council NI (ETCNI), local Enterprise Agencies, Federation of Small Businesses NI, social media channels etc., as a minimum.</p> <p>The database must be provided in excel format, following Council's template, comprising the following fields:</p> <ul style="list-style-type: none"> • Business Name; • Name of key contact (owner/director); • Business Address; • Postcode; • Telephone Number; • Email Address; • Website (if available); • Sub-sectoral classification (i.e. electrical, mechanical, civil etc); • No. of employees (within SME bands 0-5, 6-10, 11-49, 50–249 and 500+); • Breakdown of nationality of employees (indigenous NI and GB, Republic of Ireland EU and non-EU); • Employee Age Profile; • Employee Gender Profile; • Sources of recruitment (other employers, same/different sector, economically inactive, school leavers); and • Key customers, industries and countries responsible for sales turnover to ascertain any potential for overreliance. <p>2) In addition to providing the completed database, the following data must be sourced on the sector:</p> <ul style="list-style-type: none"> • Sub-sectoral Structural profile; • Employment/Occupational Structure; • A breakdown of the sector's workforce; • Wage levels across the sector, its sub sector and occupational structures, alongside comparison with the sub regional Private-Sector Median (PSM) and regional PSM; • Travel to work distance of employees, overall and, across the occupational structure to profile the mobility of the sector; and • Recruitment methods used by employers.

Stage 3: Consultations and Survey	<p>Undertake consultations and surveys, to include:</p> <ul style="list-style-type: none"> • One-to-one in-depth face to face interviews with senior personnel in a minimum of 15 engineering businesses, representative of the profile of Mid Ulster's sector and geographical spread to explore, in detail, the key issues facing the businesses, the challenges, barriers and opportunities they currently face and anticipate over the next 5 years. • A focus group meeting with the South West College's 'Get Engineering' group of local engineering businesses. • Completion of a minimum of 50 telephone surveys with businesses from the Mid Ulster District Council area. • Consultations with key stakeholders, to include, the following: <ul style="list-style-type: none"> - Council's Economic Development Officers; - South West College (InnoTech Team and Head of Training); - Invest NI (Regional Office and Sectoral Team Lead); and - Engineering Training Council (NI).
Stage 4: Report on Sector, Analysis, Key Issues, Recommendations Actions	<p>The Report should comprise the following sections as an outline structure:</p> <ul style="list-style-type: none"> • Executive Summary highlighting the key issues and recommendations emerging. • Economic Sectoral Profile & Analysis – presentation of key sectoral data (in the form of tables, accompanied by an interpretative narrative) outlining the findings of the database research, consultation process and surveys, with statistics and performance benchmarked against regional sectoral data. • Details of proposed support package /proposition for future actions, and a 'sales proposition for growing the Mid Ulster sector' providing a robust evidence-based rationale for the priority listing of each Action. • Action Plan – this should comprehensively outline a 'road map for growth' and; detailing: <ul style="list-style-type: none"> - The potential interventions required to support the sector over the next 5 years, in order of priority, aligning with or highlighting any areas of commonality or diversion from the regional sectoral trend, - The evidence to support the need/action proposed - How each action should be progressed / key steps to be taken - Who should be responsible for each aspect of delivery - The duration of the proposed action/ intervention - Full indicative costs against each action and measure and potential funding sources; and - Delivery timeframes.

1.4 Scope of Report and Methodology

1.4.1 Defining the Sector

The boundaries of what constitutes engineering are often blurred. Therefore, determining a clear definition of the engineering sector can be difficult, with different organisations historically taking different approaches. Also, the terms ‘engineering’ and ‘manufacturing’ are analogous, with various reports using the terminologies interchangeably¹⁰. This being the case, it is accepted that there is not a universally agreed definition of the engineering sector in the UK¹¹.

In defining the engineering sector for the purposes of this study, the Consultancy Team, in agreement with the Council and Invest NI, has primarily utilised sectoral data based upon the UK Standard Industrial Classification of Economic Activities 2007 (SIC 2007)¹², as per the Office of National Statistics (ONS). This was then supplemented by the Consultancy Team’s review of publicly available information and research reports (e.g. those prepared by ONS, Engineering UK¹³, MATRIX¹⁴, the Agri-Food Strategy Board¹⁵ etc.) and consultation with key stakeholders (e.g. Invest NI, South West College and Manufacturing NI).

Appendix I provides full details on how the sector has been defined for the purposes of this report. The Consultancy Team, in conjunction with the Council and other stakeholders (e.g. Invest NI, South West College, Manufacturing NI etc.), considers that this approach is robust and is, at the time of writing, based upon best available evidence.

Using this agreed definition and data from the IDBR¹⁶, it is estimated that there are 4,715 businesses across Northern Ireland operating the engineering sector, of which 653 (14%) are located in the Mid Ulster area. Further details are included in Section 2.2 and Appendix II.

1.4.2 Methodology

In developing the Engineering Sector study, the Consultancy Team undertook a variety of activities, including:

Compilation of a Database	<ul style="list-style-type: none"> • Compilation of a comprehensive database of engineering businesses in the Mid Ulster area that were, at the time of writing, trading (N=a minimum of 532). • Data/information was collated from the following sources: <ul style="list-style-type: none"> - The Council’s online business directory of engineering businesses (3 versions were provided, each of which included details of additional engineering businesses that were identified by Council officers that were not on the business directory). - Databases (x2) from Invest NI.
----------------------------------	---

¹⁰ E.g. ‘Analysis of the Engineering Sector in Northern Ireland’ (Department for the Economy, September 2012) & ‘Advanced Engineering (Transport) Horizon Panel Report - Winning Ways To Engineer Our Future’ (MATRIX, October 2008).

¹¹ Source: ‘The state of engineering’ Annex document (Engineering UK, 2017) & ‘Analysis of the Engineering Sector in Northern Ireland’ (Department for the Economy, September 2012).

¹² Which is a system used by ONS for categorising and defining a business’ economic activities. SIC 2007 is divided into 21 sections, each denoted by a single letter from A to U. The letters of the sections can be uniquely defined by the next breakdown, the divisions (denoted by two digits). The divisions are then broken down into groups (three digits), then into classes (four digits) and, in several cases, again into subclasses (five digits). A business’ classification under this system is often referred to as its ‘SIC code’.

¹³ Which is a not-for-profit organisation that works in partnership with the engineering community to “*promote the vital role of engineers and engineering and to inspire the next generation*”.

¹⁴ The Northern Ireland Science Industry Panel, which is a business led expert panel advising on the commercial exploitation of R&D, science & technology.

¹⁵ Established in May 2012 to develop a strategic action plan to help accelerate the growth of the agri-food industry.

¹⁶ NISRA (2018) ‘Inter-Departmental Business Register (IDBR)’. Figures as at 31st January 2018.

- Databases (x4) from South West College.
- Databases (x2) from Manufacturing NI.
- Desktop and online resources such as internet searches (e.g. companies house, company check, Cylex, Endole Suite, DueDil and NI business info and yell.com websites), social media channels etc.
- The database, prepared in Microsoft Excel format (and included as Appendix III), includes the following information, where available, for all 532 businesses¹⁷:
 - Business Name;
 - Name of key contact (owner/director);
 - Business Address;
 - Postcode;
 - Telephone Number;
 - Email Address;
 - Website; and
 - Primary and 'other' SIC codes.
- In addition, the database also includes the following information (where available) for the 85 businesses that took part in the primary research activities (further details below):
 - Business headquarters;
 - Key geographical markets and sectors (in terms of sales/turnover);
 - Proportion of sales by largest customer;
 - Number of employees by: age¹⁸; gender; part/full-time; country of origin; shift/non-shift workers¹⁹; location travelled from; previous employment status²⁰; type of role²¹; qualification held; and travel to work time.

Technical note:

Whilst the IDBR²² estimates that there are 653 businesses located in the Mid Ulster area that are operating in the engineering sector (as per the agreed definition of the sector), in agreement with the Council, there were a number of businesses that were not included in the database for the following reasons:

- The business is dissolved/no longer operating or no longer located in the Council area;
- The business advised, during consultation, that they did not classify themselves as operating in the sector (e.g. one business cited that it operated in the food & agri-food sector rather than the engineering sector); or
- Whilst a business name was identified, no further information (e.g. address, telephone number, email address, key contact etc.) was available in the public domain.

In addition, a number of business that fall outside agreed definition of the sector (per their allocated SIC code) advised the Council that they would classify themselves as operating in the engineering sector. At the request of the Council, these businesses have been included in the database.

¹⁷ Please note, the Consultancy Team was unable to identify a key contact and/or a telephone number and/or an email address and/or a website for a number of businesses.

¹⁸ As per ONS Labour Market Statistics Age Groupings.

¹⁹ A shift worker is defined as any worker whose work schedule is part of shift work, with shift work defined as “any method of organising work in shifts whereby workers succeed each other at the same workstation s according to a certain pattern, including a rotating pattern, and which be continuous or discontinuous, entailing the need for workers to work at different times over a given period of days or weeks”. Statutory Instruments 1998 No. 1833 ‘Terms and Conditions of Employment: The Working Time Regulations 1998’ (UK Government Employment Legislation).

²⁰ E.g. Employed by another manufacturing & engineering business in the MUDC area; Employed by another manufacturing & engineering business outside the MUDC area; Employed by a business in a different sector; Student at school; Student in further or higher education; Unemployed; or Economically inactive (excluding students).

²¹ Standard Occupational Classification 2010 (as per ONS Labour Market Statistics) based on the OECD International Standard Classification of Occupations (ISCO).

²² NISRA (2018) ‘Inter-Departmental Business Register (IDBR)’. Figures as at 31st January 2018.

Desk Research	<ul style="list-style-type: none"> • An in-depth review of existing research, on a local (Mid Ulster District Council area), regional and national basis, to examine the key trends and issues facing the sector. • An in-depth review of a range of recently published data and metrics relating to the sector, including its performance in comparison to the rest of Northern Ireland.
Consultation and Engagement	<ul style="list-style-type: none"> • In-depth face-to-face consultations (N=15) with the owners or HR Managers of engineering businesses located within the Council area. • In-depth telephone consultations (N= 61) with a range of engineering businesses located within the Council area. • Online survey (N=9) with engineering businesses operating within the Council area. <p>Please note, a detailed methodology relating to the Consultancy Team's engagement with businesses is included in Appendix IV.</p> <ul style="list-style-type: none"> • In-depth consultations with key stakeholders such as: <ul style="list-style-type: none"> - Invest NI (N=3); - Manufacturing NI (N=1); - South West College (N=5); - Northern Regional College (N=1); and - Local Enterprise Agencies (N=1). • Focus group (N=11) with South West College's 'Get Engineering' group²³.

²³ 'Get Engineering' is an initiative supported by a number of local engineering firms to educate and inform students on the range of opportunities available in the fields of engineering and construction.

2. THE IMPORTANCE OF THE ENGINEERING SECTOR

2.1 Introduction

This section provides an overview of the engineering sector and of the key challenges and priorities facing the sector. It also outlines the Consultancy Team's understanding of the economy of the Mid Ulster area and in particular, it provides key sectoral statistics relating to the engineering sector.

2.2 Overview of the Engineering Sector

The engineering sector plays a vital role in the UK's economic and societal well-being, providing quality employment on a large scale, along with developing and implementing some of the key solutions to major global challenges. The UK engineering base has a world-leading position in a range of the knowledge-intensive industrial sub-sectors, responding to global challenges and supporting the scientific and technological research and innovation that underpin them.

Whilst the UK has seen its productivity levels²⁴ decline below that of its competitor nations, research²⁵ indicates that the engineering sector will be a crucial sector in raising the UK's productivity levels. For example, it is estimated that:

- The engineering sector generated a quarter (25%) of the UK's total Gross Domestic Product (GDP) in 2015 (£420.5 billion).
- The sector generated a further £1.45 Gross Value Added (GVA) for every £1 GVA created directly in engineering industries.
- For every additional person employed through engineering activity, a further 1.74 jobs are created in the supply chain.
- Just over a quarter (26.9% or 687,575) of the 2.55 million registered enterprises in the UK in 2016 were in the engineering sector, representing a 5.6% growth in terms of the number of enterprises over the previous year.
- The sector employs a significant proportion of the overall UK workforce. For instance, in 2016 just under a fifth (18.9% or 5.66 million) of people in the UK workforce were working in an engineering enterprise.
- The engineering workforce is getting older, but not significantly faster than in the UK economy overall. However, the proportion of young workers (especially those under 25 years old) has been decreasing over the last ten years.
- While women make up 46% of the UK workforce as a whole, engineering continues to be male-dominated e.g. women make up only 1 in 8 of those in engineering occupations and less than 1 in 10 of those in an engineering role within an engineering company.

Northern Ireland has a rich and often underestimated engineering and industrial history. Whilst the number of people employed in the engineering sector has reduced significantly over the last few decades (primarily as a result of cheaper international labour costs), the fundamental skills and expertise base - which created the sector in the first instance - remains strong, with small and large companies producing increasingly more complex and higher value-added products.

The sector has a decisive role in the performance of the Northern Ireland economy. It provides highly skilled and well-paid jobs, drives innovation, R&D and productivity, as well as providing external balance to the economy. Research²⁶ suggests that:

- In 2015, the sector directly provided 85,200 jobs and made a GVA contribution of £4.7 billion to GDP (measured in 2012 prices). This was equivalent to more than 10% of all jobs and 14% of the total economic output in the region. Manufacturing is the third largest employer and the second largest sector in terms of economic output.
- In 2015, the sector sustained 214,000 jobs, equating to a quarter of all jobs in the Northern Ireland economy. For every manufacturing job in Northern Ireland, another 1.5 jobs were supported elsewhere in the economy.

²⁴ Productivity is a key factor in the standard of living in a national economy, with higher levels meaning improved economic growth and a more prosperous society, with associated increases in funding for public services.

²⁵ Source: 'The state of engineering' (Engineering UK, 2018).

²⁶ 'Northern Ireland's Manufacturing: The Engine of Prosperity' (Oxford Economics on behalf Manufacturing NI, 2016).

- Productivity in Northern Ireland's manufacturing sector, at £55,700 per job in 2015, was 38% higher than the total economy average. This difference was even more pronounced for advanced manufacturing, which is, on average, 27% more productive than the more traditional part of the industry.
- The sector supports jobs and economic growth across in both rural and urban areas of Northern Ireland. **In the Mid Ulster area, manufacturing is the largest employer and accounts for more than a quarter of the economic output.**
- The contribution that the sector makes extends significantly beyond the jobs, economic activity and wages directly associated with the sector. There is an additional indirect impact which encapsulates the activity and employment supported in the supply chain as a result of the manufacturing sector's procurement of goods and services from other parts of the Northern Ireland economy.

Furthermore, in assessing the role of the sector, it is important to go beyond its direct share of GVA and employment. Research illustrates a more complex picture, emphasising that manufacturing and engineering are, and must continue to be, an essential part of the Northern Ireland economy, with many diverse benefits, including²⁷:

- Exports are an important source of income for a small open economy, and the manufacturing sector accounts for almost two-thirds of all of Northern Ireland's export sales. In 2014, the value of manufactured exports was £6 billion.
- In 2014, the sector invested £254m in R&D, which accounted for over 60% of total business investment in Northern Ireland. This contributed towards supporting the development of quality products and processes to keep the sector competitive.
- The sector also attracts a large amount of foreign direct investment (FDI). For example, between 2010 and 2014 the sector attracted just under £900 million in FDI.

The Mid Ulster area has been at the forefront of industrial and entrepreneurial development. The reputation of the area in the fields of manufacturing and engineering is well known, and where other regions have seen manufacturing and engineering decline, the area has worked hard to retain and attract such industries into the area and has been successful in this endeavour.

The economic performance of the engineering sector in the Mid Ulster area has been driven by a set of complementary strengths, which, in combination, delineate its unique position in the Northern Ireland economy²⁸. For example:

- Mid Ulster (incorporating the former council areas of Cookstown, Dungannon and South Tyrone and Magherafelt) possesses the second largest business base outside of Belfast²⁹.
- Strategically located, the Mid Ulster area has a widely acknowledged strong, diverse and dynamic business base, together with an educated and entrepreneurial workforce.
- It has the 2nd lowest claimant count in the region at 1.3%³⁰.
- The Gross Value Added (GVA) is £2.075 billion, the 4th highest in the region in 2014, producing 7.3% of the region's total economic output.
- The area population of 145,000 is the fastest growing new Council area.
- Workforce - 91,711 of working age (aged 16-64).
- 700,000 people are within a one-hour commute of the district boundaries.
- There is **a minimum of 532 engineering businesses are located in the Mid Ulster area - the area has a higher proportion of engineering businesses when compared to Northern Ireland** as a whole. This reflects the relative importance of the sector to the Mid Ulster economy.
- **Over a fifth (21%) of the employee jobs (10,740 employee jobs) in the Council area are within the engineering sector** (compared to 9% of all employee jobs at a Northern Ireland level). Again, this reflects the importance of the sector to the Mid Ulster area in terms of employment. The sector is highly productive, representing 17% of Northern Ireland's manufacturing GVA (in 2015).
- Over four-fifths (83%, N=10,740) of the employee jobs within the engineering sector in the Mid Ulster area are held by males (which is broadly comparable with the Northern Ireland figures for the sector).

²⁷ 'Northern Ireland's Manufacturing: The Engine of Prosperity' (Oxford Economics on behalf Manufacturing NI, 2016).

²⁸ Further specific details are included in Appendix II.

²⁹ Circa 8,505 businesses, which represents 12% (N=71,615) of the regional total.

³⁰ NISRA (2017) 'Northern Ireland Labour Market Report March 2017'.

The engineering sector is of profound importance to the area's economy – especially in key specialisms such as the manufacture of mining and quarrying machinery, production of general and special purpose machinery etc., which have linkages and supply chain associations with the construction and food & agri-food sectors. For instance, 40% of world's mobile crushing and screening equipment is made in Northern Ireland, with many of the businesses in the Mid Ulster area contributing towards this level of activity.

Despite the above, it is widely recognised and accepted that Northern Ireland and the Mid Ulster area cannot compete with emerging economies in this sector on the basis of cost and that globalisation and technological advancements, amongst other things, have created significant challenges for businesses operating in the sector. The future, therefore, rests in an ability to build a knowledge-based economy, placing skills, creativity, expertise and innovation at its heart³¹.

2.3 Challenges and Priorities facing the Sector

The future of the engineering sector in Europe and worldwide has had much attention, with many of the known challenges and priorities facing the sector being equally relevant in a Northern Ireland and a Mid Ulster area context. Whilst research indicates that the engineering sector will grow faster in Northern Ireland than in any other region in the UK over the next 10 years, it also faces substantial challenges. The key challenges and priorities facing the sector within the Mid Ulster area are summarised in the following subsections.

2.3.1 *Uncertainty relating to the UK's decision to leave the EU*

Following the UK's decision to leave the EU in June 2016 (i.e. Brexit), the Mid Ulster area is at the beginning of a period of significant uncertainty, during which businesses and households are likely to find it more difficult to plan for the longer term. Brexit will impact businesses in the Mid Ulster area directly if restrictions are placed on their ability to access EU27 Nationals as employees. The Government has, at the time of writing, signalled its intention to take the UK out of the single market and the EU Customs Union alongside establishing a new immigration system. What this means, right now, is that the legal status of EU nationals and their ability to live and work in the UK is in doubt. Clearly, the outcomes of future negotiations will be vital in determining the level of free movement that is afforded to EU27 Nationals in the UK and vice versa. This is important as workers from the EU fill vital roles in the engineering sector in the Mid Ulster area, which is vital to the area's economic growth and productivity. Overall, EU27 Nationals comprise a large proportion of the total migrant population living in the Mid Ulster area.

Although it is hard to predict the shape of the eventual settlement, Brexit has the potential to present particular challenges for the engineering sector in the Mid Ulster area. These include:

Brexit - Potential Challenges
<ul style="list-style-type: none"> • Businesses may postpone investment and expenditure, which in turn will slow the growth in employment and output. Local stakeholders have limited scope to reduce this uncertainty, but they can take steps to reduce uncertainty in other areas such as skills training. • Unless the UK can secure access with limited tariffs or barriers to export markets in the EU and globally, there will be consequences for many exporting engineering businesses in the Mid Ulster area. Reduced access to the EU Single Market is likely to affect many of the key sectors in the Mid Ulster area, including the engineering sector. If the UK leaves the Customs Union, engineering businesses of all sizes face new costs in re-organising supply chains and managing movement across customs frontiers. A weaker sterling may increase the competitiveness of some businesses, but at the same time it will raise costs for major importers and reduce purchasing power for consumers. • The Government has sought to curb lower-skilled migration from outside the EU through changes to the points-based visa system and the closure of several unskilled visa routes. EU migrants, particularly from countries that acceded after 2004, therefore make up the bulk of incoming lower-skilled workers.

³¹ 'Advanced Engineering (Transport) Horizon Panel Report - Winning Ways to Engineer Our Future' (MATRIX, October 2008).

Brexit - Potential Challenges

Depending upon the settlement on free movement of people, restrictions on migration are likely to hit many of the largest engineering businesses in the Mid Ulster area. Indeed, the withdrawal of mid and lower-skilled labour (in particular) may exacerbate vacancy rates in the Mid Ulster area in lower-paid job roles, given the relatively low overall rates of unemployment. Mid-skilled and lower-skilled migrants fill a range of roles in the Mid Ulster labour market, including the engineering sector where, in principle, enough Northern Ireland workers could be trained, but where in practice it appears difficult to match local supply with demand.

- Businesses across all sectors are reporting that, a small, but growing, number of long-established migrant employees are now leaving Northern Ireland. Crucially, and for the first time, those leaving may not be replaced by new arrivals. This net loss of available skills is having a knock on negative effect on many sectors, with many raising concerns about growing labour shortages. This net loss of available workers and skills is having a knock on negative effect on the engineering sector, with many businesses raising concerns about growing labour shortages. In addition, several engineering businesses are reporting that their workforce is now working longer hours to offset the labour shortages. Businesses fear the impact of difficult working conditions will force even more staff to resign.
- Lower-skilled immigration may be the target of new restrictions following exit from the EU. Given this, a challenge for the Mid Ulster area may be to train the low-income local population to fill roles previously filled by migrants, while continuing to secure recruitment in those areas where immigration will remain a key component of the labour force.

2.3.2 Global Risks

The outlook for the global economy is uncertain. Across the world, the trend towards increased flows of trade, money and people is looking less certain. The era of 'easy growth' fuelled by credit and demographics is probably over, with global economic growth set to slow by almost half, from 3.6% to 2.1%, in the next 50 years³². Recently, global trade growth has slowed, alongside a slowdown in leading emerging market economies (such as Brazil, Russia, China and South Africa) and subdued demand across the world. In developed economies, productivity growth has been decelerating for decades³³.

Alongside widespread opposition to free trade deals, such as the Trans-Pacific Partnership and Transatlantic Trade and Investment Partnership, the World Trade Organisation estimates that protectionist trade measures among the G20 are multiplying at their fastest rate since 2008³⁴. National governments are experimenting with alternative economic strategies in response to these challenges.

Strained by growing inequality, the historic global economic consensus is being tested, particularly around migration and security. Global flows of people are facing new restrictions, as developed economies seek to control the scale of immigration in response to the concerns of those left behind by globalisation. In addition, forced migration from refugee crises across the world has altered these patterns substantially. Further, the recent terrorist attacks in Great Britain and other European cities mean that security risks remain front of mind.

The world will also see the continuing rise of disruptive innovation e.g. the further reach of the mobile internet, the cloud and the internet of things and the growth of advanced robotics, hydraulic fracturing, autonomous vehicles and 3D printing. Patterns of work will change dramatically too, with the rise of flexible work enabled by 'gig economy'³⁵ players such as Deliveroo. Economic growth driven by innovation and technology is here to stay, and regions which are well equipped to adjust to new ways of working will prosper more than others³⁶.

³² McKinsey Global Institute, Turbulence Ahead, 2016.

³³ OECD, The Productivity-Inclusiveness Nexus, 2015.

³⁴ World Trade Organization, Report on G20 trade measures, June 2016.

³⁵ A labour market characterised by the prevalence of short-term contracts or freelance work as opposed to permanent jobs.

³⁶ McKinsey Global Institute, Disruptive technologies: Advances that will transform life, business, and the global economy, May 2013.

The future performance of the engineering sector is particularly vulnerable to global economic shocks that impact global demand and growth. The nature of the competition faced by Mid Ulster's engineering businesses is also changing. Businesses in emerging economies initially captured market share on a cost basis, but they are now rapidly moving up the value chain in terms of producing higher value activities and industries. This intensification of competition in the global market means the sector in the Mid Ulster area must compete on both a cost and quality basis in order to remain competitive on an international scale.

The extent to which policymakers, at every level of government, seek to foster the opportunity that manufacturing and engineering still bring to the Northern Ireland economy, will be decisive in determining the sector's long-term investment outlook and its prospects for future growth of the sector.

2.3.3 *Skills/Qualification related Issues*

There are substantial skills shortages throughout the UK, which are expected to be exacerbated by the growth of new industries, some of which scarcely yet exist, emerging from new technologies and knowledge.

In 2015, the Employer Skills Survey, conducted by the UK Commission for Employment and Skills (UKCES), reported 209,000 vacancies which were 'hard to fill' due to applicants lacking requisite skills, and around 1.4 million employees lacking some skills to be fully proficient in their current role. The most common technical skills gaps among applicants included specialised skills, knowledge to perform the role and problem-solving skills. The most common people and personal skills gaps included customer-handling skills and time management.

Accessing appropriate talent and skills is not just an issue for businesses in the Mid Ulster area. It is one of the top three issues for 'ScaleUp' businesses throughout the UK³⁷, with 82% of scaleup leaders stating that they would be able to grow their company more easily if applicants had the skills needed to meet customer demand.

The ScaleUp survey found that business leaders consider the need to attract staff to join at entry-level positions and therefore to develop talent at the school and graduate level (82%) to be more important than being able to hire people from overseas who had scaled a company before (65%) or to attract large company executives to join the company (56%). The greatest talent 'pinch' was felt among companies with more than 20 employees but less than 250.

More specifically, the skills gaps that scaleups identify for their particular businesses are varied: business skills (34%), management skills (30%), technical skills (29%) and social skills (28%). Notably, only 12% of scaleups surveyed nominated finance skills as one of their top three gap areas.

More than 78% of scaleups reported apprenticeships³⁸ to be beneficial in developing skills and talent in the business. Notably, scaleup leaders indicated that more work could be done in improving the availability and accessibility of these schemes as a viable career path for students. There was also a desire expressed to ensure that intended levies³⁹ on these do not impact their ease of use in scaling businesses.

³⁷ ScaleUp Survey 2016.

³⁸ In Northern Ireland, an apprenticeship is a full-time paid job (a minimum of 21 contracted hours per week), available to those aged 16 or over (terms and conditions apply if an individual is 25 years old and over e.g. there are only some apprenticeships available in specific sectors). It incorporates on and off the job training, usually on a day-release basis with a training provider. Apprentices work towards achieving vocational qualifications and essential skills qualifications (reading, writing, maths and computers), leading to a nationally recognised certificate.

³⁹ From April 2017, employers with a pay bill of more than £3 million pay a levy to fund apprenticeships ('the apprenticeship levy'). The Levy is charged at a rate of 0.5% of an employer's pay bill, whilst each employer receives an allowance of £15,000 to offset against their Levy payment.

Scaleup leaders believe it is critically important for the UK to remain a country open to others and able to easily recruit overseas talent. This is particularly salient given the current political and economic climate following the UK's vote to leave the EU.

The main concerns arising from scaleup business leaders centre around:

- Making it easier to hire the right people with the requisite talent and skills by having more flexible and cost-effective recruitment processes;
- Maintaining the ability to attract and retain talent from abroad – ensuring that despite the Brexit vote, it is easier to obtain overseas skilled labour; and
- Making sure that foreign students that are trained here have more ready access to job opportunities.

These views were strongly held by scaleup leaders regardless of sector or location.

At a local level, a sample of Northern Ireland businesses indicated that the key skills lacking amongst applicants included a combination of technical and practical skills and people skills such as (ordered from most to least commonly cited)⁴⁰:

Technical and Practical Skills	<ul style="list-style-type: none"> • Specialist skills needed for the role; • Knowledge of how the organisation works; • Knowledge of the organisation's products and services; • Solving complex problems; • Complex numerical skills; • Basic numerical skills; and • Adapting to new equipment.
People Skills	<ul style="list-style-type: none"> • Ability to manage and prioritise own tasks; • Customer handling skills; • Managing or motivating other staff; • Sales skills; • Team working; • Persuading or influencing others; and • Managing their own feelings or those of others.

In recent years, the engineering sector has become increasingly engaged and focused in high value-added areas, such as innovation, design and development. This has had a fundamental impact on the sector and its various sub-sectors, with many businesses now requiring increasing numbers of individuals with higher level skills. Key skills-related characteristics of the sector include:

- In terms of the skills profile, the sector relies on a strong foundation in the basic numeracy and literacy, management and STEM skills. However, the sector also needs more high-level and technical skills e.g. interpersonal/communication skills, problem-solving and commercial acumen etc.
- The increasing use of design packages and bespoke software in the manufacturing and engineering process is also requiring greater 'IT literacy' and skills in utilising specific computer-aided design (CAD)/computer-aided manufacturing (CAM) and computer numerical control (CNC) machining software. 'Smart factories' of the future will require workers with the relevant production and IT 'know-how'. The general shift to shorter, more tailored production runs, driven by both customer demand and the availability of more flexible production technology, is also increasing demand for design skills.
- New and emerging technologies will require a workforce with advanced skills to engineer in both the virtual and the physical worlds. Roles in supporting areas (e.g. cyber-security) will become increasingly important as manufacturing and engineering become ever more 'digitised'.
- Within the engineering sector as a whole, there is a marked difference between the Advanced Manufacturing, Materials and Engineering (AMME) subsector⁴¹ and other subsectors, particularly in the distribution of skills levels amongst the workforce.
- In the absence of disruptive innovations and exogenous shocks, it appears that the engineering sector might continue to provide employment opportunities across all skill levels, although the AMME subsector is

⁴⁰ UK Commission for Employment and Skills (UKCES) (2016) 'Employer Skills Survey'.

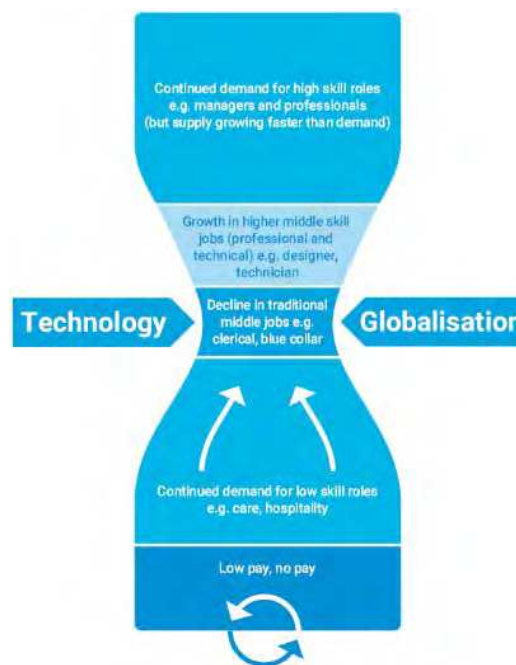
⁴¹ Defined in Appendix I.

likely to have a growing need at skill level 4+. The skills system, therefore, needs to serve this plurality of skills needs.

- Whilst engineering businesses anticipate an increasing need for people with higher level skills, they have a decreasing confidence in their ability to recruit these in sufficient numbers. Potential restrictions on the free movement of labour, due to Brexit, further highlight skills shortage issues. Retention of employees is becoming a higher priority for employers as the workforce becomes more highly trained and skilled.
- Many engineering businesses also find it hard to balance the demands of short-term business pressures with planning longer term investment in skills.

Across the UK and other developed nations, there is an increasing move towards an ‘hourglass’ economy (depicted below), with rising demand for both high and low skilled labour. It is clear that the engineering sector is no exception to this trend. Moreover, there is considerable demand for engineering skills outside of industries traditionally deemed to be engineering. Given the engineering talent currently coming out of the educational pipeline, it is estimated that there is **an acute shortfall of engineering skills** – and that this will continue without concerted action.

Figure 2.1: The ‘Hourglass’ Economy⁴²



Strategies to increase the employability of graduates are now embedded across Further and Higher Education providers, but there are some concerns that, although STEM (Science, Technology, Engineering and Mathematics) graduates are in high demand, not all have a sufficiently rounded set of both technical and transferable skills, at the right levels, to satisfy the demands of current employers. Research suggests that work experience has become an essential asset for graduates⁴³.

In the face of technological advancements and a changing political and economic landscape, developing the pipeline to address the skills needs of the engineering sector remains a key challenge.

In response, calls for alternative, more flexible training models, alongside access to industry-focussed training, have been recently proposed⁴⁴. The premise being that for businesses to do it themselves would be fragmented and resource intensive, but ‘Centres of Excellence’ across Northern Ireland to, for

⁴² Source: ‘The state of engineering’ Annex document (Engineering UK, 2017).

⁴³ Source: ‘The state of engineering’ Annex document (Engineering UK, 2017).

⁴⁴ The Advanced Manufacturing, Materials & Engineering Report (MATRIX, November 2016).

example, accommodate school leavers to address multi-sectoral needs (e.g. suggested clusters include ‘sheet metal fabricators’) could potentially be an option to explore.

Furthermore, in recognition of the importance of the sector, and in an effort to address the needs of engineering businesses in the Mid Ulster area, South West College was recently designated⁴⁵ as the ‘Engineering & Advanced Manufacturing Hub’ within the Northern Ireland Further Education sector. In essence, the College now leads on the development of all Engineering & Advanced Manufacturing training within the Further Education sector.

The aim of the Engineering and Advanced Manufacturing Hub is to provide excellence in the development and delivery of engineering curriculum, skills support and innovation.

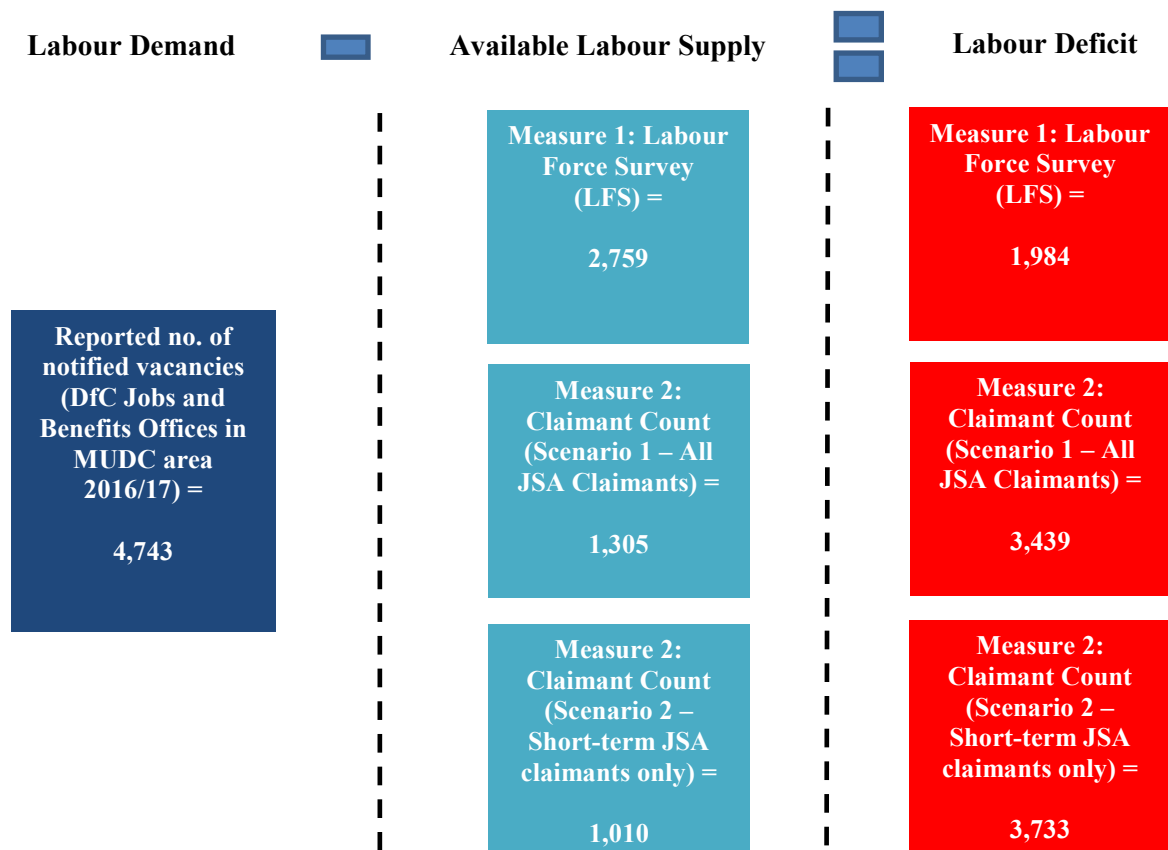
The Hub will facilitate the delivery of high quality and consistent engineering curriculum and employer engagement across Northern Ireland and will build on existing capability and working relationships within the Colleges. Importantly, the Hub will not sit in isolation and will include links and integration with employers and engineering and advanced manufacturing initiatives across Northern Ireland, the UK and beyond.

2.3.4 Staff Recruitment/Retention related Issues

The importance of ready access to a highly qualified, skilled and motivated workforce cannot be overstated. At a UK level, it is estimated that there is robust demand for labour but there is insufficient supply in many engineering sub-sectors. For example, the period April to June 2017 experienced the highest vacancy ratio in the engineering workforce since 2001, with 2.6 job vacancies for every 100 filled jobs⁴⁶.

Notwithstanding the aforementioned skills/qualification related issues, the Consultancy Team has estimated that there is, at the time of writing, a **deficit of available labour (across all sectors) within the Mid Ulster area**. This is depicted in the diagram below (further details are included in Appendix II):

Figure 2.2: Estimated Labour Deficit in the Mid Ulster area



⁴⁵ Following a competition exercise initiated by the Department for the Economy in June 2017.

⁴⁶ Source: ‘The state of engineering’ Annex document (Engineering UK, 2017).

Key points to note include:

- Depending on which measure is used (i.e. the LFS or claimant count data), it is estimated that the pool of available labour within the Mid Ulster area ranges from 1,010 to 2,759 individuals.
- However, given that there are, as a minimum, 4,743 job vacancies to be filled, there is a resultant **deficit of available labour within the Mid Ulster area**, estimated to range from 1,984 (if the LFS measure of unemployed is adopted) to 3,733 (if only short-term claimants of JSA are considered) individuals.
- Given that the measure of labour demand is solely those vacant positions that employers notify to Department for Communities (DfC)⁴⁷, there is potential that the actual ‘unmet demand’ for labour within the Mid Ulster area is in excess of the 4,743 stated above. Such a scenario would **exacerbate this calculated labour deficit**.
- Conserve to the above point, as per Appendix II, there is potential for a proportion of those who are classified as economically inactive to be encouraged to move into the active labour market. Such a scenario would potentially increase the labour supply in the Mid Ulster area and contribute towards reducing the labour deficit.
- The key finding seems to be that **engineering businesses (like other sectors) in the Mid Ulster area are likely to be experiencing issues accessing prospective employees**, given this deficit in the local labour market. Therefore, in the absence of significant net inflows of human resources into the area, any initiatives/interventions taken forward as part of this research study should, in the first instance, seek to attract external talent and residents to the Mid Ulster area.

2.3.5 Technological Changes/Advancements

The economy is changing. That is nothing new. New technologies replace the old, new occupations and jobs are created and others disappear.

Historical perspectives provide some comfort in relation to technological progress (such as automation) and its impact on society. Research⁴⁸ suggests that, for example, automation has, over recent years, increased productivity, which reduced average prices, making goods and services more affordable and freeing up cash for other purchases, thereby promoting consumption. Demand has increased for these products and individuals’ quality of life and average income subsequently increased due to automation. Automation has been good for society in general, but at a micro level there are losers and government, through policy and decision-making, need to consider the best options.

Research⁴⁹ has estimated that 35% of all jobs within the UK are highly susceptible to automation within the next 10-15 years and that lower-paid jobs in industries that are often dependent on labour from outside the UK are the most likely to be affected. There are also suggestions⁵⁰ that demand for jobs becomes more ‘U-shaped’ with automation, for example:

- There is demand for lower skill occupations that cannot be automated e.g. service industries such as barbers, beauticians etc.;
- Mid-level skills, such as machine operatives etc., are more easily automated and demand is relatively lower;
- Highly skilled occupations that require strategy, thought leadership, conversational skills and persuasion are not easily automated and demand is relatively higher.

Whilst jobs may be at risk due to technological progress (such as automation), others will be created, potentially in occupations created by automation that do not yet exist.

⁴⁷ According to NISRA, it does not represent the total ‘unmet demand’ for staff by employers in Northern Ireland.

⁴⁸ Source: 2017 Knowledge Economy Report (Connect at Catalyst Inc., January 2018).

⁴⁹ Deloitte and Reform (2017) ‘Citizens, Government and Business: The State of the State 2017-18’.

⁵⁰ Source: 2017 Knowledge Economy Report (Connect at Catalyst Inc., January 2018).

Since mass manufacturing and engineering began, many changes have been made in the way products are designed, engineered and manufactured. It has always been that a new technology offers both a remedy and a threat to manufacturing and engineering businesses. For example, the introduction of robotics within assembly lines creates a competitive advantage for those that invest and grasp the opportunity, but it is a competitive threat to those that remain reliant on manual labour.

An inability to access labour and skills has prompted some engineering businesses to, wherever possible, consider investing in automation. However, this option requires significant time and substantial capital expenditure. Given the current uncertainty around Brexit, the business case for technology investment does not stack up for many businesses. For example, it would seem irrational for an indigenous large business to invest more in automation in a local plant when potentially hefty tariffs may be imposed on their EU exports and, in addition, their domestic sales may not compete against products from low wage economies, where production standards are lower. Decisions to invest in automation, therefore, involve much more than mere feasibility.

Technological changes/advancements will play a central role in driving change in manufacturing and engineering. For example, they have the potential to enable:

- Mass personalisation of low-cost products, on demand;
- A much more distributed local and global production base, with manufacturing and engineering done much closer to the customer and greater diversity in factories of the future;
- ‘Digitised’ value chains, with digital connections between customers, manufacturers/engineers and suppliers increasing the speed and efficiency of manufacturing, and enhancing opportunities for international collaboration;
- Greater freedom of design;
- Delivery of innovative new products;
- Higher performance and more flexible manufacturing systems, delivering better quality and cost performance; and
- Better customisation of products and services (‘customerisation’).

Additionally, the importance of advanced materials in the manufacturing and engineering sector will continue to be a significant factor on competitiveness. Generally, advanced materials can aid improvements in productivity, quality and cost and in many cases these materials create opportunities for new product functionality and characteristics. For example, the use of composite materials (over traditional materials) within aircraft engineering and manufacture radically enhanced strength to weight ratios, along with the possibility of noise reduction.

Engineering businesses who learn how to make their products with less energy, water and raw materials than their competitors will be more resilient during likely periods of disruption. The market for technologies and knowledge that enable resource-efficient production is reportedly growing quickly⁵¹ and the emergence of technologies/materials that will help businesses use less resource to deliver value (e.g. lightweight materials and products) are likely to become more widely available over the next two decades.

The new manufacturing and engineering environment will demand an extremely adaptive workforce, with fewer operatives and higher skilled people who will be constantly learning through academic/industry switchovers⁵².

Planning for the future is key. It looks like society is on the cusp of another technological disruption, where big data, blockchain, artificial intelligence etc. change how individuals live their lives. The world is changing, and the engineering sector in the Mid Ulster area has no control over the pace of change.

⁵¹ The Advanced Manufacturing, Materials & Engineering Report (MATRIX, November 2016).

⁵² The Advanced Manufacturing, Materials & Engineering Report (MATRIX, November 2016).

This report considers how stakeholders in the Mid Ulster area need to think, act and educate now for the economy of the future.

2.3.6 *Rising Operating costs*

Like the skills/qualification related issues, rising operating costs for businesses is not unique to the engineering sector in the Mid Ulster area. Engineering businesses across Northern Ireland face several competitiveness challenges, such as higher transport and energy costs, which are inherent to its geographic position on the periphery of both the UK and Europe.

However, when taken together, cost increases associated with energy (electricity, gas and water), rent and rates, labour, raw materials (e.g. steel, zinc etc.), corporation tax, exchange rate fluctuations, logistics/transportation etc. present significant challenges to the engineering sector. There is a general acceptance that many of these cost increases fall outside the control of businesses and the Government within Northern Ireland.

Specific points to note include:

Energy (electricity, gas and water) costs	<ul style="list-style-type: none"> While energy costs represent a significant outlay for most businesses, energy intensive industries such as manufacturing and engineering are particularly susceptible to cost increases. Energy costs are highly dependent on global oil and gas prices, which can be very volatile. Furthermore, gas prices in Northern Ireland have been higher than the UK as a whole due to a lack of competition and the fact that the gas supply largely comes from Great Britain. In general, energy costs in Northern Ireland (vis-à-vis other parts of GB) are much more erratic and prone to sharp fluctuations. For example, non-domestic electricity unit rates in Northern Ireland are one of the most expensive in Europe. Research⁵³ indicates that large unit cost differentials with the Republic of Ireland are considered to be a specific threat to the competitiveness of engineering businesses in Northern Ireland.
Logistics/Transportation costs	<ul style="list-style-type: none"> Given Northern Ireland's geographic location, logistics/transportation costs, for both raw materials and finished products, are a significant outlay for many engineering businesses. In the domestic market, Northern Ireland's engineering businesses (vis-à-vis Great Britain based businesses) are faced with additional costs, which may be exacerbated if their supply chain and final market is based in Great Britain. This, therefore, has the potential to impact on the competitiveness of Northern Ireland businesses.
Business rates	<ul style="list-style-type: none"> Business rates are a form of tax on a commercial property that are not linked to, nor are they informed by, the value of the goods or services produced by a business. Research⁵⁴ suggests that business rates in Northern Ireland are the lowest in the UK. In addition, premises occupied and used for manufacturing/engineering purposes may qualify for industrial de-rating, which involves a business only paying 30% of the established business rate. This further reduces the overall costs associated with business rates. However, there remains uncertainty as to whether 'industrial de-rating' will remain in place in Northern Ireland moving forward. If it was to be abolished, there would likely be increased costs for a business, potentially impacting on their competitiveness.
Raw materials costs	<ul style="list-style-type: none"> Certain sub-sectors within the engineering sector (e.g. 'manufacture of basic metals' and 'manufacture of fabricated metal products, except machinery and equipment') are highly dependent on the cost of raw materials such as steel, zinc, timber, aluminium etc. Volatility in the price of these raw materials can impact on a business' performance and competitiveness.

⁵³ 'Northern Ireland's Manufacturing: The Engine of Prosperity' (Oxford Economics on behalf Manufacturing NI, 2016).

⁵⁴ 'Northern Ireland's Manufacturing: The Engine of Prosperity' (Oxford Economics on behalf Manufacturing NI, 2016).

3. SECTOR PROFILE

3.1 Introduction

This section of the report provides a detailed overview of the engineering sector in the Mid Ulster District Council area. Data presented in the following sub-sections has been drawn from:

- In-depth face-to-face consultations with senior personnel in 15 businesses;
- In-depth telephone consultations with 61 businesses; and
- Findings from an online survey, of which there were 9 respondents.

Full details on the methodology employed and further comprehensive analysis is included in Appendix IV.

3.2 Business Location

The 532 engineering businesses operating in the Mid Ulster District Council area, along with the 85 businesses that participated in the research, are profiled below by geographic area, using the legacy Council areas of Cookstown, Magherafelt and Dungannon⁵⁵. The table illustrates that over half (55%, N=532 and 52%, N=85) of the businesses were located in the Dungannon area, whilst nearly a third (28%, N=532 and 32%, N=85) were located in the Magherafelt area.

Table 3.1: Profile by Business Location				
Location	Total businesses in the MUDC area		Research Sample ⁵⁶	
	No.	%	No.	%
Dungannon	291	55%	44	52%
Magherafelt	148	28%	27	32%
Cookstown	93	17%	14	16%
Total	532	100%	85	100%

3.3 Businesses by Sub-Sector

The 532 engineering businesses operating in the Mid Ulster District Council area, along with the 115⁵⁷ businesses that participated in this research, were disaggregated by SIC 2007 Division Codes (as per the agreed definition of the sector for the purposes of this study outlined in Appendix I). Whilst full details are included in Appendix IV, key points to note include:

- A fifth (20%, N=451⁵⁸) of the businesses in the sector fall within the **‘Manufacture of fabricated metal products, except machinery and equipment’ sub-sector**, of which two-thirds (66%, N=88) fall within the following two divisions:
 - Manufacture of metal structures and parts of structures (39%, N=88); and
 - Manufacture of other fabricated metal products (27%, N=88).

⁵⁵ On 1st April 2015, as part of Local Government Reform, Cookstown District Council, Magherafelt District Council and Dungannon and South Tyrone Borough Council merged to form the new Mid Ulster District Council.

⁵⁶ Please note, all the businesses consulted with are headquartered in the Mid Ulster Council area.

⁵⁷ Please note, during the primary research, an additional 30 businesses who were contacted (but who did not want to participate in the survey) were willing to provide the Consultancy Team with their SIC 2007 Division Code and the total number of employees within their business. Therefore, this question is based on 115 business respondents, rather than 85.

⁵⁸ Please note, the Consultancy Team were unable to identify SIC 2007 Division Codes for 81 businesses.

- A similar proportion (17%, N=451) of the businesses fall within the **‘Manufacture of machinery and equipment’** sub-sector, of which nearly two-fifths (58%, N=75) fall within the following three divisions:
 - Manufacture of ‘other’ special-purpose machinery (31%, N=75);
 - Manufacture of equipment for concrete crushing and screening roadworks (15%, N=75); and
 - Manufacture of lifting and handling equipment (12%, N=75).
- Further analysis indicates that nearly two-thirds (63%, N=163) of the businesses that fall within these two sub-sectors⁵⁹ are located within the Dungannon area. This supports the Council’s assertion that sub-sectors of the engineering sector generally cluster together in certain localities within the Mid Ulster area.

3.4 Size of Business

The profile of participant businesses by employment size is illustrated below. In total, nearly all (95%, N=115)⁶⁰ of the businesses within the sector are categorised as small and medium-sized enterprises (SMEs) i.e. fewer than 250 employees. This is broadly comparable to the Council area as a whole, whereby almost all (99%, N=8,505) of the businesses registered are categorised as SMEs⁶¹.

Table 3.2: Participant Profile by Business Size		
Business size	Research Sample	
	No.	%
Micro (9 or fewer employees)	75	65%
Small (10-49 employees)	20	17%
Medium (50-249 employees)	15	13%
Large (250+ employees)	5	5%
Total	115	100%

3.5 Business Operations

Whilst full details are included in Appendix IV, key points to note in relation to businesses operations include:

- Nearly all (99%, N=85) of the business respondents indicated that their business operated at least 5 days per week, typically Monday to Friday. Over a third (35%, N=85) of the businesses respondents typically operated more than 5 days per week, with these businesses suggesting that, depending on the needs of their customers/clients, they typically operate on a Saturday or Sunday (for a half day) in order to meet increases in demand.
- Over a third (36%, N=85) of the business respondents suggested that they typically operate 13+ hours per day. Discussion with smaller businesses indicates they typically work into the evenings (from 8am to 9pm) to meet the needs of their customers/clients.

⁵⁹ ‘Manufacture of fabricated metal products, except machinery and equipment’ (29%, N=163) and ‘Manufacture of machinery and equipment’ (34%, N=163).

⁶⁰ Please note, during the primary research, an additional 30 businesses who were contacted (but who did not want to participate in the survey) were willing to provide the Consultancy Team with the total number of employees within their business. Therefore, this question is based on 115 business respondents, rather than 85.

⁶¹ NISRA (2018) ‘Inter-Departmental Business Register (IDBR)’. Figures as at 31st January 2018.

3.6 Employment and Employee Profile

3.6.1 Current Employment Position

In total, the 85⁶² businesses that participated in the research stated that, as of 2018, they had 4,240 employees based in Northern Ireland, of which 3,901 (92%) were based within the Council area. The 85 respondents indicated that the 3,901 Mid Ulster area employees equate to 3,737 FTE (full-time equivalent) positions, indicating that most of the jobs referred to in this research are full-time positions.

Table 3.3: Numbers of Employees by location	
	Numbers of employees (2018) (N=85)
In Northern Ireland	4,240
In the MUDC area	3,901
Of those:	
No. of FTEs	3,737 ⁶³
No. Agency/Contract Workers	228

A comparison of the 3,901 Mid Ulster area employees is presented below, along with the estimated number of employee jobs in the Council area overall and within the engineering sector⁶⁴. The analysis indicates that the engineering sector represents over a fifth (21%, N=50156) of the MUDC employee jobs.

Table 3.4: Number of employee jobs					
MUDC Employee Jobs - Total		MUDC Employee Jobs - Engineering Sector only		MUDC Employee Jobs - Research Sample	% of MUDC Employee Jobs - Engineering Sector
No.	%	No.	%		
50,156	100%	10,740	21%	3,901	36%
					Confidence interval level
					+/- 1.25%

The also analysis indicates that the businesses that participated in the research account for over a third (36%) of the employee jobs within the engineering sector in the Mid Ulster area. Given the population (N=10,740) and sample size (N=3,901), the confidence interval (based on a 95% confidence level) is +/-1.25%.

3.6.2 Current Employment by Gender, Standard Occupation Classification and Salary

Whilst full details are included in Appendix IV, key points to note in relation to the gender, jobs roles⁶⁵ and salary of employees in the engineering sector in the Mid Ulster area include:

- Across the business respondents, over four-fifths (87%, N=3,059⁶⁶) of all employees in the sector were male. This compares with an overall working-age male population in the MUDC area of 51%⁶⁷. The clear gender imbalance perhaps points to some potential solutions to address some of the issues faced by engineering businesses in the area.

⁶² Please note, whilst the Consultancy Team obtained details on the total number of employees within 115 businesses (as per Section 3.4), further details on the breakdown of that employment was only available for the 85 businesses that participated in the research.

⁶³ Please note, 2 businesses (with a total of 91 MUDC employees) did not provide a breakdown of the number of staff which are full-time or part-time.

⁶⁴ Source: NISRA Business Register and Employment Survey (BRES) 2015. Please note, the sample sizes in the 2016 BRES were too small to enable sectoral analysis.

⁶⁵ Standard Occupational Classification 2010 (as per ONS Labour Market Statistics) based on the OECD International Standard Classification of Occupations (ISCO).

⁶⁶ Please note, 10 respondents (with a total of 842 employees) could not provide a breakdown of their staff by gender.

⁶⁷ Northern Ireland Mid Year Population Estimates for Northern Ireland (2016).

- The gender imbalance is more pronounced in some job roles in the engineering sector than others. For example:
 - ‘Skilled trade’ workers (e.g. Welders, Electricians, IT Engineers etc.) are over-represented by 46% towards males. It is noted that nearly two-fifths (39%, N=3,381⁶⁸) of all workers were reported as being in this category.
 - ‘Process, Plant & Machine Operatives’ workers are over-represented by 40% towards males. It is noted that a third (33%, N=3,381) of all workers were reported as being in this category.
 - ‘Caring, Leisure & Other Service’ and ‘Admin/ Secretarial’ workers are over-represented by females (51% and 13% respectively).
- On average, over three-quarters (78%, N=3,059) of the employees within the engineering sector receive salaries above the Northern Ireland ‘Manufacturing’ sector median⁶⁹, which equates to £21,180 per annum⁷⁰. Nearly all (90%+) of the employees in the following roles received salaries above the Northern Ireland ‘Manufacturing’ sector median:
 - **Managers, Directors and Senior Officials** (e.g. Production/ Financial / Marketing Managers etc.)
 - **Associate Professional/ Technician** (e.g. Production or Accounting Technicians, Sales/Marketing Executives etc.)
 - **Professional Services** (e.g. Engineers, IT Professionals, Legal, Accountants, Quality Control etc.); and
 - **Skilled Trade** (e.g. Welders, Electricians, IT Engineers etc.).
- Of note, discussion with businesses indicates that employee salaries in the sector have increased significantly of recent years, particularly amongst those employed in various ‘skilled trade’ roles e.g. welders. It was cited that a highly competitive and small local labour market has created an “*employee market*”, which has necessitated salary increases in order to retain existing, or to attract new, staff.

3.6.3 Profile of Staff by Age Group⁷¹

The chart below illustrates that the engineering sector in the Mid Ulster area has a particularly strong representation amongst young people (aged 18-34 years old) when compared with the overall profile in the Mid Ulster area (51%, N=3,007⁷² versus 35%, N=96,660 respectively). Whilst this is encouraging in many respects, it may also signal a key factor in the recruitment issues facing those same businesses. That is, they may well have maximised much of the available opportunity to recruit from that pool of individuals.

⁶⁸ Please note, 1 business (with a total of 520 employees) was unable to provide a breakdown of the gender split of their workforce or the number of employees above the private sector median.

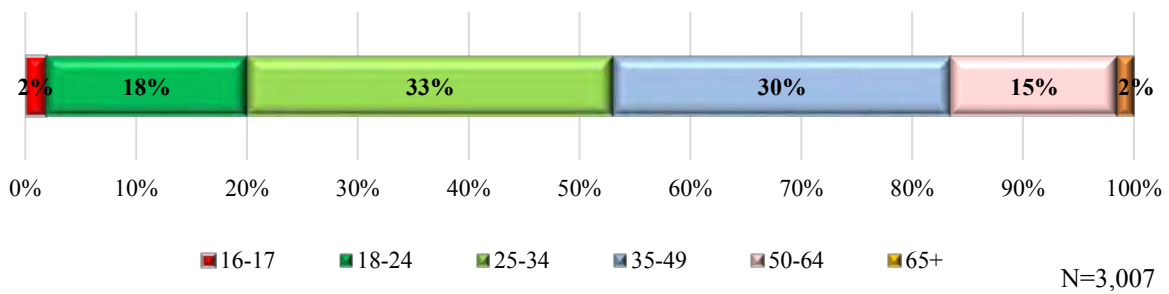
⁶⁹ The NI ‘Manufacturing’ sector median includes all basic pay relating to the pay period, before deductions for PAYE, National Insurance, pension schemes and voluntary deductions. It includes paid leave, maternity pay and sick pay, but excludes bonuses or incentive pay, any overtime pay, travel and subsistence expenses etc.)

⁷⁰ Source: Annual Survey of Hours and Earnings (2017) by industry, Table 5, Tab 3, Rows 349-461. Further details are included in Appendix II.

⁷¹ As per ONS Labour Market Statistics Age Groupings.

⁷² Please note, 5 businesses (with a total of 894 employees) could not provide a breakdown of staff by age group.

Figure 3.1: Profile of Staff by Age Group (N=3,007)

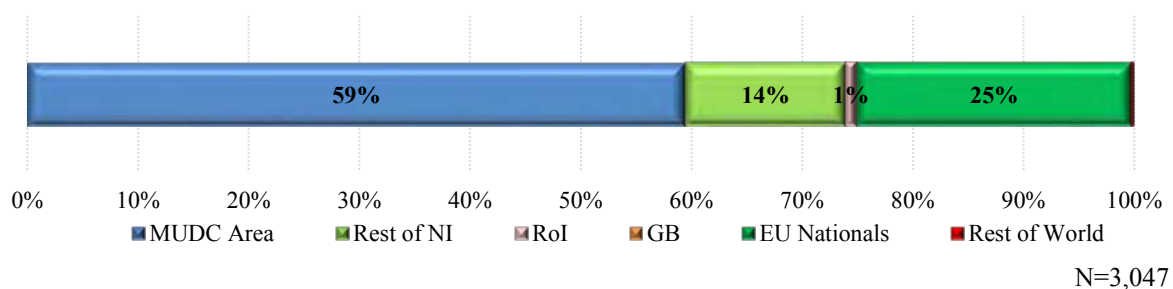


3.6.4 Origin of Workforce

The analysis below illustrates that the business respondents draw heavily upon the Council area's local population for their workforce, with respondents suggesting that over half (59%, N=3,047⁷³) of their workforce originally came from the Council area.

Given that a quarter (25%, N=3,047) of the workforce within the sector originally came from elsewhere in the EU (other than the UK or the Republic of Ireland), businesses indicated that the uncertainty associated with the UK's decision to leave the EU (i.e. Brexit) may have a significant impact on their business operations, whereby restrictions may be placed on businesses ability to access EU27 Nationals as employees. For example, during consultation, one business cited that the proportion of its workforce that were EU nationals decreased from 80% to 54% in recent times due to the uncertainty associated with Brexit.

Figure 3.2: Profile of MUDC Staff by original geographic origin (N=3,047)



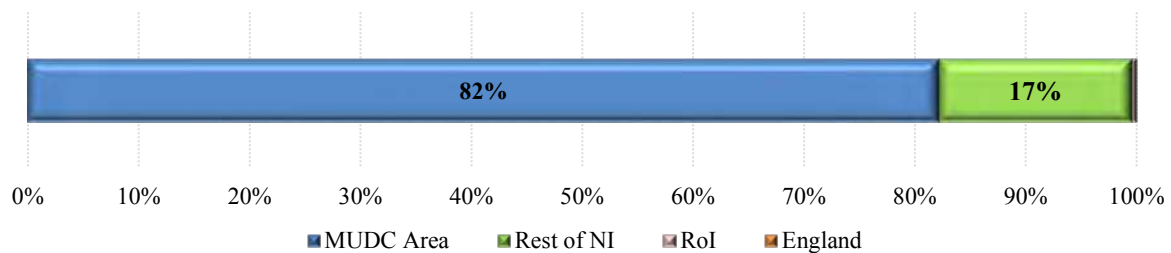
3.6.5 Profile of Staff by Travel to Work

The chart below illustrates that over four-fifths (82%, N=3,047⁷⁴) of the business respondents' employees typically travel to work from within the Mid Ulster area. During consultation, several business respondents cited that prospective employees are typically unwilling to commute far to get to work. For example, one respondent cited that they had previously offered employment to individuals located/residing in the greater Belfast area. However, their offers were subsequently declined, primarily due to the daily commute to work that would be required.

⁷³ Please note, 4 businesses (with a total of 854 employees) did not provide a response to this question.

⁷⁴ Please note, 4 businesses (with a total of 854 employees) did not provide a response to this question.

Figure 3.3: Profile of where MUDC staff typically travel to work from (N=3,047)



N=3,047

Key points to note in relation to the average travel to work times (in minutes) for business respondents' employees (which were grouped by: Managers, Directors, Senior Officials and Professional Services Workers⁷⁵; and Process, Plant and Machine Operatives, Skilled Trade Workers etc⁷⁶.) include⁷⁷:

- Nearly half (46%, N=714) of those employees in jobs roles categorised as Managers, Directors, Senior Officials and Professional Services Workers typically travel more than 30 minutes to work. Discussion with businesses indicates that, in the main, these employees receive higher salaries, which is evident by the fact that nearly all (90%+) of these employees (with the exception of those in roles categorised as 'Admin/Secretarial') receive salaries above the Northern Ireland 'Manufacturing' sector median (of £21,180 per annum).
- Conversely, nearly all 93% (N=1,799) of those employees in jobs roles categorised as Process, Plant and Machine Operatives, Skilled Trade Workers typically travel less than 30 minutes to work, whilst nearly three quarters (73%, N=1,799) typically travel less than 20 minutes to work. Larger proportions (25%+) of these employees (with the exception of those in roles categorised as 'Skilled Trade Workers' e.g. welders) receive salaries below the Northern Ireland 'Manufacturing' sector median.
- These findings suggest that, on average, higher salaries seem to be acting as an incentive for employees to travel further for work.

3.6.6 Profile of Staff by level of qualification

Those business that participated in the research were asked to provide details on the qualification levels of their existing employees, which were then aligned with the Qualifications Frameworks and the main stages of education/employment, as set out in Appendix IV.

Key points to note in relation to the qualification levels of employees in the engineering sector in the Mid Ulster area include:

- Nearly two-thirds (61%, N=2,650) of the business respondents' employees have obtained qualifications up to, and including, Level 3. During consultation, businesses suggested that these employees are typically in roles (e.g. admin/secretarial roles, sales and customer service assistants etc.) that require more **employability skills** (e.g. general skills attributes such as good work ethic, flexibility etc. and/or people and personal skills such as ability to manage own time and prioritise tasks, team working etc.) rather than specific **professional or technical qualifications**.
- Less than a quarter (23%, N=2,650) of the business respondents' employees have obtained qualifications up to, and including, Level 6 i.e. a minimum of a Bachelor's Degree or equivalent. During consultation, businesses suggested that these employees are typically in roles such as Managers, Accountants, IT Professionals, Marketing Executives etc., which generally command, as previously highlighted, salaries above the NI 'Manufacturing' median salary.

⁷⁵ Please note, this takes into account the following SOC job role categories: 'Managers, Directors and Senior Officials', 'Other Professional Services workers', 'associate professional and technical workers' and 'administrative and secretarial workers'.

⁷⁶ Please note, this takes into account the following SOC job role categories: 'Skilled trader workers', 'Caring, Leisure and Other Service Workers', 'Sales and Customer Service Workers', 'Process, Plant and Machine Operatives' and 'Elementary Workers'.

⁷⁷ Please note, 6 businesses representing 1,388 MUDC jobs did not provide an answer to this question.

3.6.7 Profile of Staff by Shift versus Non-Shift Workers⁷⁸

The analysis indicates that few (12%, N=3,290⁷⁹) of the business respondents' employees are classified as shift workers. During consultation, businesses suggested that their shift workers are involved in different aspects of production (e.g. machine operatives) that operate throughout the day and week. However, unlike sectors such as the retail and hospitality sectors, and to a lesser extent, the food and agri-food sector, shift workers are not that widespread.

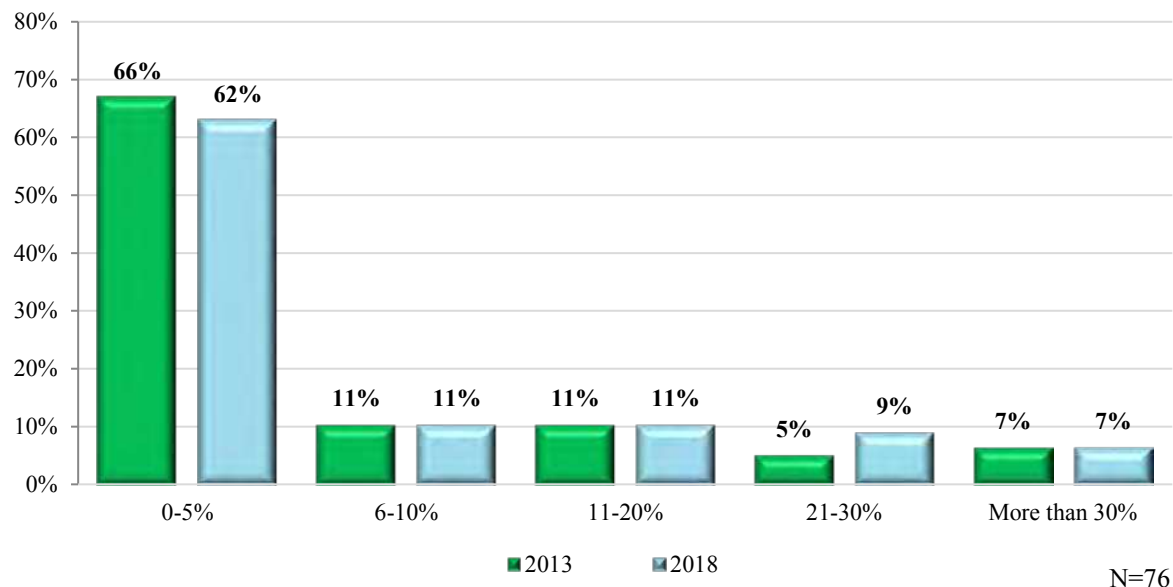
3.6.8 Annual Rate of Staff Turnover

Whilst it is positive that nearly three-quarters (73%, N=76⁸⁰) of the business respondents indicated that their annual rate of staff turnover⁸¹ was, as of 2018, 10% or less, this represents a marginal decrease (of 4 percentage points) in the number of businesses that reported the same levels in 2013.

Furthermore, as is illustrated in the graph overleaf, nearly a fifth (16%, N=76) of the business respondents indicated that their staff turnover was, as of 2018, greater than 20%. Of note, this represents a marginal increase (of 4 percentage points) in the number of businesses that reported the same levels in 2013. These respondents indicated that a number of interrelated issues have contributed to this position:

- A small local labour pool; resulting in
- Strong wage competition;
- Individuals being asked to operate in roles within which they are not proficient and being required to work regular overtime; and
- Low staff morale.

Figure 3.4: Annual rate of staff turnover (N=76)



⁷⁸ A shift worker is defined as any worker whose work schedule is part of shift work, with shift work defined as “any method of organising work in shifts whereby workers succeed each other at the same workstation s according to a certain pattern, including a rotating pattern, and which be continuous or discontinuous, entailing the need for workers to work at different times over a given period of days or weeks”. Statutory Instruments 1998 No. 1833 ‘Terms and Conditions of Employment: The Working Time Regulations 1998’ (UK Government Employment Legislation).

⁷⁹ Please note, 3 businesses (with a total of 611 employees) did not provide a response to this question.

⁸⁰ Please note, 7 businesses were not trading in 2013 and 2 businesses were unable to provide a staff turnover figure for 2013.

⁸¹ i.e. the percentage of staff who leave each year as a proportion of the total employees.

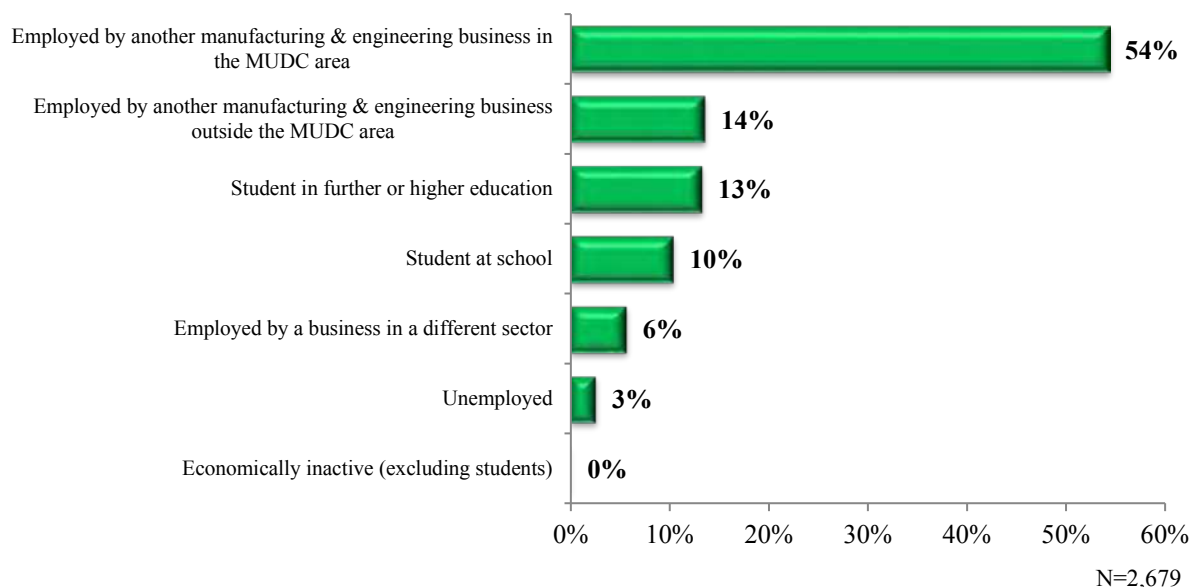
3.6.9 Employment status of staff prior to joining the business

Those business that participated in the research were asked to provide details on the employment status of their employees immediately prior to joining the business.

Over half (54%, N=2,679⁸²) of the business respondents' employees were previously employed by another manufacturing and engineering business in the Mid Ulster area prior to joining their business. During consultation, businesses again cited that the small and competitive local labour market resulted in businesses recruiting staff directly from other businesses operating in the engineering sector in the area.

There were very few employees that were either economically inactive (0%, N=2,679) or unemployed (3%, N=2,679) immediately prior to joining the business that participated in this research. This provides some indication that there is potential to support, where possible, more individuals to move from economic inactivity and unemployment into employment in the sector within the Council area.

Figure 3.5: Employment status of staff prior to joining the business (N=2,679)



3.6.10 Businesses Recruitment methods

The analysis indicates that nearly half (47%, N=83⁸³) of the business respondents typically use local newspapers (e.g. Mail Ulster Mail, Dungannon Herald, Tyrone Times, Tyrone courier etc.) when advertising for positions/vacancies, whilst over two-fifths (41%, N=83) use social media channels such as LinkedIn, Twitter, Facebook etc.

Of note, few businesses use regional newspapers e.g. Belfast Telegraph, Irish News, Newsletter etc. (13%, N=83) and/or online portal such as nijobs.com, jobcentreonline etc. (25%, N=83) as methods/channels when seeking to advertise for positions/vacancies. Given that the local labour market is considered to be small and competitive, this perhaps indicates that businesses should be seeking to draw upon a wider pool of talent. As such, any initiatives/interventions taken forward as part of this Action Plan should, in the first instance, seek to attract external talent and residents to the Mid Ulster area.

⁸² Please note, 3 businesses (with a total of 611 employees) did not provide a response to this question. Also, a number of businesses were unable to provide details on the employment status of some of their staff (equating to a total of 611 employees) prior to joining the business.

⁸³ Please note, two businesses that completed an online survey did not provide a response to this question.

The analysis also indicates that the larger businesses within the engineering sector tend to use recruitment agencies, but only when seeking to fill senior job roles (such as a production manager, accountant, IT professional etc.). In all other cases, the substantial recruitment fees sought by these agencies generally deters businesses from using them.

3.7 Summary Conclusions

The previous analysis shows that:

- Nearly two-fifths (37%) of the businesses in the engineering sector fall within the ‘Manufacture of fabricated metal products, except machinery and equipment’ and ‘Manufacture of machinery and equipment’ sub-sectors.
- There is a notable clustering of engineering businesses in the Dungannon area, particularly amongst those businesses that fall within the two main sub-sectors.
- Nearly all the businesses within the sector are categorised as SMEs, which is broadly reflective of the Council area as a whole.
- In total, the businesses that participated in the research stated that, as of 2018, they had 4,240 employees based in Northern Ireland, of which 3,901 (92%) were based within the Council area.
- Across the businesses, over four-fifths (87%) of all employees in the sector were male. This compares with an overall working-age male population in the Council area of 51%. The gender imbalance is more pronounced in some job roles in the engineering sector than others e.g. ‘Skilled trade’ workers such as Welders, Electricians, IT Engineers etc. and ‘Process, Plant & Machine Operatives’ workers.
- Whilst the overall workforce in the Council area receives salaries that are lower than their counterparts working in other Council areas across Northern Ireland (per Appendix II), on average, over three-quarters (78%) of the employees within the engineering sector receive salaries above the Northern Ireland ‘Manufacturing’ sector median, which equates to £21,180 per annum.
- Employee salaries in the sector have increased significantly of recent years, particularly amongst those employed in various ‘skilled trade’ roles e.g. welders. A highly competitive and small local labour market has created an “*employee market*”, which has necessitated salary increases in order to retain existing, or to attract new, staff.
- The engineering sector in the Mid Ulster area has a particularly strong representation amongst young people (aged 18-34 years old) when compared with the overall profile in the Mid Ulster area.
- Whilst engineering businesses draw heavily upon the Council area’s local population for their workforce, a quarter (25%) of the workforce within the sector originally came from elsewhere in the EU (other than the UK or the Republic of Ireland). The uncertainty associated with the UK’s decision to leave the EU (i.e. Brexit) may have a significant impact on business’ operations, whereby restrictions may be placed on businesses ability to access EU27 Nationals as employees.
- Over four-fifths (82%) of the business respondents’ employees typically travel to work from within the Mid Ulster area. On average, higher salaries seem to be acting as an incentive for employees to travel further for work.
- Nearly a fifth (16%) of the businesses indicated that their staff turnover was, as of 2018, greater than 20%. A number of interrelated issues have reportedly contributed to this position:
 - A small local labour pool; resulting in
 - Strong wage competition;
 - Individuals being asked to operate in roles within which they are not proficient and being required to work regular overtime; and
 - Low staff morale.

4. PROSPECTS FOR GROWTH AND SUPPORT REQUIRED

4.1 Introduction

This section provides details of business respondents' views on:

- Their prospects for growth, in terms of turnover/sales and employment;
- The specific issues/barriers that are inhibiting the growth of the sector and their business;
- The types of support that they require to assist their future growth; and
- Collaborative/partnership activities that they have been, or might be, involved in.

Please note, full analysis is included in Appendix IV.

4.2 Prospects for Growth

4.2.1 Introduction

To gain an understanding of the prospects for growth of the engineering sector in the Mid Ulster area, those businesses that participated in the primary research were asked a series of questions relating to:

- The annual turnover/sales of their Mid Ulster Council based business in 2013, 2018 and what the business anticipates it to be in 5 years' time (by 2023), by market⁸⁴ and by sector;
- The number of employees in their Mid Ulster Council based business in 2013, 2018 and what they anticipate the number to be in 5 years' time (by 2023); and
- Their current business operations (i.e. days per week and hours per day the business is operating) and whether these will change over the next 5 years.

4.2.2 Anticipated Sales/Turnover Growth

Turnover/Sales - Overall

Positively, nearly all (91%, N=56⁸⁵) of the business respondents indicated that their turnover/sales had increased between 2013 to 2018. Of note, over half (54%, N=56) indicated that their turnover had grown by at least 50% during the last five-years, of which, nearly half (47%, N=30) demonstrated turnover/sales of over 100% i.e. more than double their turnover/sales figures.

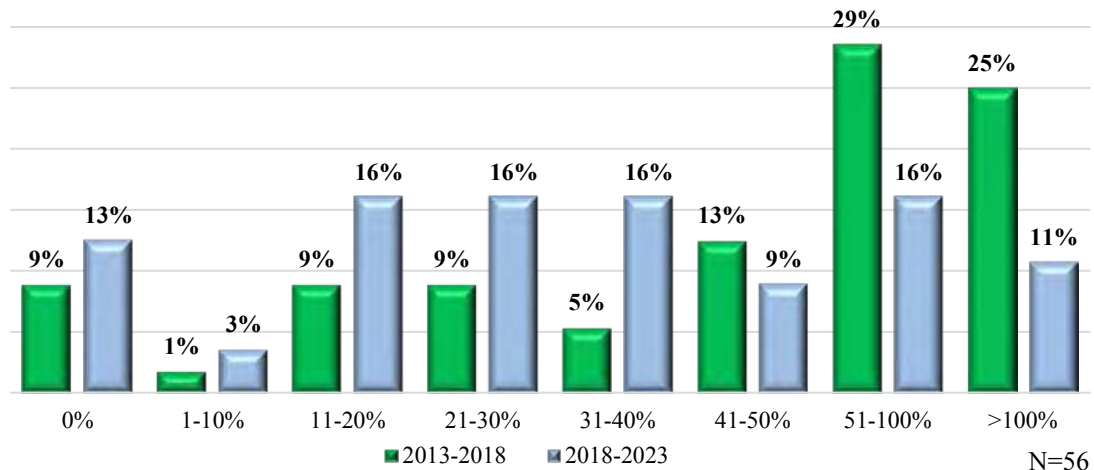
Over four fifths (87%, N=56) of the business respondents anticipate that their turnover/sales will increase between 2018 to 2023, which represents a marginal decrease (of 4 percentage points) amongst those businesses that anticipate some level of growth in their turnover/sales over the five-year period.

Further analysis indicates that the rate of turnover/sales growth amongst businesses for the 2018-2023 period is anticipated to be slower than the actual rate demonstrated during the preceding five-year period (i.e. 2013-2018). For example, over a quarter (27%, N=56) of the business respondents indicated that they anticipate their turnover to grow by at least 50% during the next five-years, which represents a significant decrease (of 27 percentage points) amongst those businesses that demonstrated the same levels of turnover/sales over the preceding five-year period. Furthermore, a smaller proportion (11%, N=56) anticipate that they will achieve turnover/sales growth of over 100%. Again, this represents a decrease (of 14 percentage points) amongst those businesses that demonstrated the same levels of turnover/sales over the preceding five-year period.

⁸⁴ MUDC area; Rest of NI; RoI; GB (England, Scotland and Wales); EU; and Rest of World.

⁸⁵ Please note, 9 businesses were unable to forecast 2023 turnover figures, 8 businesses were not trading in 2013, 9 businesses would not disclose their turnover and 3 businesses were unable to provide 2013 turnover figures.

Figure 4.1: Business turnover/sales growth (N=56)



In summary, whilst businesses' turnover/sales within the engineering sector in the Mid Ulster area is anticipated to grow over the 2018-2023 period, the analysis indicates that the levels of overall growth are anticipated to be slower than the previous five-year period i.e. 2013-2018.

Turnover/Sales – by Geographical Market

Notwithstanding that the levels of overall growth in the engineering sector in the Mid Ulster area are anticipated to be slower in 2018-2023 (vis-à-vis 2013-2018 levels), key points to note in relation to the geographical markets which businesses sell their products/services into include:

- In 2018, less than a quarter (23%, N=64⁸⁶) of the business respondents reported having sales in EU markets. However, despite the uncertainty associated with the UK's decision to leave the EU i.e. Brexit, over a third (34%, N=64) anticipate having some level of sales in EU markets in 2023. This represents a decrease (of 11 percentage points) amongst those businesses that had no sales (0%) in EU markets in 2018.
- The businesses that participated in this research indicated that they will, as of 2023, be marginally more reliant on the GB (England, Scotland and Wales) and, to a lesser extent, the Republic of Ireland markets for their sales/turnover. For instance, over half (58%, N=64) anticipate having some levels of sales in GB markets in 2023. This represents a decrease (of 10 percentage points) amongst those businesses that had no sales (0%) in GB markets in 2018.

Turnover/Sales – by Sector

Key points to note in relation to the sectors which businesses sell their products/services into include:

- In 2018, nearly a third (32%, N=65⁸⁷) of the business respondents reported that 75%+ of their sales were within the engineering sector. Moving forward, the businesses anticipate that they will be marginally (3 percentage points) more reliant on the sector for their sales, with over a third (35%, N=65⁸⁸) of them anticipating that, by 2023, 75%+ of their sales will be within the sector.

⁸⁶ Please note, 13 businesses could not forecast 2023 turnover/sales and 8 businesses would not disclose their 2018 or 2023 turnover/sales.

⁸⁷ Please note, 12 businesses were unable to forecast 2023 turnover/sales and 8 businesses would not disclose their 2018/2023 turnover/sales.

⁸⁸ Please note, 12 businesses were unable to forecast 2023 turnover/sales and 8 businesses would not disclose their 2018/2023 turnover/sales.

- Further analysis suggests that the larger/more influential engineering businesses within the area are key customers for some of the smaller businesses in the sector. Discussion with these smaller businesses indicates that they may be overexposed to a single industry/sector i.e. the engineering sector.
- Over a quarter (28%, N=75⁸⁹) of the businesses indicated that at least 50% of their sales are (as of 2018) represented by their single largest customer. A business serving a small number of larger customers has a higher customer concentration than a business where a large number of smaller-volume customers account for the majority of its business. Businesses with high customer concentration may expose them to the following risks:

- Fluctuations in the macro/micro economy;
- Pressure from their business' and/or their customer's competition;
- Downward pricing pressure from the customer, which may result in decreased profits and cash flow;
- When prospective buyers, lenders or investors assess a business' value or performance, high customer concentration can be viewed negatively. Overdependence on too few customers can lower the value of a business.

- The analysis suggests that some businesses within the engineering sector in the Mid Ulster area could potentially take steps to diversify and spread risk across more customers and possibly more business segments or sectors/industries.

4.2.3 *Anticipated Employment Growth*

The 85 business respondents were asked to quantify their business' employment growth. A small number of the respondents did not feel sufficiently informed to answer this question⁹⁰. However, 69 of the 85 businesses indicated the following:

- In total, during the 5 years to 2018, employment within their business had increased by 46% (from 1,944 employees in their Mid Ulster Council based business in 2013 to 2,836 employees at present). This equates to a compound annual growth rate of 7.85%.
- In the context of their businesses' recent performance and current or anticipated changes in the marketplace, those same 69 businesses projected that their Mid Ulster Council based business' employment would likely increase by 19% (539 jobs) over the 5 years to 2023 (or a compound annual growth rate of 3.54%).
- **In summary, whilst businesses' employment within the engineering sector in the Mid Ulster area is anticipated to grow over the 2018-2023 period (at a compound rate of 3.54%), the analysis indicates that the levels of overall growth are anticipated to be slower than the previous five-year period i.e. 2013-2018 (at a compound rate of 7.85%).**
- Further discussion with these businesses indicates that, in the main, they considered recruitment/retention related issues are having an impact upon their business' growth and performance.
- A further point to note is that some businesses (N=11) employ, and anticipate continuing to employ, agency workers to make up a small proportion of their workforce. Indeed, during consultation, one business suggested that it currently has 15 agency staff within its workforce and, due to the recruitment/retention related issues that it faces, it anticipates continuing to have the same number of agency workers within its business in 2023.

⁸⁹ Please note, 7 businesses did not know the answer to this question, 2 businesses would not disclose this information and 1 business is to be confirmed and therefore has been excluded.

⁹⁰ Please note, 10 businesses were unable to forecast/recall their employment for 2023/2013 and 6 businesses were not trading in 2013.

Table 4.1: Employment growth					
	2013 (actuals)	2018 (actuals)	% change from 2013 to 2018	2023 (projected)	% change from 2018 to 2023
Within Northern Ireland	2,024	2,952	46%	3,540	20%
Within the Mid Ulster area	1,944	2,836	46%	3,375	19%
No. Agency/Contract Workers (N=11)	25	33	32%	34	3%

In addition, if the estimated 539 new jobs anticipated to be created over the 5 years to 2023 is ‘grossed up’ to the entire business population (i.e. by a factor of circa 3⁹¹), this equates to the potential creation of approximately 1,497 new jobs by 2023 within the engineering sector in the Mid Ulster area.

The Consultancy Team recognises that the projected employment figures provided by businesses are subject to ‘respondents’ effect’. That is, business respondent may have exaggerated (in an upwards direction) their projected employment growth. That being the case, for prudence the Consultancy Team, in agreement with the Council, applied a 50% optimism bias sensitivity to the potential employment creation reported by businesses. Under this sensitivity, this equates to the potential creation of approximately **749 new jobs by 2023 within the engineering sector in the Mid Ulster area.**

However, such a position will be significantly constrained given the previously identified estimated labour deficit in the Council area, which ranges from 1,984 persons (if the Labour Force Survey measure of unemployed is adopted) to 3,733 (if only short-term claimants of Job Seekers Allowance benefits are considered).

4.2.4 Future Business Operations

Nearly a fifth (18%, N=85) of the business respondents anticipate that their business operations will change over the next five years. For example:

- Nearly all (93%, N=15) of the respondents suggested that they would likely increase their business operations (e.g. introduce new/additional shifts etc.) to fulfil customer/client commitments and meet deadlines.
- Only one (7%, N=15) respondent indicated that their business operations will decrease over the next five years. It was suggested that this will be largely due to the introduction of automation within the business, which may subsequently reduce shifts and their overall reliance on labour.

⁹¹ Given that, on average, the businesses that participated in the research account for a nearly two-fifths (36%) of the employee jobs within the engineering sector in the Mid Ulster area.

4.3 Issues inhibiting Growth

Business respondents suggested that the **top 4 factors inhibiting both the growth of the sector and their business** were:

1. **Skills/qualification** related issues - 88% and 73% respectively, N=82⁹²;
2. **Staff recruitment/retention** issues - 84% and 67% respectively, N=82;
3. **Uncertainty relating to the UK's decision to leave the EU i.e. Brexit** - 77% and 67% respectively, N=82; and
4. **Rising operating costs** - 67% and 66% respectively, N=82.

These findings corroborate recent research undertaken by Manufacturing NI and Confederation of British Industry (CBI), which identified, amongst other things, issues such as Brexit, skills, increasing operating costs (including costs associated with energy, raw materials, logistics/transport etc.), technological changes/advancements (including automation) are impacting upon the engineering sector across Northern Ireland.

Table 4.2: Factors inhibiting the sector and/or businesses ⁹³⁹⁴						
Issue/Barrier	Inhibiting the growth of the sector			Inhibiting the growth of the business		
	No.	%	Rank	No.	%	Rank
Skills/qualifications related issues	72	88%	1	60	73%	1
Staff recruitment/retention issues	69	84%	2	55	67%	2
Uncertainty relating to UK's decision to leave the EU (i.e. Brexit)	63	77%	3	55	67%	3
Rising Operating Costs	55	67%	4	54	66%	4
Negative/adverse perceptions of the Engineering sector	45	55%	5	41	50%	6
Site/premises constraints	39	48%	6	44	54%	5
Public transport linkages/network and road infrastructure related issues	27	33%	7	29	35%	7
Competition in domestic (UK) markets	14	17%	8	18	22%	8
Competition in export (non-UK) markets	7	9%	9	9	11%	11
Negative/adverse perceptions of the MUDC area	6	7%	10	6	7%	13
Technological changes/advancements	5	6%	11	10	12%	10
Lack to support to promote R&D&I	5	6%	12	6	7%	12
Finance - Lack of available finance	4	5%	13	15	18%	9
Lack of export (non-UK) demand	2	2%	14	2	2%	15
Lack of domestic (UK) demand	2	2%	15	1	1%	16
Other (see footnotes)	1 ⁹⁵	1%	16	3 ⁹⁶	4%	14
N=	82	-	-	82	-	-

⁹² Please note, 3 businesses that completed an online survey did not provide a response to this question.

⁹³ Please note, businesses were able to provide multiple responses to this question. Therefore, the number of responses will not sum to 82.

⁹⁴ Please note, businesses were able to provide a response on the issues that are inhibiting the growth of the sector and/or their business. Therefore, the number of responds (N) to the questions in the following sub-sections will not align with those presented in this table.

⁹⁵ Other includes: Expensive housing/accommodation within the MUDC.

⁹⁶ Other includes: Expensive housing within the MUDC, internal constraints (capacity and capability of the owner to grow the business further) and operational issues (lead times on getting components is long making it hard to meet orders).

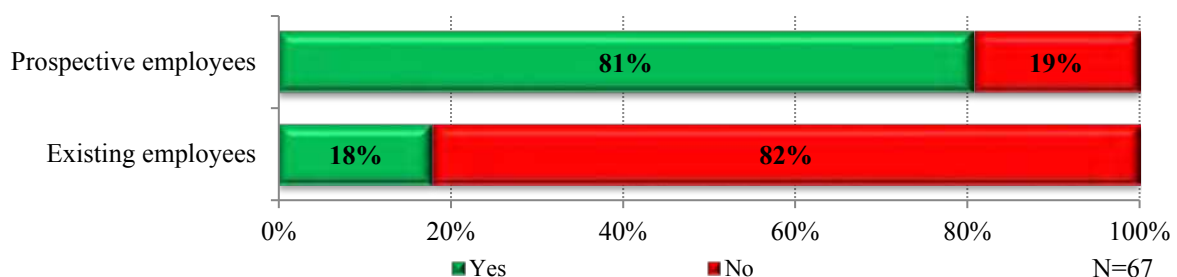
The following subsections provide in-depth analysis on each of the aforementioned issues/barriers that are inhibiting the growth of the engineering sector and/or individual businesses⁹⁷. Please note, further details are included in Appendix IV.

4.3.1 Skills/Qualification Related Issues

For those businesses that cited skills/qualification related issues were inhibiting the growth of the sector and/or their business:

- Nearly all (81%, N=67) of the respondents suggested that, during recent times (i.e. the last 5 years, since 2013), they had faced such issues with **prospective employees**; whilst
- Under a fifth (18%, N=67) faced similar skills/qualification related issues with **existing employees**.

Figure 4.2: Skills/qualification related issues with existing and/or prospective employees



The business respondents were then asked to identify and rank the types of skills/qualification related issues that their business had faced. The analysis indicates that, in order of priority, prospective and existing employees both lack employability skills such as:

1. **Technical/practical skills** (e.g. specialist skills or knowledge, numerical/ statistical skills, IT skills, communicating in a foreign language etc.).
2. **General skills and Attributes** (e.g. good work ethic, flexibility, basic literacy, numeracy or communication skills etc.).

Further analysis indicates:

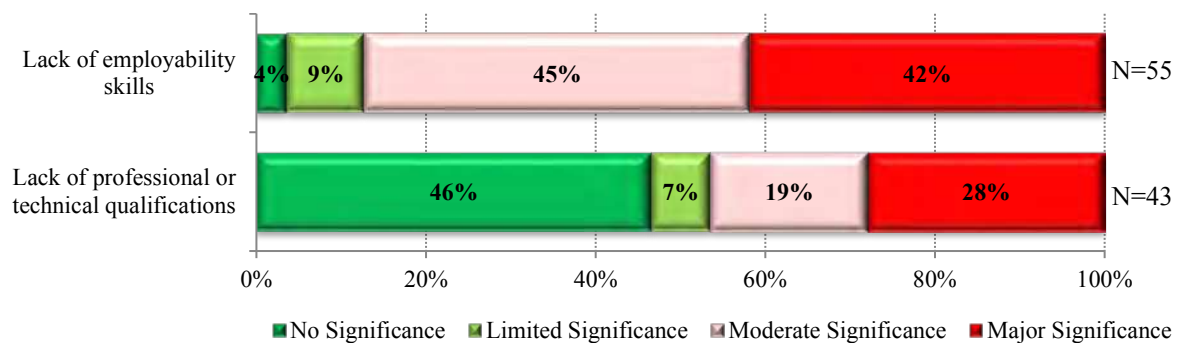
- Over four-fifths (80%, N=54) of the business respondents expressed their view that prospective employees **lack technical/practical skills**. For example, it was suggested that prospective employees lack the requisite skills to undertake certain welding processes (e.g. MIG (Metal Inert Gas), TIG (Tungsten Inert Gas) and aluminium welding) and/or to read/interpret technical drawings.
- Two-thirds of the business respondents suggested that both prospective (65%, N=54) and existing (67%, N=12) employees **lack general skills and attributes**. Of note, during consultation, it was cited that younger individuals (16-24 year olds) tend to lack a strong work ethic and/or to demonstrate sufficient flexibility in their approach to work. During consultation, representations from the two FE Colleges indicated that apprenticeships and work experience can be essential assets for individuals, as they provide opportunities for students to learn about the sector or type of work and determine whether it is the right field for them. They also play a useful part in strengthening students' employment readiness.

⁹⁷ Please note, the online survey respondents were not asked to provide in-depth responses on each of the issues/barriers that are inhibiting the growth of the engineering sector and/or individual businesses. That is, the maximum number of respondents (N) to the following questions will be 76.

Businesses were then asked to provide their views on how significant these skills/qualification related issues were for their business. Key points to note:

- Nearly all (87%, N=55) of the business respondents indicated that various **employability skills** were of ‘major’ (42%) or ‘moderate’ (45%) significance to their business.
- Interestingly, over half (53%, N=43) of the business respondents indicated that a lack of **professional or technical qualifications** (e.g. essential skills, GCSE, A Levels, degrees, technical/vocational qualifications etc.) were of ‘no’ (46%) or ‘limited’ (7%) significance to their business.

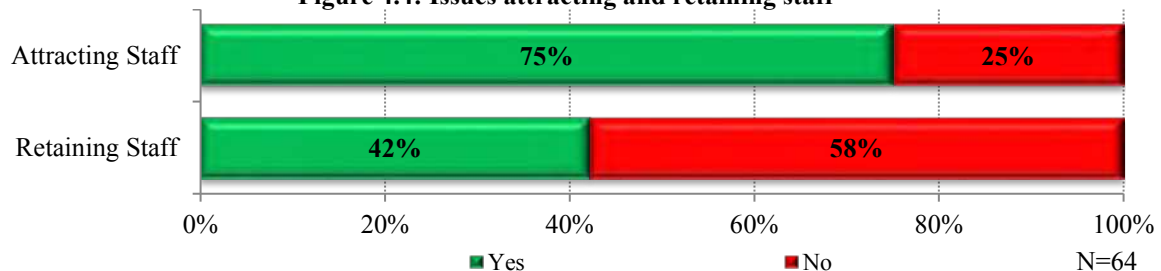
Figure 4.3: Significance of skills/qualification related issues for the business



4.3.2 Staff Recruitment/Retention Issues

Three-quarters (75%, N=64) of the business respondents suggested that they had faced challenges in attracting appropriately skilled staff during recent times (e.g. in the last 5 years, since 2013). Compounding this issue was the fact that over two-fifths (42%, N=64) of the business respondents suggested that they also experienced issues retaining appropriately skilled staff.

Figure 4.4: Issues attracting and retaining staff



Businesses suggested that they faced issues associated with attracting and retaining staff in the following roles and specialisms:

Hard to fill vacancies included:	<ul style="list-style-type: none"> • Welders⁹⁸ • Hydraulic fitters • Automotive engineers/electricians • Design engineers • Electricians 	<ul style="list-style-type: none"> • IT staff with skills such as robotics and programming • Skilled joiners with Computer-aided design (CAD) expertise • Mechanical engineers
---	--	---

⁹⁸ Welders with experience in MIG (Metal Inert Gas), TIG (Tungsten Inert Gas) and aluminium welding, which are all types of welding processes.

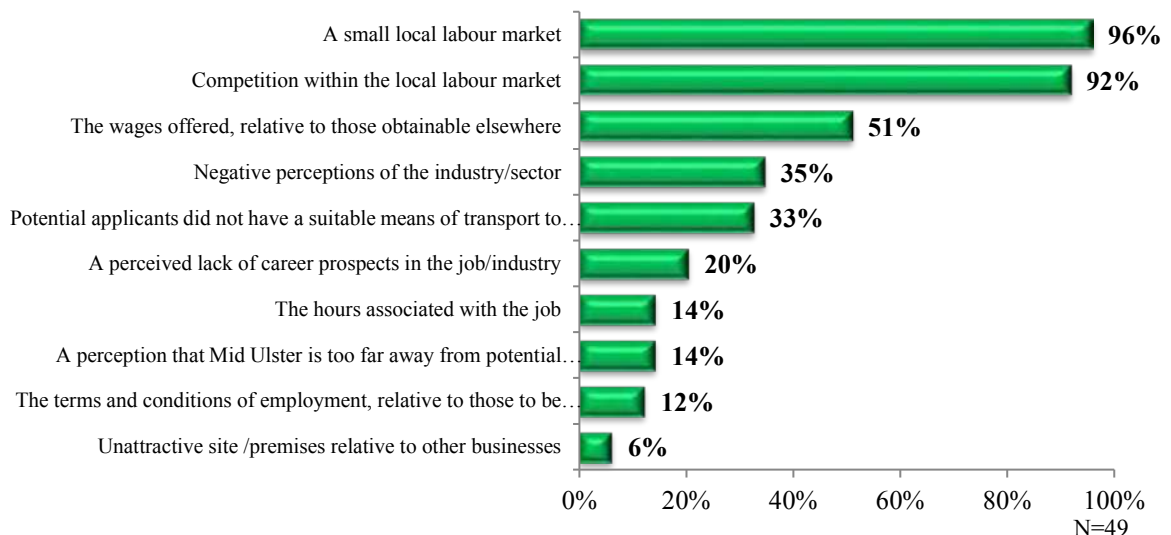
Reasons for Recruitment and Retention Related Issues

Business respondents stated that the key reasons for their recruitment and retention related issues were largely due to:

- **The small local labour market within the Mid Ulster District Council area** (96%, N=49); and
- **Competition within the local labour market** (92%, N=49).

The situation for these business respondents is compounded by wider macro factors such as relatively high rates of economic activity and employment levels and corresponding low levels of unemployment within the Council area vis-à-vis the Northern Ireland averages. For instance, the unemployment rate, as per the Job Seeker Allowance claimant rate, was, as of July 2017, 1.5% of the working age population versus an average rate of 2.6% for Northern Ireland. At that time, the claimant rate was the second lowest out of all 11 Districts within Northern Ireland.

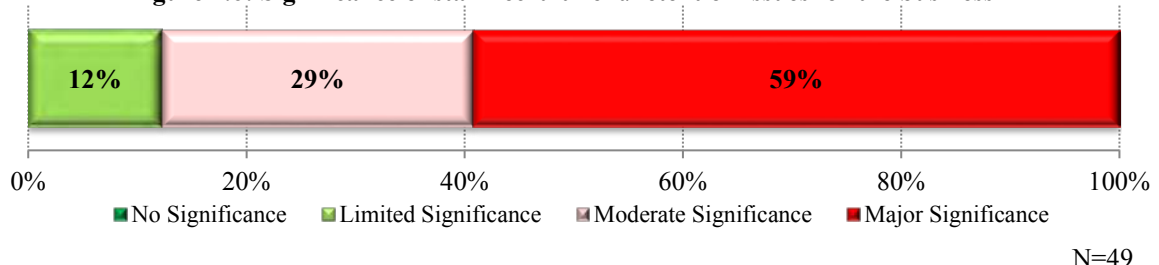
Figure 4.5: Rationale for issues attracting and/or retaining staff⁹⁹



Significance of Issues on Businesses

Nearly all (88%, N=49) of the business respondents that reported they had faced staff recruitment/retention issues suggested these issues were of 'major' (59%) or 'moderate' (29%) significance to their business.

Figure 4.6: Significance of staff recruitment/retention issues for the business



⁹⁹ Please note, respondents were able to provide multiple responses where applicable.

Impact of Recruitment and Retention Related Issues

All of the business respondents (100%, N=49) that reported they had faced staff recruitment/retention issues suggested these issues were having a range of impacts on their respective businesses. For example:

- Four-fifths (80%, N=49) of the business respondents cited that the issues had **increased the workload for other staff** (e.g. additional shifts, additional responsibilities and duties that are not part of their job description etc.);
- Nearly three-quarters (73%, N=49) cited that the issues created **long-standing vacancies** (e.g. one business cited that it had a job vacancy for an electrician role that was advertised for circa two years), whilst a similar proportion (71%, N=49) suggested that they have been **unable to grow their operations**; and
- Almost three-fifths (57%, N=49) suggested that the issues had **increased operating costs** for their business (e.g. paying overtime to service contracts, recruitment fees etc.). For example, one business cited that it had incurred costs of circa £200,000 relating to overtime payments in one year. Unsurprisingly, it was suggested that this could not be sustained by the business.

Steps taken to address the Recruitment and Retention Related Issues

Business respondents indicated that they have undertaken (and propose to undertake) a variety of steps in order to overcome the recruitment/retention related issues that they are facing. For example:

- Nearly three-quarters (73%, N=49) of the business respondents cited that they have started **advertising or are advertising more widely** (e.g. regional newspapers in addition to local newspapers, social media such as Facebook, online forums etc.) and will continue to do so in the future (67%, N=49).
- Nearly two-thirds (63%, N=49) of the business respondents suggested that they have **approached colleges/universities directly** in order to try and encourage individuals to apply to their company and will continue to do so in the future (67%, N=49).
- Nearly two-thirds (61%, N=49) of the business respondents have **increased salaries to make the job more attractive**. For instance, during consultation, one business suggested that it has had several employees threaten to leave to go to another engineering business for an increased salary. Therefore, to ensure that these employees did not leave the business, they were provided with a salary increase.
- Interestingly, nearly a quarter (22%, N=49) of the business respondents indicated that they intend to **invest in their physical site/premises** in the future. This represents a marginal uplift (of 8 percentage points) on the number of businesses that are currently undertaking this type of activity (14%, N=49). There was a general consensus amongst businesses that this type of activity is required to increase a business' attractiveness to both its existing and prospective employees. For instance, during consultation, one business suggested that it is undertaking refurbishment works at its premises (to include several 'break out' areas, a canteen, a staff gym etc.) to provide a better working environment for its employees.

4.3.3 *Uncertainty relating to the UK's decision to leave the EU (i.e. Brexit)*

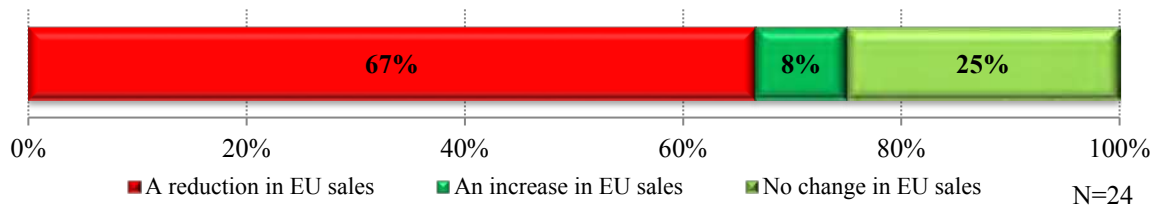
Potential Implications of Brexit on EU Trade

For those businesses that cited the uncertainty associated with Brexit was preventing the sector and/or their business from growing (and were able to answer this question¹⁰⁰), over two-thirds (67%, N=24)

¹⁰⁰ 26 businesses cited that they did not know whether Brexit would have an impact (either positive or negative) on their business' sales in the EU market.

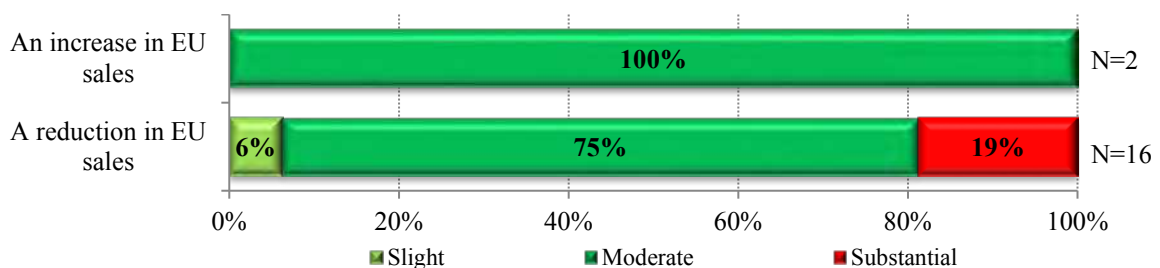
anticipate that Brexit will cause a reduction in their EU sales. Very few businesses (8%, N=24) envisage that there will be an increase in their EU trade as a result of Brexit.

Figure 4.7: Anticipated Impact on EU sales as a result of Brexit¹⁰¹



Nearly all (94%, N=16) of those businesses that anticipate a reduction in their EU sales as a result of the Brexit decision consider that the impact will be either a 'moderate' (75%) or 'substantial' (19%) reduction in their business' sales in the EU market.

Figure 4.8: Extent of Anticipated Impact on EU sales



During consultation, business respondents highlighted that:

- The potential introduction of tariffs on any products that are exported to EU countries may impact on a business' competitiveness. For example, a potential tariff would increase costs (above and beyond the already increasing operating costs such as, for example, steel, electricity, raw materials etc.), which would likely be passed onto the customer/consumer (i.e. increased customer/consumer prices), consequently leaving a business less competitive.
- The prospect of a 'hard' border on the island of Ireland would lead to, amongst other things, an additional administrative burden on businesses. It was suggested that this would likely act as a disincentive for (particularly smaller) businesses entering, and/or continuing to sell into, the EU market.

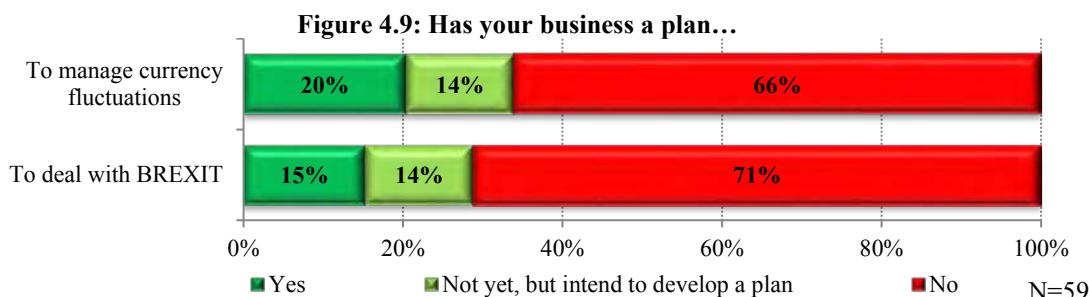
Contingency Planning

Less than a fifth (15%, N=59) of the respondents have a plan in place to deal with Brexit, whilst slightly more (20%, N=59) have one to manage currency fluctuations. Further analysis indicates that those businesses with plans in place tend to be some of the larger businesses in the sector who have been 'scenario planning' over recent times i.e. looking at various scenarios and the potential risks (and associated mitigation strategies) that may arise associated with each.

However, over two-thirds of the respondents do not have, and have no intentions at present to have, a plan in place to deal with Brexit (71%, N=59) or the management of currency fluctuations (66%, N=59). During consultation, these businesses cited that, whilst the uncertainty associated with Brexit is a real concern, there are practical difficulties in developing any form of plan, as there are a wide range of permutations and implications, the outworking of which are largely unknown at present and difficult to predict. Also, further analysis indicates that those businesses with no plan in place to manage currency

¹⁰¹ Please note, this question was not applicable to 9 businesses as they did not export into EU markets.

fluctuations tend to be only selling their products/services within the Mid Ulster area and/or in the rest of Northern Ireland.



Current EU Related Activity – Potential Brexit Impacts

As indicators of the extent of the respondents' current involvement with the EU, it is noted that:

- Nearly all (86%, N=59) consider that there will be an impact upon their business' logistics (including the movement of goods and people) after the implementation of Brexit e.g. if stricter border controls are introduced;
- A similar proportion (83%, N=59) consider that the price they can charge for their products or services is likely to change when sold in the EU market after the implementation of Brexit;
- Over four-fifths (81%, N=59) source products or services from the EU. During consultation, business respondents suggested that Brexit may make it harder and/or more expensive for a business to source products/services from EU countries;
- Over three-quarters (76%, N=59) consider that their products or services are likely to attract an export tariff or specific tax when sold in the EU market after the implementation of Brexit;
- Nearly two-thirds (64%, N=59) of the respondents indicate that their products or services adhere to common EU standards;
- Under two-fifths (39%, N=59) consider that their business may need to hold a specific regulatory license to sell its products or services in the EU after the implementation of Brexit; and
- A quarter (25, N=59) currently source labour from the EU market.

Table 4.3: Indicators of Potential Brexit Impacts (N=59)

	Yes	No	Not Sure
They consider there will be an impact upon business logistics (including the movement of goods and people) after the implementation of Brexit e.g. if stricter border controls are introduced	86%	3%	10%
They consider the price they can charge for their products or services is likely to change when sold in the EU after the implementation of Brexit	83%	5%	12%
They source products or services from the EU	81%	19%	0%
They consider their products or services are likely to attract an export tariff or specific tax when sold in the EU after the implementation of Brexit	76%	7%	17%
Their products or services adhere to common EU standards	64%	17%	19%
They hold a specific regulatory license to sell its products or services in the EU	39%	37%	24%
They source labour from the EU	25%	75%	0%

Potential Implications of Brexit on Recruitment Methods

Amongst the few businesses (8%, N=59) that suggested Brexit will have an impact on their business' method of recruitment, it was suggested that Manufacturing NI, in conjunction with several local engineering businesses, is attempting to lobby the UK Government in relation to the ability of businesses to recruit non-EU nationals, in the event that there are restrictions placed on the free movement of EU

nationals. This may have implications for the types of recruitment methods/channels that businesses utilise moving forward.

4.3.4 *Rising Operating Costs*

For those businesses that cited that operating costs were preventing the sector and/or their business from growing, the following is noted¹⁰²:

- Over half (58%, N=52) of the business respondents indicated that the **increasing cost of steel** was inhibiting the growth of their business, whilst over a quarter (29%, N=52) suggested that **rising electricity costs** were having a similar effect. Indeed, over a fifth (23%, N=52) of the business respondents cited that **rising electricity costs** was the main factor that was inhibiting the growth of the engineering sector as a whole.
- Nearly a quarter (23%, N=52) of the business respondents suggested that **rising labour costs** (e.g. increasing wages/salaries, overtime payments etc.) were inhibiting the growth of their business. For example, during consultation businesses cited that, due to the small and highly competitive labour market, businesses felt the need to increase salaries in order to attract/retain employees. Similarly, as previously highlighted, recruitment/retention related issues have resulted in businesses making (sometimes significant) additional overtime payments.
- Nearly a fifth (17%, N=52) of the business respondents cited that **rates increases** and **increases in fuel costs (e.g. diesel)** are inhibiting the growth of their business.

4.3.5 *Negative/Adverse Perception of the Sector*

For those businesses that cited that a negative/adverse perception of engineering sector was inhibiting the growth of the sector and/or their business:

- Over three-quarter (78%, N=46) of the respondents either ‘disagreed’ (62%) or ‘strongly disagreed’ (16%) that the sector was an attractive job opportunity/career for **females**. For example, during consultation businesses suggested that the sector is dominated by males, which, in some instances, discourages females from considering it as a viable job opportunity/career.
- Over half (51%, N=41) of the respondents either ‘disagreed’ (44%) or ‘strongly disagreed’ (7%) that the sector was an attractive job opportunity/career for **young people**. For example, during consultation businesses suggested that there is a misconception amongst young people that the sector is a “*cold and dirty industry*” for people to work in and that there are limited prospects for progression. Also, it was suggested that schools appear to be encouraging students to remain in the education system and to progress to the Further/Higher education sectors, rather than making them aware of the opportunities available in the engineering sector and/or channelling them into employment.

These findings perhaps point to some potential solutions to address some of the issues faced by engineering businesses in the area. For example, the benefits and opportunities available to individuals could be showcased, **particularly amongst females and young people**, and there could be a more a coordinated approach to debunking misperceptions or promoting the positive aspects of working in the sector.

In terms of suggested ways to enhance the attractiveness of the sector, the analysis indicates that:

- Four-fifths (80%, N=5) of the business respondents suggested that there are ways in which the attractiveness of the engineering sector could be enhanced amongst **individuals from outside the Mid Ulster area**. During consultation, these businesses suggested that this should involve a range of stakeholders such as, for example, businesses, sectoral bodies (such as Manufacturing NI), the

¹⁰² Please note, businesses were able to provide multiple responses to this question.

Council, the Further Education Colleges, Invest NI etc. working together to raise the profile of the sector and the range of opportunities available. For example, this may involve businesses facilitating ‘open days’ or ‘site visits’ to raise awareness of the industry.

- Nearly three-quarters (71%, N=35) of the business respondents suggested that there are ways in which the attractiveness of the engineering sector could be enhanced amongst **young people**. These businesses suggested that more collaborative awareness raising and promotion, particularly within schools (and where possible involving parents), could be undertaken by businesses in an effort to, *inter alia*, redress the negative perceptions of the sector. For example, the ‘tasty careers’ initiative¹⁰³ for the food & agri-food sector could be expanded and, where possible, replicated for the engineering sector.
- Nearly two-fifths (38%, N=21) of the business respondents suggested that there are ways in which the attractiveness of the engineering sector could be enhanced amongst **females**. During consultation, these businesses suggested that new and/or existing initiatives could be supported to promote and redress the gender imbalance towards males in engineering sector. For example, Manufacturing NI is involved in developing promotional profile articles in regional newspapers (e.g. Belfast Telegraph) of ‘successful women in work in the manufacturing industry’, whilst the ‘School Employer Connection Project’ in Derry~Londonderry seeks to support females to move into the engineer sector. Similar initiatives, such as ‘Mis-STEM’, are supported by South West College. These types of activity could be promoted/supported further.

4.3.6 Site/Premises Constraints

For those businesses that indicated that site/premises constraints were inhibiting the growth of the sector and/or their business:

- Two-fifths (40%, N=43) suggested that issues associated with **utilities (e.g. water, electricity, broadband etc.)** at their business’ existing site/premises was of ‘moderate’ (21%) or ‘major’ (19%) significance to their business. For example, during consultation businesses suggested that, in the main, poor broadband connectivity in the Mid Ulster area was the key issue, closely followed by limited electricity capacity at their site/premises.
- Over a third (35%, N=43) suggested a **lack of space/capacity to grow into at their business’ existing site/premises** was of ‘moderate’ (26%) or ‘major’ (9%) significance to their business. These businesses outlined their additional spatial requirements, ranging from 1-2 acres sites (typically for developing office space and expanding their current workshop for the smaller businesses) to 6-8 acres sites (for larger businesses to build factories to grow their operations).
- Nearly a third (30%, N=43) suggested a **lack of suitable alternative sites/premises** was of ‘moderate’ (21%) or ‘major’ (9%) significance to their business.

Business were then asked for their views on acquiring/developing new sites/premises. Key points to note include:

- Half (50%, N=40) of the respondents either ‘disagreed’ (45%) or ‘strongly disagreed’ (5%) that there are sufficient opportunities for businesses **acquire new sites/premises in the Mid Ulster area**. For example, during consultation businesses suggested that there are too many planning restrictions on industrial development within the Mid Ulster area.
- Two-fifths (40%, N=43) of the respondents either ‘disagreed’ (33%) or ‘disagreed strongly’ (7%) that there are sufficient opportunities for businesses to **develop their existing site/premises**. During

¹⁰³ Which is an initiative designed to raise the profile of, and provide information on, the food & agri-food sector in Northern Ireland. The initiative provides a dedicated website (which has, *inter alia*, details of job vacancies, job descriptions, training opportunities, an ‘interactive careers map’ etc.), promotional booklets and Tasty Careers Ambassadors who undertaken school visits to promote careers in the sector.

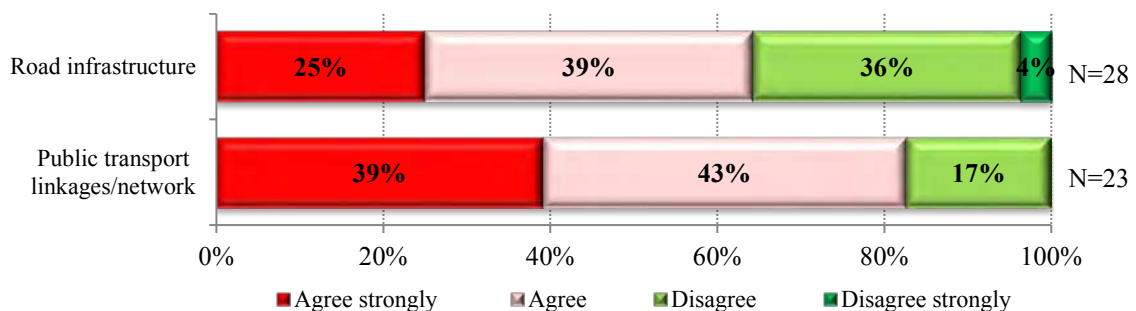
consultation, these businesses suggested that it was a problematic and a lengthy exercise to obtain planning permission for site/premises development, which was cited as being a “*frustrating process*” for businesses.

4.3.7 Public Transport Linkages/Network and Road Infrastructure Related Issues

For those businesses that indicated that public transport linkages/network and road infrastructure related issues were inhibiting the growth of the sector and/or their business (and were able to answer this question¹⁰⁴):

- Over four-fifths (82%, N=23) of the respondents either ‘agreed’ (43%) or ‘strongly agreed’ (39%) that the **existing public transport linkages/network are inhibiting the growth of their business**. During consultation, these businesses suggested that the lack of sufficient public transport (to the right areas at various times of the day) were impacting upon existing employees’ ability to get to and from work, whilst also acting as a barrier for prospective employees.
- Nearly two-thirds (64%, N=28) of business respondents either ‘agreed’ (39%) or ‘strongly agreed’ (25%) the **existing road infrastructure in the Mid Ulster area was inhibiting the growth of their business**. For example, during consultation these businesses suggested that there are insufficient linkage roads between key settlements and areas (particularly around the Cookstown area), whilst many of the existing roads needs repaired (e.g. many have potholes which can be hazardous for drivers). This was a view shared by key stakeholders such as members of the ‘Get Engineering Group’, Manufacturing NI etc.

Figure 4.10: Extent to which businesses agree that the road infrastructure and public transport linkages/network are inhibiting the sector and/or their business



In terms of suggested ways to improve connectivity, the analysis indicates that:

- Over three-quarters (78%, N=18) of the business respondents suggested that there is more could be done to the existing road infrastructure to improve connectivity to, and within, the Mid Ulster area. During consultation, these businesses suggested that there is potential for the Council, and other key stakeholders such as Manufacturing NI, Invest NI etc., to lobby government to undertake further major infrastructure works in the Mid Ulster area, such as, for example, the bypasses at Toome (ongoing), Magherafelt (complete) and Cookstown (proposed).
- Over half (58%, N=19) of the business respondents suggested that more could be done to the existing public transport linkages/network to improve connectivity to, and within, the Mid Ulster area. During consultation, these businesses suggested that there is potential for businesses (potentially those in close proximity to each other working collaboratively) to explore and organise a specific private bus hire company to transport employees to and from work. This was a view shared by key stakeholders such as Manufacturing NI.

¹⁰⁴ 5 businesses cited that they did not know to what extent to which public transport linkages/network are inhibiting the sector and/or their business.

4.3.8 Negative/Adverse Perception of the Mid Ulster Area

For those businesses that cited that a negative/adverse perception of the Mid Ulster area was inhibiting the growth of the sector and/or their business (and were able to answer this question¹⁰⁵):

- Nearly all (83%, N=6) of the respondents ‘disagreed’ that the Mid Ulster area was an attractive location to live and work for **individuals from outside the Mid Ulster area**, whilst half (50%, N=6) ‘disagreed’ that it was an attractive location for **individuals from outside Northern Ireland**.
- During consultation, these businesses suggested that houses prices were expensive, vis-à-vis other parts of Northern Ireland (with the exception of the Greater Belfast area), which acts as a barrier for people considering a move to the area. In addition, some businesses were of the view that the weekend and evening economy of the area could be improved, to provide more social and recreational activities for individuals to utilise/participate in.

In terms of suggested ways to enhance the attractiveness of the Mid Ulster area, the analysis indicates that:

- Nearly two-thirds (67%, N=3) of the business respondents suggested that there are ways in which the attractiveness of the Mid Ulster area could be enhanced amongst **individuals from outside Northern Ireland**.
- During consultation, these businesses suggested that the Council (along with other relevant stakeholders) should seek to strengthen the weekend and evening economy of the area, to provide more social and recreational activities for individuals to utilise/participate in. For example, the Council, in conjunction with the Department for Communities¹⁰⁶, should seek to undertake public realm/environmental improvement works in public areas to improve the physical aesthetics of town and villages.
- In addition, there was a general consensus amongst businesses (and stakeholders such as South West College) that the Council, in conjunction with key relevant stakeholders, should seek to improve the market proposition for the Mid Ulster area. One aspect of this could be the development of a cohesive and strong marketing/promotional campaign for the Mid Ulster area, with the aim of making it more attractive for individuals to relocate to for work.

4.3.9 Technological Changes/Advancements Related Issues

For those businesses that cited that technological changes/advancement related issues were inhibiting the growth of the sector and/or their business (and were able to answer this question¹⁰⁷):

- Nearly two thirds (62%, N=8) of the respondents ‘disagreed’ that their business has the **capability (in terms of skills)** within its existing operations to adopt or embed new technological changes/advancements. These businesses suggested that their existing staff would extensive upskilling and training on any such new technologies, potentially from those companies that they purchase the equipment/technology from. Also, given the current uncertainty around Brexit, the business case for technology investment does not stack up for many businesses.
- A quarter (25%, N=8) of the respondents ‘disagreed’ that their business has the **capacity (e.g. finance and/or skills)** within its existing operations to adopt or embed new technological changes/advancements. During consultation, these businesses suggested that, in many instances,

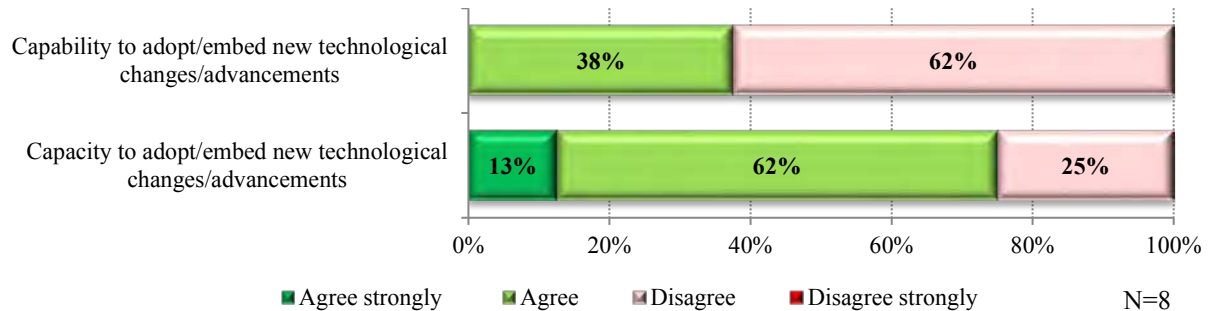
¹⁰⁵ 1 business cited that they did not know if the Mid Ulster area is an attractive location to live and work for young people.

¹⁰⁶ Which, in conjunction with local authorities throughout Northern Ireland, implements/delivers public realm/environmental improvement schemes in public areas such as town and city centres throughout Northern Ireland.

¹⁰⁷ Please note, 1 business respondent did not provide a response to this question.

adopting and/or embedding new technological changes/advancement can involve substantial capital expenditure and for many, a lack of available finance inhibits such activity. Despite this, during consultation, representatives from Invest NI, South West College and Manufacturing NI expressed their views that the engineering sector in Northern Ireland is, on average, over reliant on its workforce rather than utilising new technologies such as automation.

Figure 4.11: Extent to which businesses agree they have the capacity and capability to adopt or embed new technological changes/advancements.

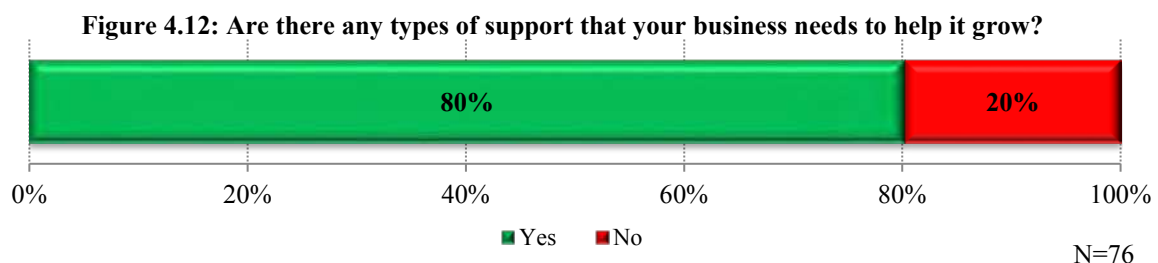


Businesses were then asked if there were any new technologies (e.g. robotics and automation) and/or materials (e.g. new materials such as graphene, carbon nanotubes, diamond-like carbon, composites (ceramic, metallic and organic) etc.) that are currently being used in Northern Ireland and/or elsewhere that their business would be keen to adopt in order to support its growth. During consultation, businesses cited the following:

- **Welding robotics** (N=4) – Robotic welding is the process of using a programmable machine to automate the welding process;
- **Spraying robotics** (N=1) – Spraying robotics is the process of using a programmable machine to spray parts with a substance (e.g. paint or a sealant);
- **Robotic arm** (N=1) – A robotic arm is a mechanical arm that can be programmed to perform a number of tasks (e.g. part rotation and placement), which can improve the speed and efficiency of the production process; and
- **Business Information Modelling (BIM)** (N=1) - BIM is a process involving the generation and management of digital representations of physical and functional characteristics of places similar to that of a CAD system. Whilst a computer-aided design (CAD) drawing may hold basic information such as measurements, BIM holds additional information such as the energy efficiency of the drawing.

4.4 Support required to facilitate Growth

The chart below illustrates that four-fifths (80%, N=76) of the business respondents indicated that they require support in order to assist its business to grow.



Specific support businesses required

The specific types of support that businesses require include¹⁰⁸:

- **Support to help recruit staff (62%, N=61)** – This is unsurprising given the reported recruitment/retention related issues faced by businesses in recent times. During consultation, businesses suggested that the benefits and opportunities available to individuals could be showcased, particularly amongst females and young people, and there could be a more coordinated approach to debunking misperceptions or promoting the positive aspects of working in the sector. For example, it was suggested that the following types of activities would potentially increase the pool of available labour for businesses to draw upon:
 - Stakeholders such as businesses, sectoral bodies (such as Manufacturing NI), the Council, the Further Education Colleges, Invest NI etc. could work together to raise the profile of the sector and the range of opportunities available. For example, this may involve businesses facilitating ‘open days’ or ‘site visits’ to raise awareness of the industry.
 - More collaborative awareness raising and promotion could be undertaken by businesses, particularly within schools (and where possible involving parents), in an effort to, *inter alia*, redress the negative perceptions of the sector and to promote the breadth of opportunities that are available. This view was shared by several stakeholders such as Invest NI, the two FE Colleges, the local enterprise agencies and Manufacturing NI. For example, the ‘tasty careers’ initiative¹⁰⁹ for the food & agri-food sector could be expanded and, where possible, replicated for the engineering sector.
 - New and/or existing initiatives could be supported to promote and redress the gender imbalance towards males in engineering sector. For example, Manufacturing NI is involved in developing promotional profile articles in regional newspapers (e.g. Belfast Telegraph) of ‘successful women in work in the manufacturing industry’. This type of activity could be promoted/supported further.
- **Advice and guidance as to how to address issues arising as a result of Brexit (43%, N=61)** – During consultation, businesses suggested that workshops and/or seminars (facilitated by either the Council and/or Invest NI) would be helpful and that any such events could focus on providing advice and knowledge on:
 - The potential implications of tariffs being imposed on goods and services being imported to the EU;
 - The potential implications of a ‘hard’ border on engineering businesses operating in the Mid Ulster area;
 - Advice on how to manage to grow and/or maintain sales in the EU; and
 - Ways to manage currency fluctuations.

¹⁰⁸ Please note, businesses were able to provide multiple responses to this question.

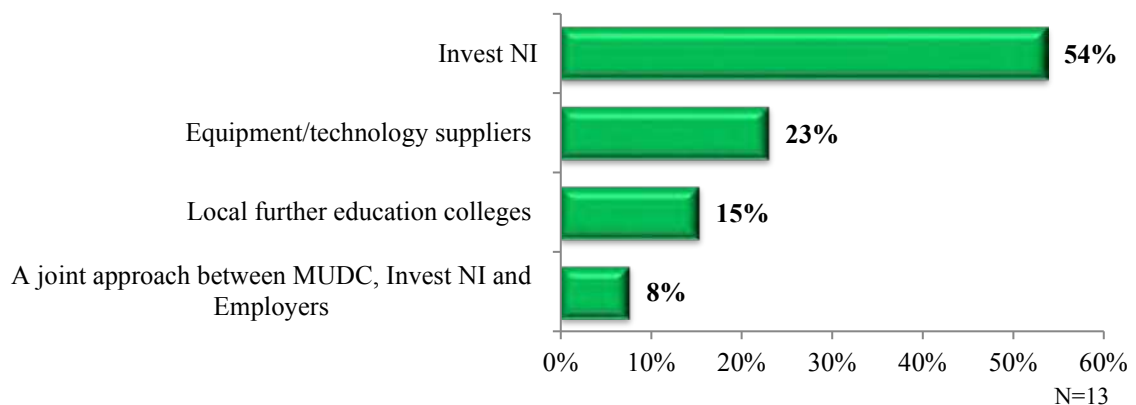
¹⁰⁹ Which is an initiative designed to raise the profile of, and provide information on, the food & agri-food sector in Northern Ireland. The initiative provides a dedicated website (which has, *inter alia*, details of job vacancies, job descriptions, training opportunities, an ‘interactive careers map’ etc.), promotional booklets and Tasty Careers Ambassadors who undertaken school visits to promote careers in the sector.

- **Support to help improve the skills of their workforce (41%, N=61)** – Businesses suggested that they would benefit from further support (e.g. from the FE Colleges) to upskill and/or reskill their employees in:

- Technical engineering applications such as:
 - Press break machines (which are typically used for bending sheet and plate material);
 - Computer Numerical Control (CNC) routing machine (typically used to create parts of tools by utilising computers to precisely machine materials into desired forms); and
 - Solidworks (a solid modelling computer-aided design (CAD) and computer-aided engineering (CAE) computer program).
- Various types of welding (e.g. MIG, TIG and Aluminium).
- Reading Technical Drawings.

- **Support to help develop sales (20%+, N=61) in Northern Ireland, Great Britain, Republic of Ireland and/or outside the British Isles markets** – During consultation, businesses suggested that they would benefit from any type of support that would develop their sales. For example, trade missions were cited as being important opportunities to identify new markets and/or be introduced to potential new clients/customers.
- **Support with, or training in, new technologies (e.g. robotics and automation) (21%, N=61)** – For those businesses that this question was applicable to, over half (54%, N=13) of the respondents indicated that they would welcome support/training from Invest NI on, amongst other things, how best to adopt/embed new technologies into their business. As illustrated in the chart below, nearly a quarter (23%, N=13) of the businesses suggested that, in their opinion, equipment/technology suppliers would be best suited to provide any support/training that it required relating to new technologies that it may embed/adopt.

Figure 4.13: Who would businesses like to see provide support and training for new technologies (e.g. robotics and automation)



"Our first port of call for support with new technologies would be Invest NI."

"We previously purchased a laser cutting machine and received training on this from the individual we purchased it from. We found this was best as they were familiar with all aspects of the product. So, I think in future if we were to introduce any other automation we would definitely turn to the equipment supplier to provide us with the support needed."

"SWC in Dungannon seems to be very knowledgeable and enthusiastic about new technologies and robotics, so I think it would be good to receive advice and support from them."

"Magherafelt college was meant to do a course in robotics but this never happened. I think it would be good if the college did provide support in this area."

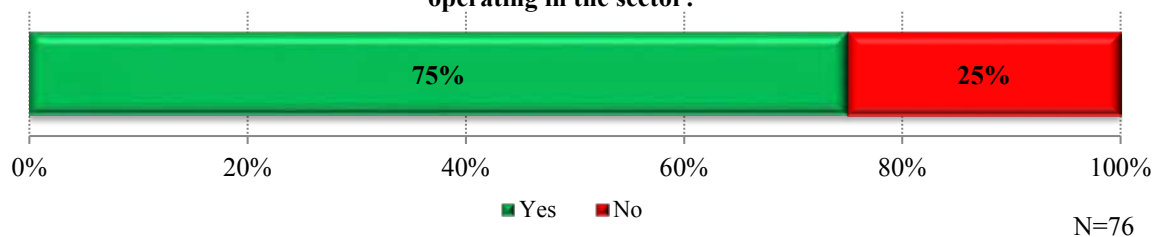
Business Respondents

Appropriateness of current support offerings

A quarter (25%, N=76) of the business respondents indicated that the current programmes of support available from Government (including support available through organisations such as the Council, Invest NI etc.) are not sufficient to support the growth of businesses operating within the engineering sector. During consultation, these businesses suggested that:

- There may be opportunities for stakeholders such as the Council and Invest NI to better promote, market and raise awareness of the various programmes that are available to engineering businesses located within the Mid Ulster area.
- There may be opportunities for stakeholders to better align existing programmes, or develop new programmes, to help address those needs faced by businesses that are not eligible for Invest NI assistance/support.

Figure 4.14: Is the current support from the Government sufficient to support the growth of businesses operating in the sector?

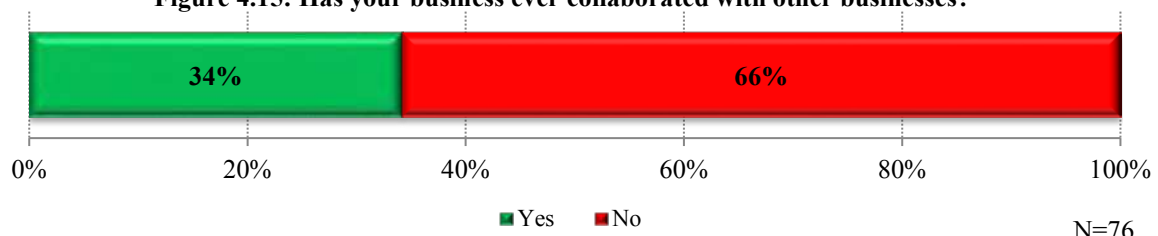


4.5 Collaborative/Partnership Activities

The chart below illustrates that just over a third (34%, N=76) of the business respondents suggested that they had previously collaborated with other businesses. These businesses further suggested that:

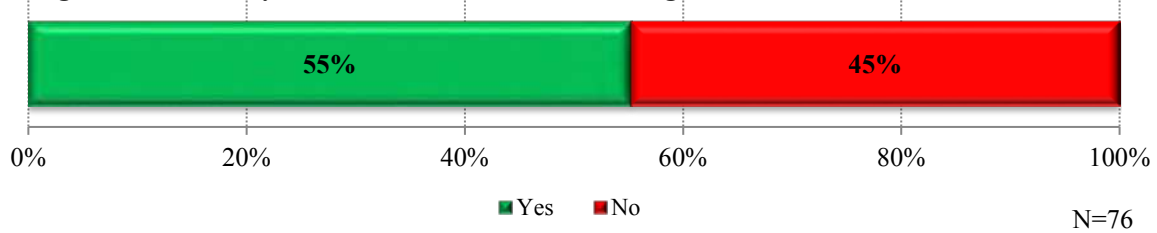
- They collaborated with other businesses (mainly from the Mid Ulster area) in relation to:
 - Developing new products/services (69%, N=26); and (to a lesser extent)
 - Sharing skills, knowledge, facilities/equipment that were not available at that time within their own business (42%, N=26).
- Undertook collaborative research, development and/or design activities with other businesses within Northern Ireland and/or with Universities/Colleges e.g. one business is reportedly working with the Athlone Institute of Technology to research a new material for its product (31%, N=26).

Figure 4.15: Has your business ever collaborated with other businesses?



The chart below illustrates that over half (55%, N=76) of the business respondents suggested that they would consider collaborating with other businesses in the future.

Figure 4.16: Would your business consider collaborating with other businesses in the future?



The main types of projects that these businesses would consider collaborating on with other businesses in the future include:

- Nearly half (43%, N=42) of the business respondents indicated a willingness to become **members of industry forms/groups** to, amongst other things, take forward actions arising from this study. It was suggested that Mid Ulster District Council is well placed to coordinate and drive this such a forum/group in order to discuss, potentially address, the issues facing the engineering sector. It was further suggested that there is an opportunity to build on the existing work undertaken by the South West College's 'Get Engineering' group of local engineering businesses.
- A fifth (40%, N=42) of the respondents indicated a willingness to **collaborate with FE Colleges and/or Universities (rather than other businesses) to develop new products/services**. During consultation, these businesses suggested that any such activity would only be of interest to them if their competitors would have no access to, or information on, the new products/services being developed.
- A similar proportion (40%, N=42) of the respondents indicated a willingness to **collaborate with other businesses on joint marketing/promotional campaigns**. It was suggested that such collaborative awareness raising and promotion undertaken by businesses, particularly within schools (and where possible involving parents), could, *inter alia*, redress the negative perceptions of the sector and promote the breadth of opportunities that are available.
- A similar proportion (40%, N=42) of the respondents indicated a willingness to **collaborate with other businesses to influence Government policy**. For example, it was suggested that Manufacturing NI, in conjunction with several local engineering businesses, are attempting to lobby the UK Government in relation to the ability of businesses to recruit non-EU nationals, in the event that there are restrictions placed on the free movement of EU nationals.
- Just under a fifth (38%, N=42) of the respondents indicated a willingness to **collaborate with other businesses to share facilities** that are not available within their own business. For example, during consultation, a number of businesses suggested that shared business or 'incubation' spaces (which would include specialist engineering equipment/facilities such as CAD, CNC routing machines etc.) would be beneficial in supporting (particularly smaller) businesses to grow. This view was shared by several stakeholders, such as the Council and South West College, who suggested this type of provision could assist businesses to develop new products.

4.6 Summary Conclusions

The previous analysis shows that:

- Whilst businesses' turnover/sales within the engineering sector in the Mid Ulster area is anticipated to grow over the 2018-2023 period, the levels of overall growth are anticipated to be slower than the previous five-year period i.e. 2013-2018.
- Businesses will, as of 2023, be marginally more reliant on the GB (England, Scotland and Wales) and, to a lesser extent, the Republic of Ireland markets for their sales/turnover.
- Businesses anticipate that they will continue to be reliant on the engineering sector for the majority of their sales. For example, by 2023, over a third (35%) of businesses anticipate that 75%+ of their sales will be within the engineering sector, which represents a marginal (3 percentage points) increase on their 2018 position.
- Over a quarter (28%) of the businesses indicated that at least 50% of their sales are (as of 2018) represented by their single largest customer, which may expose them to risks such as: pressure from their business' and/or their customer's competition; downward pricing pressure from the customer, which may result in decreased profits and cash flow; and an overdependence on too few customers can lower the value of a business.
- In terms of employment growth, it is estimated that, **by 2023, approximately 749 new jobs within the engineering sector in the Mid Ulster area could potentially be created.**
- However, there are a number of identified issues that are inhibiting the future growth of the sector and of individual businesses. These are (in rank order):

1. Skills/qualifications related issues;
2. Staff recruitment/retention issues;
3. Uncertainty relating to UK's decision to leave the EU (i.e. Brexit);
4. Rising Operating Costs;
5. Negative/adverse perceptions of the sector;
6. Site/premises constraints;
7. Public transport linkages/network and road infrastructure related issues;
8. Competition in domestic (UK) markets;
9. Competition in export (non-UK) markets;
10. Negative/adverse perceptions of the MUDC area; and
11. Technological changes/advancements related issues.

- There are opportunities for Government (including support available through organisations such as the Council, Invest NI etc.) to provide specific support to businesses in order to assist the sector to grow.

5. CONCLUSIONS

5.1 Overarching Conclusions

The engineering sector in the Mid Ulster area plays a vital role in the economic and societal well-being of the area, providing quality employment on a large scale, along with developing and implementing some of the key solutions to major global challenges. The reputation of the area in the fields of manufacturing and engineering is well known, and where other regions have seen decline in the sector, the area has worked hard to retain and attract such industries into the area and has been successful in this endeavour.

The economic performance of the engineering sector in the Mid Ulster area has been driven by a set of complementary strengths, which, in combination, delineate its unique position in the Northern Ireland economy. For example:

- Mid Ulster (incorporating the former council areas of Cookstown, Dungannon and South Tyrone and Magherafelt) possesses the second largest business base outside of Belfast¹¹⁰.
- Strategically located, the Mid Ulster area has a widely acknowledged strong, diverse and dynamic business base, together with an educated and entrepreneurial workforce.
- It has the 2nd lowest claimant count in the region at 1.3%¹¹¹.
- The Gross Value Added (GVA) is £2.075 billion, the 4th highest in the region in 2014, producing 7.3% of the region's total economic output.
- The area population of 145,000 is the fastest growing new Council area.
- Workforce - 91,711 of working age (aged 16-64).
- 700,000 people are within a one-hour commute of the district boundaries.
- There is **a minimum of 532 engineering businesses are located in the Mid Ulster area - the area has a higher proportion of engineering businesses when compared to Northern Ireland** as a whole. This reflects the relative importance of the sector to the Mid Ulster economy.
- The engineering sector supports jobs and economic growth across in both rural and urban areas. **In the Mid Ulster area, the sector is the largest employer and accounts for more than a quarter of the economic output.**
- **Over a fifth (21%) of the employee jobs (10,740 employee jobs) in the Council area are within the engineering sector** (compared to 9% of all employee jobs at a Northern Ireland level). Again, this reflects the importance of the sector to the Mid Ulster area in terms of employment. The sector is highly productive, representing 17% of Northern Ireland's manufacturing GVA (in 2015).
- Over four-fifths (83%, N=10,740) of the employee jobs within the engineering sector in the Mid Ulster area are held by males (which is broadly comparable with the Northern Ireland figures for the sector).

The engineering sector is of profound importance to the area's economy – especially in key specialisms such as the manufacture of mining and quarrying machinery, production of general and special purpose machinery etc., which have linkages and supply chain associations with the construction and food & agri-food sectors. For instance, 40% of world's mobile crushing and screening equipment is made in Northern Ireland, with many of the businesses in the Mid Ulster area contributing towards this level of activity.

The future of the engineering sector in Europe and worldwide has had much attention, with many of the known challenges and priorities facing the sector being equally relevant in a Mid Ulster area context.

The considerable and growing issue of businesses within the engineering sector in the Mid Ulster area accessing prospective employees (or the 'lack of people') with the requisite skills, as reflected in Sections 2-4 of this report, will inevitably not be a surprise to businesses in the area. However, this issue, coupled with the wide range of other identified issues, should serve as a clear signal to policymakers that urgent attention is required to ensure that the growth of local engineering businesses is not curtailed.

¹¹⁰ Circa 8,505 businesses, which represents 12% (N=71,615) of the regional total.

¹¹¹ NISRA (2017) 'Northern Ireland Labour Market Report March 2017'.

This is not to say that local businesses, with support from key stakeholders, do not have a role to play. They are faced with several options in terms of increasing the pool of prospective employees, such as: seeking to attract external talent to the Mid Ulster area; increasing levels of investment in labour saving technology (such as automation); and/or encouraging more local people back into the labour market (e.g. possibly through higher wages).

Beyond these options, there is also a need to actively promote the development of productive, inclusive and engaging workplaces that get the best out of people, but also a need to take a much more strategic view of recruitment, skills and the systems and mechanisms through which they are developed and sustained. In a period of considerable uncertainty, just focusing on the supply is not enough if businesses are to meet the huge challenges of rapid technological change, an ageing workforce, and changing cultures and expectations amongst the younger workforce. For example, businesses need to think more broadly about their own investment in developing talent and skills and how the growth of different employment models, flexi-working, contract and portfolio working may require a significant change to the ways they attract, invest in and develop people and skills in the future. The HR function within a business has a vital role to play in helping organisations to take a more strategic view of the kind of workforce they will need for the future and how they set about engaging with prospective future employers in a timely and strategic manner.

Businesses also need to think more about enhancing their business' attractiveness to both its existing and prospective employees. This may include, for example, refurbishment works at their premises to provide better working environments, as well enhancing their branding/promotional materials, creating/updating their business' website etc.

There is, however, a solid foundation for the future growth of the sector. It is encouraging to note that the sector is generally optimistic about their business prospects over the next 5 years, both in terms of turnover/sales and employment.

To support this growth, and in recognition of the importance of the sector in the Mid Ulster area, South West College was recently designated as the 'Engineering & Advanced Manufacturing Hub' within the Northern Ireland Further Education sector. In essence, the College now leads on the development of all Engineering & Advanced Manufacturing training within the Further Education sector.

The aim of the Engineering and Advanced Manufacturing Hub is to provide excellence in the development and delivery of engineering curriculum, skills support and innovation.

The Hub will facilitate the delivery of high quality and consistent engineering curriculum and employer engagement across Northern Ireland and will build on existing capability and working relationships within the Colleges. Importantly, the Hub will not sit in isolation and will include links and integration with employers and engineering and advanced manufacturing initiatives across Northern Ireland, the UK and beyond.

However, there are a number of other areas where the Council and other key stakeholders should seek to develop the infrastructure and eco-system to ensure that engineering businesses can fulfil their full potential in the future.

In conclusion, **there is a unique opportunity for growing the local, and wider, engineering sector and employment creation.** The opportunity, therefore, is clear – despite the identified issues there is potential to create approximately an additional 749 new jobs by 2023 if the Action Plan that has been developed (see Section 6) is appropriately resourced, financed and implemented.

6. ACTION PLAN

6.1 Introduction

This section sets out a ‘road map for growth’ for the engineering sector in the Mid Ulster area and the priorities for action that will be required to deliver it. It aims to be realistic about the challenges that the engineering sector in the Mid Ulster area faces and its baseline position. Each of the Actions presented, and the means by which they are anticipated to be created, have been agreed with the Council.

The priorities range from those which could straightforwardly be described as corrections for market failures (e.g. in the provision of training), through broader advocacy relating to existing areas of public policy (e.g. immigration), to priorities that address the governance issues that need to be resolved to support the sector’s development.

While some of the suggested actions are challenging, the Consultancy Team has sought to ground them in what is achievable, whilst recognising that it does not have all the answers to some very intractable questions. Instead, the Consultancy Team suggests that it is better to focus on making significant progress in a limited number of areas, by building on what the engineering sector in the Mid Ulster area already has and recognising that meaningful change will be gradual and requires stability and consistency.

6.2 The Goal

The continued growth and success of the engineering sector in the Mid Ulster area cannot be taken for granted, perhaps in particular following the UK’s vote to leave the EU in June 2016. Both Northern Ireland and the Mid Ulster area is at the beginning of a period of significant uncertainty, which has the potential to deter investment and reduce growth.

Other sectors face similar challenges. Some have similar strengths. Many have similar ambitions. However, the sector in the Mid Ulster area uniquely combines a realistic aspiration to further enhance its reputation, especially in key specialisms such as the manufacture of mining and quarrying machinery, production of general and special purpose machinery etc., at the same time as maintaining its position as a key contributor to the overall sector and economy in Northern Ireland. However, to pursue these aspirations while managing the implications of the vote to leave the EU, and within constrained public finance, it is recognised that one of the main drivers of strong economic growth will be the availability of a suitably skilled workforce.

Whilst the concept is simple, the context is highly complex, with some elements devolved whilst others remain under the purview of central Government. Against that backdrop, stakeholders must establish how best to focus resources and efforts in order to support the sector in the Mid Ulster area moving forward. The Action Plan aims to draw together those numerous interrelated strands of activity to bring cohesion, and to set out a direction of travel for the coming years.

Importantly, the ‘road map for growth’ must become shared, to which all relevant stakeholders can commit and work towards together. Achieving the goals that have been set out will require focused implementation and a coordinated approach amongst a range of public and private sector stakeholders. No single body has all the levers that the sector will require to drive success and different priorities can have different leaders. However, Mid Ulster District Council, through its Economic Development and Community Plans, is well placed to coordinate and drive this agenda as a whole by building partnerships across government, business and wider society.

6.3 What will this Action Plan Support?

Given the specific focus of this action plan, the ultimate measure of its success will be supporting business growth, job creation and increased productivity. The Consultancy Team's consultations with businesses based in the engineering sector in the Mid Ulster area indicates that if this is achieved it could support the creation of an additional 749 new jobs in the area by 2023.

6.4 The Action Plan

Similar to the Council's Economic Plan, the Strategic Priorities, Actions and Activities set out overleaf will require the development of strong partnerships and joint ventures, including strong leadership amongst businesses, using a multi-agency approach to maximise resources in order for them to be fully delivered. Central to this will be the Council who will act as a key enabler in the region, adopting a direct lobbying approach to become a leading strategic influencer in the area.

It is hoped this action plan will command broad support and serve as a 'sales proposition' for growing the engineering sector in the Mid Ulster in the long term, across economic and political cycles.

The following subsection provides details on each Strategic Priority of the Action Plan (or ‘road map for growth’), including the rationale for each action and the specific activities that fall under each. For each activity, a lead body/organisation has been identified, along with associated timeframes for delivery i.e. short (year 1), medium (year 2-3) or long-term (year 5+).

Strategic Priority	Action	Rationale	Activities	Lead	Timeframe
1. ATTRACT We want to attract external talent and residents to the Mid Ulster area	A. Improve market proposition for the Mid Ulster area	Increase supply of labour and compete for talent from other areas	1. Develop a cohesive and strong marketing/promotional campaign for the Mid Ulster area. This should: <ul style="list-style-type: none"> Identify key messages to be used consistently across organisations and existing communication mediums/platforms. Promote the area’s engineering sector. Identify, in conjunction with key stakeholders (e.g. the Home Office), if there are areas of NI, GB, the EU or the rest of world where employment and lifestyle opportunities within the Mid Ulster area could be actively targeted and promoted, thereby addressing labour shortages in the engineering sector in the Mid Ulster area. 	Council with relevant responsible departments/stakeholders	Short term
	B. Enhance the image of the engineering sector	Increase volume and diversity	2. Explore opportunities to initiate the development and implementation of promotional campaigns across the Mid Ulster area and NI for the Engineering Sector. This should involve the development of a ‘skills brand and toolkit’ for the sector to include key messages that businesses can use as part of their own promotional campaigns.	Council with relevant responsible departments/stakeholders	Medium term
			3. Develop new, and support existing, initiatives to promote and redress the gender imbalance towards males in the engineering sector. For example, Manufacturing NI is involved in developing promotional profile articles in regional newspapers (e.g. Belfast Telegraph) of ‘successful women in work in the manufacturing industry’, whilst the ‘School Employer Connection Project’ in Derry~Londonderry seeks to support females to move into the engineer sector.	Council with relevant responsible departments/stakeholders	Short term
	C. Improve connectivity to, and within, the Mid Ulster area	Make the Mid Ulster area a preferred place to live and work – supports Actions A and B	4. Explore possible enhancements to the existing public transport linkages/networks and road infrastructure e.g. additional park and ride facilities, private bus transportation, proposals relating to the A29 road etc.	Council with relevant responsible departments/stakeholders	Medium term
			5. Explore possible enhancements to the existing broadband network in the Mid Ulster area, both in terms of provision and connectivity.	Council with relevant responsible departments/stakeholders	Medium term
	D. Support new job creation	Supports achievement of outcomes	6. Support the creation of approximately 749 additional jobs in the engineering sector in the Mid Ulster Council area (from a baseline position of 10,740 within the sector ¹¹²).	Council with relevant responsible departments/stakeholders	Long term

¹¹² Source: NISRA Business Register and Employment Survey 2015. Please note, the sample sizes in the 2016 BRES were too small to enable sectoral analysis.

Strategic Priority	Action	Rationale	Activities	Lead	Timeframe
2. DEVELOP We want to develop the skills businesses need to address gaps	E. Increase quality and quantity of apprenticeships	Grow local talent	7. Promote and raise awareness of initiatives such as the Government's 'Connect to Success NI', which is a free online portal (for employers and prospective employees) that exclusively advertises apprenticeships and school work experience opportunities.	Council with relevant responsible departments/stakeholders	Short term
			8. Support a 10% increase in the number of individuals within the Mid Ulster area participating on Apprenticeships (within the Apprenticeships NI Framework) in manufacturing & engineering related disciplines/courses, from a baseline position of 338 (as of July 2017).	Council with relevant responsible departments/stakeholders	Long term
	F. Support use of shared facilities amongst businesses	Support smaller businesses to access specialist equipment/facilities	9. Explore the potential to support (smaller) businesses to collaborate with other businesses to share facilities that are not available within their own business e.g. shared business or 'incubation' spaces to include specialist engineering equipment/facilities such as, for example, CAD, CNC routing machines etc.	Council with relevant responsible departments/stakeholders	Short term
3. ENGAGE We want to improve how businesses engage with key stakeholders	G. Improve engagement with prospective employees	Increase supply of labour to increase volume and diversity	10. Establish an additional sectoral sub-group of the Mid Ulster Skills Forum ¹¹³ , which should focus on, and have a remit for, the development of the engineering sector (this could potentially be one of a series of sub-groups). This group should, amongst other things, identify future support interventions required to address the needs of the engineering sector and, where appropriate, instigate sector specific collaborative opportunities beyond the Mid Ulster area e.g. to pursue, in conjunction with other Council areas, the development of a Manufacturing Strategy for NI.	Council with relevant responsible departments/stakeholders	Short term
			11. Replicate the 'tasty careers' initiative (instigated within the food & agri-food sector) for the engineering sector.	Council with relevant responsible departments/stakeholders	Short term
			12. Expand on existing, or establish new, social media channels (on twitter e.g. @midulsterjobs) for businesses to, through a centralised search point, advertise existing posts/vacancies, work placements and apprenticeship opportunities.	Council with relevant responsible departments/stakeholders	Short term

¹¹³ Which was established to address the key labour market challenges in the Mid Ulster area. It is intended that the Forum will introduce stronger collaboration and more effective partnership working with private sector representatives, which will result in an increase in employer needs being met and facilitate access to employment within the area. The Forum includes representation from local businesses, colleges, universities, local enterprise agencies, key sectoral business organisations, government departments and their agencies and the Council.

Strategic Priority	Action	Rationale	Activities	Lead	Timeframe
3. ENGAGE We want to improve how businesses engage with key stakeholders	H. Improve engagement with education providers	Perception and inspiration – there are opportunities to inspire the future workforce	13. Consider strategies to better coordinate education providers and businesses. For example, this may include expanding existing school/college partnerships with businesses or re-establishing former initiatives such as the Business Education Partnerships (previously funded through DfE and DE).	Council with relevant responsible departments/stakeholders	Short term
			14. Through existing or new school/college partnerships with businesses, develop a structured approach (to include sectoral communication plans) which should serve to formalise the practicalities of businesses engaging with education providers e.g. when businesses engage, how often, who they engage with, through what means etc. This approach should be ‘tiered’ and adapted as students’ progress through the education system e.g. different types of information/engagement for different age groups.	Council with relevant responsible departments/stakeholders	Medium term
			15. Through existing or new school/college partnerships with businesses, agree on practical methods for businesses to engage, in a joined-up manner, with careers teachers, students and parents (as they are the key ‘influencer’ in students’ future careers options). For example: <ul style="list-style-type: none"> • More widespread use of social media channels e.g. case study materials/profiles identifying the type of roles, skills required, opportunities available etc. • Facilitated site visits, open nights or insight/exploration days for students and parents, preferably outside of school hours (where possible). • Career fairs/days e.g. ‘Mid Ulster Jobs Fair’ - facilitated in non-school environments e.g. Council (local civic centres) or business premises (this might include businesses organising transport to and from the schools). • Bursaries or sponsorships. • Guest speakers or sector ‘Ambassadors’ e.g. local business leaders under 35 years old who provide a ‘view from the younger generation’. • Work experience gained through business placements and/or internships – these can provide opportunities for students to learn about the sector or type of work and determine whether it is the right field for them. They also play a useful part in strengthening students’ employment readiness. 	Council with relevant responsible departments/stakeholders	Medium term
	I. Improve engagement with existing Government strategies and initiatives	Lack of awareness of what initiatives are available to businesses	16. Promote and raise awareness of the various programmes/initiatives that are available to engineering businesses located in the Mid Ulster area.	Council with relevant responsible departments/stakeholders	Short term

Strategic Priority	Action	Rationale	Activities	Lead	Timeframe
4. RETAIN / SUSTAIN We want to ‘future proof’ skills and capability	J. Develop pipeline of new initiatives/incentives	Support businesses sustain skills and capability	17. Explore the potential for additional support to be provided for older apprentices (i.e. those over 25 years old) and those categorised as economically inactive in the marketplace.	Council with relevant responsible departments/ stakeholders	Short term
			18. Explore, in conjunction with SWC and other stakeholders, the potential for additional support to be provided towards the development of an advanced Manufacturing & Engineering Innovation Centre/Facility in the Mid Ulster area.	Skills Forum with relevant key responsible departments & stakeholders	Medium term
		Support businesses address uncertainty related to Brexit	19. Explore the potential for additional advice and guidance to be provided to businesses on how to address issues arising as a result of Brexit e.g. workshops and/or seminars should be facilitated to provide advice and knowledge on issues such as: <ul style="list-style-type: none"> The potential implications of tariffs being imposed on goods and services being imported to the EU; The potential implications of a ‘hard’ border on engineering businesses operating in the Mid Ulster area; Advice on how to manage to grow and/or maintain sales in the EU; and Ways to manage currency fluctuations. 	Council with relevant responsible departments/ stakeholders	Short term
	K. Support technological change and automation	Finding the right balance of technology and human capital will enable both businesses and people to succeed	20. Raise awareness of existing, and/or develop new, initiatives to support businesses to implement technological change and/or automation to redress the existing and potential future labour shortages.	Council with relevant responsible departments/ stakeholders	Medium term
			21. Raise awareness of existing, and/or develop new, initiatives to support businesses to invest in training, reskilling and education for those displaced by automation and embrace new working models. Whilst future labour demand could be in occupations created by automation that do not yet exist, there is a need to think, act and educate now for the benefit of the economy in the future ¹¹⁴ .	Council with relevant responsible departments/ stakeholders	Medium term
	L. Reduce annual rate of staff turnover amongst businesses	Enhance business performance/ competitiveness	22. Support 80%+ of business respondents indicating that their annual rate of staff turnover is, as of 2023, 10% or less (from a baseline position of 73%, N=76 ¹¹⁵).	Council with relevant responsible departments/ stakeholders	Long term
5. SUCCESS We want to implement the Action Plan and measure success in tangible metrics	M. Seek resources and finance for Strategy and Action Plan implementation	Supports the implementation of Action Plan and the achievement of associated outcomes	23. Discuss and agree with key stakeholders/partners the resources and finance required to implement and fulfil the Action Plan for the sector.	Council with relevant responsible departments/ stakeholders	Short term

¹¹⁴ Source: 2017 Knowledge Economy Report (Connect at Catalyst Inc., January 2018).

¹¹⁵ Source: Survey Findings, as per Appendix IV (Cogent Management Consulting, May 2018).

Appendix I – Definition of the Sector

In defining the engineering sector, the Consultancy Team, in agreement with the Council and Invest NI, has primarily utilised sectoral data based upon the UK Standard Industrial Classification of Economic Activities 2007 (SIC 2007)¹¹⁶, as per the Office of National Statistics (ONS). This was then supplemented by the Consultancy Team's review of publicly available information and research reports (e.g. those prepared by ONS, Engineering UK¹¹⁷, MATRIX¹¹⁸, the Agri-Food Strategy Board¹¹⁹ etc.) and consultation with key stakeholders (e.g. Invest NI, South West College and Manufacturing NI).

The following table provides the basis upon which the sector has been defined for the purposes of this report:

¹¹⁶ Which is a system used by ONS for categorising and defining a business' economic activities. SIC 2007 is divided into 21 sections, each denoted by a single letter from A to U. The letters of the sections can be uniquely defined by the next breakdown, the divisions (denoted by two digits). The divisions are then broken down into groups (three digits), then into classes (four digits) and, in several cases, again into subclasses (five digits). A business' classification under this system is often referred to as its 'SIC code'.

¹¹⁷ Which is a not-for-profit organisation that works in partnership with the engineering community to "*promote the vital role of engineers and engineering and to inspire the next generation*".

¹¹⁸ The Northern Ireland Science Industry Panel, which is a business led expert panel advising on the commercial exploitation of R&D, science & technology.

¹¹⁹ Established in May 2012 to develop a strategic action plan to help accelerate the growth of the agri-food industry.

Definition of the Engineering Sector																							
Definition (as per SIC 2007)	Rationale and supporting research																						
<ul style="list-style-type: none"> Section C ‘Manufacturing’ – all codes within Divisions 12-33. Section M ‘Professional, Scientific and Technical Activities’ code 71.12 ‘engineering activities and related technical consultancy’. 	<p>For the purposes of this study, the Engineering sector is considered to comprise those businesses that fall within the following:</p> <ol style="list-style-type: none"> The Advanced Manufacturing, Materials and Engineering (AMME) sector, as defined by MATRIX¹²⁰. During consultation, a representative from the Department for the Economy (who was involved in the development of the AMME report) indicated that this included businesses that fall within divisions relating to the manufacture of: <table> <tr> <td>20 - Chemicals and chemical products</td><td>27 - Electrical equipment</td></tr> <tr> <td>22 - Rubber and plastic products</td><td>28 - Machinery and equipment</td></tr> <tr> <td>23 - Other non-metallic mineral products</td><td>29 - Motor vehicles; trailers and semi-trailers</td></tr> <tr> <td>25 - Fabricated metal products</td><td>30 - Other transport equipment</td></tr> <tr> <td>26 - Computer; electronic and optical products</td><td>32 - ‘Other’ manufacturing¹²¹</td></tr> </table> The broader manufacturing sector - This includes the remaining divisions (outside the AMME sector) that fall within Section C ‘Manufacturing’, including businesses that fall within divisions relating to the manufacture of: <table> <tr> <td>12 - Tobacco products¹²²</td><td>18 - Printing and reproduction of recorded media</td></tr> <tr> <td>13 - Textiles</td><td>19 - Coke and refined petroleum products</td></tr> <tr> <td>14 - Wearing apparel</td><td>21 - Basic pharmaceutical products</td></tr> <tr> <td>15 - Leather and related products</td><td>24 - Basic metals</td></tr> <tr> <td>16 - Wood and products of wood and cork</td><td>31 - Furniture</td></tr> <tr> <td>17 - Paper and paper products</td><td>33 - Repair and installation of machinery and equipment</td></tr> </table> <p>Please note, businesses that fall within divisions relating to the manufacture of food products (10) and beverages (11) for local, national and global consumers have been excluded from the engineering sector for the purposes of this study. These businesses are, as defined by the Agri-food Strategy Board¹²³ and Department for Agriculture, Environment and Rural Affairs (DAERA)¹²⁴, considered to fall within the Food & Agri-food sector.</p> The Professional, Scientific and Technical Activities (Section M), and more specifically those that undertake engineering activities and related technical consultancy (SIC code 71.12), as defined by Manufacturing NI¹²⁵. Please note, based upon discussion with Manufacturing NI and the Council, the Consultancy Team has, for prudence, excluded those businesses that fall under ‘architectural activities’ (SIC code 71.11) and ‘technical testing and analysis’ (SIC code 71.2). 	20 - Chemicals and chemical products	27 - Electrical equipment	22 - Rubber and plastic products	28 - Machinery and equipment	23 - Other non-metallic mineral products	29 - Motor vehicles; trailers and semi-trailers	25 - Fabricated metal products	30 - Other transport equipment	26 - Computer; electronic and optical products	32 - ‘Other’ manufacturing ¹²¹	12 - Tobacco products ¹²²	18 - Printing and reproduction of recorded media	13 - Textiles	19 - Coke and refined petroleum products	14 - Wearing apparel	21 - Basic pharmaceutical products	15 - Leather and related products	24 - Basic metals	16 - Wood and products of wood and cork	31 - Furniture	17 - Paper and paper products	33 - Repair and installation of machinery and equipment
20 - Chemicals and chemical products	27 - Electrical equipment																						
22 - Rubber and plastic products	28 - Machinery and equipment																						
23 - Other non-metallic mineral products	29 - Motor vehicles; trailers and semi-trailers																						
25 - Fabricated metal products	30 - Other transport equipment																						
26 - Computer; electronic and optical products	32 - ‘Other’ manufacturing ¹²¹																						
12 - Tobacco products ¹²²	18 - Printing and reproduction of recorded media																						
13 - Textiles	19 - Coke and refined petroleum products																						
14 - Wearing apparel	21 - Basic pharmaceutical products																						
15 - Leather and related products	24 - Basic metals																						
16 - Wood and products of wood and cork	31 - Furniture																						
17 - Paper and paper products	33 - Repair and installation of machinery and equipment																						

¹²⁰ The Advanced Manufacturing, Materials & Engineering Report (MATRIX, November 2016).

¹²¹ Please note, MATRIX may also include businesses that fall within divisions 13-18, if a business uses advanced manufacturing processes or incorporates advanced materials into their product(s). This is determined on a case-by-case basis.

¹²² Whilst some sources of information include the manufacturing of tobacco within the food & drink sector (e.g. Centre for Industry and Management (2010) ‘Value of Food and Drink Manufacturing to the UK’), for comparability of data within an NI context, the manufacturing of tobacco products has been included within the broader manufacturing sector (as per the definition of the food & agri-food sector, as defined by the Agri-food Strategy Board and Department for Agriculture, Environment and Rural Affairs (DAERA)).

¹²³ ‘Going for Growth: A Strategic Action Plan in Support of the Northern Ireland Food Industry’ (Agri-Food Strategy Board, 2013).

¹²⁴ ‘Northern Ireland Agri-Food Sector Key Statistics, June 2017’ - Footnote 7, Page 5. (DAERA, 2017).

¹²⁵ ‘Northern Ireland’s Manufacturing: The Engine of Prosperity’ (Oxford Economics on behalf Manufacturing NI, 2016).

For the purposes of this report, ‘other’ sectors (outside the engineering sector) include the following:

- Food & agri-food¹²⁶;
- Construction¹²⁷;
- Retail¹²⁸;
- IT¹²⁹;
- Hospitality¹³⁰; and
- Broader industry sectors, such as:
 - Administrative & Support Service Activities
 - Arts, Entertainment and Recreation
 - Education
 - Programming, publishing and broadcasting
 - Public Administration and Defence
 - Compulsory Social Security
 - Real Estate Activities Mining and Quarrying
 - Electricity, Gas, Steam and Air Conditioning Supply
 - Financial and Insurance Activities
 - Human Health and Social Work Activities
 - Transportation and Storage
 - Water Supply
 - Sewerage, Waste Management and Remediation Activities
 - Other Service Activities
 - Professional, Scientific and Technical Activities¹³¹

Whilst the approach adopted to define the sector (as set out above) provides a useful (and internationally recognised) starting-point for segmenting businesses on a sectoral basis, the Consultancy Team notes there is an element of subjectivity in such an approach. For example:

- Depending on the specific nature of a business’ activities and/or the range of functions it may have (particularly amongst larger businesses), a business may ‘cross-cut’ a number of sectors and individual SIC sectoral groups (or SIC codes). By way of illustration, a concrete manufacturer, which supports the construction industry, may potentially operate in both the manufacturing and construction industries, or predominantly operate in either one of these. Therefore, the SIC code allocated to the business may not fully represent the sectoral contribution of this business to the economy.
- There are likely to be engineering jobs that are in engineering companies, but also engineering jobs that are in non-engineering companies and non-engineering jobs that are in engineering companies (as depicted overleaf). By way of illustration, Engineering UK categorises:
 - **Core engineering jobs** as those that require the consistent application of engineering knowledge and skills to execute them effectively e.g. civil, mechanical, electrical, electronics, design and development and production and process engineers. The ‘core’ definition also includes those who require consistent use of engineering competences e.g. a draughtsperson or a welder.
 - **Related engineering jobs** as those that require a mixed application of engineering knowledge and skill alongside other skill sets, which are often of greater importance to executing the role effectively. An architect is an example of a related engineering occupation.

¹²⁶ As defined by the Agri-food Strategy Board and Department for Agriculture, Environment and Rural Affairs (DAERA), this includes Section A ‘Agriculture, Forestry and Fishing’ – all codes within Divisions 1-3 and Section C ‘Manufacturing’ – all codes within Divisions 10 & 11.

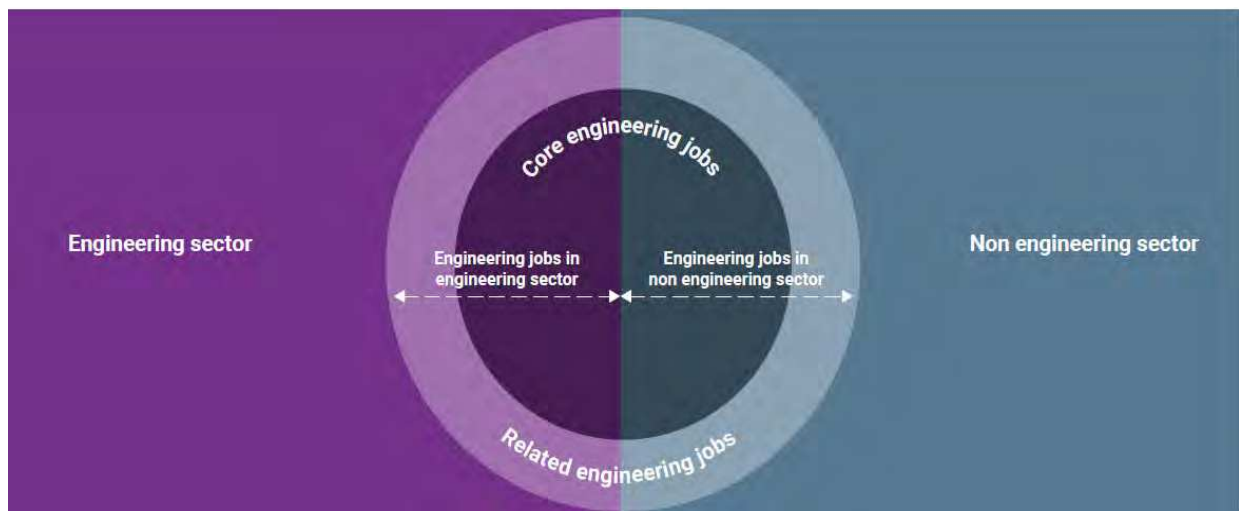
¹²⁷ As defined by ONS, this includes Section F ‘Construction’ codes – all codes within Divisions 41-43.

¹²⁸ As defined by ‘The Retail Industry: Statistics and Policy’ (House of Commons Library, 2017), this includes Section G ‘Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles’ – all codes within Divisions 45-47.

¹²⁹ As defined by MATRIX (‘Digital ICT Report 2016’ – page 7 Matrix, 2016) this includes Section J ‘Information and Communication’ – all codes within Divisions 61-63.

¹³⁰ As defined by British Hospitality Association, this includes Section I ‘Accommodation and Food Service Activities’ – all codes within Divisions 55 & 56; Section N ‘Administrative and Support Service Activities’ – codes 78.1 ‘Activities of employment placement agencies’, 78.2 ‘Temporary employment agency activities’ and 82.3 ‘Organisation of conventions and trade shows’; and Section R ‘Arts, Entertainment and Recreation’ - codes 91.0 ‘Creative, arts and entertainment activities’ and 932 ‘Amusement and recreation activities’.

¹³¹ Excluding those previously categorised as part of the engineering sector for the purposes of this report.



Source: 'The state of engineering' (Engineering UK, 2018).

Notwithstanding the above, the Consultancy Team, in conjunction with the Council and other stakeholders (e.g. Invest NI, South West College, Manufacturing NI etc.), considers that the above approach is robust and is, at the time of writing, based upon best available evidence.

CIVIL ENGINEERING

COALISLAND PUBLIC REALM ECONOMIC APPRAISAL

Version 04 – 10th August 2018



WDR & RT TAGGART

Architects
Civil Engineers
Structural Engineers
Environmental Engineers
Landscape Architects
Town Planning Consultants
Health & Safety Consultants
Project Managers

HEAD OFFICE

Laganwood House
Newforge Lane
Malone Road
BELFAST
BT9 5NX

t: 028 9066 2121
e: mail@wdr-rt-taggart.com
w: www.wdr-rt-taggart.com




Comhairle Ceantair
Lár Uladh
Mid Ulster
District Council



DfC

Department
for Communities

www.communities-ni.gov.uk

TITLE	ECONOMIC APPRAISAL	 WDR & RT TAGGART
PROJECT	17058 – COALISLAND PUBLIC REALM	
CLIENT	MID ULSTER DISTRICT COUNCIL	
DATE	10th AUGUST 2018	
STATUS	DRAFT	
VERSION	04	
AUTHOR	M PATTON	

DOCUMENT CONTROL

REVISION	DESCRIPTION	STATUS	DATE	BY	CHECKED	APPROVED
00	FIRST ISSUE	DRAFT	15/01/18	JVC/MP	MP	TS
01	SECOND ISSUE	DRAFT	14/05/18	MP	MP	TS
02	THIRD ISSUE	DRAFT	11/06/18	MP	MP	TS
03	FOURTH ISSUE	DRAFT	02/07/18	MP	MP	TS
04	FIFTH ISSUE	DRAFT	10/08/18	MP	MP	TS

CONTENTS

1. INTRODUCTION AND BACKGROUND	1
1.1. Introduction	1
1.2. Background to the Project	1
1.3. Outline of the Proposed Scheme.....	1
1.4. Structure of the Appraisal	2
2. STRATEGIC CONTEXT	3
2.1. Introduction	3
3. IDENTIFICATION OF NEED.....	5
3.1. Introduction	5
3.2. Need for Government Intervention;.....	5
3.3. Physical Need.....	9
3.4. Baseline Information	15
3.5. Public consultation process - WDR & RT Taggart - Sept 2017 - May 2018	24
3.6. Non-motorised User Audit	26
3.7. Site Walkover with Disability Groups	27
3.8. VISSIM Traffic Modelling Report (2018).....	28
3.9. Traffic Management and Parking Enforcement.....	28
3.10. Town Centre Database	29
3.11. Lessons Learnt from Previous Public Realm Schemes	30
3.12. Additionality	31
3.13. Displacement	31
3.14. Duplication	32
3.15. Other Capital Projects	32
3.16. Conclusions	32
4. OBJECTIVES AND CONSTRAINTS	35
4.1. Project Aim.....	35
4.2. General Project Objectives.....	35
4.3. SMART Objectives.....	35
4.4. Project Constraints.....	37
5. IDENTIFICATION OF OPTIONS	38
5.1. Introduction	38
5.2. Potential Options.....	38
5.3. Option Analysis	43

5.4. Conclusion	44
6. MONETARY ASSESSMENT	45
6.1. Costs	45
6.2. Economic Benefits	47
7. RISK APPRAISAL AND ADJUSTMENT FOR OPTIMISM BIAS.....	48
7.1. Introduction	48
7.2. Optimism Bias	48
7.3. Other Potential Risks.....	52
8. NON-MONETARY ASSESSMENT	53
8.1. Introduction	53
8.2. Weighted Scoring Approach.....	53
8.3. Conclusion	57
9. QUANTITATIVE ANALYSIS – NET PRESENT VALUE / NET PRESENT COST.....	58
9.1. Sensitivity Analysis	58
10. SELECTION OF PREFERRED OPTION SUMMARY	60
10.1. Summary of Monetary and Non-Monetary Assessment.....	60
10.2. Preferred Option.....	60
10.3. Project Additionality	61
10.4. Cost Effectiveness	61
10.5. Viability	63
10.6. Overall Conclusion and Recommendations.....	63
11. PROJECT FINANCE, MANAGEMENT, MONITORING AND EVALUATION	65
11.1. Project Financing and Funding	65
11.2. Project Management	66
11.3. Project Monitoring	68
11.4. Project Evaluation	68
APPENDIX A - DRAWINGS	
APPENDIX B - COST ESTIMATES	
APPENDIX C - RISK REGISTER	
APPENDIX D - NPV SPREADSHEETS	
APPENDIX E - CORRESPONDANCE FROM MID ULSTER DISABILITY FORUM	
APPENDIX F - CORRESPONDANCE FROM DfI ROADS	
APPENDIX G - PARKING ENFORCEMENT NEWS REPORTS	
APPENDIX H - PROPOSED SHOPPER QUESTIONNAIRE	
APPENDIX I - GRANTS COST MANAGEMENT COST COMMENT	



1. INTRODUCTION AND BACKGROUND

1.1. Introduction

WDR & RT Taggarts has been commissioned by Mid Ulster District Council in conjunction with the Department for Communities (DfC) to conduct an economic appraisal of proposed public realm works in Coalisland Town Centre.

1.2. Background to the Project

Mid Ulster District Council appointed AECOM to undertake a town centre framework document for Coalisland in 2016. The document highlighted the potential benefits that a public realm Scheme would bring to the town.

Coalisland is the fourth largest settlement in the Mid Ulster District Council area with a population of approximately 8,664.

Coalisland is an industrial and local service centre, although many of its higher order services continue to be provided by Dungannon. The town provides a convenient and compact centre with a range of local retail outlets complemented by restaurants, cafes, bars and services.

1.3. Outline of the Proposed Scheme

The proposed public realm project involves creating a high quality physical environment on the following streets:

- The Square
- Main Street
- Lineside
- Platters Hill
- Dungannon Road
- Stewartstown Road
- Barrack Street
- Birney Square
- Barrack Square
- Station Road
- Washingbay Road
- Seagrave Terrace



Figure 1: Coalisland Street Map

Contains public sector information licensed under the terms of the Open Government Licence v3.0



The proposed public realm works will include paving, kerbing, resurfacing, drainage, signage, planting, street furniture, lighting and provision for festive lighting infrastructure.

1.4. Structure of the Appraisal

This economic appraisal is based upon the approach outlined in 'Appraisal and Evaluation in Central Government - 2003', Her Majesty's Treasury latest guidance (the 'Green Book') and the 'Northern Ireland Guide to Expenditure Appraisal and Evaluation (NIGEAE)'.

Our approach to the ten phases of the economic appraisal is as follows:

Table 1: Ten Phases of an Economic Appraisal

Phase	Description	Purpose
Phase I	Strategic Context	To set the objectives of the project within the context of relevant strategies.
Phase II	Identification of Need	To establish the need and demand for the project based on primary research, e.g. consultations with stakeholders
Phase III	Objectives and Constraints	To highlight performance indicators for the project, thereby aiding post project evaluation.
Phase IV	Identification of Options	To identify a long list of options considering variations in scale on the proposed project and after careful consideration of the key issues, to select a shortlist of options for full appraisal.
Phase V	Monetary Costs and Benefits	To identify associated costs and revenues for each project option and rank all options according to their net present value.
Phase VI	Risk Appraisal and Adjustment for Optimism Bias	To identify and quantify effect of main project risks and assess how they can be managed /reduced. Adjust project cost/timing for Optimism Bias.
Phase VII	Assessment of Non-Monetary Costs and Benefits	To assess all those non-quantifiable factors that are pertinent to the project and rank all options according to their weighted score.
Phase VIII	Quantitative Analysis NPV/C's	NPV/C's are calculated for each option, including effects of sensitivity and probability analysis.
Phase IX	Selection of Preferred Option and Summary	To conclude on the findings from all previous phases and identify a preferred option considering the viability, additionality, cost effectiveness and economic impact of the project.
Phase X	Assessment of Project Financing, Marketing, Procurement, Monitoring and Post Project Evaluation	To illustrate and comment on proposed management and financing structure and set parameters for ongoing monitoring and evaluation, assess viability and marketing arrangements.



2. STRATEGIC CONTEXT

2.1. Introduction

In order to carry out an appraisal of the proposed project, it is necessary to take account of the particular objectives and aims of the key interest groups in order to identify the appropriateness of the proposed project. The strategic context for the appraisal will compare an overview of the organisations and funding strategies and the degree of strategic fit of the proposed works.

Northern Ireland Executive Programme for Government (Consultation Document) 2016-2021

The Programme for Government is the highest level strategic document of the Executive and sets out the priorities that it will pursue, and the most significant actions it will take to address them. The Programme for Government prioritises creating a place where people want to live and work, to visit and invest (Outcome 12). The proposed investment in public realm works seeks to regenerate the 'run-down' physical infrastructure of the town centre and create a safe, high quality environment for all.

It is envisaged that by improving the physical infrastructure of the town, it will attract more people, which will increase spending. Therefore, sustaining business activity, and encourage businesses to invest money, to build or to trade there, which improves the economy, creates jobs and reduces social and economic inequalities. It therefore is consistent with the NI Executives Programme for Government.

Northern Ireland Executive Investment Strategy for Northern Ireland 2011-21

This document is focused on prioritising infrastructure programmes that will deliver the best return in the period ahead, and in part seeks to tackle regional disadvantage through the regeneration of towns and cities. Public realm schemes are highlighted as one of the mechanisms to stimulate investment and economic activity. This scheme is therefore compatible the rational of this document.

Mid Ulster District Council Economic Development Plan 2015-2020

The Council have outlined four priorities to drive growth and regeneration. Theme 3, Town and Village Regeneration, promotes the towns and villages of Mid Ulster as places to shop, visit, invest and live. The proposed investment seeks to regenerate the town centre and create a safe and friendly environment for all sections of the community and thus is consistent with this vision.

Mid Ulster District Council Disability Action Plan 2015-2020

This document sets outs the Council commitment, in carrying out its function, to have due regard to the need to encourage participation by disabled people in public life. A site walkover of the town with representatives from the Disability Action Forum highlighted significant infrastructure issues which are likely to deter people with mobility issues from visiting the town centre, therefore restricting people from being able to shop locally or take part in some community events.

The proposed scheme aims to improve accessibility within Coalisland town centre by the provision of additional crossing points, footpath widening and improving the footpath surfacing. Therefore enabling disabled people to fully participate in the community.



Mid Ulster District Council, Our Community Plan - 10 year plan for Mid Ulster (2017)

The Council have outlined five priorities as part of their 10 year plan for Mid Ulster. Theme 1, Economic Growth, highlights how the Council's previous and current work on multi-focused town centre regeneration and village renewal schemes should be continued and include concerted efforts to address dereliction. The proposed development is in line with the Council's objectives for town centre regeneration and the reduction of derelict properties.

Theme 2, Infrastructure, highlights how the Council aims to manage and maintain the local roads network to facilitate the safe and convenient movement of people and goods. The proposed development to Coalisland aims to reduce congestion and improve pedestrian access and movement throughout the town centre.

Theme 5, Vibrant and Safe Communities, outlines the Council's aspiration to reduce anti-social behaviour by "designing out crime" to help develop safer spaces and places. The proposed development shall provide new lighting and mitigate dark spaces within town centre area which should help to reduce anti-social behaviour.

Department for Communities Business Plan (Draft) 2017/2018

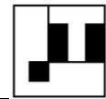
The Department's main function relevant to this project is bringing divided communities together by creating communities which are sustainable, welcoming and accessible to live, work and relax in peace. Target R1.1 aims to deliver programmes to help close the gap between the quality of life for people in the most deprived neighbourhoods and the rest of society. Target R4.7 aims to deliver a programme of regeneration activities geared to improve the environment in towns and cities across Northern Ireland. The proposed project will impact both at an aesthetic and operational level by improving the appearance of the town centre, improving parking arrangements as well as facilitating the traffic flow, thus the regeneration of the town will aim to have a positive impact on the economic health of the area.

Department for Communities (previously DSD) Urban Regeneration and Community Development Policy Framework (2013)

This policy framework sets out the department's policy objectives for urban regeneration and community development. In the context of this investment, "Policy Objective 2 – To strengthen the competitiveness of our towns and cities" with key actions in the delivery of this objective "regeneration and public realm improvements" and "improve the quality of urban design, distinctiveness and townscape quality" and "Policy Objective 3 – To improve linkages between areas of need and areas of opportunity" with key actions in the delivery of this objective to "develop an accessible and inclusive public realm". The proposed works will aim to revitalise the town centre and therefore is consistent these aspirations.

Section 75 of The Northern Ireland Act 1998

The Council is fully committed to complying with Section 75 obligations of the Northern Ireland Act, which deals with the promotion of equality of opportunity and good relations. The proposed public realm works seek to improve accessibility within the town, therefore creating a safe, high quality environment for all.



3. IDENTIFICATION OF NEED

3.1. Introduction

This section of the report assesses the need for the implementation of the proposed public realm works, which could improve traffic/pedestrian flows, enhance the aesthetics of the town, support other developments and contribute to regenerating the town centre.

Specifically the assessment of need considers:

- Need for Government Intervention;
- Physical Need;
- Baseline Information;
- Additionality;
- Displacement;
- Duplication; and
- Conclusion

3.2. Need for Government Intervention;

Northern Ireland Multiple Deprivation Measure 2017 (NIMDM 2017)

(NIMDM 2017) is the official measure of spatial deprivation in Northern Ireland. The main output geography for the NIMDM 2017 is the Super Output Area (SOA). SOAs are equivalent to Electoral Wards and sub-divisions of Electoral Wards in the majority of cases. In total Northern Ireland is made up of 890 SOAs with an average population of 2,100 people.

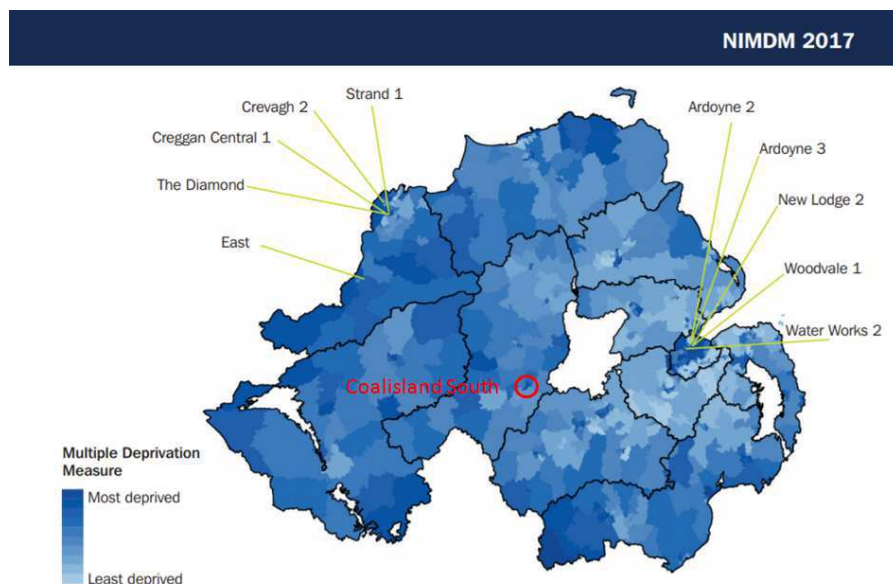


Figure 2: Northern Ireland Multiple Deprivation Measure 2017 ranks for SOAs

(from "Northern Ireland Multiple Deprivation Measure 2017")

Each SOA were assessed under the seven domains of deprivation. The indicators in each domain were analysed to produce a domain specific deprivation ranking of the 890 SOAs in Northern Ireland, from 1 (most deprived) to 890 (least deprived). The



ranks of the 7 domains were weighted and combined, to provide a ranking of multiple deprivation (MDM) for the 890 SOAs.

There are three wards for Coalisland, Coalisland North, Coalisland South, and Coalisland West and Newmills. Coalisland South. The table below shows a comparison of the three Coalisland Wards, and their Ward ranking. Coalisland South Ward is ranked particularly poorly in terms of income and employment deprivation, as well as health and disability deprivation.

	Coalisland North	Coalisland South	Coalisland West and Newmills
Multiple Deprivation Measure	329	92	360
Income Deprivation	431	76	437
Employment Deprivation	233	96	309
Health Deprivation and Disability Deprivation	191	82	297
Education Skills and Training	325	199	235
Access to Services	356	447	262
Living Environment	788	595	698
Crime and Disorder	513	197	529

Figure 3: Deprivation rankings for Coalisland SOAs

(from "Northern Ireland Multiple Deprivation Measure 2017")

Figure 4 shows that Coalisland Wards consistent rank in the top ten most deprived SOAs for Mid Ulster for a majority of the domains of deprivation. With Coalisland South ranking as the most deprived for Employment, Health and Disability and Multiple Deprivation.

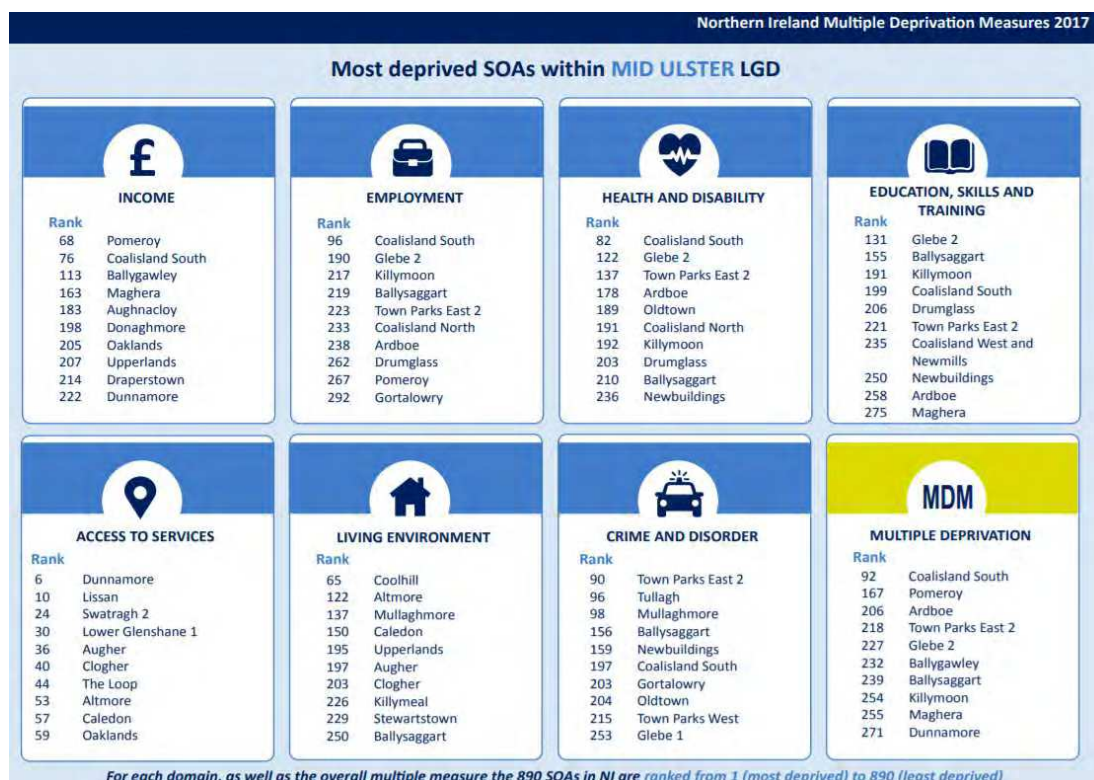


Figure 4: Summary of Top 10 Most Deprived SOAs within Mid Ulster

(from "Northern Ireland Multiple Deprivation Measure 2017")



Department for Communities - Neighbourhood Renewal Programme

In June 2003 “People and Place - a strategy for Neighbourhood Renewal’ identified the most deprived 10% of wards across Northern Ireland, and led to 36 areas being chosen to receive support. The Neighbourhood Renewal Programme aims to reduce the social and economic inequalities which characterise the most deprived areas. Neighbourhood Renewal Partnerships have been key to creating local plans to improve everyday life for people in those areas. Coalisland is one of two Neighbourhood Renewal areas in Mid Ulster.

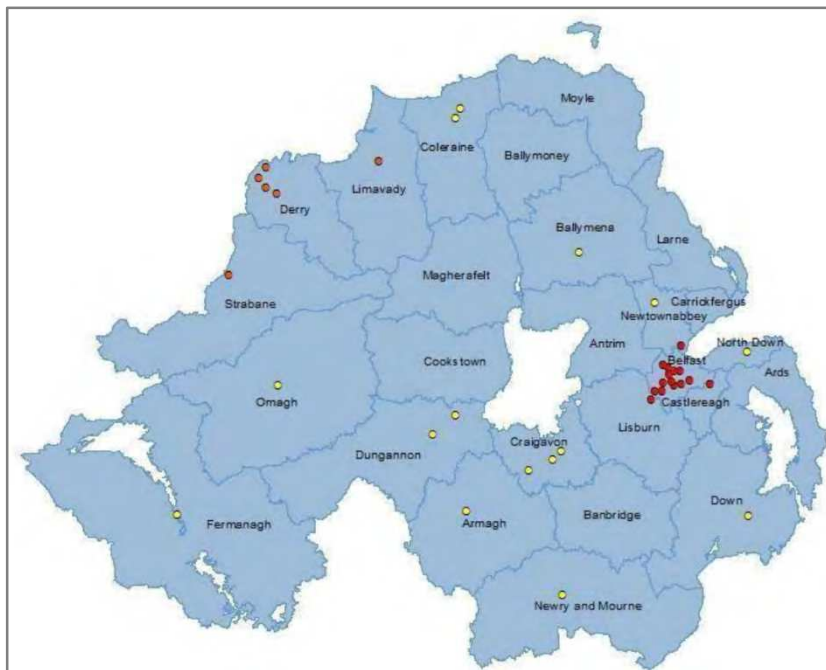


Figure 5: Northern Ireland Neighborhood Renewal Areas

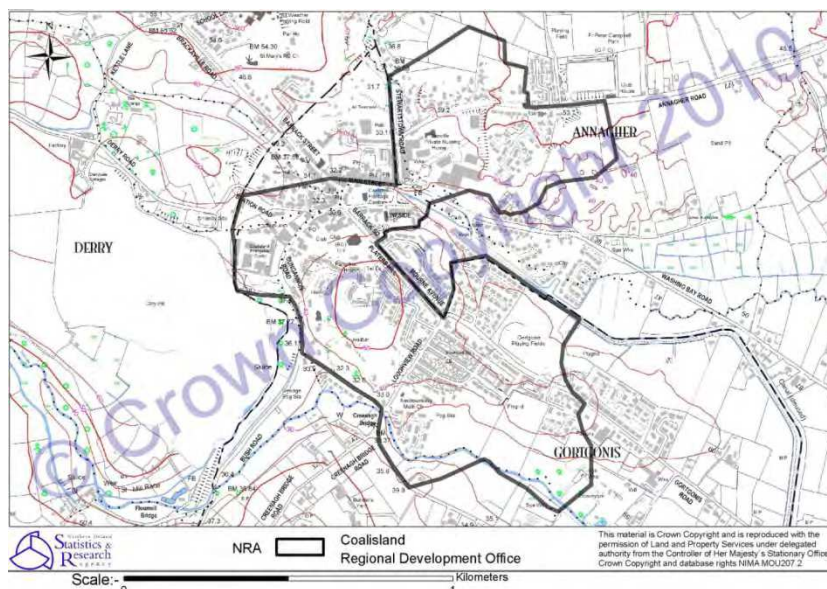


Figure 6: Coalisland NRA (Neighborhood Renewal Area)

Taking forward the Neighbourhood Renewal Programme in Coalisland, Coalisland & Dungannon Partnership was set up in 2012 to oversee the development and delivery of the local Neighbourhood Renewal Action Plan. The Partnership currently



comprises 55 members which include representatives from local communities, voluntary organisations, elected representatives, private sector and local statutory organisations including NIHE, PSNI, SH&SCT, DfI Roads. The Neighbourhood Partnership has been established as a vehicle for local planning and implementation. The Action Plan addresses the four strategic objectives of the Neighbourhood Renewal Programme; Community Renewal, Economic Renewal, Social Renewal and Physical Renewal.

Department for Communities – Vital and Viable

The Department for Communities aim is to create high quality public spaces and footpaths to encourage better access for all people including those with mobility or sensory issues. This will create spaces where people from all communities can meet, relax and enjoy the surroundings. “Vital and Viable” is the Department's good practice guide for breathing new life into cities and towns in Northern Ireland.

“Vital and Viable” encourages greater use of city and town centres by attracting more people back to work, socialise and shop in them. This also involves preserving and enhancing their role as safe shared spaces for all and as neutral venues for a wide range of activities.

The document outlines 4 Key priorities for regeneration in order to facilitate the successful regeneration of cities and towns:

1. Sustainability - ... social inclusivity, environmental impact and economic health must be taken into account....;
2. Design – “High quality building design....linked with the provision of public realm to an equivalent standard...coupled with sensitive design, can create a real sense of place”
3. Retailing – “The challenge ... is to project a unique identity and preserve the local retail offering in a way which is easily accessible.
4. Variety – “Leisure, entertainment, sporting and recreational pursuits ...evening and night time economies are now an integral element contributing to the vibrancy of towns and can work supportively with town centre living.”

Mid Ulster District Council - Coalisland Town Centre Development Framework

Mid Ulster District Council in conjunction with the Department for Communities (DfC) appointed URS (now trading as AECOM) to update the previous Coalisland Town Centre Development Framework. The document, published September 2016, engaged with a wide range of stakeholders and sets out short, medium and long-term proposals and actions for the coming 15 years.

The report highlighted the fact that traffic flows and congestion are a particular problem in Coalisland. In addition it states that Coalisland has assets that could be developed to support greater tourism and recreation capacity, however, development and investment is required. Both shopper surveys and business surveys revealed that the respondents rated the quality of the centre as it exists as average/poor. Generally, traffic congestion, physical appearance and the design of the town centre were highlighted as areas for improvement.



The report recommends rationalise existing on-street parking and provision of additional off street parking to improve movement around the town centre as well as improving accessibility for customers and create a less car dominated environment.

Improvements to the physical environment of the Town Centre, by making the Town Centre more attractive as a place to visit and spend time in would enhance the town's attractiveness.

Public Realm Public Consultation (Sept 2017 - May 2018)

September – November 2017

The initial proposals developed by Mid Ulster District Council were put on public display in the Cornmill Heritage Centre and Western House in Coalisland. A Consultation Questionnaire formed part of the public consultation process. This was distributed to all residents and business within the scope of the works and was available at the two display locations. Design proposals and options for the scheme were also made available on the Mid Ulster District Council website, together with a downloadable Consultation Questionnaire. A summary of the feedback received is outlined in Section 3.5 of this Report. A majority of the responses received were in favour of implementing parking restrictions within the town centre, however the need for alternative replacement off-street parking was stipulated.

May 2018

Two more additional information sessions where held at the start and end of May 2018. The aim of the additional meetings were to provide an update on how the project was progressing, and provide responses to any queries raised during the initial consultation sessions. This included visual output from the traffic model, proposed pedestrian crossing point positions, potential additional off-street parking locations and 3D visualisations of the scheme.

3.3. Physical Need

Physical Condition Survey

A photographic survey of the physical condition of the existing streetscape was undertaken on the 2nd November 2017. The character and appearance of the current streetscape is diminished for a number of reasons;

- The existing paving materials and street furniture are dated. The mixture of block paving and asphalt surfacing, along with areas of poor reinstatement, create a disjointed appearance.
- The footpaths are narrow in places with very few pedestrian crossings provided, which impacts pedestrian movement and presents a safety issue given the high volume of traffic in the town including heavy goods vehicles,
- There is currently no parking restrictions enforced within the town, with cars parking haphazardly leading to traffic congestion and restricting traffic flows.



Main St - Derelict site is visually unappealing and creates a visual barrier between the Main St and the main town centre car park at the Cornmill.



Main St - Narrow footpath which limits pedestrian movement



Main St - Section of footpath missing, kerb lines to not line up, causing ambiguity between carriageway and footpath



Main St - Pedestrian crossing with no complimentary dropped kerb on opposite side of the road which presents a safety issue



Main St - Mixture of dated paving materials and damaged kerbs creating an unappealing aesthetic.



The Square - Footpath narrows at corner which limits pedestrian movements, difficult for wheelchair users/buggies to negotiate



The Square towards Main St - There is currently no formal footpath provide in front of Donnelly McAleer Pharmacy. Asphalt surfacing is aesthetically poor with several areas of reinstatement visible.



The Square - Section of footpath missing, asphalt surfacing is aesthetically poor with several areas of reinstatement visible.



Access to Cornmill car park from The Square - No formal footpath provided to separate pedestrians from vehicular traffic



Barrack St - Vehicles parking on footpath reduces width from pedestains



Dungannon Rd/The Square - highlights the present condition of the pavement including colour, vegetation group, and dips in the surface



Lineside - Poor aesthetic nature and quality of asphalt pavement



Derelict Site between Main St and Cornmill Car Park



Derelict Site between Main St and Cornmill Car Park



Unrestricted parking creating narrow carriageway and leading to congestion



Unrestricted parking creating narrow carriageway and leading to congestion

Recent Improvements

Mid Ulster District Council in conjunction with the Department for Communities undertook improvement works to the Cornmill car park in March 2016. The works included the provision of 15 additional parking spaces, the creation of 5 disabled parking spaces, new footpath, street furniture, lighting and the creation of a new pedestrian access between the car park and Main St beside Donnelly McAleer Pharmacy.

The Department for Infrastructure - Roads have recently provided two new controlled pedestrian crossings in Coalisland town centre; one is located at the Cornmill on Lineside and the other at Coalisland Credit Union on The Square.

Scope of Works

The proposed public realm scheme will include the follow streets:

- The Square
- Main Street
- Lineside Road
- Platters Hill
- Dungannon Road,
- Stewartstown Road,
- Washingbay Road
- Birney Square
- Barrack Street,
- Barrack Square
- Station Road,
- Seagrave Terrace

A site walkover was undertaken by the Integrated Consultancy Team, MUDC, & DfC on the 12th April 2017 to agree the scope of the scheme. It was agreed that the scheme would extend to all retail and commercial properties on the above streets which are located within the Coalisland Town Centre Boundary. See extent of Town Centre Boundary below. By focusing on improving the core retail and commercial



areas, it is envisaged that this will increase footfall and attract shoppers and businesses to the town centre.

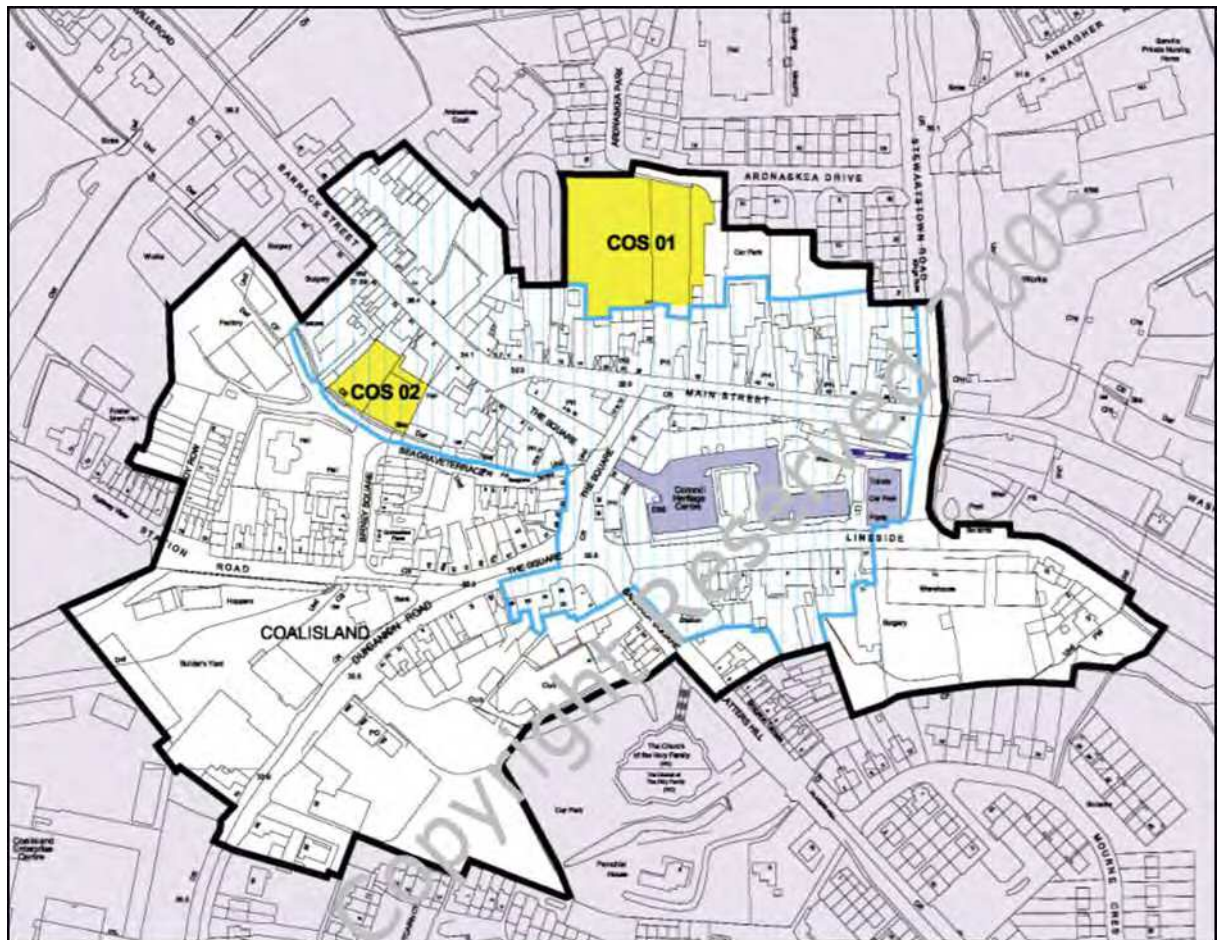


Figure 7: Coalisland Town Centre

Extract from Dungannon and South Tyrone Area Plan 2010 - Adopted Plan, Map No. 62b

The proposed public realm works will include paving, kerbing, resurfacing, drainage, signage, planting, street furniture, lighting and festive lighting infrastructure. The potential inclusion of additional off-street car parking has also been considered as part of the scheme.

Proposed Development of Land in Private Ownership

There are a number of privately owned parcels of land which are proposed to be incorporated within the scope of the public realm scheme. These include areas on Lineside, The Square, Station Rd and Dungannon Rd. These areas are generally comprised of parking areas between the back of the public footpath and businesses. Should these areas not be incorporated in scheme, it is envisaged they would detract from the appearance of the new Public Realm.



Photograph Showing Privately Owned Parking Area at 6-9 Lineside

Department for Infrastructure - Roads

The project team have consulted with the Department for Infrastructure - Roads (DfI Roads) throughout this initial concept design stage. Representatives from DfI Roads have been in attendance to monthly board meetings, where they have provided input to the proposals as the designs have been developed. The project team have also held one-to-one meetings with DfI Roads regarding their traffic model requirements, street lighting specifications and undertaken a site walkover to identify all adopted and non-adopted areas within the scope of the scheme.

Consultation with Utility Providers

The project team has undertaken extensive consultations with Utility Providers to date. Initially, all Utility Providers were contacted by email/letter to requested record information of any plant/infrastructure within the scope of the public realm scheme. Each Utility Provider which has existing plant within the scheme area was invited to a one-on-one meeting, to outline the proposed public realm scheme and identify any planned upgrade works to be undertaken by the Utility Provider. Utility Providers were requested to programme any planned upgraded works prior to the public realm scheme commencing. Generally, Utility Providers have been very proactive in this respect, with some works having already been complete.

The project team were also aware that SGN plan to install gas pipelines throughout Coalisland as part of the Gas to the West scheme. Therefore, the project team have met with an SGN representative and have obtained an agreement from SGN to bring forward their planned works in Coalisland to June 2018 to ensure their work is complete prior to the public realm scheme.



Table 2 : Summary of Utility Provider Information

Utility Provider	Contact Details	Record Information	Future Planned Works
NIE	Nigel Watkin/ Francis McKillion	Record maps received	Currently no upgrade works envisaged.
NIW	David Clydesdale / Marie McCartney	Record maps received	NIW have undertaken upgrade works throughout the town centre. Some additional works to Main St and the Cornmill car park are scheduled for Sept 2018.
BT	Fergal Smith	Record maps received	No planned upgrade works.
Firmus Gas	Damian Caddell	None present	No
Phoenix Gas	Beatrice Mahoney	None present	No
SGN	Mark Davidson	None present	Yes - SGN to lay main in town centre prior to public realm. Duct locations for future connections identified and to be laid as part of public realm scheme.
Virgin Media	Virgin Media	None present	No
Dfl - Roads Street Lighting	Eddie Lynn/ John Ross	Record maps received	Upgrade works as part of PR scheme
Dfl - Rivers	Anne Mc Guigan	Record maps received	No
Premier Transmission	Regan Smyth	None present	No
GTT(Hibernia Atlantic)	Owen Maguire	None present	No
MUDC - Cornmill Lighting	MUDC	Record maps received	Upgrade works as part of PR scheme

3.4. Baseline Information

The Baseline Information data originates in the Coalisland Town Centre Development Framework published in September 2016 and stakeholder engagement meetings and public consultation sessions undertaken by WDR & RT Taggart between September 2017 & May 2018.

A further baseline survey is scheduled to be undertaken in September 2018, approximately six months before commencement of the works. The survey will record the public perception of the town prior to the development. This data will be



used for comparison at Post Project Evaluation stage to assess the project objectives. A draft Shopper Questionnaire is provided in Appendix H.

Coalisland Town Centre Development Framework

In September 2016, Mid Ulster District Council commissioned AECOM to complete a Framework document for Coalisland. The development of this document required fulsome engagement with a wide range of stakeholders using both desk and field research. A range of short, medium and long-term proposals and actions had been proposed and has provided a strategic focus for regeneration activities and initiatives within Coalisland town centre.

This document has been the baseline to effectively evaluate the need for a public realm scheme within Coalisland town centre, with the commitment by Mid Ulster District Council to conduct pre construction and post construction surveys with shoppers and businesses. These survey will be conducted up to 6 months prior to contractor, as per ASU Guidelines.

As part of Coalisland Framework a retail capacity study and town centre health check had been carried out by Roderick MacLean Associates in conjunction with AECOM in Spring 2014.

The culmination of that process is set out in an updated framework document and outlines a range of proposals and actions set out below.

Objectives

As stated in the Framework document “The framework must aim to meet the following objectives agreed by the Department for Communities (DfC) and the Council”

- Be sustainable;
- Have high amenity value;
- Be accessible;
- Offers appropriate attractions;
- Promotes civic pride;
- Demonstrates clear leadership and ownership;
- Provides for a peaceful future; and
- Contributes to a flourishing regionourishing region

The document sets out a clear vision and Action Plan under three thematic headings:-

1. Connecting Coalisland;
2. Creating a high quality town centre environment;
3. Improving the Coalisland experience.

One of the key priority projects identified within the Plan is a Public Realm Scheme for the town centre.



Surveys Undertaken to Establish Baseline Data

Historical Background Desk Study

A desk study of the historical background of the town was undertaken. The opening of the Tyrone Canal in 1744, in combination with the mining of the abundant coal in the area are the underlying reasons for the town's growth and development. Today, Coalisland provides a convenient and compact centre with a range of local retail outlets complemented by restaurants, cafes, bars and services.

Planning context

A desk study of the planning context was undertaken. Coalisland Development Framework sits within the context of the Dungannon and South Tyrone Area Plan 2010. A large proportion of Coalisland Town Centre falls into a designated Area of Townscape Character (ATC). The ATC acknowledges the unique arrangement of the narrow irregular streets. The Dungannon and South Tyrone Area Plan 2010 also strategically highlights existing car parking around the Cornmill Heritage Centre which is to be retained throughout any future Town Centre development. The Strategic Planning Policy Statement (SPPS) for Northern Ireland has now been adopted and in particular for Coalisland, PPS5 'Retailing and Town Centres'. One of the objectives within the SPPS is a '**town centre first approach**' which should be at the forefront of new opportunities for Coalisland.

Socio-economic profile

A desktop survey of the NISRA data for the relevant output areas for Coalisland was carried out. The Northern Ireland Multiple Deprivation Measure (NIMDM) 2017 provides information on seven types of deprivation and an overall measure of multiple deprivation for small areas. The most deprived Ward is ranked 1, the least deprived Ward has a rank of 890. The deprivation rankings for the Coalisland Wards are given in Section 3.2 **Figure 3**. The following key points can be highlighted:

- Access to private transport is significantly lower in the Coalisland South;
- Coalisland South Ward which is ranked as the most deprived area in Mid Ulster; and
- Coalisland South Ward is ranked particularly poorly in terms of income and employment deprivation, as well as health and disability deprivation.

In June 2003, Government launched Neighbourhood Renewal - People and Place. Neighbourhoods in the most deprived 10% of wards across Northern Ireland were identified using the Noble Multiple Deprivation Measure. Coalisland is identified as one of these areas. The Neighbourhood Renewal Programme aims to reduce the social and economic inequalities which characterise the most deprived areas. It does so by making a long term commitment to work in partnership with communities to identify and prioritise needs. Coalisland & Dungannon Partnership was set up in 2012 to oversee the development and delivery of the local Neighbourhood Renewal Action Plan. The Partnership currently comprises 55 members which include representatives from local communities, voluntary organisations, elected representatives, private sector and a range of statutory organisations. The Action Plan addresses the four strategic objectives of the Neighbourhood Renewal Programme; Community Renewal, Economic Renewal, Social Renewal and Physical Renewal.



Townscape character appraisal

Information gathering workshops and surveys with local businesses and shoppers were undertaken. The results with respect to the Public Realm Works were as follows:

- The town centre is busy and vibrant, with the main shopping area concentrated around Main Street, the Square and, to a lesser extent, Lineside;
- The principal access problem is congestion in the town centre, especially in the vicinity of the Square, where there are a series of mini roundabouts and give way junctions compacted into a small area;
- The road layout, combined with school buses and a relatively high density of heavy goods vehicles creates significant congestion; and
- Poor road layout is exacerbated by lack of any control of on-street parking, with abandonment of cars in awkward locations.

Tourism appraisal

Information gathering workshops and surveys with local businesses and shoppers were undertaken. The results with respect to the Public Realm Works were as follows:

- development and investment is required to support greater tourism and recreation capacity;
- protection of the Canal route for heritage and tourism purposes is a key priority;

Retail assessments

In Spring 2014, A retail capacity study and town centre health check was carried. Below is a brief summary of the findings:

Catchment Area

There was increase of 16% in the catchment population over the past ten years;

Land uses and retailing offer

- retailing is a key component of land uses in Coalisland Town Centre, but services represent a greater proportion of the total usage;
- there is a high level of expenditure leakage from Coalisland to larger centres such as Belfast and Sprucefield;
- main opportunities are to increase the number and quality of independent specialist retailers’;
- vacancy rate of 13.1%, which suggests an over-supply; and
- improvements to the physical environment of the Town Centre is essential to support retail.

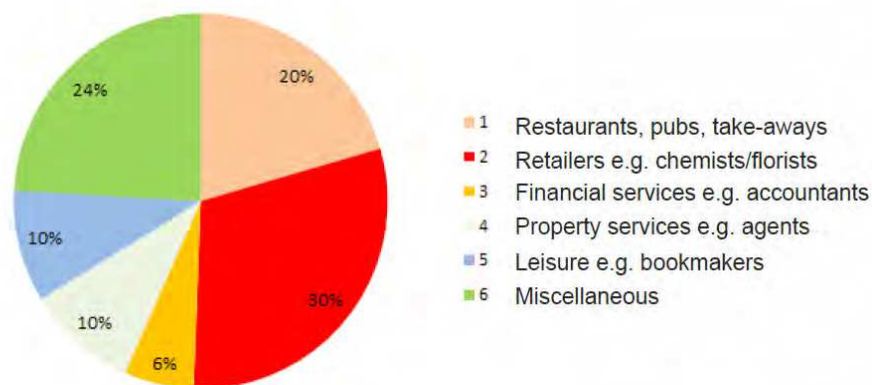


Figure 8: Coalisland Distribution of Non-Retail Service Units by Type
(from Coalisland Town Centre Development Framework 2016)

Shopper Survey

The shopper survey revealed that people visit the town centre for various activities. These results are summarised in the chart below

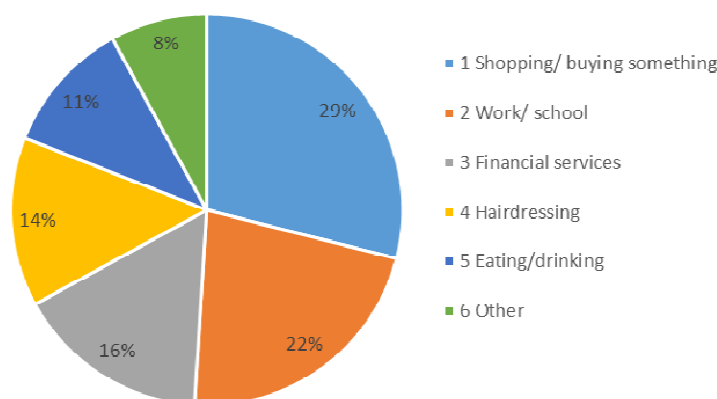


Figure 9: Coalisland Shopper Survey - Activities
(data from Coalisland Town Centre Development Framework 2016)

Perception

The respondents were asked to rank the quality of the centre as it exists. The findings indicate an overall rating of average/poor. The results reveal that the level of dereliction, the condition of buildings and antisocial behaviour get the lowest ratings, followed by facilities for visitors and marketing of Coalisland.

The majority of respondents all strongly agreed on the following:

- the physical appearance of the Town Centre could be improved;
- the design of the centre could be improved;
- the area has a negative image;
- they felt safe;
- there are anti-social problems in the centre; and
- the respondents would most likely use the centre as a consequences of the changes that could be made by the project.



Business survey analysis

A business consultation exercise resulted in an excellent response with approximately 80 completed questionnaires received.

Car parking and Customer Parking

A quarter of respondents state that staff car parking is having a major impact on their business. There is a possibility that staff are parking on spaces which could be utilised by customers. Opinion was divided on customer parking, with 44% believed that customer parking was a high-serious issue whereas 44% also believed that it had minimal-low impact. The report recommended rationalising existing on street parking and provide off street solutions to improve movement around the town.

Traffic Congestion

Nearly 40% of respondents state that congestion is having a high-severe impact on their business operations.

Physical appearance

40% of respondents perceived that the quality of the surrounding areas was having a high-serious impact on their business. 30% stated that this was having a minimal-low impact. The disparity between responses could be explained by recent environmental improvements to some areas where others have lagged behind e.g recent improvement to Cornmill carpark.

Strengths and Weaknesses

Strengths customer care
 businesses look after the area outside their property
 transport links
 choices of places to eat

Weaknesses derelict buildings
 lack of evening economy
 access for the disabled

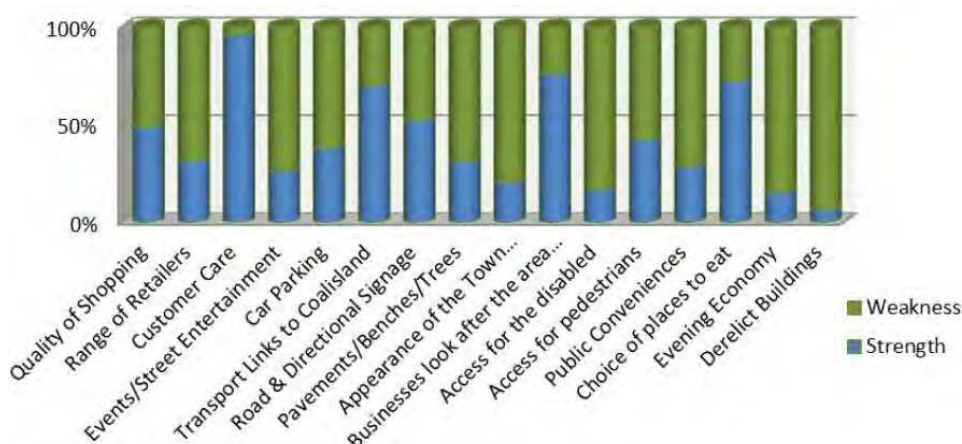


Figure 10: Strengths and Weaknesses

(from Coalisland Town Centre Development Framework 2016)

Public realm options

62% of business respondent preferred Option A ("improving the visual quality of the town centre with minimal changes to traffic circulation and car parking")



Traffic Management Proposals

5 proposals were presented to participants. No single proposal was disliked by more than 20% of respondents.

Below is a summary of the survey results, with 52% wanting traffic circulation to be a priority.

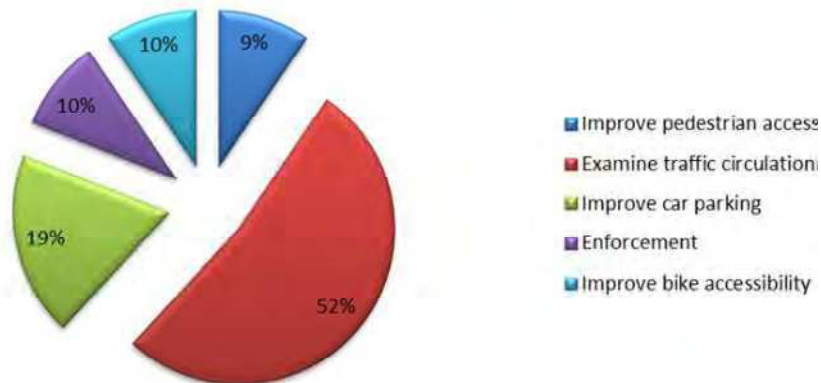


Figure 11: How can the management of traffic be improved in the long term?

(from Coalisland Town Centre Development Framework 2016)

This highlights the demand from retailers for investment in infrastructure, and improving the town's image.

Pedestrian flow analysis

A footfall survey analysis of Coalisland was carried out at three fixed times of the day, both on weekdays and weekends, in order to determine the changing footfall patterns in various parts of the Town Centre. The area around O'Neill's Public House generated the consistently high levels of footfall on both weekdays and weekends. The former PSNI Barracks, has similar high levels. (The area at PSNI on Lineside has the bus stop for the main B520 road).

The highest levels of footfall were recorded on Saturday at 12pm, at O'Neill's and on the Dungannon Road towards Supervalu. (See Figure 14). During the week, the highest levels of footfall were also observed at 12pm, particularly at Lineside towards the Heritage Centre (see Figure 13). Similarly high levels were observed at the Main Street junction near to Schiedel factory at 4pm, which may be accounted for as employees leaving work (see Figure 12).



Figure 4: Footfall heat map - data collected on a given Tuesday at 4pm
(from Coalisland Town Centre Development Framework 2016)



Figure 5: Footfall heat map - data collected on a given Friday at 12 noon
(from Coalisland Town Centre Development Framework 2016)



Figure 14: Footfall heat map - data collected on a given Saturday at 12 noon
(from Coalisland Town Centre Development Framework 2016)

Consultation

Information gathering workshops with local businesses and also with shoppers and design workshops were held with the Steering Group to discuss and agree on the vision and regeneration objectives for the Development Framework. This has informed the previous section. A public consultation was then run for a 6 week period. Relevant points raised through the public consultation exercise are incorporated into the SWOT analysis and the final proposals. The outcome of this exercise also resulted in Option A being selected as the preferred option.



Strengths	Weaknesses
<ul style="list-style-type: none"> The historic layout of the town creates a unique character e.g. Cornmill and the former Canal Basin A variety of local independent traders operating within a compact town centre Coalisland and the surrounding areas are a major employment hub in the manufacturing and industrial sectors Local theatre attracts people who would not normally come to Coalisland 	<ul style="list-style-type: none"> Traffic flow and circulation around the town centre Accessibility and parking within the town centre Townscape and public realm has become tired and needs to be revitalised Lack of high quality open spaces where activities and special events could be held for the entire town
Opportunities	Threats
<ul style="list-style-type: none"> To redevelop vacant and under used sites Potential to create a vibrant heart to the town centre To exploit some of the existing surrounding assets such as the clay pits, canal corridor Marketing and promotion of the town to increase the attraction of tourists 	<ul style="list-style-type: none"> Increased competition from Dungannon and other centres such as Cookstown and Magherafelt Poor accessibility and parking may act as a deterrent for shoppers, visitors and potential investors Pressure applied to local traders from large supermarkets Large vacant sites and vandalism could combine to create a negative perception of the town

Figure 15: SWOT Analysis
(from Coalisland Town Centre Development Framework 2016)

3.5. Public consultation process - WDR & RT Taggart - Sept 2017 - May 2018

September 2017 - November 2017

A 12 week Pre-Application Community Consultation was held from September to December 2017. Consultation was undertaken in the form of public meetings, public exhibitions, drop in sessions, press notices and door to door visits with businesses. A site walkover was also undertaken with representatives from various local disability groups.

Feedback questionnaires were made available to businesses and members of the public.

A summary of the responses received is outlined below:

	Yes	No	No Response
Question 1 Do you agree with the proposed public realm improvements to Coalisland as outlined on the Draft Proposal Boards?	55%	30%	15%
Question 2 Do you think the proposal will create a safe, high quality, pedestrian friendly environment?	55%	27%	18%



	Yes	No	No Response
Question 3 Do you believe that the high quality materials proposed for this scheme will complement the industrial heritage of the town?	64%	16%	20%
Question 4 Are you in favour of the following proposals			
i. One-way traffic on Main Street	61%	27%	12%
i. One-way traffic on The Square	34%	41%	25%
ii. Bus Layby on Lineside	73%	16%	11%
iii. Right hand turn lane on Barrack Square	64%	11%	25%
iv. Entrance only vehicular access to Cornmill car park from The Square	52%	27%	21%
Question 5 Would you be in favour of implementing parking restrictions in key locations?	80%	5%	15%

The consultation process, site walkover with disability groups and the Non-motorised Use Audit have all raised issues with the lack of car parking control measures within the town. This results in car parking on the footpath and obstructing pedestrian routes, reducing sight lines and causing motorists to drive around vehicles and on to the opposite side of the road. Feedback from the public consultation process has indicated that a significant majority (80% of all responses received) are in favour of implementing parking restriction enforcement at key locations within the town, however with a caveat that additional new off-street parking was provide to service vehicles which are being displaced from on-street parking. This issue was also raised during public meetings and meetings with elected representatives. A significant majority were also in favour of implementing one way traffic on Main St and introducing a bus lay-by on Lineside.

May 2018

Two more additional information sessions where held at the start and end of May 2018. The aim of the additional meetings were to provide an update on how the project was progressing, and provide responses to any queries raised during the initial consultation sessions. This included visual output from the traffic model, potential additional off-street parking locations and 3D visualisations of the scheme.

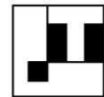
Mid Ulster District Council are receptive to all queries and/or concerns raised by stakeholders, and strive to address the issues raised where possible. Mid Ulster District Council are committed to providing a scheme which will benefit the whole community by providing a safe accessible environment to help encourage more visitors and shoppers into the town centre.



3.6. Non-motorised User Audit

A Non-motorised User Audit (NMU Audit) was undertaken by Kevin McShane Ltd in December 2017. The purpose a NMU Audit is to facilitate the inclusion of all walking, cycling & horse-riding modes in the highway scheme design process from the earliest stage, enabling the design team to identify opportunities for improved facilities throughout the design process. A summary of the problems identified in the report is outlined below:

- There are various junctions around the square in Coalisland which do not have tactile paving or dropped kerbs. With no tactile paving or dropped kerbs present, the pedestrian facilities are not at a standard appropriate for the Disability Discrimination Act (DDA). Thus, impeding the use of these routes for people who are visually impaired, mobility impaired or those with prams.
- There are only two pedestrian controlled crossings currently located in the town. However, the majority of people within Coalisland cross the road to get to their destination. The pedestrians commonly walk across over the two mini roundabouts located at the square in order to reach Main Street.
- Motorised traffic danger may be a concern due to the various directions pedestrians currently have to take to get to where they want to go around the square of the town. These desire lines are unpredictable and not expected by all motorists especially those just travelling through the town, making traffic danger higher than one where pedestrian paths are common and well facilitated. Vehicles park where they please around the west side of the square as no Controlled Parking Zone measures are in place. This results in cars parking on the roadway at the roundabouts, meaning sightlines are reduced and cars are having to drive around vehicles and onto the opposite side of the road. This may increase the risk of vehicle collisions.
- The width of footpaths for pedestrian routes is not acceptable in parts and non-existent in others with no footpath present outside Donnelly McAleer Pharmacy and a very narrow footpath down the street towards Barrack Square.
- Pedestrian routes are obstructed regularly with HGVs observed parking and unloading on the footpath across from the Central Bar blocking the access to the Car park and the footway around the square.
- There are no dedicated cycle tracks around the town due to the low level of cyclist. However, it is important to allow for cycle facilities to be provided in the future.
- A number of the footpath links around the town end abruptly or are blocked due to pedestrian guardrails causing pedestrians to either walk on the public road or turn around and return towards the town until they can cross the road safely. Vehicles Park along the area with no footpath previously detailed causing pedestrians to navigate around the vehicles or go on the public road if using a child's buggy.



- The proposed facilities need to be able to accommodate the turning radius for cycles, pushchairs, and wheelchair users so they can safely navigate around the town and ensure the accessibility for all non-motorised users around the town.
- Hazards appear around the existing town in the form of low kerbs in various places, which would make it difficult for visually impaired users to detect the change between the footpath and carriageway with either a guide dog or a cane.
- Steep cross falls are present at certain points on the existing footpaths increasing the risk of falls and trips to users.
- A number of shop fronts have stepped access to them along the Dungannon Road whilst the credit union access has a steep ramped access up to it. These features are deterrents for wheelchair users, child buggies and the visually impaired.
- Cycle parking is only provided at the library meaning cyclists who wish to go to certain parts of the town always have to park at the cycle bay and continue their journey on foot. More cycle parking in various parts of the square would provide cyclists with more variety and better locations to park their bicycle safely and securely.
- Yellow reflective strips are present on the bollards located near the main street mini roundabout to the east of the town. These strips can cause glare to the visually impaired and potentially cause them to navigate off the footpath and into the public road by mistake.
- The existing pedestrian crossing located along the Dungannon Road is close to the mini roundabout at the square where there is risk of a collision due to vehicles having to stop suddenly once coming off the roundabout.

3.7. Site Walkover with Disability Groups

A site walkover was undertaken with Ursula Marshall - Mid Ulster Disability Forum, Jackie Cotton - RNIB, Mark Farquhar - Shopmobility Mid Ulster, along with representatives from Mid Ulster District Council and WDR & RT Taggart on 16th November 2017. During the site walkover, a number of issues were identified which may hinder the movement of disabled people throughout the town centre. These issues have been summarised below:

- Lack of adequate pedestrian crossing points,
- Narrow sections of footpath,
- Low kerbs - difficult for guide dog or cane to detect change between carriageway and footpath,
- Vehicles parking on footpath which reduces usable footpath width,
- No on-street disabled parking bays,



- Street furniture reducing usable footpath width,
- Steep crossfall of footpath at some locations,
- Stepped access to some buildings, therefore inaccessible to wheelchair users.

The Mid Ulster Disability Forum also complete a Pre-works Survey to rate the current condition of the public realm. The group rated a majority of the public realm as "Poor". The group also noted that parking on footpaths as a major issue when they undertook their walkover as it forces wheelchair users onto the road. The survey and a letter of support for the public realm scheme from the Mid Ulster Disability Forum is provided in Appendix E.

3.8. VISSIM Traffic Modelling Report (2018)

A VISSIM Traffic Model was undertaken by Atkins to assess impact on traffic flow for all three proposed layouts. The Traffic Model report concluded that Proposal 2 , which introduces a one-way system on Main St and The Square, introduces a large amount of delay through the network and results in long queues along Main St, particularly during the Saturday peak period. The report outlines that Proposal 1, which introduces a one-way system on Main St, and Option 3, which maintains a two-way system on Main St, both perform well compared to the base model. The report concludes that both Proposal 1 & 3 can both be recommended as viable options based on traffic performance.

3.9. Traffic Management and Parking Enforcement

Previous attempts by DfI Roads to improve traffic management and parking enforcement within the town have been unsuccessful. This is partly due to current road layout which does not provide space to provide formalised parking bays and there is a lack of road markings and signage. Additionally, previous attempts to deploy parking attendants in the town have been ineffective.

This has resulted in no parking tickets being issued in the town for several years. It has been reported by local representatives (see attached correspondence in Appendix G) that there is an inequality in the enforcement of parking regulations, describing Coalisland as a "free for all".

DfI Roads have confirmed that they propose to introduce parking restriction legislation to the town following completion of the public realm scheme. It is also their intention, once all relevant signage and legislation is in place, for uniformed traffic attendants to be deployed to Coalisland to carry out enforcement of all parking restrictions. Letter from DfI Roads is provided in Appendix F.



3.10. Town Centre Database

The Town Centre Database aims to provide a clear, consistent set of statistics relating to the 41 urban towns and cities in Northern Ireland. It is provided by the Department for Communities and the Northern Ireland Statistics and Research Agency. A summary from the Town Centre Database for Coalisland for Non-domestic Property Vacancy Rates, Road Traffic Collisions and Crime are provide below.

Crime

Crime Type	2017	2016	2015	2014	2013	2012
Anti-social behavior	69	55	49	48	47	90
Bicycle theft	-	-	-	-	-	-
Burglary	4	6	-	3	2	9
Criminal damage and arson	10	27	13	10	17	21
Drugs	9	9	1	3	4	3
Other crime	3	3	5	3	5	5
Other theft	8	6	4	7	1	6
Possession of weapons	-	1	-	1	-	-
Public disorder and weapons	-	-	-	-	1	2
Public order	1	-	-	-	-	-
Robbery	2	1	-	-	1	4
Shoplifting	8	4	4	3	1	5
Theft from the person	-	-	-	-	-	-
Vehicle crime	-	4	3	1	3	1
Violent crime	-	-	-	-	8	36
Violence and sexual offences	30	27	28	37	25	-
Total Crime	144	143	107	116	115	182



Road Traffic Collisions

Year	Number of Collisions	Number of Casualties	Killed	Seriously Injured	Slightly Injured
2016	8	12	0	2	10
2015	2	2	0	0	2
2014	3	5	0	1	4
2013	0	0	0	0	0
2012	2	3	0	0	3

Non-domestic Property Vacancy Rates

Date	No. of Properties	No. of Vacant Properties	% of Vacant Properties
30th April 2014	134	40	29.9%
30th April 2015	136	42	30.9%
31st December 2015	136	41	30.1%
30th April 2016	136	41	30.1%
31st October 2016	132	38	28.8%
7th May 2017	134	37	27.6%
31st October 2017	134	36	26.9%
30th April 2018	138	41	29.7%

3.11. Lessons Learnt from Previous Public Realm Schemes

A summary of lessons learnt during similar public realm schemes is outlined below:

Works Information/ Scope of Service	Detailed traffic management requirements outlined at tender stage; i.e. phasing of road closures, removal of barriers at weekend etc.
Utilities	Good communication with utility providers required. Upgrade works to be undertaken prior to public realm to avoid conflicting traffic management. GPR survey to be undertaken to minimise issues caused by unforeseen shallow services.
Stakeholder Engagement and consultation	Robust communication is essential with business community, Translink and other key services during delivery e.g. schools, churches etc. The contractor's Site Liaison Officer and Town Centre team plays an important role informing businesses on a one to one basis. Useful that communication involves council and contractor when speaking with business community to avoid miss understanding.



Design of Scheme	Warning signage/traffic management controls to be provided when altering road layout. i.e. footpath build-outs. If planting trees, need to be mindful of services under ground. Obtain sign-off for signage and road markings from DfI Roads prior to tender stage.
Phasing of Works	Important to balance number of streets being worked on and time of year based on the nature of businesses trading and services on street e.g. work at schools can be completed during holiday period.

3.12. Additionality

A project should not receive assistance if the project objectives would be achieved without public expenditure. In general, assisted projects should receive only the minimum assistance required to bring them about, with any excess over the amount referred to as 'dead-weight'.

Additionality is not solely a matter of a project being pursued or not but often partial in the sense that without assistance:

- The project may have been carried out in another location of some lower priority;
- The same project may be carried out later;
- A different project may be carried out or the same project on a smaller scale or to a lower standard of quality; and
- The project could receive funding from other Government departments.

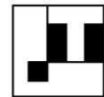
On the basis of the needs assessment, the proposed level of expenditure is acknowledged as the minimum level of expenditure required to meet the identified needs, and therefore additionality is not an issue.

3.13. Displacement

Displacement is the degree to which an activity promoted by government policy is offset by reductions in activity elsewhere.

Dungannon Town is the closest centre of population and is to the south west of Coalisland. It is a primary commercial centre serving the Mid Ulster District Council Area. It has a developed town centre with a significant concentration of retail, service and other business uses, and has recently undergone the second phase of public realm works. It is improbable that any of the public realm works undertaken in Coalisland would have a detrimental effect of Dungannon. Moreover, the overall enhancements to Coalisland town centre, making it a more welcoming place within the county of Tyrone, can generally be seen to be making the whole area more attractive to visitors.

Displacement is not an issue for the environmental improvements outlined in this report.



3.14. Duplication

There are no other known Public Realm Initiatives planned for Coalisland and its environs at the time this report was authored.

3.15. Other Capital Projects

There are several other major capital project which are currently under development in Coalisland, outlined below:

Gortgonisis Development

Mid Ulster District Council are planning to develop a new £5M leisure and recreation centre in Coalisland, including a 3G football pitch and play areas. Adjacent to the Leisure Centre there is also plans for a Gaelscoil.

Lake Torrent Racetrack Development

Construction has commenced on the development a International Motorsports Centre and racetrack on a 163 acres site at the former clay pits located on the outskirts Coalisland. It is envisaged that the venue could host regional, national and international competitions, aiming ultimately to host events like the World Super Bike Championships and British Touring Car Championship, attracting up to 30,000 spectators to the town.

Former Police Station Development

The former police station, located on the corner of Lineside and Platters Hill, has recently been redeveloped to provide 18 new apartments.

It is expected that these project will attracting more people to Coalisland, increasing the need to improve the current town vehicular and pedestrian infrastructure.

3.16. Conclusions

From the evidence outlined above, it is this author's view that there is a compelling argument for undertaking improvements to the public realm in Coalisland. This conclusion is based on:

- The need for government intervention (Section 3.2). As described, Coalisland is a deprived area and designated Neighbourhood Renewal Area that government and other agencies have committed to improving through policy documents.
- The physical need is evident from the information provided. The condition of the town's paving street furniture are dated and unappealing. Traffic flow and parking is causing congestion. This creates an unwelcoming and unattractive town centre.



- Coalisland contains a number of key sites identified in the SWOT analysis where opportunities exist for new development and refurbishment. The Development Framework identified development of these areas “provides the opportunity to enhance the quality of the built form and provide a future benchmark”. The proposed scheme has the potential to act as a catalyst in this regard; and
- The wider community interests represented on the Partnership are 100% supportive of the need to carry out improvements to the town

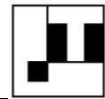
Improvements to the public realm will undoubtedly improve the physical appearance of Coalisland so that it is a more attractive place to live, work and visit.

The need for a public realm scheme for Coalisland town centre had been clearly identified within the Coalisland Framework completed in 2016. This document had been produced following a robust consultation process conducted with Coalisland businesses, elected members, the community and other users of the town centre. This document also took account of the Coalisland Traders Association who have been raising concerns about issues with traffic management and pedestrians safety, to both council and DfC (TNI) on a regular bases.

Mid Ulster District Council has been progressing this Public Realm project in line with identified needs and has been undertaking significant consultations to address all concerns raised. Consultations have taken place with traders, residents, disability representatives, statutory authorities including TNI, PSNI, FANI etc. to ensure maximum compliance with, and agreement to the scheme. There will be further consultations in line with the Planning process. At all stages of the consultation process, all businesses trading within the town centre had been invited to all public meetings and been given the opportunity to share ideas/concerns on the proposed scheme.

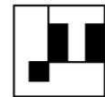
Although some concerns were raised in relation to the suggested one-way system in Main Street, there were relatively few supporting this position as most agreed with the need to formalise parking and ensure that roads and footpaths were brought up to the appropriate standard. The traders also recognise that the town looks and feels “tired” and they understand importance of this investment in the town, recognising that it could be the catalyst for further investment and an increased confidence in the town centre. A total of 6 meetings have been held with businesses regarding the project with one to one conversations being held with businesses to explain the proposal with the opportunity to raise concerns. TNI believes that the scheme as proposed represents the best solution for the area given the footprint of buildings, roads etc.

MUDC is committed to the delivery of this project for all users living, work, shopping etc. within the town centre and DfI (TNI) has commenced the legislative process



regarding the introduction of a one-way system on Main Street with stage 1 now complete. This process included a 22 days objections period to whom only one objection had been received.

To manage this project MUDC has a Project Board (with appropriate technical and other expertise) in line with the requirements of DfC and DoF (CPD). This Board oversees all elements of the project, proactively and urgently dealing the day to day issues and concerns raised by stakeholders and this will continue throughout the implementation phase of this project.



4. OBJECTIVES AND CONSTRAINTS

4.1. Project Aim

The aim of the project is to reinvigorate Coalisland town centre and surrounding streets, creating an outstanding, quality public realm.

4.2. General Project Objectives

The objectives provide a basis for identifying options as well as providing the basis on which short-listed options are to be evaluated.

The general objectives are:

- Create a safe, high quality pedestrian-friendly environment;
- Be accessible to pedestrians and vehicles;
- Improve traffic flow and parking management;
- Enhance aesthetics;
- Revitalise and reinvigorate the town to help encourage more visitors and shoppers into the town centre;
- Promotion of business development;
- Continues to be a neutral space.

4.3. SMART Objectives

The project objectives should, as far as possible, be delivered in SMART terms. That is, be specific, measurable, achievable, relevant and time constrained.

The SMART objectives are:

- To improve civic pride and public perception of the town by environmentally improving the following streets;
 - The Square
 - Main Street
 - Lineside Road
 - Dungannon Road,
 - Stewartstown Road,
 - Washingbay Road
 - Barrack Street,
 - Barrack Square
 - Station Road,

By 2022, to increase the business and public perception of the town by 10% from the baseline rating. It is proposed to undertake the baseline survey in September 2018, six months prior to commencement of works.

- The Current town centre has been reviewed by representatives from the Mid Ulster Disability Forum who rate the town's current streetscape as Poor to Fair. A copy of the feedback is included in Appendix E. By 2022, it is proposed that Coalisland will be a more accessible place for people with disabilities and mobility issues including the elderly. This will make the town centre a more inviting environment which is compliant with Section 75 Act.



- By 2022, it is proposed that Coalisland town centre Public Realm area will be more compliant with DMRB and DfI Standards as assessed through Road Safety Audit Reports and Road Traffic Collision figures. The Town Centre Database, as outlined in Section 3.10, indicates a steady rise in road traffic collisions between 2012-2016. By 2022, it is proposed to have at least halt the rise in the number of incidences of road traffic collisions.
- By 2022 it is proposed to improve traffic management and enforcement within the town. Currently, DfI Roads have been unable to enforce parking restrictions within the town due to the lack of formalised parking bays, road markings and signage. Additionally, previous attempts to deploy parking attendants in the town have been ineffective. DfI Roads have confirmed that they propose to introduce parking restriction legislation to the town following completion of the public realm scheme. It is also their intention, once all relevant signage and legislation is in place, for uniformed traffic attendants to be deployed to Coalisland to carry out enforcement of all parking restrictions. Letter of support from DfI Roads is provided in Appendix F.
- Formation of a Coalisland Town Centre Forum to improve inclusivity, engagement and community influence in decision making. This shall be in line with the Neighbourhood Renewal Partnership's strategic objective for Community Renewal.
- To be sustainable and maintain a town centre which has economic vigour supported by the private sector. The Town Centre Database outlined in Section 3.10 indicate a recent rise in Non-domestic Property Vacancy Rates. By 2022, it is proposed to have at least contained the current number of vacant properties within the town centre.
- To provide a safe and welcoming environment. In 2017, 48% of crime recorded in Coalisland related to anti-social behaviour, (refer to the Town Centre Database in section 3.10). By 2022, the public realm will improve the lighting and mitigate dark spaces within the town centre with the objective of reducing anti-social behaviour crime by approximately 5%.

The benefit of the scheme is to make the town more pedestrian friendly by introducing additional crossing points. Traffic management would be improved, and traffic congestion reduced by the implementation of parking restrictions, and the provision of a new bus lay-by. Priority has been given to promoting a high quality environment and accessibility for pedestrians, vehicles and buses.



4.4. Project Constraints

The following project constraints have been identified for this project;

Table 3: Project Constraints

Constraint Title	Description
Utility Infrastructure Improvements	The project team is aware that Utility Providers may have an adverse impact on the works. The team has contacted and met as appropriate with providers as described in Section 3.3
Timescales	The project will be delivered to an agreed programme.
Cost	The project is subject to funding being secured.
Statutory Requirements	Project must meet all regulatory requirements
Procurement	Procurement and contract strategies must adhere to NI Public Procurement Policy
Public Events	Public events and activities must be accommodated at all times throughout the duration of this project.
Phasing of the Works	The phasing of the work must be agreed with the Employer, traders, stakeholders and end users to ensure that disruption is minimised to an acceptable level and that the town will be 'open for business' at all times during the construction phase.
Practicality versus Aesthetics	Whilst a number of materials may be assessed, there is a need to strike a balance between an aesthetically pleasing scheme and a scheme with longer economic life and durability.



5. IDENTIFICATION OF OPTIONS

5.1. Introduction

Based on the assessment of need and consultation with stakeholders, we have listed below a range of options which potentially satisfy the needs and objectives of the project.

5.2. Potential Options

A long list of possible options considering variations in the proposed project is provided below. Option descriptions, key issues to consider and whether the option has been selected for full appraisal are also identified.

5.2.1. Option 1 – Status Quo / Do Minimum

The Status Quo option (maintain the current status) is the baseline against which all other options are compared. In this case a Do Minimum option is used whereby routine maintenance would be carried out by statutory authorities but no capital works would be undertaken.

5.2.2. “Do Something” Options

All options refer to investment in the public realm to the following streets:

- The Square
- Main Street
- Lineside Road
- Dungannon Road
- Stewartstown Road
- Barrack Street
- Barrack Square
- Station Road
- Washingbay Road
- Platters Hill
- Birney Square
- Seagrave Terrace

The proposed options differentiate in terms of layout, new car parking provision and proposed materials. The proposed layout drawings are provided in Appendix A.



Table 4: Summary of "Do Something Options"

Ref	Proposal	Option 2	Option 3	Option 4	Option 5	Option 6	Option 7	Option 8	Option 9	Option 10	Option 11	Option 12	Option 13	Option 14	Option 15	Option 16	Option 17	Option 18	Option 19	Option 20	Option 21	Option 22	Option 23	Option 24	Option 25
A	Proposed Layout 1 (One-way system on Main St)	✓			✓	✓				✓			✓	✓				✓			✓	✓			
B	Proposed Layout 2 (One-way system on Main St and The Square)		✓				✓	✓			✓				✓	✓			✓				✓	✓	
C	Proposed Layout 3 (Two-way system on Main St)			✓					✓			✓					✓			✓					✓
D	Car Park A Barrack Street				✓		✓						✓		✓						✓		✓		
E	Car Park B Washingbay Road					✓		✓						✓		✓						✓		✓	
F	Car Park C Cornmill Car Park								✓								✓								✓
G	Upgrade Birney St and Seagrave Terr				✓		✓						✓		✓						✓		✓		
H	Signalise Junction Main St and Stewartstown Rd					✓		✓						✓		✓						✓		✓	
I	Natural Stone Paving (Yorkstone)	✓	✓	✓	✓	✓	✓	✓	✓																
J	Natural Stone Paving (Yorkstone) to Core Retail Only. Concrete Setts to Remaining Areas									✓	✓	✓	✓	✓	✓	✓	✓								
K	Concrete Setts to all Areas																	✓	✓	✓	✓	✓	✓	✓	✓



Definition of Materials

Yorkstone

Yorkstone is a variety of sandstone which is sourced from Yorkshire. This paving would be in the form of large flagstones. This material will complement the stone and brickwork of adjoining buildings. Natural stone paving has a longer life span than the alternative clay or concrete pavements. This material has previously been used in Magherafelt and Comber Public Realm Schemes.

Concrete Setts

Concrete paving setts are a cheaper and lower quality alternative to natural stone paving. However, it is not as durable or as aesthetically pleasing as natural stone.

Street Furniture

Proposed new street furniture will be selected to reflect the industrial heritage of the town. Durable materials will be used to avoid damage by vandals. New street light with white LED will be used to improve lighting quality. Semi-mature trees will be provided at selected locations to soften the appearance of town.

5.2.3. Option 2: Proposed Layout 1 with Natural Stone Paving

Option 2 comprises of the following proposals:

- Proposed one-way traffic flow on Main Street;
- Removal of vacant building at No. 18 Main Street;
- New angled parking on Main Street;
- New landscaped area and public events space;
- New bus layby on Lineside;
- Undergrounding overhead BT cables;
- Right-hand turning lane from Barrack Square to Lineside;
- Formalised parking bays, disabled bays and loading bays;
- New natural stone paving to all public footpaths;
- New exposed aggregate paving to privately owned areas.

5.2.4. Option 3: Proposed Layout 2 with Natural Stone Paving

Option 3 is similar to Option 2, however this proposal also indicates a one-way system on The Square. Natural stone paving is also proposed on all public footpaths within the scheme, with exposed aggregate paving to privately owned areas.

5.2.5. Option 4: Proposed Layout 3 with Natural Stone Paving

Option 4 is comprised of the following proposals:

- Existing two-way system maintained on Main Street and The Square;
- Removal of existing vacant building at No. 18 Main Street;
- New public events space;



- New bus layby on Lineside;
- Undergrounding overhead BT cables;
- New natural stone paving to all public footpaths;
- New exposed aggregate paving to privately owned areas.

5.2.6. Option 5: Proposed Layout 1 with Natural Stone Paving and Additional Car Park A

This option is similar to Option 2 outlined in Section 5.2.3, however this option also includes additional car parking provision at Barrack Street. Car Park A will also be accessed from Birney Square and Seagrave Terrace, therefore providing a pedestrian link to the centre of the town. As this proposal will significantly increase the pedestrian and vehicular users of Birney Square and Seagrave Terrace, upgrade works will also be required to the footpaths, carriageway and street lighting on both streets.

5.2.7. Option 6: Proposed Layout 1 with Natural Stone Paving and Additional Car Park B

This option is similar to Option 2 outlined in Section 5.2.3, however this option includes additional car parking provision at Washingbay Road. This option will significantly increase the number of pedestrians crossing the Stewartstown Road to access Main Street. Public Consultation has raised safety concerns regarding the current pedestrian arrangements at this location. Therefore, in order to proceed with this option the pedestrian crossing facilities will need to be improved.

5.2.8. Option 7: Proposed Layout 2 with Natural Stone Paving and Additional Car Park A

This option is similar to Option 3 outline in section 5.2.4 however this option also includes additional car parking provision at Barrack Street. Car Park A will also be accessed from Birney Square and Seagrave Terrace, therefore providing a pedestrian link to the centre of the town. As this proposal will significantly increase the pedestrian and vehicular users of Birney Square and Seagrave Terrace, upgrade works will also be required to the footpaths, carriageway and street lighting on both streets.

5.2.9. Option 8: Proposed Layout 2 with Natural Stone Paving and Additional Car Park B

This option is similar to Option 3 outline in section 5.2.4, however this option includes additional car parking provision at Washingbay Road. This option will significantly increase the number of pedestrians crossing the Stewartstown Road to access Main Street. Public Consultation has raised safety concerns regarding the current pedestrian arrangements at this location. Therefore, in order to proceed with this option the pedestrian crossing facilities will need to be improved.

5.2.10. Option 9: Proposed Layout 3 with Natural Stone Paving and Additional Car Park C

This option is similar to Option 4 outline in section 5.2.5, however this option also includes an extension to the existing Cornmill Car Park.



5.2.11. Option 10: Proposed Layout 1 with Natural Stone Paving to Core Retail Area Only

This Option is similar to Option 2 outlined in Section 5.2.3, however natural stone paving will be provided to the core retail area of the town only. The remaining sections of the scheme will be paved in concrete setts.

5.2.12. Option 11: Proposed Layout 2 with Natural Stone Paving to Core Retail Area Only

This Option is similar to Option 3 outlined in Section 5.2.4, however natural stone paving will be provided to the core retail area of the town only. The remaining sections of the scheme will be paved in concrete setts.

5.2.13. Option 12: Proposed Layout 3 with Natural Stone Paving to Core Retail Area Only

This Option is similar to Option 4 outlined in Section 5.2.5, however natural stone paving will be provided to the core retail area of the town only. The remaining sections of the scheme will be paved in concrete setts.

5.2.14. Option 13: Proposed Layout 1 with Natural Stone Paving to Core Retail Area Only and Additional Car Park A

This Option is similar to Option 5 outlined in Section 5.2.6, however natural stone paving will be provided to the core retail area of the town only. The remaining sections of the scheme will be paved in concrete setts.

5.2.15. Option 14: Proposed Layout 1 with Natural Stone Paving to Core Retail Area Only and Additional Car Park B

This Option is similar to Option 6 outlined in Section 5.2.7, however natural stone paving will be provided to the core retail area of the town only. The remaining sections of the scheme will be paved in concrete setts.

5.2.16. Option 15: Proposed Layout 2 with Natural Stone Paving to Core Retail Area Only and Additional Car Park A

This Option is similar to Option 7 outlined in Section 5.2.8, however natural stone paving will be provided to the core retail area of the town only. The remaining sections of the scheme will be paved in concrete setts.

5.2.17. Option 16: Proposed Layout 2 with Natural Stone Paving to Core Retail Area Only and Additional Car Park B

This Option is similar to Option 8 outlined in Section 5.2.9, however natural stone paving will be provided to the core retail area of the town only. The remaining sections of the scheme will be paved in concrete setts.

5.2.18. Option 17: Proposed Layout 3 with Natural Stone Paving to Core Retail Area Only and Additional Car Park C

This Option is similar to Option 9 outlined in Section 5.2.10, however natural stone paving will be provided to the core retail area of the town only. The remaining sections of the scheme will be paved in concrete setts.



5.2.19. Option 18: Proposed Layout 1 with Concrete Setts

This Option is similar to Option 2 outlined in Section 5.2.3, however concrete paving will be provided to all public footpaths.

5.2.20. Option 19: Proposed Layout 2 with Concrete Setts

This Option is similar to Option 3 outlined in Section 5.2.4, however concrete paving will be provided to all public footpaths.

5.2.21. Option 20: Proposed Layout 3 with Concrete Setts

This Option is similar to Option 4 outlined in Section 5.2.5, however concrete paving will be provided to all public footpaths.

5.2.22. Option 21: Proposed Layout 1 with Concrete Setts and Additional Car Park A

This Option is similar to Option 5 outlined in Section 5.2.6, however concrete paving will be provided to all public footpaths.

5.2.23. Option 22: Proposed Layout 1 with Concrete Setts and Additional Car Park B

This Option is similar to Option 6 outlined in Section 5.2.7, however concrete paving will be provided to all public footpaths.

5.2.24. Option 23: Proposed Layout 2 with Concrete Setts and Additional Car Park A

This Option is similar to Option 7 outlined in Section 5.2.8, however concrete paving will be provided to all public footpaths.

5.2.25. Option 24: Proposed Layout 2 with Concrete Setts and Additional Car Park B

This Option is similar to Option 8 outlined in Section 5.2.9, however concrete paving will be provided to all public footpaths.

5.2.26. Option 25: Proposed Layout 3 with Concrete Setts and Additional Car Park C

This Option is similar to Option 9 outlined in Section 5.2.10, however concrete paving will be provided to all public footpaths.

5.3. Option Analysis

Option 1 – ‘Status Quo’ has to be brought forward for assessment in line with HM Treasury Guidelines to provide a baseline against which the other options may be evaluated.

Feedback from the public consultation undertaken between September and December 2017 indicated that there is very little support for the proposal to implement a one-way traffic system on The Square, as indicated on Proposed Layout 2. On this basis, Options 3, 7, 8, 11, 15 and 16 are eliminated.

A majority of the responses to the public consultation agreed that high quality natural stone materials complement the heritage of the town. Natural stone materials are also extremely durable, with a much longer life span than concrete setts which are liable to discolour over time. On this basis, Options 18-25 have been eliminated.



5.4. Conclusion

As a result of the appraisal process, the following options are brought forward for further assessment.

Option No.	Description	Status
1	Status Quo	Brought Forward
2	Proposed Layout 1 with Natural Stone Paving	Brought Forward
3	Proposed Layout 2 with Natural Stone Paving	Eliminated
4	Proposed Layout 3 with Natural Stone Paving	Brought Forward
5	Proposed Layout 1 with Natural Stone Paving and Additional Car Park A	Brought Forward
6	Proposed Layout 1 with Natural Stone Paving and Additional Car Park B	Brought Forward
7	Proposed Layout 2 with Natural Stone Paving and Additional Car Park A	Eliminated
8	Proposed Layout 2 with Natural Stone Paving and Additional Car Park B	Eliminated
9	Proposed Layout 3 with Natural Stone Paving and Additional Car Park C	Brought Forward
10	Proposed Layout 1 with Natural Stone Paving to Core Retail Area Only	Brought Forward
11	Proposed Layout 2 with Natural Stone Paving to Core Retail Area Only	Eliminated
12	Proposed Layout 3 with Natural Stone Paving to Core Retail Area Only	Brought Forward
13	Proposed Layout 1 with Natural Stone Paving to Core Retail Area Only and Additional Car Park A	Brought Forward
14	Proposed Layout 1 with Natural Stone Paving to Core Retail Area Only and Additional Car Park B	Brought Forward
15	Proposed Layout 2 with Natural Stone Paving to Core Retail Area Only and Additional Car Park A	Eliminated
16	Proposed Layout 2 with Natural Stone Paving to Core Retail Area Only and Additional Car Park B	Eliminated
17	Proposed Layout 3 with Natural Stone Paving to Core Retail Area Only and Additional Car Park C	Brought Forward
18	Proposed Layout 1 with Concrete Setts	Eliminated
19	Proposed Layout 2 with Natural Stone Paving to Core Retail Area Only	Eliminated
20	Proposed Layout 3 with Concrete Setts	Eliminated
21	Proposed Layout 1 with Concrete Setts and Additional Car Park A	Eliminated
22	Proposed Layout 1 with Concrete Setts and Additional Car Park B	Eliminated
23	Proposed Layout 2 with Concrete Setts and Additional Car Park A	Eliminated
24	Proposed Layout 2 with Concrete Setts and Additional Car Park B	Eliminated
25	Proposed Layout 3 with Concrete Setts and Additional Car Park C	Eliminated



6. MONETARY ASSESSMENT

6.1. Costs

6.1.1. Capital Expenditure

The estimated costs for the proposed works have been prepared using unit rate information from similar public realm schemes. Where unit rates were not available the costs were developed from manufacturers / suppliers quotations, first principle calculations, and price database information including CESSM4 and SPON'S Civil Engineering and Highway Works Price Book. An estimated cost for the proposed options is shown in Table 5 and a detailed cost breakdown is provided in Appendix B.

The following assumptions were made in the estimation of the capital costs:

- Estimated costs are based on the plans provided in Appendix B;
- Professional fees are assumed to be 12% of total construction;
- VAT is assumed to be recoverable in full by the Client;

The capital expenditure costs incorporate:

- Purchase of third party land;
- Demolitions and Earthworks;
- Roads and paving;
- Drainage / services;
- Street lighting;
- Amenity lighting;
- Landscaping;
- Provisional sums (diversion of services)

Table 5 – Capital Expenditure Summary

Proposal	Cost	Option 2	Option 4	Option 5	Option 6	Option 9	Option 10	Option 12	Option 13	Option 14	Option 17
Proposed Layout 1 Natural Stone Paving	£2,344,575	£2,344,575		£2,344,575	£2,344,575						
Proposed Layout 3 Natural Stone Paving	£2,221,804		£2,221,804			£2,221,804					
Proposed Layout 1 Concrete Setts	£2,198,836						£2,198,836		£2,198,836	£2,198,836	
Proposed Layout 3 Concrete Setts	£1,994,253							£1,994,253			£1,994,253
Car Park A Barrack St	£555,966			£555,966					£555,966		
Car Park B Washingbay Rd	£313,426				£313,426					£313,426	
Car Park C Cornmill Car Park	£99,041					£99,041					£99,041
Upgrade Birney St and Seagrove Terrace	£194,332			£194,332					£194,332		
Total Capital Costs		£2,344,575	£2,221,804	£3,094,873	£2,658,001	£2,320,845	£2,198,836	£1,994,253	£2,949,134	£2,512,262	£2,093,293
Professional Fees (12%)		£281,349	£266,616	£371,385	£318,960	£278,501	£263,860	£239,310	£353,896	£301,471	£251,195
TOTAL		£2,625,924	£2,488,420	£3,466,258	£2,976,961	£2,599,346	£2,462,696	£2,233,563	£3,303,030	£2,813,734	£2,344,489



6.1.2. Recurrent Costs

Economic costs comprise recurrent ancillary maintenance costs. This cost includes ancillary costs of street cleaning and general cleanliness etc. The estimated cost for all 'Do Something' options, are based on Mid Ulster District Council's current cost of approximately £54,000 per annum as outlined below.

Maintenance Cost	£
Manual Street Cleansing inc. emptying bins etc.	£30,000
Mechanical Street Cleansing	£12,000
Collection & disposal of SC residues	£12,000
Total	£54,000

6.1.3. Replacement Costs

Concrete sett paving has a life span of 10-20 years due to the low durability of the material. Therefore, therefore it is assumed that these materials should be replaced after 20 year. A detailed cost breakdown for replacing the concrete sett material is provided in Appendix B.

6.2. Economic Benefits

A broad assumption is that improvements to the public realm would improve the physical aesthetics of an area, which in turn will make Coalisland a more enjoyable place for people to visit, shop, work or live. This will help to create a more pleasant environment for the community and increase footfall and spending.

Therefore, sustaining business activity, and encourage businesses to invest money, to build or to trade there, which improves the economy, creates jobs and reduces the number of vacant or derelict properties in the town centre. Over the medium to long-term could result in multiplier effects such as on rateable values of properties, increases in rental values and increases in retail sales.



7. RISK APPRAISAL AND ADJUSTMENT FOR OPTIMISM BIAS

7.1. Introduction

Risks associated with any project are a combination of project specific risks and those on a wider macro-economic scale. Project specific risks are those that directly affect the project and which the project promoters should have a high level of knowledge and associated level of control over (eg recurrent/running costs). Wider macro-economic/local risks are those that are beyond the control of project promoters yet can significantly influence the success of the project (eg economic climate). The following risks (including Optimism Bias) have been identified and outlined below as to their possible effect on the various options.

7.2. Optimism Bias

In accordance with the NIGEAE, an allowance for Optimism Bias has been applied to estimate project costs (construction, operation and maintenance costs). Optimism Bias is an adjustment factor developed by HM Treasury to redress the tendency of project appraisers to be overly optimistic in the estimation of costs. The Optimism Bias for the project has been calculated in accordance with the "Supplementary Green Book Guidance, Optimism Bias" by HM Treasury.

The proposed public realm scheme is considered a Standard Civil Engineering Project type as it uses standard construction practices and does not require a high degree of complexity or difficulty.

7.2.1. Capital Expenditure Optimism Bias

The upper bound capital expenditure Optimism Bias for a Standard Civil Engineering Project is 44%. The Upper Bound Value for Optimism Bias can be reduced according to the extent to which the contributory factors have been managed. The extent to which these contributory factors are mitigated can be reflected as a migration factor. The mitigation factor has a value between 0.0 and 1.0, where 0.0 means that contributory factors are not mitigated at all, and 1.0 means that all contributory factors in a particular area are fully mitigated.

Table 6 details the contributory factors and the mitigation factors to be considered when calculating the reduction in Optimism Bias.



Table 6: Optimism Bias Calculation

Contributory Factors		% Contribution to Optimism Bias	Mitigation Factor	Project Bias
Procurement	Late Contractor Involvement in Design	3	0.9	2.7
	Dispute and Claims Occurred	21	0.75	15.75
Project Specific	Environmental Impact	22	0.9	19.8
	Other	18	0.75	13.5
Client Specific	Inadequacy of Business Case	10	0.75	7.5
	Poor Project Intelligence	7	0.75	5.25
Environment	Public Relations	9	0.65	5.85
	Site Characteristics	3	0.2	0.6
External Influences	Economic	7	0.4	2.8
Total		100		73.75

Late Contractor Involvement

This project is a Standard Civil Engineering Project. Only contractors that have successfully delivered schemes of this size and scope will be considered. The tender documents will outline the project specification and constraints. This project will be a construction only project for a contractor and as such they will have a limited design input. Therefore there is little risk to the project from late contractor involvement that could result in construction problems affecting the design.

Dispute and Claims

Dispute and claims can arise from changes to the project scope during the duration of the scheme. The project requirements, specification and constraints shall be further defined at detailed design stage. The project will be administered under an NEC contract with defined dispute claims procedures.

Environmental Impact

The project is considered an environmental improvement scheme, which will improve the area to make it more attractive, safer and cleaner. Although during construction phase there will be a net impact on the environment, the longer term risk is minimal.

Other

The project is considered to be fairly straightforward, therefore a mitigation factor of 0.75 is applied.

Inadequacy of Business Case

HM Treasury best practice is being used to prepare and develop the business case.



Poor Project Intelligence

Mid Ulster District Council and the design team have both undertaken projects of a similar size and nature. Consultation has been undertaken with local elected representatives, traders, statutory authorities, service providers, disability groups and the public to identify local issues to be addressed as part of the scheme.

Public Relations

Significant public consultation has been undertaken to date, including;

- Public Information Sessions (held in October 2017 & May 2018),
- Meeting with Elected Representatives,
- Site walkover with Mid Ulster Disability Action Forum,
- Meeting with Coalisland Neighbour Renewal,
- One-to-one visits with businesses.

Members of the public were given the opportunity to submit their response to the proposal using feedback questionnaires. Responses indicate a majority in support of the proposals. Ongoing consultation is required with the public and traders to agree phasing of works during construction stage.

Site Characteristics

Due to the nature of the scheme, the site will remain open to vehicular and pedestrian traffic throughout the project which will present difficulties during construction. Although significant investigations have been undertaken to confirm the location of all existing services, including service enquiries, topographical surveys and a Ground Probing Radar survey, the risk of unknown services remains high. Further site investigation in the form of slip trenches, to be undertaken at detailed design stage, will reduce this risk.

Economic

Current political and economic uncertainties may delay approval of funding for the scheme.

The resultant capital expenditure optimism bias is calculated as follows:

$$(100 - 73.75) \times 44\% = 11.55\%$$

The capital costs of the project cost of the scheme, taking into account optimism bias and monetary costs of the risk management, are shown on Table 7.



Table 7: Total Optimised Cost Calculations

Cost Breakdown	Option 2	Option 4	Option 5	Option 6	Option 9	Option 10	Option 12	Option 13	Option 14	Option 17
Capital Costs	£2,344,575	£2,221,804	£3,094,873	£2,658,001	£2,320,845	£2,198,836	£1,994,253	£2,949,134	£2,512,262	£2,093,293
Optimism Bias (11.55%)	£270,798	£256,618	£357,458	£306,999	£268,058	£253,966	£230,336	£340,625	£290,166	£241,775
Total	£2,615,373	£2,478,422	£3,452,331	£2,965,000	£2,588,903	£2,452,802	£2,224,589	£3,289,759	£2,802,428	£2,335,069
Professional Fees (12% of Capital Cost)	£281,349	£266,616	£371,385	£318,960	£278,501	£263,860	£239,310	£353,896	£301,471	£251,195
Total Optimised Cost	£2,896,722	£2,745,039	£3,823,715	£3,283,960	£2,867,404	£2,716,662	£2,463,899	£3,643,655	£3,103,900	£2,586,264

Total Optimised Cost Calculations - Replacement of Concrete Sett Paving

Cost Breakdown	Layout 1	Layout 2
Capital Costs	£219,373.70	£219,732.86
Optimism Bias (11.55%)	£25,337.66	£25,379.15
Total	£244,711.36	£245,112.01
Professional Fees (12% of Capital Cost)	£26,324.84	£26,367.94
Total Optimised Cost	£271,036.21	£271,479.95



7.2.2. Works Duration Optimism Bias

The same principles are applied for estimating the length of time it will take to complete the works. The estimated works duration for Standard Civil Engineering Projects has an upper bound bias of 20%.

The table below details the contributory factors and mitigation factors to be considered when calculating the reduction in optimism bias.

Table 8: Works Duration Optimism Bias

Contributory Factors		Percentage Contribution to Optimism Bias	Mitigation Factor	Project Bias
Procurement	Poor contractor capabilities	16	0.9	14.4
Project Specific	Environmental impacts	46	0.9	41.4
Client Specific	Inadequacy of business case	8	0.75	6
	Funding availability	6	0.2	1.2
	Poor project intelligence	14	0.75	10.5
Environment	Site characteristics	10	0.2	2
Total		100		75.5%

The adjusted works duration for the proposed scheme is therefore:

$$(100 - 75.5) \times 20\% = 4.9\%$$

The estimated construction works duration is 10 months, therefore:-

$$10 \text{ months} + (10 \text{ months} \times 4.9\%) = 10.5 \text{ months}$$

7.3. Other Potential Risks

The NIGAE acknowledges “no matter how robust the assumptions about risk factors, there will still generally be risks to consider, and there will be uncertainty over the range of possible outcomes”. Therefore, the need exists to identify and analyse the key areas of risk surrounding the proposed development, and show how each risk factor compares under each option.

A summary of all potential risks including causes, consequences, who is responsible for the risk, mitigation factors and level of risk for each option is provided in Appendix C.



8. NON-MONETARY ASSESSMENT

8.1. Introduction

For schemes of this nature, it is not possible to measure all costs and benefits in monetary terms. There are non-monetary impacts such as environmental, social or health effects that cannot be valued cost effectively. These non-monetary costs and benefits should not be discounted as being any less important than the monetary values, as in many cases they are crucial to the decision making process.

A weighted scoring assessment shall be undertaken to provide a quantitative assessment of all the non-monetary costs and benefits of each short-listed option.

8.2. Weighted Scoring Approach

The weighted scoring approach involves assigning numerical weights to pre-defined “benefit criteria”, chosen to correspond to the needs and objectives outlined in Section 4. Each benefit criterion is weighted to give a total weight of 100, with the most important receiving the greatest weighting. Each option is then scored out of 10 against each benefit criterion and this score is then multiplied by the allocated weighting to produce a “weighted score”. The total weighted score for each option is compared to give a qualitative ranking.

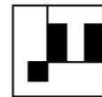
The benefit criteria chosen and the associated weighting given to each are set out as follows:

Ref	Criteria	Weighting
A	Ability to enhance aesthetics/environment	30
B	Ability to improve traffic/parking management	25
C	Ability to improve pedestrian movement and accessibility	25
D	Ability to attract visitors and increase private business development	15
E	Consistency with Section 75 Equality Legislation	5
Total		100

8.2.1. Ability to Enhance Aesthetics/Environment

The “Status Quo” option scores low for this criteria as it does not improve the appearance of the town. All the “Do Something” options should benefit from the improvement in streetscape. The more expensive natural stone materials shall score highest under this criterion, as they provide a high quality finish with a longer design life.

Options which include Proposed Layout 1 will score higher than options which include Proposed Layout 3 as Layout 1 has a landscaped area between Main Street and Cornmill car park and a larger event space.



8.2.2. Ability to Improve Traffic/Parking Management

On-street Parking

Unstructured parking and traffic congestion has been highlighted as a significant issue for the town. The lack of parking control measures result in vehicles obstructing pedestrian and vehicle routes. However, many traders have advised that they rely heavily on passing trade. Therefore a maximum number of parking spaces must be maintained. The Proposed Layout 1 which incorporates a one-way system on Main Street with angled parking provides the most on street car parking spaces, therefore this will score higher than Proposed Layout 3.

Off-street Parking

The community had rejected previous attempts by DfI Roads (Roads Service) to introduce parking enforcement in the town centre. However, responses to the public realm consultation indicate that there is an acceptance the some parking restrictions would be beneficial as long as additional alternative off-street parking is provided. Therefore any Option which contains additional off-street parking will support DfI Roads in progressing parking enforcement.

8.2.3. Ability to Improve Pedestrian Movement and Accessibility

The Non-motorised User Audit outlined a number of problems regarding the movements of pedestrians in the town centre. This included a lack of formal crossing points, narrow footpaths, footpaths ending abruptly, vehicles obstructing footpaths, low kerbs and steep cross falls. Refer to Section 3.6 for further details.

A site walkover was also conducted with representatives from various local disability groups. Many of the issues raised in the Non-motorised User Audit which also identified during the walkover. Refer to Section 3.7 for further details.

All “Do Something” options will score highly as they all provide improvement to pedestrian movement as they will be constructed in accordance with all current design guides where possible. The Proposed Layout 1 will have wider footpaths and one-way traffic on Main St, therefore improving pedestrian movements. Therefore, Proposed Layout 1 Options will score higher than Proposed Layout 3 Options.

8.2.4. Ability to attract visitors and increase private business development

It is difficult to quantify the additional private sector investment directly attributable to the “Do Something” options. However, the improved traffic flows and additional car parking should improve access to businesses and encourage visitors to stay longer. Therefore, “Do Something” options score higher (on a sliding scale reflecting number of additional car parking spaces and quality of material used) than Option 1.



8.2.5. Consistency with Section 75 Equality Legislation

All “Do Something” options will be in line with the current equality, environmental and disability guidelines. Therefore they will score slightly higher than the existing “Status Quo” option.

8.2.6. Summary of Weighted Scoring Assessment

The following table reflects the scores of the options against all non-monetary costs and benefit criteria.



Table 9: Non-monetary Weighted Scoring Assessment

Criteria	Weight	Option 1		Option 2		Option 4		Option 5		Option 6		Option 9		Option 10		Option 12		Option 13		Option 14		Option 17	
		S	WS	S	WS	S	WS	S	WS	S	WS	S	WS	S	WS	S	WS	S	WS	S	WS	S	WS
A	30	0	0	8	240	7	210	8	240	8	240	7	210	5	150	4	120	5	150	5	150	4	120
B	25	2	50	5	125	4	100	8	200	7	175	5	125	5	125	4	100	8	200	7	175	5	125
C	25	2	50	6	150	4	100	7	175	8	200	7	175	6	150	4	100	7	175	8	200	7	175
D	15	1	15	4	60	3	45	8	120	9	135	6	90	3	45	2	30	8	120	7	105	5	75
E	5	2	10	5	25	5	25	5	25	5	25	5	25	5	25	5	25	5	25	5	25	5	25
Total		125		600		480		760		775		625		495		375		670		655		520	



8.3. Conclusion

The proposed options are ranked as follows:

Table 10: Summary of Non-Monetary Assessment

Option	Weighted Score	Rank
Option 1	125	11
Option 2	600	6
Option 4	480	9
Option 5	760	2
Option 6	775	1
Option 9	625	5
Option 10	495	8
Option 12	375	10
Option 13	670	3
Option 14	655	4
Option 17	520	7

Option 6 is the preferred option non-monetary.



9. QUANTITATIVE ANALYSIS – NET PRESENT VALUE / NET PRESENT COST

This section assesses the performance of each option on a quantitative basis. The Net Present Value/Cost calculations (NPV/NPC) have been undertaken over a 25 year period. In line with appraisal guidance, a discount factor of 3.5% has been used in the calculations. The calculations are based on capital-adjusted costs including all ancillary costs and optimism bias.

The high quality natural stone materials are assumed to have a life span greater than 30 years. The low specification materials (concrete setts and asphalt surfacing) would have a life expectancy of not more than 20 years. Therefore NPC calculations shall include replacement costs. NPV spreadsheets are provided in Appendix D.

Table 11: Summary of the NPC of each option

Option	Net Present Cost (NPC)	Rank
Option 1	£944,002	1
Option 2	£3,791,745	7
Option 4	£3,642,626	4
Option 5	£4,703,066	11
Option 6	£4,172,436	9
Option 9	£3,762,923	6
Option 10	£3,750,943	5
Option 12	£3,502,677	2
Option 13	£4,662,263	10
Option 14	£4,127,027	8
Option 17	£3,622,973	3

9.1. Sensitivity Analysis

The treatment of any potential uncertainty is generally best dealt with using sensitivity analysis, which involves varying the value/number of key project indicators, which are likely to be subject to the greatest degree of uncertainty, i.e. capital costs.

In order to determine the impact of potential increases in the total cost of the development project due to uncertainties, NPC calculations should be performed using the optimism bias costs calculated above and subject to the following sensitivities:

- 20% increase in capital cost (Sensitivity A)
- 10% increase in maintenance cost (Sensitivity B)



Table 12: Sensitivity Analysis Summary Table

Option	Sensitivity A NPC	Sensitivity A Rank	Sensitivity B NPV	Sensitivity B Rank
Option 1	£944,002	1	£1,038,402	1
Option 2	£4,361,294	7	£3,886,146	7
Option 4	£4,182,351	4	£3,737,026	4
Option 5	£5,454,878	11	£4,797,466	11
Option 6	£4,818,123	9	£4,266,836	9
Option 9	£4,326,707	6	£3,857,323	6
Option 10	£4,312,332	5	£3,848,344	5
Option 12	£4,014,412	2	£3,597,077	2
Option 13	£5,405,915	10	£4,756,663	10
Option 14	£4,769,159	8	£4,226,033	8
Option 17	£4,158,768	3	£3,717,373	3

Sensitivity analysis does not affect the results as all options are increased in proportion. Therefore the NPV ranking remains constant.



10. SELECTION OF PREFERRED OPTION SUMMARY

10.1. Summary of Monetary and Non-Monetary Assessment

The results of the economic appraisal have been summarised and ranked in the table below:

Table 13: Summary of Monetary and Non-Monetary Assessment

Option	Initial Cost Estimate	Optimised Capital Costs	NPC	Rank	NMS	Rank
Option 1	-	-	£944,002	1	125	11
Option 2	£2,625,924	£2,896,722	£3,791,745	7	600	6
Option 4	£2,488,420	£2,745,039	£3,642,626	4	480	9
Option 5	£3,466,258	£3,823,715	£4,703,066	11	760	2
Option 6	£2,976,961	£3,283,960	£4,172,436	9	775	1
Option 9	£2,599,346	£2,867,404	£3,762,923	6	625	5
Option 10	£2,462,696	£2,716,662	£3,750,943	5	495	8
Option 12	£2,233,563	£2,463,899	£3,502,677	2	375	10
Option 13	£3,303,030	£3,643,655	£4,662,263	10	670	3
Option 14	£2,813,734	£3,103,900	£4,127,027	8	655	4
Option 17	£2,344,489	£2,586,264	£3,622,973	3	520	7

10.2. Preferred Option

Generally options which include Proposed Layout 1 score higher in the non-monetary assessment than Proposed Layout 3 as it provides additional on-street parking on Main St, improved footpath widths and a large landscaped area/event space. Options which include additional off-street parking are preferred over options without as this will have a significant influence on the success of implementing of parking management and therefore improving the traffic flow through the town. Car Park B is more cost effective to develop compared to Car Park A as Car Park B is situated on a difficult sloping site and requires upgrade works to Birney Sq and Seagrave Terrace. Based on the findings outlined above and considering the viability, additionality cost effectiveness and economic impact of the project Option 6 is the preferred option.

10.2.1. Option 6 comprises:

- Proposed one-way traffic on main street.
- Removal of vacant derelict building at No. 18 Main Street
- New angled parking on Main Street
- New landscaped area and event space



- New bus layby on Lineside
- Undergrounding overhead BT cables
- Right hand turning lane from Barrack Square to Lineside
- Formalised parking bays, disabled bays and loading bays
- New natural stone paving and granite kerbs to all public footpaths
- New exposed aggregate paving to privately owned areas
- Additional car parking at Washing Bay Road (Car Park Option B)
- WIFI/Sound System

10.2.2. Option 6 will provide natural stone paving and granite kerbs to the following streets:

- | | | |
|---------------|---------------------|-------------------|
| • The Square | • Dungannon Road | • Barrack Square |
| • Main Street | • Stewartstown Road | • Station Road |
| • Lineside | • Barrack Street | • Washingbay Road |

The inherent quality of the materials will remain over time (in excess of 50 years) whilst the initial improvement of the pedestrian environment will act as a vital catalyst in the social, cultural and economic revitalisation of the town.

Option 6 will provide the additional benefit of increased off-street parking at Washing Bay Road (Car Park B). Following consultation with Council Representatives this car park option has been identified as a more viable option than the Barrack Street Option (Car Park A). Car Park B will also be easier to construct than Car Park A and therefore offers greater value for money.

10.2.3. Central Procurement Directorate's, Grants Cost Management have reviewed the Economic Appraisal for the Coalisland Public Realm Scheme and have provide a cost comment. The report discusses the various options considered in the Economic Appraisal and provides a detailed assessment of the estimated costs associated with 'construction' in preferred Option 6. Refer to Appendix I for details.

10.3. Project Additionality

On the basis of the needs assessment, the proposed level of expenditure is acknowledged as the minimum level of expenditure required to meet the identified needs, and therefore additionality is not an issue.

10.4. Cost Effectiveness

It is important that public expenditure on projects should be cost effective in achieving policy objectives. The most basic condition for cost effectiveness is that the activity supported should actually occur. Without public funding, this project will not take place. The cost effectiveness indicators for the project are set out as follows:



Indicator	Cost/ Indicator	Cost per indicator
Optimised Cost per scheme resident ¹	£3,283,960 / 5,682	£578
Optimised Cost per Mid Ulster District Council resident	£3,283,960 / 138,590	£23.70
NPC per head of NI Population	£4,172,436/ 1,810,863	£2.30
Optimised Cost per area for Coalisland Public Realm	£3,283,960 / 9,064	£362
Cost per area environmentally improved in the Ravenhill Arterial Route Scheme	£808,248/ 3,962	£204
Cost per area environmentally improved in the Newcastle EIS	£3,773,023 / 17,500 m2	£216
Cost per area environmentally improved in the Omagh EIS	£1,613,191 / 6,112 m2	£264
Cost per area environmentally improved in the Ballynahinch scheme	£1,946,687/6,341m2	£307
Cost per area environmentally improved in the Downpatrick EIS	£2,950,200 / 9,000 m2	£328
Cost per area environmentally improved in the Clifton Gateway Scheme	£4,642,767 /14,045m2	£331
Cost per area environmentally improved in the Carrickfergus EIS	£2,210,970 / 6,500 m2	£340
Cost per area environmentally improved in the Station Square, Portrush scheme	£2,286,930/5,618 m2	£407
Cost per area environmentally improved in the Lower Chichester Street, Belfast EIS	£1,157,000 / 2,702 m2	£428
Cost per area environmentally improved in the Newry Linkages scheme	£2,467,397 / 4,850 m2	£509

It should be noted that there are a number of methodological difficulties in comparing the cost effectiveness of different public realm schemes. Some examples of difficulties include:

1. There is no consistent definition of the total area used in the calculation so different people use different areas/ bases for different schemes and therefore arrive at different answers.
2. The type of paving is not the only variable that affects the cost. The extent and specification of street furniture, street lighting, public artwork, tree planting, re-use

¹ Based on the resident population of the Coalisland which has a population of 5,682 according to the 2011 Census.



of existing kerbs etc. can all greatly influence (and distort) the final square metre rate. These can vary significantly between different schemes.

3. The final cost per square metre rate can be distorted where there is (a) significant road reconstruction/surfacing (b) extensive drainage works (c) undergrounding of overhead services. Again such items can vary significantly between different schemes.

With these limitations in mind, the table above highlights that at £362 per square metre redeveloped, the Coalisland Public Realm is comparable with a range of other public realm / environmental improvement schemes that have been implemented in recent years.

Whilst a number of schemes (Newcastle, Omagh, Ravenhill, Ballynahinch, Downpatrick etc) have been implemented at a lower cost per square metre, the other schemes considered were either equal or more costly than the cost per square metre proposed for the Coalisland Public Realm. This highlights that the proposed project is within the range of cost effectiveness for other schemes.

10.5. Viability

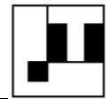
This project is a non-revenue generating project, with no annual income stream to place against recurrent costs, therefore viability is not considered further.

10.6. Overall Conclusion and Recommendations

In summary, the preferred option for the improvements to the public realm is Option 6. The estimated optimised capital cost of these works is £3,283,961 (excluding VAT).

In addition we would further recommend Mid Ulster District Council consider the following:

- The Council secure funding for the project.
- The Council look to secure the site of the derelict building at No. 18 Main Street.
- The Council look to secure the site for the proposed Car Park B on Washingbay Road.
- That the implementation and roll out of the works be agreed with all stakeholders, in particular as to how it should be phased to minimise disruption to traffic and businesses.
- A maintenance/cleaning schedule (agreed by the Project Steering Group) is in place before the completion of the project.
- That agreement be reached with DfI Roads regarding the proposal to implement one-way traffic flow on Main Street and that the legislation process for this amendment is commenced along with the legislation process for proposed parking enforcements.
- That all work is consistent with the latest Disability Discrimination legislation.
- That planning permission is confirmed.



- Traffic signage is prominently displayed on completion indicating new road layout and parking availability.



11. PROJECT FINANCE, MANAGEMENT, MONITORING AND EVALUATION

11.1. Project Financing and Funding

Total Optimised Capital Costs are £3,283,961. The breakdown of costs for Preferred Option 6 is shown below:

Description	Cost
Site Clearance/Groundwork	£238,544
Surfacing	£1,031,333
Street Furniture	£584,114
Utilities/Services	£210,000
Total Construction Costs	£2,063,991
Preliminaries (10%)	£206,399
Surveys	£48,000
Design Development	£19,611
Purchase of Land	£320,000
Grand Total	£2,658,001
Optimum Bias (11.55%)	£306,999
Professional Fees (12%)	£318,960
Total Optimised Costs	£3,283,960

It is proposed that this project will be funded as follows:

Contributor	Proposed Contribution	Percentage
Department for Communities (DfC)	£2,955,564	90%
Mid Ulster District Council	£328,396	10%
DfI Roads	TBC	TBC
Total	£3,283,960	100%

Mid Ulster District Council have committed funds up to 10% of the current estimated project cost for Preferred Option 6.

The Council are actively pursuing with DfI Roads the possibility of contributing to the scheme. It should be noted that these costs are subject to change, depending on the final implementation timetable signed off by funders.



Mid Ulster District Council have current spent the following costs on the Project to date:

Description	Cost (ex. VAT)
Professional Fees	£54,550
Topographical Survey	£2,450.00
GPR Survey	£10,250.00
Traffic Survey	£1,750.00
Car Park Survey	£545.00
Footfall Survey	£995.00
Non-motorised Users Audit	£995.00
Traffic Model	£16,840.00
Archaeological Survey	£795.00
Total	£89,170.00

11.2. Project Management

The Coalisland Public Realm scheme shall be managed under a Project Board structure, led by Mid Ulster District Council, to secure regeneration of the town and its wider environs. The Project Board comprises of:

- Mid Ulster District Council;
- Department for Communities (DfC);
- Central Procurement Directorate (CPD);
- DfI Roads;
- Project Design (including WDR & RT Taggart).

This is considered to be a strong and experienced management team who have significant experience in large capital projects of that proposed.

Mid Ulster District Council shall also establish a Coalisland Town Centre Forum, a group of local stakeholders, including traders and community leaders and representatives from statutory authorities. It is envisaged that the role of the Coalisland Town Centre Forum will continue after the implementation of the Public Realm Scheme, with the group continuing to drive forward development of Coalisland town centre.

Benefits Realisation Plan

The management and planning of policies, programmes and projects should include specific provision for benefits management and realisation. The table below illustrates the benefits realisation plan for the proposed project.



Benefit	Benefit Indicator	Target	Type	Specific Data Requirements	Responsibility
Improve civic pride and public perception	Business and public perception of the town	Increase by 10% from the baseline rating	Qualitative	Survey	Mid Ulster District Council
Improve accessibility	Improved Streetscape	Increase the rating of the streetscape from the current Poor/Fair	Qualitative	Questionnaire by Mid Ulster Disability Forum	Mid Ulster District Council
Improve traffic safety	Number of Road Traffic Collisions	Halt the rise in the number of incidences of road traffic collisions	Quantitative	NISRA - Town Centre Database - Road Traffic Collisions	Mid Ulster District Council
Improve traffic management and enforcement	Appropriate signage, road markings, uniformed traffic attendants	Introduce parking restriction legislation. Enforcement of parking restrictions.	Quantitative	Reduction in illegal parking	DfI Roads
Improve inclusivity, engagement and community influence in decision making	Formation of a Coalisland Town Centre Forum	Formation of a Coalisland Town Centre Forum	Qualitative	None	Mid Ulster District Council
Be sustainable and maintain a town centre which has economic vigour supported by the private sector	Current number of vacant properties within the town centre	Same or improved levels of business occupancy	Quantitative	NISRA - Town Centre Database - Non-domestic Property Vacancy Rates	Mid Ulster District Council
Reduce anti-social behaviour crime	Crime Rates	5% reduction in anti-social behaviour crime	Quantitative	NISRA - Town Centre Database - Crime Rates	Mid Ulster District Council



It will be mainly the responsibility of Mid Ulster District Council to measure the impact of the expected benefits in the town, with the exception of improving traffic management and enforcement - which will be the responsibility of DfI Roads.

In order to measure the potential impact of the scheme, it is suggested that on an annual basis the Council undertake secondary research to review the economic impact on businesses, number of accidents/claims, incidences of anti-social behaviour and other SMART objectives. In addition, the Council should survey local public, private, community and voluntary sectors representative on an annual basis to gauge their views in terms of measuring the impact of the proposed scheme.

11.3. Project Monitoring

Monitoring of the project is fundamental to the appraisal process as it allows actual process to be compared with what was originally planned. Monitoring is essentially a management function designed to check if a project is implemented on time and within budget.

Mid Ulster District Council will have overall responsibility for the monitoring and evaluation of the works to the public realm.

Monitoring of the project should take place on a monthly basis until each of the proposed individual phases has been completed. Specific monitoring indicators are:

- Works duration;
- Construction quality;
- Cost of construction; and
- Continued buy-in from stakeholders, etc.

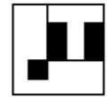
Monitoring information should be disseminated during monthly meetings of the Management Team (and before if an issue arises). It is the responsibility of the Management Team to ensure that prior to commencement of the scheme, the information required for regular monitoring and control is agreed and appropriate systems put in place to enable such information to be collected.

11.4. Project Evaluation

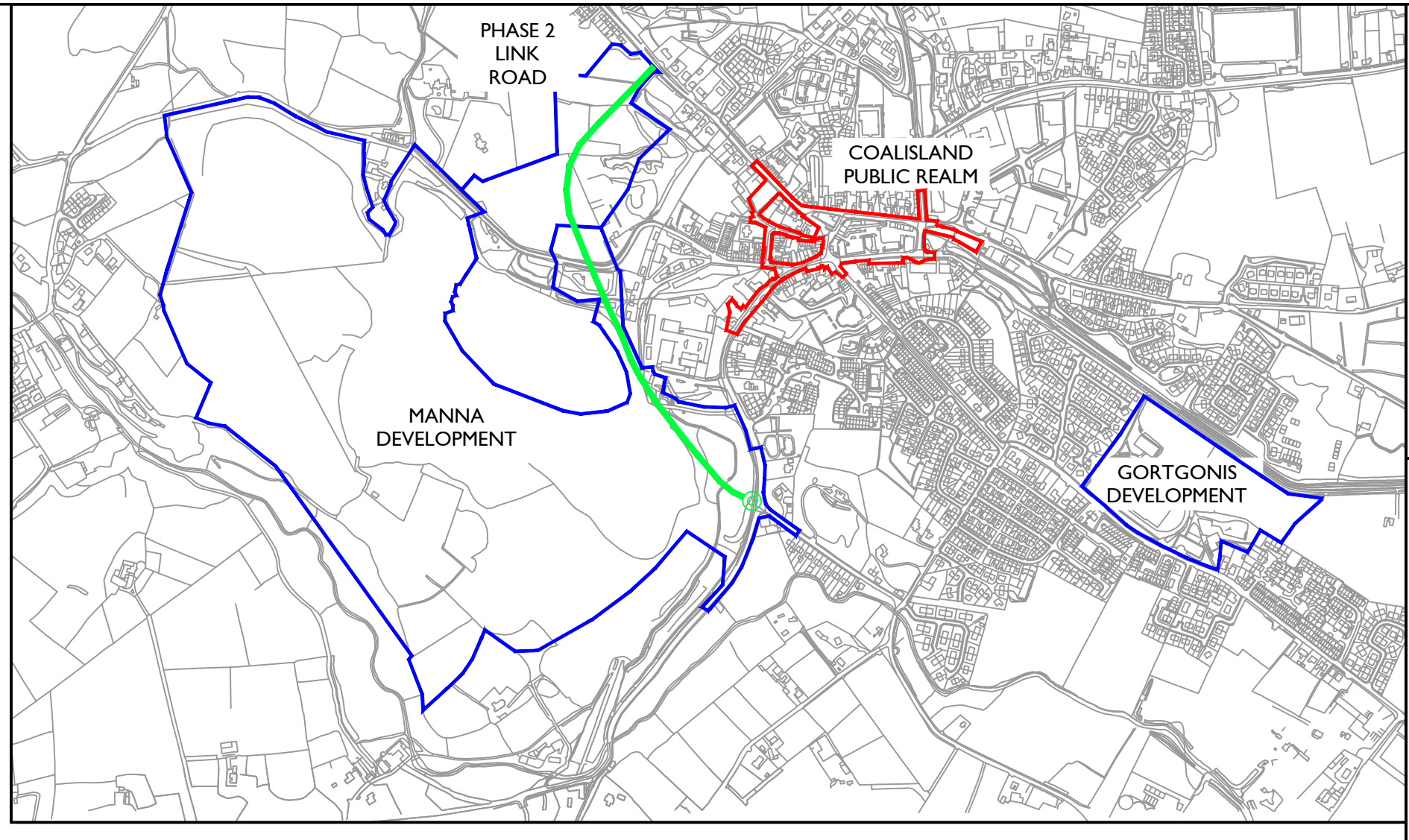
Post project evaluations should seek to address whether the original project objectives have been achieved and should make recommendations for the future, thus improving on project appraisal design, management and implementation.

This appraisal has been prepared with specific requirements for subsequent ex-post evaluation in mind. The general and SMART objectives, description of options and key assumptions made are described in sufficient detail to support project evaluation.

Mid Ulster District Council shall undertake a Post Project Evaluation 12 months post project completion.









APPENDIX A - DRAWINGS



- ## NOTES
1. ALL DIMENSIONS IN METERS UNLESS OTHERWISE STATED.
 2. THIS DRAWING TO BE READ IN CONJUNCTION WITH ALL OTHER DRAWINGS PERTAINING TO THE WORKS.
 3. ALL WORKS SHALL COMPLY WITH THE DESIGN MANUAL FOR ROADS AND BRIDGES VOLUME I: SPECIFICATION FOR HIGHWAY WORKS.
 4. ALL NATURAL STONE PAVEMENTS SHALL BE CONSTRUCTED IN STRICT ACCORDANCE WITH THE RELEVANT SECTION OF BS7533 AND THE SPECIFICATION FOR HIGHWAY WORKS.

LEGEND

- | | |
|---|--|
|  | PRIMARY PAVING |
|  | SECONDARY PAVING |
|  | ASPHALT SURFACING WITH GRANITE CHIPPINGS |
|  | LANDSCAPED AREA |
|  | ROAD KERB |
|  | DROPPED KERB |
|  | FEATURE RAILING |
|  | RETAINING WALL |
|  | TACTILE PAVING |
|  | PROPOSED SEMI-MATURE TREES |
|  | PHARMACY/MEDICAL CENTRE/SURGERY |
|  | PUB/OFF-LICENCE |
|  | BOOKMAKERS |
|  | TAKEAWAY |
|  | LISTED BUILDING |

G	GENERAL UPDATE	MP 30.04.18	TS 30.04.18
F	CAR PARK A BOUNDARY AMENDED	JVC 12.02.18	MP 12.02.18
E	NEW CAR PARK A & B ADDED, NEW CONTROLLED PEDESTRIAN CROSSING ON STEWARTSTOWN RD	MP 06.12.17	TS 06.12.17
D	KEY PLAN AND BUSINESS SYMBOLS ADDED	MP 15.11.17	TS 15.11.17
C	GENERAL UPDATE	MP 27.09.17	TS 27.09.17
B	PARKING IN THE SQUARE AMENDED, GENERAL UPDATE	MP 13.09.17	TS 13.09.17
A	STATION ROAD BOUNDARY AMENDED	MP 02.08.17	TS 02.08.17
APP	AMENDMENT DETAIL 5	BY	CHKD



WDR & RT TAGGART

CLIENT

MID ULSTER DISTRICT COUNCIL

CONTRACT

COALISLAND PUBLIC REALM SCHEME

DRAWING

PROPOSAL I

SCALE

MP DATE AUG 2017

CHECKED

DATE _____

DRG No.

1000

Civil Engineer

Newforge Lane
Malone Road

Landscape /

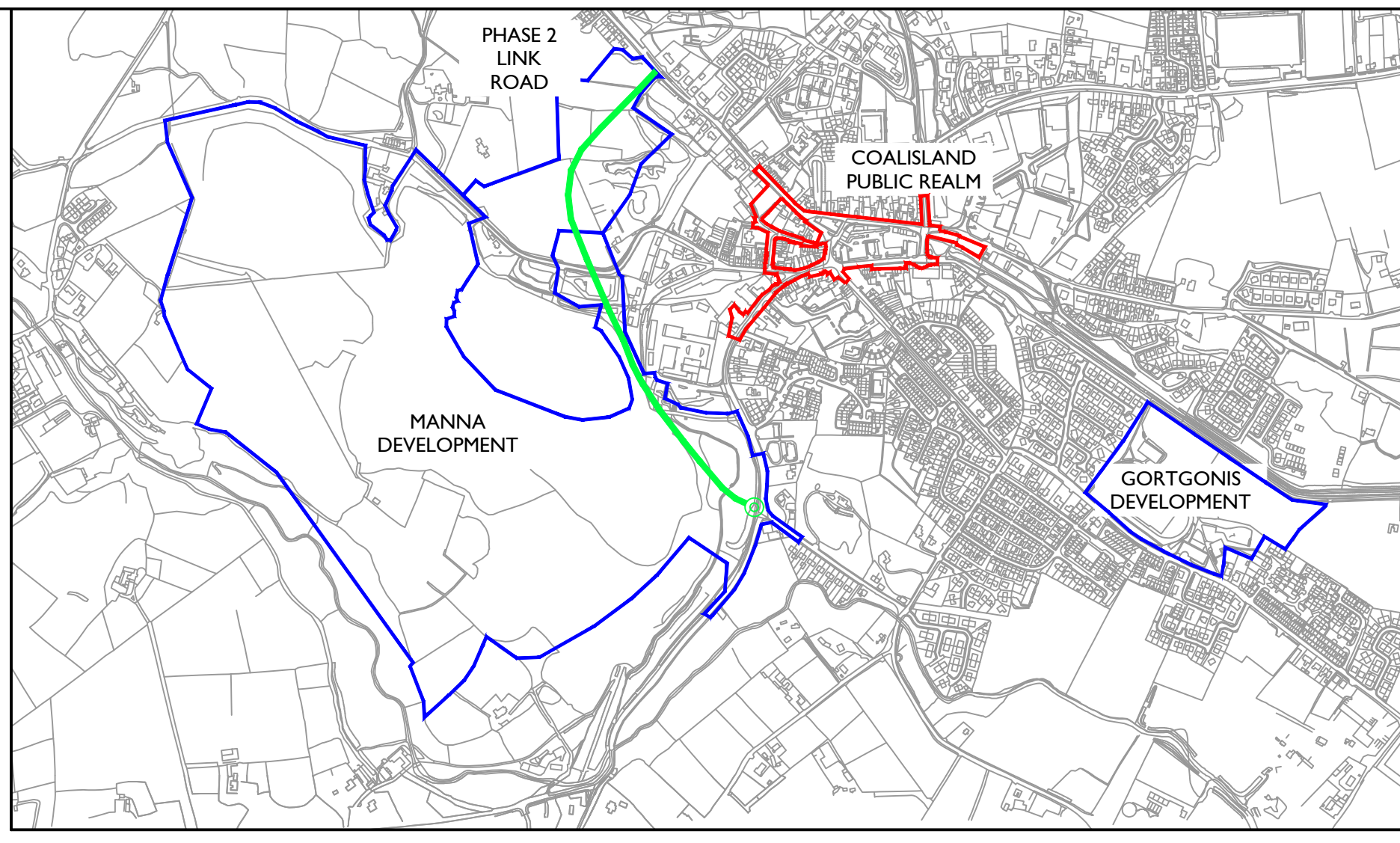
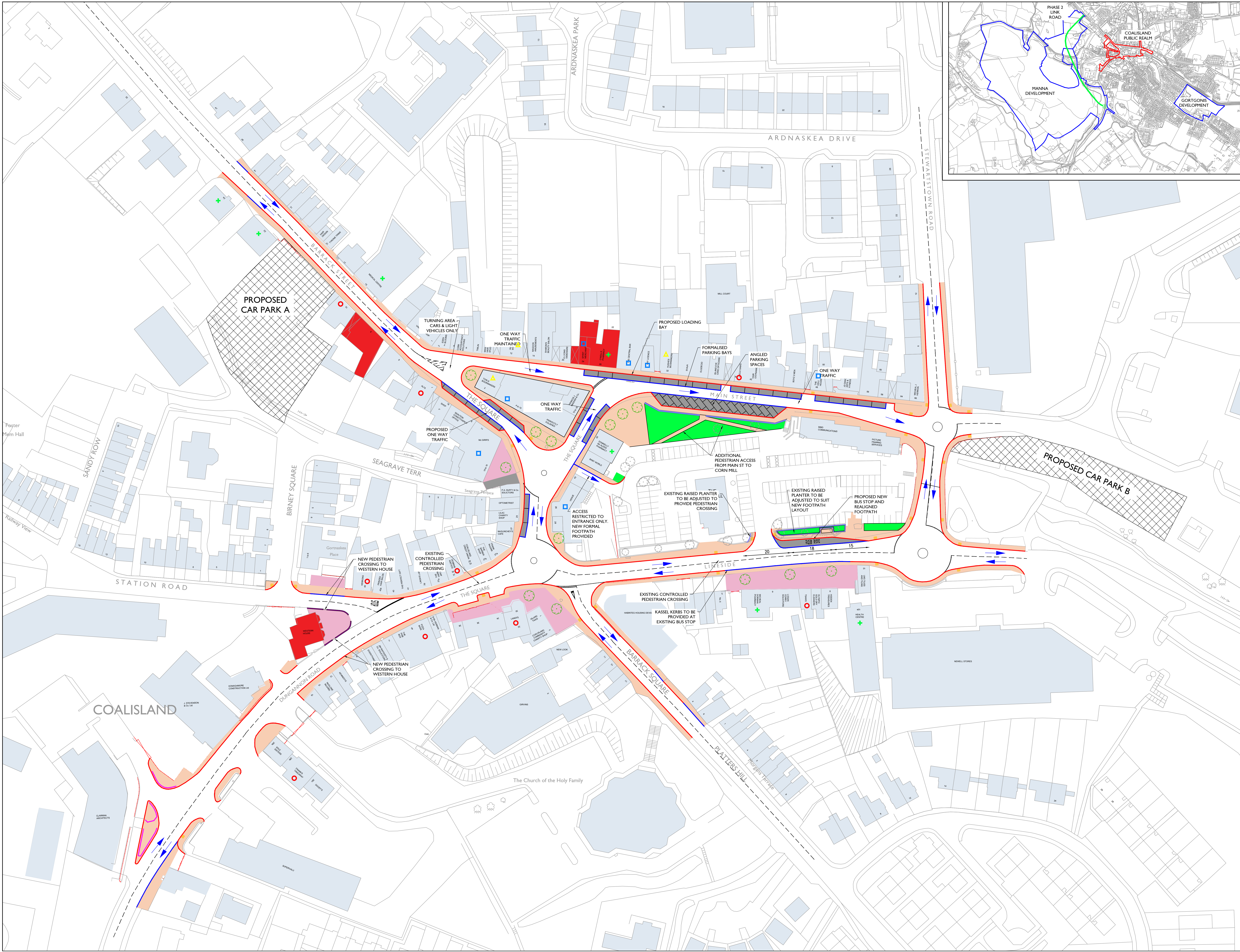
Bellast B19 SNA

Planning Sur

Fax 028 9066 3162

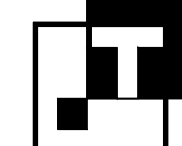
Project M211

email: malg@wtr-el-lagar



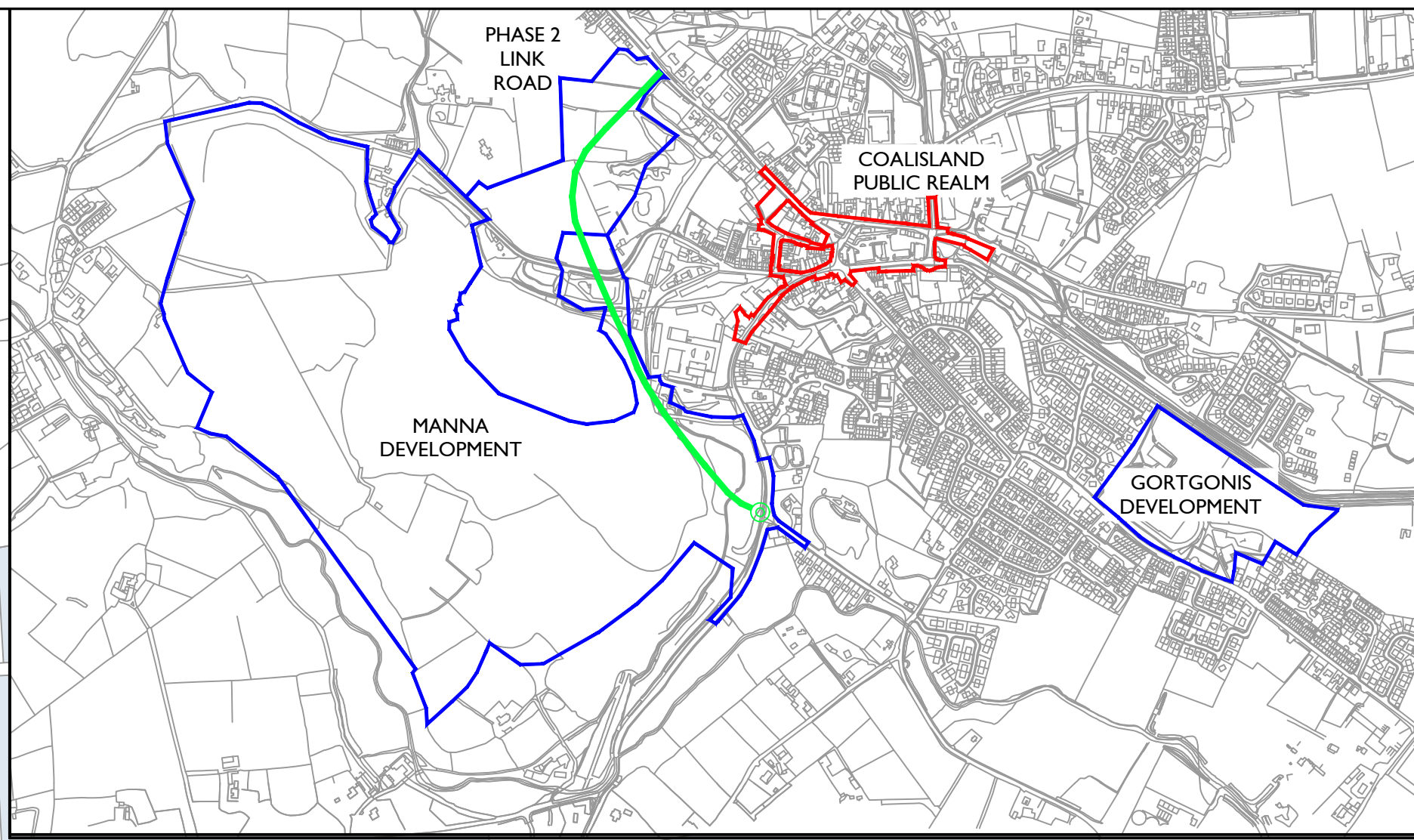
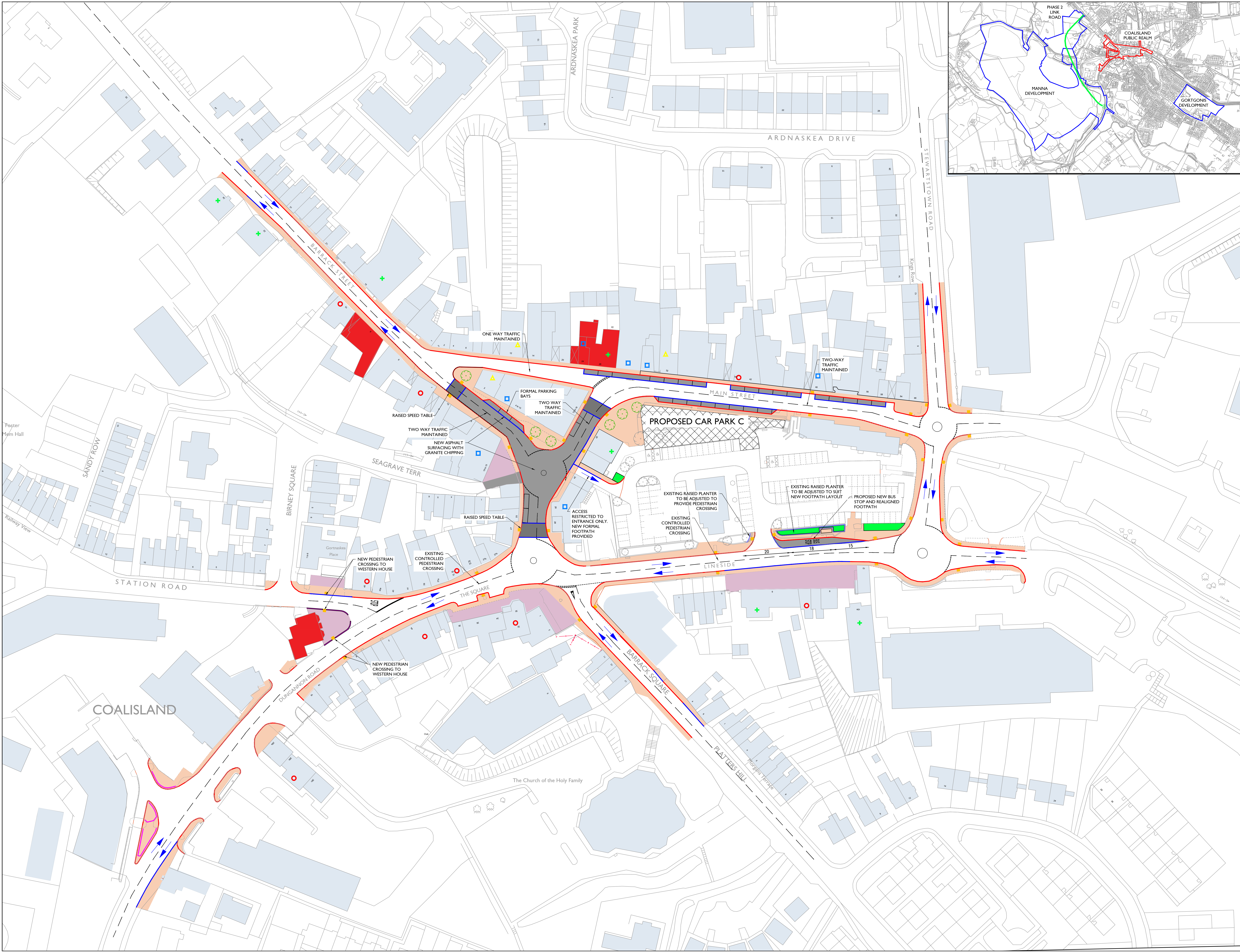
- NOTES**
1. ALL DIMENSIONS IN METERS UNLESS OTHERWISE STATED.
 2. THIS DRAWING TO BE READ IN CONJUNCTION WITH ALL OTHER DRAWINGS PERTAINING TO THE WORKS.
 3. ALL WORKS SHALL COMPLY WITH THE DESIGN MANUAL FOR ROADS AND BRIDGES VOLUME 1: SPECIFICATION FOR HIGHWAY WORKS.
 4. ALL NATURAL STONE PAVEMENTS SHALL BE CONSTRUCTED IN STRICT ACCORDANCE WITH THE RELEVANT SECTION OF BS7533 AND THE SPECIFICATION FOR HIGHWAY WORKS.
- LEGEND**
- PRIMARY PAVING
 - SECONDARY PAVING
 - ASPHALT SURFACING WITH GRANITE CHIPPINGS
 - LANDSCAPED AREA
 - ROAD KERB
 - DROPPED KERB
 - FEATURE RAILING
 - RETAINING WALL
 - TACTILE PAVING
 - PROPOSED SEMI-MATURE TREES
 - PHARMACY/MEDICAL CENTRE/SURGERY
 - PUB/OFF-LICENCE
 - BOOKMAKERS
 - TAKEAWAY
 - LISTED BUILDING

E	CAR PARK A BOUNDARY AMENDED	JVC	12.02.18	MP	12.02.18
D	NEW CAR PARK A & B ADDED	MP	06.12.17	TS	06.12.17
C	KEY PLAN AND BUSINESS SYMBOLS ADDED	MP	15.11.17	TS	15.11.17
B	GENERAL UPDATE	MP	27.09.17	TS	27.09.17
A	STATION ROAD BOUNDARY AMENDED	MP	02.08.17	TS	02.08.17
MP	AMENDMENT DETAILS	DATE	DATE	CHKD	DATE



WDR & RT TAGGART

CLIENT	MID ULSTER DISTRICT COUNCIL		
CONTRACT	COALISLAND PUBLIC REALM SCHEME		
DRAWING	PROPOSAL 2		
SCALE	1:500 AT A0		
DRAWN	MP	DATE	AUG 2017
CHECKED		DATE	
DRG No.	17058C-202 E		
Architects	Lagenwood House		
Civil Engineers	Newforge Lane		
Structural Engineers	Malone Road		
Landscape Architects	Belfast BT9 9HX		
Town Planning Consultants	Tel 028 9066 2121		
Planning Supervisors	Fax 028 9066 3162		
Project Managers	email mail@wdr-rttaggart.com		



NOTES

- ALL DIMENSIONS IN METERS UNLESS OTHERWISE STATED.
- THIS DRAWING TO BE READ IN CONJUNCTION WITH ALL OTHER DRAWINGS PERTAINING TO THE WORKS.
- ALL WORKS SHALL COMPLY WITH THE DESIGN MANUAL FOR ROADS AND BRIDGES VOLUME 1: SPECIFICATION FOR HIGHWAY WORKS.
- ALL NATURAL STONE PAVEMENTS SHALL BE CONSTRUCTED IN STRICT ACCORDANCE WITH THE RELEVANT SECTION OF BS7533 AND THE SPECIFICATION FOR HIGHWAY WORKS.

LEGEND

- PRIMARY PAVING
- SECONDARY PAVING
- ASPHALT SURFACING WITH GRANITE CHIPPINGS
- LANDSCAPED AREA
- ROAD KERB
- DROPPED KERB
- FEATURE RAILING
- RETAINING WALL
- TACTILE PAVING
- PROPOSED SEMI-MATURE TREES
- PHARMACY/MEDICAL CENTRE/SURGERY
- PUB/OFF-LICENCE
- BOOKMAKERS
- TAKEAWAY
- LISTED BUILDING

C	GENERAL UPDATE	MP	04.01.18	TS	04.01.18
B	NEW CAR PARK A & B ADDED	MP	06.12.17	TS	06.12.17
A	STATION ROAD BOUNDARY	MP	02.08.17	TS	02.08.17
AM	AMENDED	MP	02.08.17	TS	02.08.17
AM	AMENDED DETAILS	BY	DATE	CHKD	DATE

WDR & RT TAGGART

CLIENT
MID ULSTER DISTRICT COUNCIL

CONTRACT
COALISLAND PUBLIC REALM SCHEME

DRAWING
PROPOSAL 3

SCALE
1:500 AT A0

DRAWN
MP

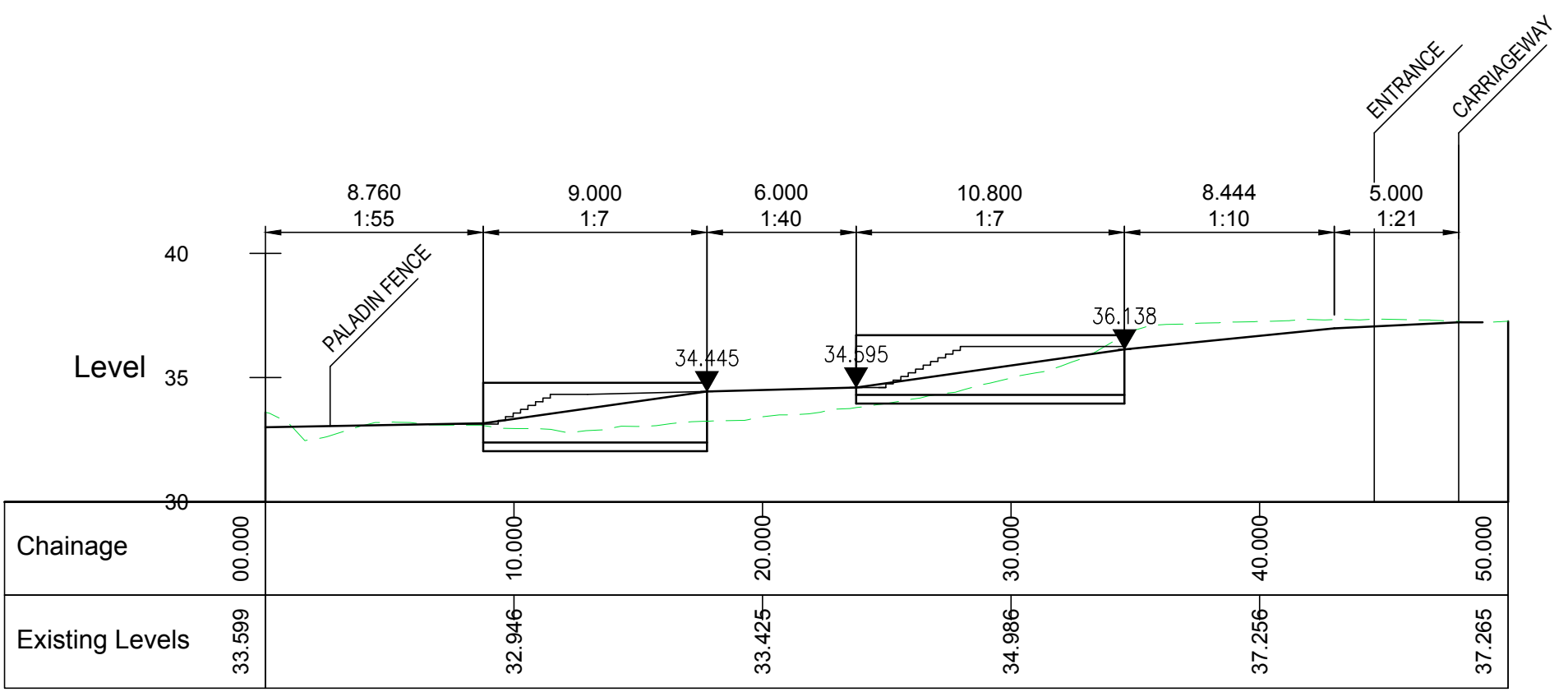
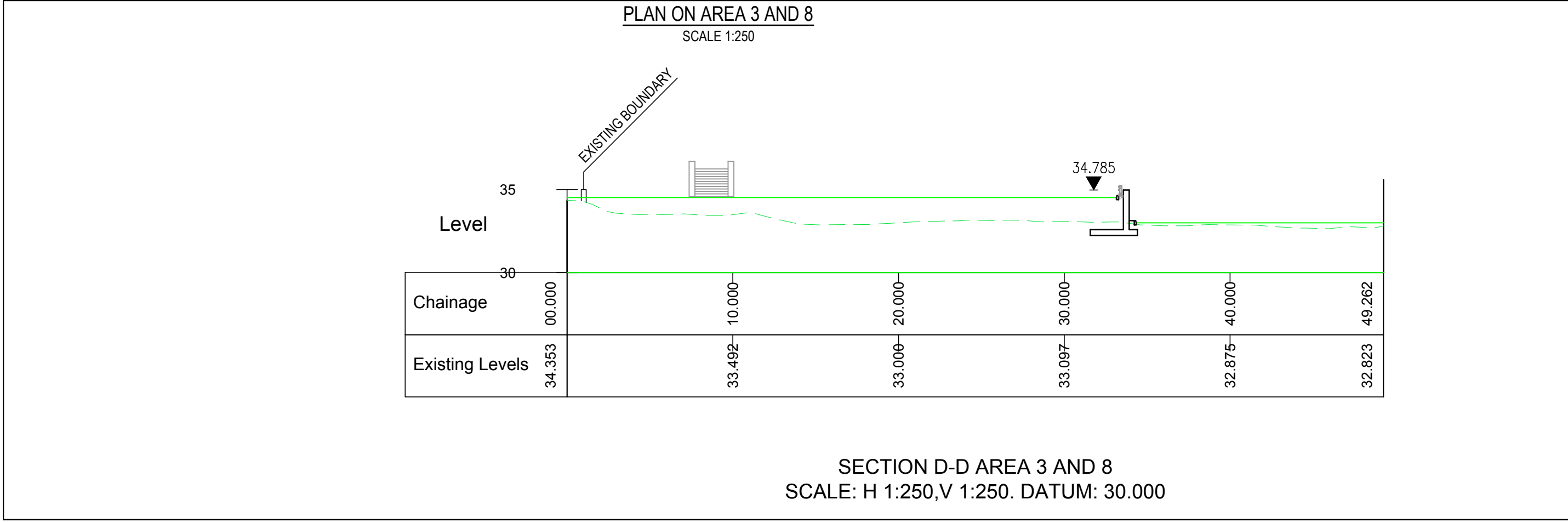
CHECKED
DATE

DATE
AUG 2017

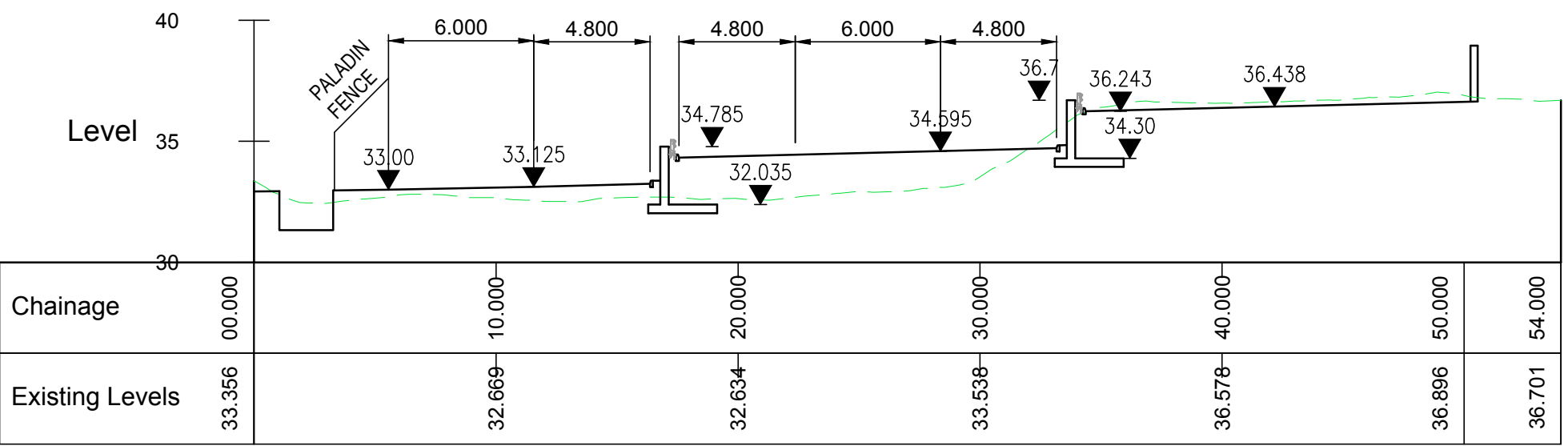
DRG No.
17058C-203 C

Architects
Civil Engineers
Structural Engineers
Landscape Architects
Town Planning Consultants
Planning Supervisors
Project Managers

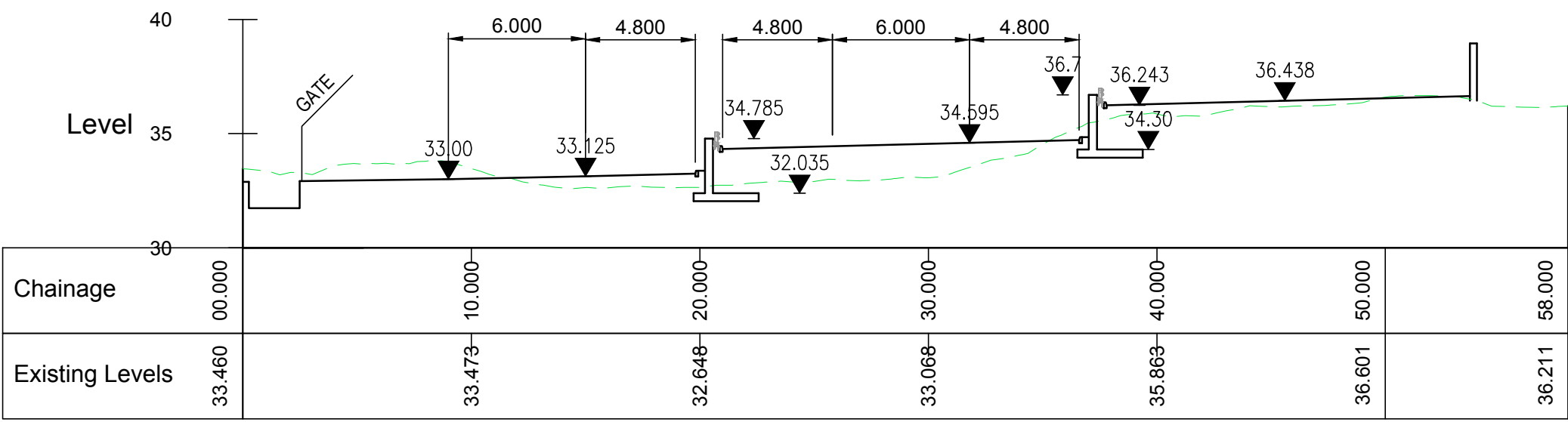
Lagenwood House
Newforge Lane
Malone Road
Belfast BT9 9JX
Tel 028 9066 2121
Fax 028 9066 3162
email: enquiries@wdr-rttaggart.com



SECTION A-A AREA 3 (WALL AND STEPS BEHIND SECTION)
SCALE: H 1:250, V 1:250. DATUM: 30.000



SECTION B-B AREA 3
SCALE: H 1:250, V 1:250. DATUM: 30.000



SECTION C-C AREA 3
SCALE: H 1:250, V 1:250. DATUM: 30.000

NOTES - GENERAL

1. DO NOT SCALE OFF DRAWING.

2. ALL DIMENSIONS ARE IN MILLIMETRES U.N.O.

3. ALL LEVELS ARE IN METRES.

4. THE CONTRACTOR SHALL BE RESPONSIBLE FOR CHECKING ALL DIMENSIONS AND LEVELS ON SITE.

5. THIS DRAWING IS TO BE READ IN CONJUNCTION WITH RELEVANT CONSULTANT DRAWINGS, SCHEDULES AND SPECIFICATIONS.

6. ALL MATERIALS AND WORKMANSHIP TO COMPLY WITH APPROPRIATE EUROCODES AND CONTRACT SPECIFICATION.

LEGEND

SITE BOUNDARY

NEW ASPHALT SURFACING CAR PARK

NEW ASPHALT SURFACING ACCESS ROAD

ASPHALT RESURFACING

NEW ASPHALT FOOTPATH

NEW PRECAST CONCRETE ROAD KERB

NEW PIN KERB

EXISTING KERB TO BE REMOVED

NEW TACTILE PAVING

NEW ROAD MARKINGS

NEW LANDSCAPED AREA

NEW PALADIN FENCE

BOLLARD

ARMCO BARRIER

NEW DROP KERB

CULVERT

NEW GATE

A

CHKD

DATE

SIGHT-LINE ADDED

AMENDMENT DETAILS

JVC

BY

DATE

MP

CHKD

DATE

08.01.18

08.01.18

WDR & RT TAGGART

CLIENT

MID ULSTER DISTRICT COUNCIL

CONTRACT

COALISLAND PUBLIC REALM SCHEME

DRAWING

ASSESSMENT OF PROPOSED CAR PARKING OPTIONS AREA 3 AND 8

STATUS

PRELIMINARY

SCALE

AS SHOWN @ A1

DRAWN

JVC

DATE

NOV 2017

CHECKED

MP

DATE

NOV 2017

DRG No.

I7058C-305

REV.

A

Architects

Civil Engineers

Structural Engineers

Landscape Architects

Town Planning Consultants

Planning Supervisors

Project Managers

Laganwood House

Newforge Lane

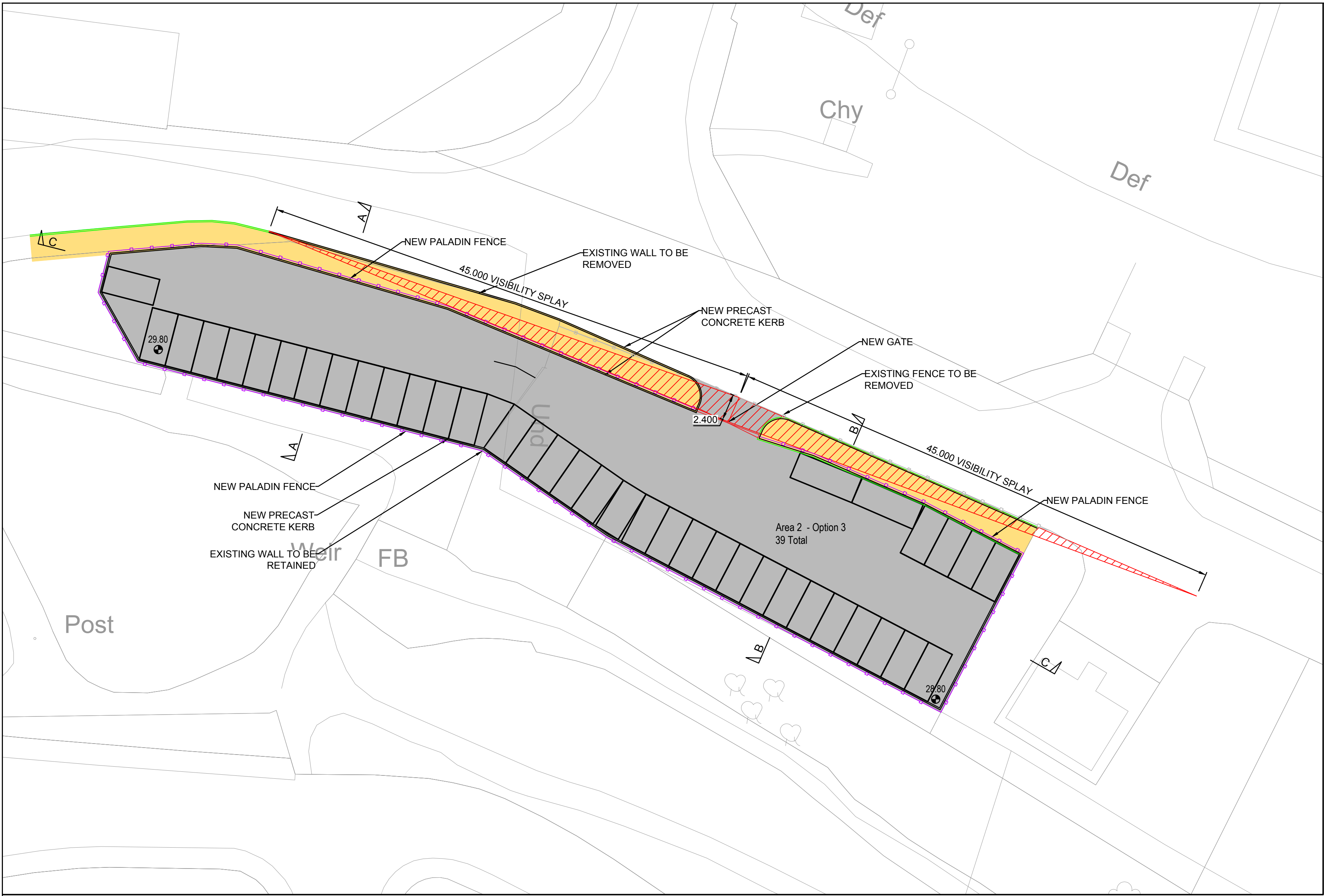
Malone Road

Belfast BT9 5NX

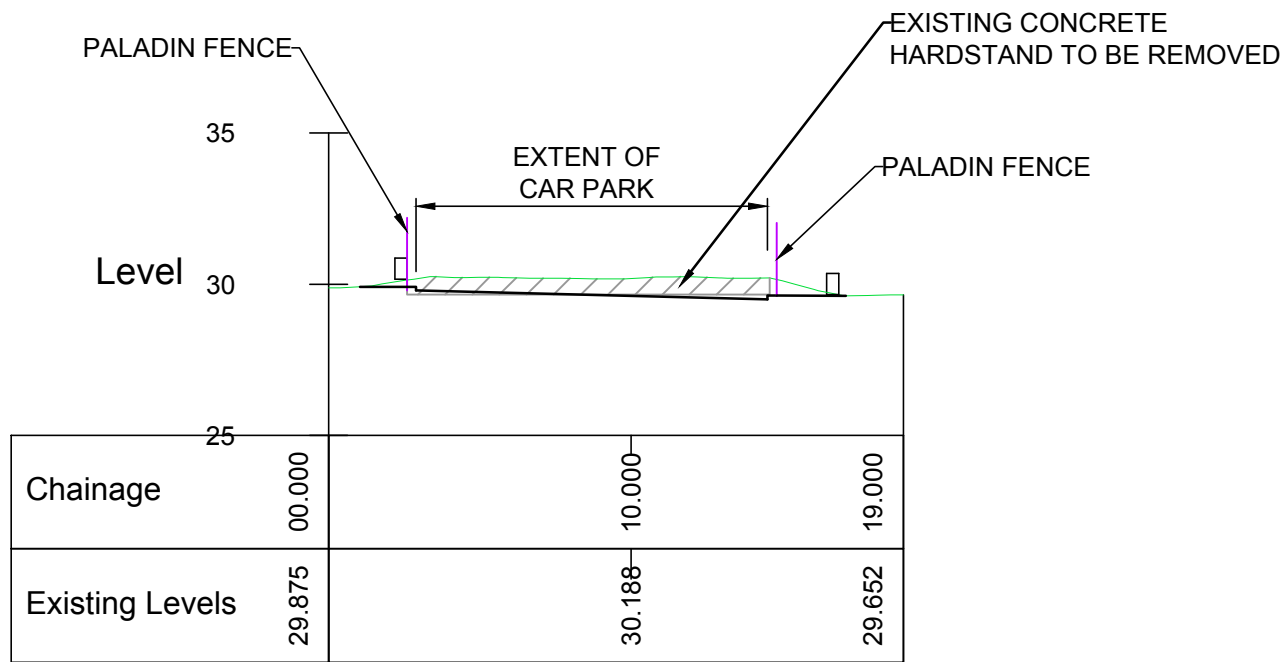
Tel 028 9066 2121

Fax 028 9066 3162

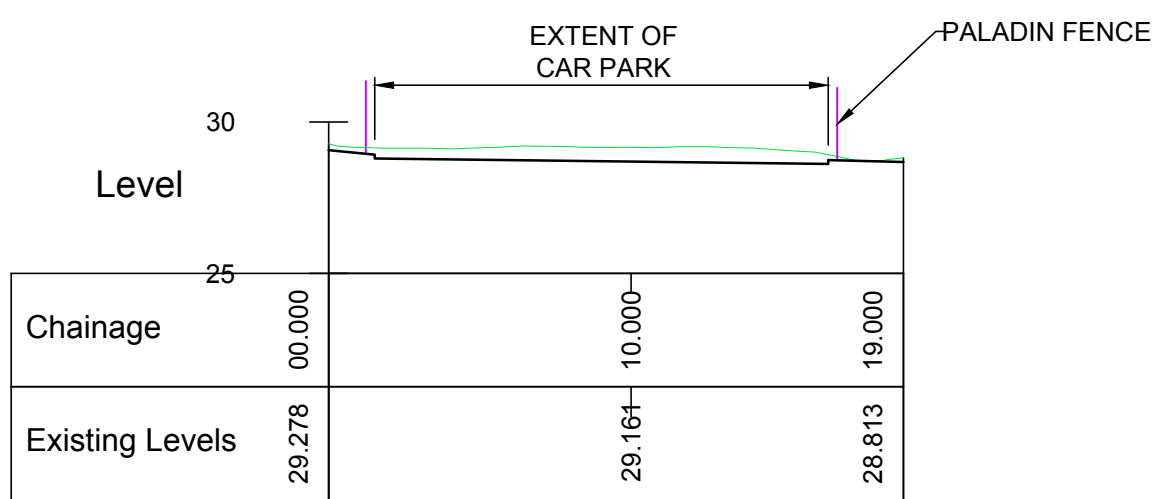
email mail@wdr-rt-taggart.com



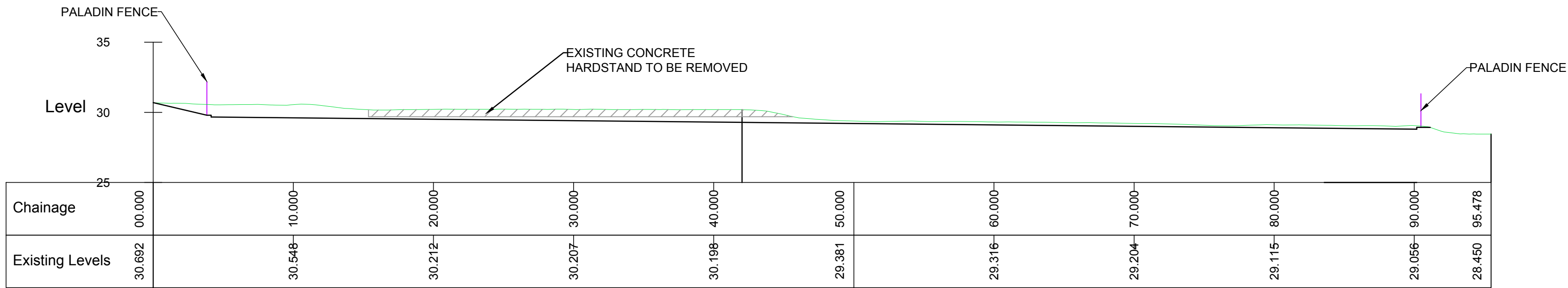
PLAN ON AREA 2
SCALE 1:250



SECTION A-A AREA 2
SCALE: H 1:250, V 1:250. DATUM: 25.000



SECTION B-B AREA 2
SCALE: H 1:250, V 1:250. DATUM: 25.000



SECTION C-C AREA 2
SCALE: H 1:250, V 1:250. DATUM: 25.000

NOTES - GENERAL

1. DO NOT SCALE OFF DRAWING.

2. ALL DIMENSIONS ARE IN MILLIMETRES U.N.O.

3. ALL LEVELS ARE IN METRES.

4. THE CONTRACTOR SHALL BE RESPONSIBLE FOR CHECKING ALL DIMENSIONS AND LEVELS ON SITE.

5. THIS DRAWING IS TO BE READ IN CONJUNCTION WITH RELEVANT CONSULTANT DRAWINGS, SCHEDULES AND SPECIFICATIONS.

6. ALL MATERIALS AND WORKMANSHIP TO COMPLY WITH APPROPRIATE EUROCODES AND CONTRACT SPECIFICATION.

LEGEND

SITE BOUNDARY

NEW ASPHALT SURFACING CAR PARK

NEW ASPHALT SURFACING ACCESS ROAD

ASPHALT RESURFACING

NEW ASPHALT FOOTPATH

NEW PRECAST CONCRETE ROAD KERB

NEW PIN KERB

EXISTING KERB TO BE REMOVED

NEW TACTILE PAVING

NEW ROAD MARKINGS

NEW LANDSCAPED AREA

NEW PALADIN FENCE

B₀

BOLLARD

ARMCO BARRIER

NEW DROP KERB

CULVERT

NEW GATE

A

ENTRANCE RELOCATED AND SIGHT-LINE AMENDED

JVC

MP

AK

CHKD

AMENDMENT DETAILS

BY

DATE

DATE

DATE

WDR & RT TAGGART

CLIENT

MID ULSTER DISTRICT COUNCIL

CONTRACT

COALISLAND PUBLIC REALM SCHEME

DRAWING

ASSESSMENT OF PROPOSED CAR PARKING OPTIONS AREA 2

STATUS

PRELIMINARY

SCALE

AS SHOWN @ A1

DRAWN

JVC

DATE

NOV 2017

CHECKED

MP

DATE

NOV 2017

DRG No.

I7058C-303

REV.

A

Architects

Civil Engineers

Structural Engineers

Landscape Architects

Town Planning Consultants

Planning Supervisors

Project Managers

Laganwood House

Newforge Lane

Malone Road

Belfast BT9 5NX

Tel 028 9066 2121

Fax 028 9066 3162

email mail@wdr-rt-taggart.com



NOTES - GENERAL

1. DO NOT SCALE OFF DRAWING.

2. ALL DIMENSIONS ARE IN MILLIMETRES U.N.O.

3. ALL LEVELS ARE IN METRES.

4. THE CONTRACTOR SHALL BE RESPONSIBLE FOR CHECKING ALL DIMENSIONS AND LEVELS ON SITE.

5. THIS DRAWING IS TO BE READ IN CONJUNCTION WITH RELEVANT CONSULTANT DRAWINGS, SCHEDULES AND SPECIFICATIONS.

6. ALL MATERIALS AND WORKMANSHIP TO COMPLY WITH APPROPRIATE EUROCODES AND CONTRACT SPECIFICATION.

LEGEND

SITE BOUNDARY

NEW ASPHALT SURFACING CAR PARK

NEW ASPHALT SURFACING ACCESS ROAD

ASPHALT RESURFACING

NEW ASPHALT FOOTPATH

NEW PRECAST CONCRETE ROAD KERB

NEW PIN KERB

EXISTING KERB TO BE REMOVED

NEW TACTILE PAVING

NEW ROAD MARKINGS

NEW LANDSCAPED AREA

NEW PALADIN FENCE

BOLLARD

ARMCO BARRIER

NEW DROP KERB

CULVERT

NEW GATE

AMENDMENT DETAILS

BY DATE

CHKD DATE

WDR & RT TAGGART

CLIENT

MID ULSTER DISTRICT COUNCIL

CONTRACT

COALISLAND PUBLIC REALM SCHEME

DRAWING

ASSESSMENT OF PROPOSED CAR PARKING OPTIONS IMPROVEMENTS AT BIRNEY SQUARE AND SEAGRAVE TERR

STATUS

PRELIMINARY

SCALE

AS SHOWN @ A1

DRAWN

JVC

DATE

NOV 2017

CHECKED

MP

DATE

NOV 2017

DRG No.

I7058C-306

REV.

0

Architects

Civil Engineers

Structural Engineers

Landscape Architects

Town Planning Consultants

Planning Supervisors

Project Managers

Laganwood House

Newforge Lane

Malone Road

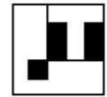
Belfast BT9 5NX

Tel 028 9066 2121

Fax 028 9066 3162

email mail@wdr-rt-taggart.com

PLAN ON BIRNEY SQUARE AND SEAGROVE TERRACE
SCALE 1:250



APPENDIX B - COST ESTIMATES

COALISLAND PUBLIC REALM

Proposed Layout 1, Natural Stone Paving - Cost Estimate

Description	Unit	Quantity	Rate	Amount
Site Clearance/Groundworks				
Groundworks	7813	m ²	25.00	£195,325.00
Demolition of building	1	sum	10000.00	£10,000.00
Surfacing				
Natural Stone Paving	5287	m ²	120.00	£634,440.00
Exposed Aggregate Paving	1131	m ²	70.00	£79,170.00
New Carriageway Surfacing	900	m ²	50.00	£45,000.00
Carriageway Resurfacing	475	m ²	25.00	£11,875.00
Granite Kerb	2636.5	m	60.00	£158,190.00
Whitelineing	1	sum	20000.00	£20,000.00
Landscaping	495	m ²	50.00	£24,750.00
Street Furniture				
Street Lighting	55	no.	7500.00	£412,500.00
Bins	20	no.	500.00	£10,000.00
Bollards	70	no.	250.00	£17,500.00
Seats	8	no.	2000.00	£16,000.00
Planters	8	no.	1000.00	£8,000.00
Trees	9	no.	3000.00	£27,000.00
Wall/Railing	134	m	250.00	£33,500.00
Signage	1	sum	30000.00	£30,000.00
Services				
Road Gullies	30	no.	500.00	£15,000.00
Recessed manhole covers	100	no.	400.00	£40,000.00
Future-Proof Ducting	1	sum	60000.00	£60,000.00
Undergrounding Overhead BT	1	sum	55000.00	£55,000.00
WiFi	1	sum	15000.00	£15,000.00
CCTV	1	sum	15000.00	£15,000.00
Total Construction Costs				£1,933,250.00
Preliminaries (10%)				£193,325.00
Cost of Surveys				£48,000.00
Purchase of Vacant Site (Estimate)				£120,000.00
Purchase of land in Cornmill car park				£50,000.00
GRAND TOTAL				£2,344,575.00

COALISLAND PUBLIC REALM

Proposed Layout 3, Natural Stone Paving - Cost Estimate

Description	Unit	Quantity	Rate	Amount
Site Clearance/Groundworks				
Groundworks	6472	m ²	25.00	£161,800.00
Surfacing				
Natural Stone Paving	5130	m ²	120.00	£615,600.00
Exposed Aggregate Paving	1153	m ²	70.00	£80,710.00
New Carriageway Surfacing	94	m ²	50.00	£4,700.00
Carriageway Resurfacing	1524	m ²	25.00	£38,100.00
Granite Kerb	2358	m	60.00	£141,480.00
Whitelineing	1	sum	20000.00	£20,000.00
Landscaping	95	m ²	50.00	£4,750.00
Street Furniture				
Street Lighting	55	no.	7500.00	£412,500.00
Bins	20	no.	500.00	£10,000.00
Bollards	70	no.	250.00	£17,500.00
Seats	8	no.	2000.00	£16,000.00
Planters	8	no.	1000.00	£8,000.00
Trees	9	no.	3000.00	£27,000.00
Wall/Railing	134	m	250.00	£33,500.00
Signage	1	sum	30000.00	£30,000.00
Services				
Road Gullies	30	no.	500.00	£15,000.00
Recessed manhole covers	100	no.	400.00	£40,000.00
Future-Proof Ducting	1	sum	60000.00	£60,000.00
Undergrounding Overhead BT	1	sum	55000.00	£55,000.00
WiFi	1	sum	15000.00	£15,000.00
CCTV	1	sum	15000.00	£15,000.00
Total Construction Costs				£1,821,640.00
Preliminaries (10%)				£182,164.00
Cost of Surveys				£48,000.00
Purchase of Vacant Site (Estimate)				£120,000.00
Purchase of land in Cornmill car park				£50,000.00
GRAND TOTAL				£2,221,804.00

COALISLAND PUBLIC REALM

Proposed Layout 1, Natural Stone Paving & Concrete Setts - Cost Estimate

Description	Unit	Quantity	Rate	Amount
Site Clearance/Groundworks				
Groundworks	7362	m ²	25.00	£184,050.00
Demolition of building	1	sum	10000.00	£10,000.00
Surfacing				
Natural Stone Paving	3580	m ²	120.00	£429,600.00
Concrete Setts Paving	1707	m ²	70.00	£119,490.00
Exposed Aggregate Paving	1131	m ²	70.00	£79,170.00
New Carriageway Surfacing	900	m ²	50.00	£45,000.00
Carriageway Resurfacing	475	m ²	25.00	£11,875.00
Granite Kerb	1839.5	m	60.00	£110,370.00
Concrete Road Kerb	797	m	15.00	£11,955.00
Whitelineing	1	sum	20000.00	£20,000.00
Landscaping	495	m ²	50.00	£24,750.00
Street Furniture				
Street Lighting	55	no.	7500.00	£412,500.00
Bins	20	no.	500.00	£10,000.00
Bollards	70	no.	250.00	£17,500.00
Seats	8	no.	2000.00	£16,000.00
Planters	8	no.	1000.00	£8,000.00
Trees	9	no.	3000.00	£27,000.00
Wall/Railing	134	m	250.00	£33,500.00
Signage	1	sum	30000.00	£30,000.00
Services				
Road Gullies	30	no.	500.00	£15,000.00
Recessed manhole covers	100	no.	400.00	£40,000.00
Future-Proof Ducting	1	sum	60000.00	£60,000.00
Undergrounding Overhead BT	1	sum	55000.00	£55,000.00
WiFi	1	sum	15000.00	£15,000.00
CCTV	1	sum	15000.00	£15,000.00
Total Construction Costs				£1,800,760.00
Preliminaries (10%)				£180,076.00
Cost of Surveys				£48,000.00
Purchase of Vacant Site (Estimate)				£120,000.00
Purchase of land in Cornmill car park				£50,000.00
GRAND TOTAL				£2,198,836.00

COALISLAND PUBLIC REALM

Proposed Layout 3, Natural Stone Paving & Concrete Setts - Cost Estimate

Description	Unit	Quantity	Rate	Amount
Site Clearance/Groundworks				
Groundworks	3052	m ²	25.00	£76,300.00
Surfacing				
Natural Stone Paving	3420	m ²	120.00	£410,400.00
Concrete Setts Paving	1710	m ²	70.00	£119,700.00
Exposed Aggregate Paving	1153	m ²	70.00	£80,710.00
New Carriageway Surfacing	94	m ²	50.00	£4,700.00
Carriageway Resurfacing	1524	m ²	25.00	£38,100.00
Granite Kerb	1561	m	60.00	£93,660.00
Concrete Road Kerb	797	m	15.00	£11,955.00
Whitelining	1	sum	20000.00	£20,000.00
Landscaping	95	m ²	50.00	£4,750.00
Street Furniture				
Street Lighting	55	no.	7500.00	£412,500.00
Bins	20	no.	500.00	£10,000.00
Bollards	70	no.	250.00	£17,500.00
Seats	8	no.	2000.00	£16,000.00
Planters	8	no.	1000.00	£8,000.00
Trees	9	no.	3000.00	£27,000.00
Wall/Railing	134	m	250.00	£33,500.00
Signage	1	sum	30000.00	£30,000.00
Services				
Road Gullies	30	no.	500.00	£15,000.00
Recessed manhole covers	100	no.	400.00	£40,000.00
Future-Proof Ducting	1	sum	60000.00	£60,000.00
Undergrounding Overhead BT	1	sum	55000.00	£55,000.00
WiFi	1	sum	15000.00	£15,000.00
CCTV	1	sum	15000.00	£15,000.00
Total Construction Costs				£1,614,775.00
Preliminaries (10%)				£161,477.50
Cost of Surveys				£48,000.00
Purchase of Vacant Site (Estimate)				£120,000.00
Purchase of land in Cornmill car park				£50,000.00
GRAND TOTAL				£1,994,252.50

COALISLAND PUBLIC REALM

Car Park A - Cost Estimate

Description	Quantity	Unit	Rate	Amount
Site Clearance/Groundworks				
Groundworks	2634	m ²	10.00	£26,343.65
Excavation to reduced levels	585	m ³	5.00	£2,923.06
Fill	639	m ³	10.00	£6,388.55
Imported fill material	54	m ³	18.00	£976.37
Demolition of wall	1	sum	2500.00	£2,500.00
Surfacing				
Car Park Asphalt	2068	m ²	25.00	£51,693.55
Public Realm Footpath	214	m ²	120.00	£25,714.56
New Carriageway Resurfacing	352	m ²	35.00	£12,331.73
Granite Kerb	124	m	60.00	£7,443.84
Precast Concrete Kerb	326	m	15.00	£4,892.28
Tactile Paving	11	m ²	50.00	£568.00
Whitelineing	1	sum	3000.00	£3,000.00
Street Furniture				
Steps	2	no.	5000.00	£10,000.00
Railing	125	m	60.00	£7,515.60
Vehicular Restraint	65	m	60.00	£3,886.56
Retaining Wall	91	m	250.00	£22,855.00
Paladin Fence	156	m	80.00	£12,490.00
Gate	2	no.	5000.00	£10,000.00
Street Lighting	2	no.	7500.00	£15,000.00
Amenity Lighting	12	no.	1250.00	£15,000.00
Bins	5	no.	250.00	£1,250.00
Signage	1	sum	2000.00	£2,000.00
Services				
Drainage	1	sum	20000.00	£20,000.00
Watercourse culverting and Inlet	1	sum	20000.00	£20,000.00
Total Construction Costs				£284,772.75
Preliminaries (10%)				£28,477.27
Design Development (15%)				£42,715.91
Purchase of Sites (Estimate)	1	sum	200000.00	£200,000.00
GRAND TOTAL				£555,965.94

COALISLAND PUBLIC REALM

Car Park B - Cost Estimate

Description	Quantity	Unit	Rate	Amount
Site Clearance/Groundworks				
Groundworks	1274	m ²	10.00	£12,738.54
Excavation to reduced levels	967	m ³	5.00	£4,834.00
Demolition of existing concrete slab	418	m ²	5.00	£2,087.75
Disposal of excavated material	1092	m ³	11.50	£12,558.74
Removal of Existing Fence	1	sum	1000.00	£1,000.00
Surfacing				
Car Park Asphalt	1098	m ²	25.00	£27,455.95
Public Realm Footpath	176	m ²	120.00	£21,073.92
Granite Kerb	93	m	60.00	£5,562.00
Precast Concrete Kerb	188	m	15.00	£2,816.42
Whitelineing	1	sum	1000.00	£1,000.00
Street Furniture				
Paladin Fence	189	m	80.00	£15,113.60
Gate	1	no.	5000.00	£5,000.00
Amenity Lighting	6	no.	1250.00	£7,500.00
Bins	2	no.	500.00	£1,000.00
Signage	1	sum	1000.00	£1,000.00
Services				
Drainage	1	sum	10000.00	£10,000.00
Total Construction Costs				£130,740.91
Preliminaries (10%)				£13,074.09
Design Development (15%)				£19,611.14
Purchase of Site (Estimate)	1	sum	150000.00	£150,000.00
GRAND TOTAL				£313,426.14

COALISLAND PUBLIC REALM

Car Park C - Cost Estimate

Description	Quantity	Unit	Rate	Amount
Site Clearance/Groundworks				
Groundworks	828	m ²	10.00	£8,281.30
Excavation to reduced levels	362	m ³	5.00	£1,810.95
Fill	300	m ³	10.00	£3,003.88
Disposal of excavated material	62	m ³	11.50	£710.72
Demolition of Existing Building	1	sum	10000.00	£10,000.00
Surfacing				
Car Park Asphalt	518	m ²	25.00	£12,959.33
Footpath Paving (concrete to match existing)	68	m ²	50.00	£3,424.65
Precast Concrete Kerb	180	m	15.00	£2,702.16
Whitelineing	1	sum	500.00	£500.00
Landscaping	241	m ²	10.00	£2,412.64
Street Furniture				
Railing	75	m	60.00	£4,485.90
Retaining Wall	75	m	250.00	£18,691.25
Amenity Lighting	3	no.	1250.00	£3,750.00
Bins	2	no.	500.00	£1,000.00
Signage	1	sum	500.00	£500.00
Services				
Drainage	1	sum	5000.00	£5,000.00
Total Construction Costs				£79,232.78
Preliminaries (10%)				£7,923.28
Design Development (15%)				£11,884.92
Purchase of Site (included in public realm costs)	1	sum	0.00	£0.00
GRAND TOTAL				£99,040.97

COALISLAND PUBLIC REALM

Birney Sq and Seagrave Terrace - Cost Estimate

Description	Quantity	Unit	Rate	Amount
Site Clearance/Groundworks				
Groundworks	323.754	m ²	25.00	£8,093.85
Surfacing				
Public Realm Footpath	323.754	m ²	120.00	£38,850.48
Carriageway Resurfacing	816.46	m ²	25.00	£20,411.50
Granite Kerb	181.562	m	60.00	£10,893.72
Tactile Paving	4.32	m ²	50.00	£216.00
Whitelining	1	sum	2000.00	£2,000.00
Street Furniture				
Street Lighting	8	no.	7500.00	£60,000.00
Bins	6	no.	500.00	£3,000.00
Signage	1	sum	2000.00	£2,000.00
Services				
Drainage	1	sum	10000.00	£10,000.00
Total Construction Costs				£155,465.55
Preliminaries (10%)				£15,546.56
Design Development (15%)				£23,319.83
GRAND TOTAL				£194,331.94

COALISLAND PUBLIC REALM

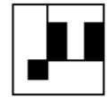
Proposed Layout 1, Natural Stone Paving & Concrete Setts - Cost Estimate

Description	Unit	Quantity	Rate	Amount
Site Clearance/Groundworks				
Groundworks	1707	m ²	25.00	£42,675.00
Surfacing				
Concrete Setts Paving	1707	m ²	70.00	£119,490.00
Concrete Road Kerb	797	m	15.00	£11,955.00
Total Construction Costs				£174,120.00
Preliminaries (10%)				£17,412.00
OB Adjustment (15.99%)				£27,841.79
GRAND TOTAL				£219,373.79

COALISLAND PUBLIC REALM

Proposed Layout 3, Natural Stone Paving & Concrete Setts - Cost Estimate

Description	Unit	Quantity	Rate	Amount
Site Clearance/Groundworks				
Groundworks	1710	m ²	25.00	£42,750.00
Surfacing				
Concrete Setts Paving	1710	m ²	70.00	£119,700.00
Concrete Road Kerb	797	m	15.00	£11,955.00
Total Construction Costs				£174,405.00
Preliminaries (10%)				£17,440.50
OB Adjustment (15.99%)				£27,887.36
GRAND TOTAL				£219,732.86



APPENDIX C - RISK REGISTER

17058 - COALISLAND PUBLIC REALM
PROJECT RISK REGISTER

Risk ID	Risk	Cause	Consequence	Allocation	Mitigation / Action	Level of Risk (High, Medium or Low)											
						Option 1	Option 2	Option 4	Option 5	Option 6	Option 9	Option 10	Option 12	Option 13	Option 14	Option 17	
1	Planning Approval	Approval not obtained	Delay to Scheme leading to loss of funding	ICT	ICT to initiate planning application process as early as reasonably practical. Early engagement with all Statutory Authorities	Low	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium
2	Funding	Unsecured Funding	Scheme Postponed / Reduced Scope for Scheme	MUDC / DfC / CPD	Produce rebus Economic Appraisal	Low	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium
3	Funders' Expenditure Profile Requiremens	Loss of Funding by not meeting required expenditure profile	Loss of funding, Costs incurred by MUDC. Reduced Scope for Scheme	MUDC / ICT	Realistic/achievable programme in place. All parties made aware of deadlines.	Low	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium
4	Programme Constraints	Programme Constraints due to funding, traders restrictions, Translink requirements etc.	Loss of funding, Disruption to construction sequence.	MUDC / Contractor	Restrictions to construction period and working times to be agreed with MUDC / Stakeholders and included in the Works Information to ensure contractor is fully aware of all constraints	Low	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium
5	TNI Traffic Restrictions	Traffic restrictions cause disruption to construction	Construction Delays. Disruption to construction sequence. Delayed Handover.	ICT / Contractor	Restrictions to working times to be agreed with TNI / MUDC / Traders and included in the Works Information to ensure contractor is fully aware of all constraints on working areas	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low
6	Work near traffic / footpaths	Vehicles passing at speed, machinery operating close to the public	Potential for injury to Contractor's staff / members of the public	Contractor	Adequate hoarding/barriers provided to separate members of the public from the works and to protect works from traffic	Low	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium
7	Unknown Services	Presence of shallow services requiring relocation/alterations	Construction delays. Increased construction costs.	ICT / Contractor	GPR survey in conjunction with slip trenches to be undertaken to indicate location and depths of services. Historical record drawings also obtained from service providers and provided in ITT documents. Contractor to liaise with utility providers and use approved locating instruments to determine exact locations of underground cables.	Low	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium
8	Existing Services	Inaccuracy of information provided by Utility Provider, Emergency Work undertaken by Utility Company	Disruption to construction sequence, repair work required	MUDC / Contractor	Early liaison undertake between design team and Utility Providers to ensure they are fully aware of works. Project added to TNI's Symology notification system. Contractor to liaise with utility providers on regular basis.	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low

17058 - COALISLAND PUBLIC REALM
PROJECT RISK REGISTER

Risk ID	Risk	Cause	Consequence	Allocation	Mitigation / Action	Level of Risk (High, Medium or Low)										
						Option 1	Option 2	Option 4	Option 5	Option 6	Option 9	Option 10	Option 12	Option 13	Option 14	Option 17
9	Accuracy of Utility Information	Inaccuracy of information provided by Utility Provider. Clash with utilities during construction. Services requiring relocation/alterations.	Construction delays. Increased construction costs.	ICT	Utility providers record information to be cross-referenced with GPR survey. Trial Holes/slit trenches to verify information	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low
10	Survey Information	Inaccuracy of survey information. Clash with utilities during construction. Services requiring relocation/alterations.	Construction delays. Increased construction costs.	ICT	Verify survey information on site, undertake trial holes to confirm services locations.	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low
11	Disruption to business and end user during construction	Development will have a negative effect on traffic during construction. Disruption of trade, loss of business	Negative public opinion of project	MUDC / Contractor	Ongoing liaison and regular meetings. Access to be maintained to businesses at all times.	Low	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium
12	Private Property Owners	Problems with landowner and/or adjacent land owners.	Delays and/or increased costs, negative public opinion of project	ICT / MUDC	Obtain agreements before IST documents are issued. Ongoing liaison. Public Liaison Officer appointed by contractor.	Low	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium
13	Materials	Long lead in times for materials procurement	Delayed start and Construction delays.	Contractor	Allowance to be made in project programme for the procurement and delivery of materials. Contractor to procure materials, particularly items with a long lead in period such as granite kerbs, as soon as reasonably possible.	Low	Medium	Medium	Medium	Medium	Medium	Low	Low	Low	Low	Low
14	Pollution Incident	Incident during construction period	Construction delays. Increased construction costs.	Contractor	All works to be undertaken in accordance with Pollution Prevention Guidance 6 (PPG 6) - Construction and Demolition Sites	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low
15	Health & Safety Incident	Traffic Collision, Incident during construction period,	Possible injury or loss of life, Construction delays.	Dfl, Contractor	All personnel to be provided with appropriate and specific method statements. Contractor to provide appropriate plant/machinery and suitably trained personnel.	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium
16	Project Management	Poor project management of Scheme	Construction delays, increased costs	All	All parties to undertake their respective roles to the best of their ability.	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low

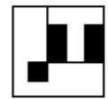
17058 - COALISLAND PUBLIC REALM
PROJECT RISK REGISTER

Risk ID	Risk	Cause	Consequence	Allocation	Mitigation / Action	Level of Risk (High, Medium or Low)										
						Option 1	Option 2	Option 4	Option 5	Option 6	Option 9	Option 10	Option 12	Option 13	Option 14	Option 17
17	Security	Trespass / Theft, Loss of materials or damage to works on site	Remedial Works, replacement of materials	Contractor	Contractor responsible for site security from date of site possession onwards to handover. Appropriate fencing/ hoarding to be erected around all works. All surplus material to be stored in Contractor's compound outside working hours.	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low
18	Contaminated Ground	Unknown Contaminated ground encountered.	Delays due to need for treatment insitu or disposal.	ICT / MUDC	Undertake Preliminary Risk Assessment in accordance with Contamination Land Research (CLR 11)	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low
19	Weather	Severe Weather Event	Construction delays. Impact on construction quality.	All	Contractor to take all necessary actions to ensure quality is maintained during weather events.	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low
20	Ground Conditions	Unknown poor / unstable ground encountered.	Construction delays. Increased construction costs.	ICT / MUDC	Undertake trial holes/ site investigation	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low
21	Development of third party land	Unable to reach an agreement with third party landowners regarding proposed scheme	Constuction delays, amendments to scope of scheme, disputes with landowners	ICT / MUDC	Obtain agreement with landowners prior to issuing ITT documents	Low	High	High	High	High	High	High	High	High	High	High
22	Trees	Location of trees, clashing with existing services	Construction delays, unable to install due to services	ICT / MUDC	GPR survey utilised to select most appropriate locations, Undertake trial holes to indentify exact location of services on site. Location of trees to be discussed with property owners.	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low
23	Stakeholder and Trader Requirements	Restrictions on working areas and phasing	Disruption to construction sequence. Construction Delays.	All	Restrictions to be agreed with MUDC / Stakeholders and included in the Works Information to ensure contractor is fully aware of all requirements	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low
24	Negative Press	Negative Press due to disruption, loss of trade, negative public opinion of proposed design	Negative public opinion of project	All	Hold public consultation on proposals, liaison with local represenatives regarding works	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium
25	Legislation for amendments to traffic flow	Delays in obtaining approvals, Objections to proposals, Approval not obtained	Delays to construction, amendments to scheme, increased costs	ICT / MUDC	Ensure an adequate time allowance to obtain approvals, hold public consultation on proposals	Low	High	Low	High	High	Low	High	Low	High	High	Low

17058 - COALISLAND PUBLIC REALM
PROJECT RISK REGISTER

Risk ID	Risk	Cause	Consequence	Allocation	Mitigation / Action	Level of Risk (High, Medium or Low)											
						Option 1	Option 2	Option 4	Option 5	Option 6	Option 9	Option 10	Option 12	Option 13	Option 14	Option 17	
26	Legislation for amendments to parking restrictions	Delays in obtaining approvals, Objections to proposals, Approval not obtained	Delays to construction, amendments to scheme, increased costs	ICT / MUDC	Ensure an adequate time allowance to obtain approvals, hold public consultation on proposals	Low	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium
27	Stakeholder Consultation	Stakeholders object to proposals, Stakeholders request changes to scheme	Delays to construction, amendments to scheme, increased costs	All	Undertake consultation with stakeholders throughout design development. Obtain general consensus for proposal prior to issuing ITT documents for IST	Low	High	Medium	High	High	Medium	High	Medium	High	High	High	Medium
28	Planned works by Utilities	Two contractors working in close proximity. Conflict in traffic management plans. Excavation of new public realm paving	Disruption to construction sequence. Construction Delays. Negative public opinion.	ICT / MUDC	Liaise with utility providers throughout the scheme. Arrange for planned works to be undertaken in advance of PR scheme where possible. Details of any known works to be undertaken during the PR scheme to be included in the Works Information to ensure contractor is fully aware of all constraints	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low
29	Planned works by DfI - Roads to bridge on Coalisland - Dungannon Rd	Works programme clashing with public realm scheme.Traffic managment conflicting with public realm works.	Traffic Congestion. Negative public opinion.	ICT / MUDC / DfI	Liaise with DfI throughout the scheme. If works are undertaken at the same time, ensure traffic management plans do not conflict.	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium
30	Planned works by SGN to install main distribution gas main in town centre	Works programme clashing with public realm scheme.	Two contractors working in close proximity. Conflict in traffic management plans. Excavation of new public realm pavingDisruption to construction sequence. Construction Delays. Negative public opinion.	ICT / MUDC / SGN	Liaise with SGN throughout the scheme. Arrange for gas main to be installed prior to public realm scheme commensing. SGN programmed to commense works in June 2018 with 12 week deadline, therefore should be complete prior to public realm works	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low
31	Vandalism	Vandalism of street furniture, planting and lighting	Detracts from the appearance, minimises the impact of the development	ICT / MUDC / PSNI	Specification of rebust vandal-proof materials. Liaise with PSNI Designing Out Crime Officer	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium
32	No Impact	The development has no impact	No increased visitor numbers or visitor/private sector spending/investment.	ICT / MUDC		High	Medium	Medium	Low	Low	Medium	Medium	Medium	Low	Low	Low	Medium

Risk ID	Risk	Cause	Consequence	Allocation	Mitigation / Action	Level of Risk (High, Medium or Low)										
						Option 1	Option 2	Option 4	Option 5	Option 6	Option 9	Option 10	Option 12	Option 13	Option 14	Option 17
	Risk Level															
		Low														
		Medium														
		High														



APPENDIX D - NPV SPREADSHEETS

NPV @ 3.5% p.a.																												
APPRAISAL DATE:		Jul-18																										
OPTION NUMBER & TITLE:		Option 1 - Status Quo																										
YEAR :		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	TOTAL
CAPITAL COSTS (£ 000s):	Add Row																											
																												0
																												0
																												0
																												0
A. Total Capital Costs (Annual)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
B. Total Capital Costs (Cumulative)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
REVENUE COSTS (£ 000s):	Add Row																											
																												0
Maintenance		54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	1404000
																												0
																												0
C. Total Revenue Costs (Annual)		54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	1404000
D. Total Revenue Costs (Cumulative)		54000	108000	162000	216000	270000	324000	378000	432000	486000	540000	594000	648000	702000	756000	810000	864000	918000	972000	1026000	1080000	1134000	1188000	1242000	1296000	1350000	1404000	
E. Total Costs (Annual) (=A+C)		54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	1404000
F. Total Costs (Cumulative) (=B+D)		54000	108000	162000	216000	270000	324000	378000	432000	486000	540000	594000	648000	702000	756000	810000	864000	918000	972000	1026000	1080000	1134000	1188000	1242000	1296000	1350000	1404000	
BENEFITS (£ 000s):	Add Row																											
																												0
																												0
																												0
G. Total Benefits (Annual)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
H. Total Benefits (Cumulative)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NET UNDISCOUNTED COST* (=E-G)		54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	54000	1404000
DISCOUNT FACTOR @ 3.5% p.a.		1.0000	0.9662	0.9335	0.9019	0.8714	0.8420	0.8135	0.7860	0.7594	0.7337	0.7089	0.6849	0.6618	0.6394	0.6178	0.5969	0.5767	0.5572	0.5384	0.5202	0.5026	0.4856	0.4692	0.4533	0.4380	0.4231	
NET PRESENT COST* (Annual)		54000	52174	50410	48705	47058	45467	43929	42444	41008	39621	38282	36987	35736	34528	33360	32232	31142	30089	29072	28088	27139	26221	25334	24477	23650	22850	944002
NET PRESENT COST* (Cumulative)		54000	106174	156583	205288	252346	297813	341742	384185	425194	464815	503097	540084	575820	610348	643708	675940	707082	737171	766243	794331	821470	847691	873025	897502	921152	944002	

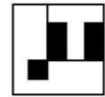
* A minus sign in these rows denotes a Net Present Value rather than a Net Present Cost.

[illegible]

[illegible]

[illegible]

[illegible]



APPENDIX E - CORRESPONDANCE FROM MID ULSTER DISABILITY FORUM

Coalisland Public Realm



Comhairle Ceantair
Lár Uladh
Mid Ulster
District Council

Pre-Works Survey

This short survey forms part of the consultation process on the proposed design proposal for Coalisland Public Realm.

Mid Ulster District Council welcomes **Mid Ulster Disability Forum's** views and comments on the proposal, as well as any other issue that you consider appropriate.

WDR & RT Taggart, who are acting on behalf of Mid Ulster District Council, would be grateful if you could complete the short survey below and return this form to Tommy Stevenson by email to Tommy.Stevenson@wdr-rt-taggart.com or by post to:-

WDR & RT Taggart, Laganwood House, Newforge Lane, Belfast, BT9 5NX.

1. Do you agree with proposed public realm improvements to Coalisland as attached?

Yes – the improvements to public realm in Coalisland will enhance the accessibility of the town making it more welcoming to disabled people, wheelchair and mobility scooters and visually impaired. _____

2. Please rate the current condition of proposed public realm boundary?

	1 - Poor	2 - Fair	3 - Average	4 - Good	5 - Excellent
Footpath Widths	✓				
Footpath Surface	✓				
Pedestrian Crossing Provision	✓				
Accessible Parking provision	✓				
Access to premises		✓			
Pavement Clutter	✓				
Visual Contrast		✓			

3. Are there any issues and ideas you would like the project team to be aware off?

Parking on footpaths was a major issue when the Disability Forum undertook its walk around and therefore restricting wheelchair users and forcing them onto the road. Dropped kerbs do not current correspond on opposite side of road. Some footpaths were not wide enough for wheelchairs _____

Thank you for taking the time to share your views and completing this survey.

Name and contact details (Optional)

Ursula Marshall

Chair

Mid Ulster Disability Forum

Gortalowry House

94 Church Street

Cookstown

BT80 8HX.....



Mid Ulster Disability Forum

Gortalowry House

94 Church Street

Cookstown

BT80 8HX

Tel: 028 8676 1805

E: midulsterdisabilityforum@hotmail.com

Mid Ulster District Council

20 June 2018

Ref: Letter of Support to Coalisland Public Realm Scheme

Dear

Mid Ulster Disability Forum would like to lend its support to the proposed public realm scheme in Coalisland Town Centre. Mid Ulster Disability Forum ("The Forum") includes representatives from a range of organisations and groups who are working towards the inclusion of people with disabilities and their carers. We cover the entire Mid Ulster Council area and adopt a pan disability approach to our work.

Mid Ulster Disability Forum (The Forum) have been involved with many public realm schemes across the Mid Ulster District including Cookstown, Dungannon and Magherafelt. It was welcomed by our Forum when asked to become involved in very early discussions around proposals and initial concepts for the Coalisland scheme. It is key to the vibrancy and economic benefit to the town and local traders that people affected with disability are given the equal opportunity to become more socially included in their community and by making town centres more accessible this is beneficial to everyone.

In November 2017, The Forum met with Council representatives and the design team to carry out a walk-around of Coalisland town centre. The skills and experience of the Forum representatives allowed the walk-around to look at: general accessibility, wheelchairs travelling around the town, dropped kerbs, access to shops/facilities, parking provision and visually for those affected with impairments. The exercise was hugely beneficial to the forum, and helped to highlight the accessibility restrictions often encountered by people affected with disabilities.

The forum found the following issues:

- Some footpaths were too narrow for wheelchairs to travel
- Dropped kerbs did not have corresponding on opposite side of road
- Dropped kerbs were not level with road causing possible trip hazard
- Little Parking provision for Blue badge holders
- Cars parking on footpaths extensively resulted in wheelchair using road

- A lack of crossing points/ dropped kerbs.
- Steps/gradients causing restrictions to shops

Overall, The forum felt that Coalisland was currently not very accessible to disabled people with many issues also affecting parents with prams and older people affected by mobility. As an aging population in Mid Ulster it is expected that mobility restrictions in older people will continue to rise and therefore provisions to enhance footpaths and crossings will go a long way in addressing this.

The early involvement of disability needs in a project of this scale is very welcome and it gives the opportunity to make Coalisland a very accessible town, one that can be promoted through the Forum and beyond. The forum and partner organisations would also welcome the opportunity to further develop links to the town through our Accessible Website and other proposed projects.

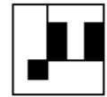
Should you wish to discuss any of the issues raised, members of the Forum would be happy to meet.

Yours faithfully



Ursula Marshall

Chair



APPENDIX F - CORRESPONDANCE FROM DfI ROADS



Department for

Infrastructure

An Roinn

Bonneagair

www.infrastructure-ni.gov.uk

Mr Mark Kelso
Director of Public Health &
Infrastructure
Mid Ulster District Council
Circular Road
Dungannon
BT71 6DT

**Western Division
Network Development**
County Hall
Drumragh Avenue
Omagh
BT79 7AF

Tel: 028 8225 4142

E-mail: [harry.gallagher @infrastructure-ni.gov.uk](mailto:harry.gallagher@infrastructure-ni.gov.uk)

28th July 2018

Dear Mr Kelso,

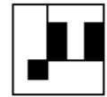
I refer to a recent query concerning the enforcement of parking restrictions in Coalisland on completion of the public real scheme.

I can confirm that DfI Roads propose introducing limited waiting legislation for the public real scheme developed by Mid Ulster Council for Coalisland which includes changes to public on-street parking.

I can also confirm that it is also our intention once the legislation and signage is in place that uniformed traffic attendants will carry out enforcement of all parking restrictions. This enforcement is likely to be in line with that carried out in similar towns.

Yours Sincerely

Harry Gallagher
Network Development



APPENDIX G - PARKING ENFORCEMENTS NEWS REPORTS

Let us know you agree to cookies

We use **cookies** to give you the best online experience.
Please let us know if you agree to all of these cookies.

Yes, I agree

No, take me to settings

BBC



Home

News

Sport

Weather

iPlayer

TV

Radio

MLA condemns Coalisland threats to traffic attendant

16 November 2016



A DUP MLA has called for greater equality around the enforcement of parking legislation in rural towns.

Lord Morrow was speaking after it emerged that the first traffic warden to be deployed in the County Tyrone town of **Coalisland** was forced to leave within half an hour.

It is understood the warden was threatened by a member of the public.

The Department of Infrastructure confirmed that it was investigating reports of "an incident" last week.

Its officials have asked for a risk assessment to be carried out.

Lord Morrow first began investigating the number of parking tickets being issued in towns within his constituency in 2014.

He said the number in was unduly high in towns like Aughnacloy and Fivemiletown, while in **Coalisland**, not a single ticket had been issued in the over a six-year period.

"It seemed to me to be a free-for-all [in **Coalisland**]," said Lord Morrow.



"So we thought, why not have restrictions in that town also? There needs to be equality in the imposition and enforcement of parking regulations."

Expressing disappointment at the news that a parking attendant was forced to leave the town, he added: "It would be a very sad day for enforcement if people decide to take the law into their own hands and they determine where it will be enforced and where it won't."

There were mixed views about parking regulations among traders in the town - some told the BBC that the town benefits from having few parking restrictions, while others say the lack of enforcement makes driving through **Coalisland** difficult and deters some shoppers from entering it.

None of them, however, condoned threats against parking attendants.

Lord Morrow said those who intimidated the attendant showed no concern for the disabled, who cannot always access designated parking areas, and emergency services, who need a clear route through the town.

Share this story About sharing

Northern Ireland

NEWS

Zero parking tickets in Coalisland for sixth year



How one car was spotted parked in Coalisland

Staff Reporter

18 April, 2016 01:00



(<http://www.irishnews.com/picturesarchive/irishnews/irishnews/2016/04/17/183209843-8ab0dc8d-9781-470d-b677-f7e5a4984bca.jpg>)

Bollards were placed on a street in Coalisland instead of double-yellow lines.

Picture by Ann McManus

DRIVERS in Coalisland have not received a single parking ticket from traffic wardens for the sixth year in a row.

No motorists in the Co Tyrone town were issued with penalty notices in 2015, newly released figures show.

Coalisland is regarded as a hotspot for problem parking, but there are few parking restrictions such as double-yellow lines.

Motorists in other towns of a similar size and smaller have meanwhile received parking tickets, such as 39 penalties issued in Fivemiletown and 18 in Castlederg last year.

However, separate police statistics obtained by The Irish News show the PSNI has issued five parking tickets in Coalisland since 2010.

The lack of penalties from parking attendants in Coalisland has caused controversy over the years.

Roads chiefs have previously blamed politicians for opposing parking restrictions, while the DUP's Maurice Morrow has described Coalisland as a town where "traffic wardens are forbidden to enter".

However, some Coalisland traders insist there is no need for traffic wardens in the town.

Overall nearly 77,000 parking tickets were issued across Northern Ireland during 2015, according the Department for Regional Development (DRD) figures.

The statistics only cover on-street parking penalties as responsibility for off-street car parks transferred to the north's 11 new 'super councils' last year.

A parking ticket or Penalty Charge Notice (PCN) carries a £90 fine, but that is reduced to £45 if paid within 14 days.

Last year Coalisland received its first parking restrictions in years – but not the usual double-yellows.

Concrete bollards were placed along a street in Coalisland in a bid to prevent motorists parking on the kerb.

But the absence of yellow lines means vehicles can still park along the road.

At the time the DRD said staff met with council officials, councillors and traders, who requested bollards but were "very strongly opposed" to new waiting restrictions.

In February it emerged that traffic wardens across the north have recorded more than 100 threats against them in the past year.

Traffic wardens and police issue parking tickets in different circumstances.

Parking attendants issue penalties when someone illegally parks on parking restrictions, while police tend to ticket for obstruction or when cars are parked dangerously, regardless of whether parking restrictions exist.

On Sunday night, a DRD spokeswoman defended the lack of parking penalties in Coalisland.

"Traffic attendants enforce parking restrictions where they are in place. Coalisland has very few restrictions. We will continue to respond to any requests to enforce in the area," she said.

"The department has received no recent complaints about parking enforcement or requests to enforce the area."

:: On-street parking penalties issued by traffic wardens in 2015

Ahoghill - 4

Aldergrove airport - 5

Antrim - 424

Armagh - 2,592

Aughnacloy - 3

Ballycastle - 237

Ballyclare - 158

Ballykelly - 1

Ballymena - 3,261

Ballymoney - 816

Ballynahinch - 202

Banbridge - 726

Bangor - 1,404

Belfast - 33,172

Broughshane - 8

Bushmills - 83

Carrickfergus - 927

Castlederg - 18

Castlewellan - 3

Clogher - 76

Coleraine - 1,472

Comber - 30

Cookstown - 1,375

Crossgar – 26

Crumlin – 50

Derry – 5,366

Donaghadee – 32

Donaghmore – 10

Downpatrick – 1,003

Dromore, Co Down – 118

Dromore, Co Tyrone – 1

Dundonald – 420

Dungannon – 656

Dunmurry – 113

Enniskillen – 2,194

Fivemiletown – 39

Garvagh – 3

Giant's Causeway – 38

Gilford – 4

Hillsborough – 235

Holywood – 239

Irvinestown – 72

Keady – 58

Kesh – 1

Kilkeel – 70

Kilrea – 60

Larne – 553

Limavady – 552

Lisburn – 3,516

Lisnaskea – 39

Lurgan – 1,050

Maghera – 103

Magherafelt – 850

Markethill – 5

Millisle – 4

Moirá – 124

Moy – 52

Newcastle – 965

Newry – 4,214

Newtownabbey – 236

Newtownards – 1,592

Newtownstewart – 2

Omagh – 1,180

Portadown – 2,027

Portaferry – 1

Portballintrea – 2

Portglenone – 5

Portrush – 529

Portstewart – 395

Randalstown – 104

Rathfriland – 16

Rich Hill – 2

Saintfield – 76

Strabane – 622

Tandragee – 9

Toome – 1

Warrenpoint – 259

Whitehead – 7

*The largest readership
In Tyrone since 1880*



Mon, July 02, 2018

[ABOUT US](#)

[ADVERTISING](#)

[CONTACT US](#)

[NEWSPAPERS](#)

[SUBSCRIPTIONS](#)

[HOME](#)

CONTENTS

[News](#)

[Sports](#)

[Features](#)



NEWS

Parking tickets on the rise in Mid-Ulster.

Wednesday, 21 February 2018

MID-ULSTER residents were issued with over 8,000 parking tickets in 2017, according to the latest government statistics.

The Department for Infrastructure's (DFI) figures released for the year show traffic wardens dished out 5,708 PCNs (Penalty Charge Notices) for on street parking offences, and a further 2,382 for unlawful off street parking.

Magherafelt remains the Mid-Ulster hotbed for parking tickets for the third consecutive year, after receiving a total of 2,546 over the 12 month period.

Cookstown recorded the highest number of on street offences, with a total of 1,066 PCNs issued.

However, the town didn't register a single off street offence, helped by the volume of free car parks in the area.

The amount of PCNs issued in Dungannon has steadily increased since 2015 - 1,414 offences recorded in 2017 - with the DFI's statistics showing a hike of 2,509 in the town.

The statistics reveal Coalisland didn't receive a single parking ticket for the fourth consecutive year.

An investigation was launched into the alleged threatening and 'hounding' of a traffic warden in the town in 2016.

In January 2017, the government announced the removal of wardens from the area, with the Infrastructure minister at the time, Chris Hazzard, stating it was due to "fewer than 10 penalties being issued on average per month."

Aughnacloy becomes the least affected area by parking ticket after it was revealed there were no PCNs issued in 2017.

Donaghmore, Fivemiletown and Moy all saw a decrease in the number of parking offences, with only 1, 12 and 35 tickets issued in the respective areas in the 12 months.

Clogher's traffic wardens remained busy, with 74 offences warranting a PCN, an increase of 30 from 2016's statistics.

A DFI spokesperson said: "The aim of parking enforcement is to reduce the number of vehicles illegally parked on our roads.

"This in turn reduces traffic congestion and helps traffic to flow more freely, assists delivery vehicles, allows buses to keep to their timetable, improves road safety and provides accessibility for all road users, including Blue Badge holders.

"The enforcement of on-street limited waiting and pay and display spaces, Park and Ride charged car parks and Council operated car parks also encourages a turnover of parking spaces, giving shoppers and visitors more opportunities to find suitable parking."

[Share / Save](#) [Facebook](#) [Twitter](#) [LinkedIn](#)

[Subscribe to read full newspaper >](#)

[Send this page to a friend >](#)

SEND TO A FRIEND

Please complete the following form to inform a friend about this page.

Your Name*

Your E-Mail*

Friend's Name*

Friend's E-Mail*

Comment

In order to process your information we must ask you to enter the letters in the image into the box:

NEWS SEARCH

search news, sport and features across all publications

SUBSCRIBER LOGIN

Username:

Password:

[Proceed with log in >](#)

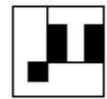


**SUBSCRIBE
ONLINE**

**Advertise
with Us**
Click here for a full media pack

Options include:
• banner ads
• button ads
• skyscraper ads
• sponsored links





APPENDIX H - PROPOSED SHOPPER QUESTIONNAIRE



Comhairle Ceantair
Lár Uladh
Mid Ulster
District Council



DfC
Department
for Communities
www.communities-ni.gov.uk

Coalisland Town Centre

Coalisland Public Realm Scheme

Shopper Survey

The Department for Communities, in partnership with Mid Ulster District Council aim to deliver a public realm scheme in Coalisland Town Centre. The area of Coalisland Town Centre involved in the scheme includes the Square, Dungannon Rd, Barrack Square, Main Street, Stewartstown Rd, Station Rd, Lineside, Barrack St, Washinbay Road, Platters Hill.

The scheme aims to:

- Provide a high quality environment;
- Continue to be a neutral space;
- Be accessible to pedestrians/vehicles/buses;
- Have free flowing traffic;
- Retain most on street parking;
- Be pedestrian friendly;
- Improve traffic/pedestrian management;
- Enhance aesthetics;
- Promote business development;
- Stimulate private sector investment;
- Provide a high visual profile;
- Attract more visitors and shopper

We would be most grateful if you could a few minutes to complete this survey. Your answers will provide a baseline and measure the impact a public realm scheme will have on Coalisland. Your views on this are greatly appreciated.

If you have any queries, you can contact Mid Ulster District Council, Economic Development

Office, on 03000 132 132

Any answers provided will be in confidence and no individual will be identified from the responses provided.

SAMPLE

1. Are you a resident or a visitor to Coalisland town centre?

Resident ☐ Visitor ☐ Other (please state) _____

2. Why are you in the town today?

Work ☐ Shopping ☐ Leisure/Recreation ☐ Other _____

3. How often do you come to Coalisland town centre?

Daily	
Couple of times a week	
Once a week	
Other	

4. How did you travel to Coalisland today?

Car	
Bus	
Walk	
Other	

5. If you travelled by Car where did you park?

On-Street	
Carpark (Highlight location)	

6. How far did you travel to get to Coalisland?

Less than 2 miles	
2-5 miles	
6-10miles	
11-15miles	
15+ miles	

7. What did you purchase on your trip?

Food / Drink	
Clothing/Footwear	
Health & Beauty	
Professional Services	
Household/Giftware	
Other	

8. How long to you plan to visit Coalisland today?

30 minutes	
1 hour	
1 – 2 hours	
2-3 hours	
Other	

9. My overall perception of the Coalisland Town centre area as it currently stands is.....?

Very poor	Poor	Average	Good	Very good
1	2	3	4	5

10. Within the town centre, please score your current opinion of the following aspects. (On a scale of 0 to 10, where 0 is very poor, 5 average and 10 is very good.

	Item	Score
A	Aesthetics (Look & Feel)	
B	Pavements	
C	Street Furniture	
D	Pedestrian Linkages/ Accessible	
E	Street Layout	
F	Carparking	
G	Traffic Congestion	
H	Street Signage	
I	Safety	

Please let us know if you have any other comments regarding the Coalsiland town centre.

<div></div>

Thank you for your time.

Date of interview:

Time /Location of interview



Comhairle Ceantair
Lár Uladh
Mid Ulster
District Council



DfC
Department
for Communities
www.communities-ni.gov.uk

Coalisland Town Centre

Coalisland Public Realm Scheme

Business Survey

The Department for Communities, in partnership with Mid Ulster District Council aim to deliver a public realm scheme in Coalisland Town Centre. The area of Coalisland Town Centre involved in the scheme includes the Square, Dungannon Rd, Barrack Square, Main Street, Stewartstown Rd, Station Rd, Lineside, Barrack St, Washinbay Road, Platters Hill.

The scheme aims to:

- Provide a high quality environment;
- Continue to be a neutral space;
- Be accessible to pedestrians/vehicles/buses;
- Have free flowing traffic;
- Retain most on street parking;
- Be pedestrian friendly;
- Improve traffic/pedestrian management;
- Enhance aesthetics;
- Promote business development;
- Stimulate private sector investment;
- Provide a high visual profile;
- Attract more visitors and shopper

We would be most grateful if you could a few minutes to complete this survey. Your answers will provide a baseline and measure the impact a public realm scheme will have on Coalisland. Your views on this are greatly appreciated.

If you have any queries, you can contact Mid Ulster District Council, Economic Development
Office, on 03000 132 132

Any answers provided will be in confidence and no individual will be identified from the responses provided.

Q1	Please indicate your <u>MAIN</u> business type?	<i>(Circle only one)</i>
	Retail/Groceries	1
	Services (e.g. health, beauty, legal, financial)	2
	Eating or drinking establishments (e.g. café, restaurant, pub)	3
	Entertainment or leisure ,(theatre, arcade)	4
	Other (please specify)_____	5

Q2	Please indicate the location of your business?	<i>(Tick)</i>
	The Square	
	Dungannon Road	
	Barrack Square	
	Main Street	
	Stewartstown Rd	
	Station Road	
	Lineside	
	Barrack Street	
	Washingbay Road	
	Other (please specify)_____	

Q3	How would you describe your current turnover?	<i>(Circle only one)</i>
	Well below average	1
	Below average	2
	Average (Normal)	3
	Above average	4
	Well above average	5

Q4	My overall perception of the project area following completion of the project is.....?					<i>(Circle only one)</i>
	Very poor	Poor	Average	Good	Very good	

	1	2	3	4	5
--	---	---	---	---	---

Q5	Please score your current opinion of the following aspects of Coalisland Town Centre. (On a scale of 0 to 10, where 0 is very poor, 5 is average and 10 is very good).	<i>Score all (0 to 10)</i>
A	Safety	
B	Street Maintenance/Surfacing	
C	Street Cleanliness	
D	Marketing	
E	Space for Public Events	
F	Accessibility (Pedestrians/Vehicles/Buses)	
G	Street Signage/Shop Frontage	
H	Pedestrian Friendliness	
I	Parking	
J	Traffic Congestion	
K	Street Lighting	
L	Floral Displays	

If you have any other comments relating to the Coalisland Town Centre, please add them below.

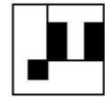
Time taken to complete (approx. minutes): _____

Please return your completed survey to: Julieann.spence@midulstercouncil.org.

If you have any queries please do not hesitate to contact Julie Ann Spence by telephoning 03000 132 132.

Thank you for your time

SAMPLE



APPENDIX I - GRANTS COST MANAGEMENT COST COMMENT

**To: Wesley Davidson,
Client Advisor Branch 2**

**For: Patrick Anderson,
DfC
Kevlin Buildings
Omagh**

**From: Raymond Murphy
Quantity Surveyor
Grants Cost Management
Level 1 East
CLARE HOUSE,
303 Airport Road West
Belfast, BT3 9ED**

Tel: 02890 816449
E-mail: raymond.murphy@finance-ni.gov.uk

Your ref: Not stated

Our ref: 567094MZ

DATE: 8th August 2018

SCHEME: COALISLAND PUBLIC REALM

APPLICANT: MID ULSTER DISTRICT COUNCIL

STAGE: Economic Appraisal (Version 3 dated 2nd July 2018)

INTRODUCTION

We have reviewed the capital cost estimates dated 2nd July 2018 for this project for consideration within the Economic Appraisal. The proposed project is for environmental improvements to paving, kerbing, resurfacing, drainage, signage, planting, street furniture, lighting and provision for festive lighting infrastructure in the area.

Mid Ulster District Council proposes that the work should be carried out in the following streets:

The Square
Main Street
Lineside
Dungannon Road
Stewartstown Road
Barrack Street
Barrack Square
Station Road
Washingbay Road
Platters Hill
Birney Square
Seagrave Terrace

The Preferred Option (Option 6) amounts to £2,658,001 for Works plus Professional Fees of £318,960 (12%), as included in Table 5, page 45 of the EA. When OB of £476,016 (15.99%) is added, this gives a total estimated cost of £3,452,977 ex VAT.

OPTIONS:

The following eleven options were considered in the Economic Appraisal, for Works and Professional fees:

Option	Description	Capital Expenditure	Professional Fees	% of Capital Expenditure	Cost Including Professional Fees	Optimism Bias	% of Capital Expenditure	Total Estimated Cost
1	Do nothing	—	—	—	—	—	—	—
2	Layout 1 Natural Stone Paving	£2,344,575	£281,349	12%	£2,625,924	£419,885	15.99%	£3,045,809
4	Layout 3 Natural Stone Paving	£2,221,804	£266,616	12%	£2,488,420	£397,899	15.99%	£2,886,319
5	Layout 3 Natural Stone Paving, Car Park A, Birney Street & Seagrove Terrace	£3,094,873	£371,385	12%	£3,466,258	£554,254	15.99%	£4,020,512
6	Layout 1 Natural Stone Paving & Car Park B	£2,658,001	£318,960	12%	£2,976,961	£476,016	15.99%	£3,452,977
9	Layout 3 Natural Stone Paving & Car Park C	£2,320,845	£278,501	12%	£2,599,346	£415,636	15.99%	£3,014,982
10	Layout 1 Concrete Setts	£2,198,836	£263,860	12%	£2,462,696	£393,785	15.99%	£2,856,481
12	Layout 3 Concrete Setts	£1,994,253	£239,310	12%	£2,233,563	£357,146	15.99%	£2,590,709
13	Layout 1 Concrete Setts, Car Park A, Birney Street & Seagrove Terrace	£2,949,134	£353,896	12%	£3,303,030	£528,154	15.99%	£3,831,184
14	Layout 1 Concrete Setts, Car Park B	£2,512,262	£301,471	12%	£2,813,734	£449,916	15.99%	£3,263,650
17	Layout 3 Concrete Setts Car Park C	£2,093,293	£251,195	12%	£2,344,489	£374,883	15.99%	£2,719,372

The above figures exclude VAT, Statutory Charges and Inflation.

Options 3,7,8,11,15,and16 were considered and eliminated on the basis that they included the implementation of a one-way traffic system which did not receive sufficient support from the general public.

GCM reviewed the costs of all options generally, and reviewed Option Nr 6 in detail being the preferred option.

PREFERRED OPTION 6

The Preferred Option is Option 6, with high spec using Natural Stone paving and granite kerbs to all public footpaths at £2,658,001 excluding professional fees and OB having a total area of 9,562 m² (Proposed Layout 1 with an area of 8,288 m² and Car Park B with an area of 1,274 m²).

Under Option 6 it is proposed that no work will be carried out to Platters Hill, Birney Square and Seagrave Terrace.

The cost estimate is reasonably well detailed, giving the quantities and rates for the two locations, under the main headings – Site Clearance/Groundworks, Surfacing, Street Furniture, Services, Preliminaries, Site and Land purchase.

The main work is as follows:

- Removal of vacant derelict building
- New angled parking on Main Street
- New landscaped area and event space
- New bus layby
- Undergrounding overhead BT cables
- Forming a right hand turning lane
- Formalised parking and loading bays
- New natural stone paving and granite kerbs to all public footpaths
- New exposed aggregate paving to privately owned areas
- Additional car parking (Car park Option B)
- WiFi/sound system

GCM carried out a random check of several items included in the estimate and can verify that the quantities involved appear to be correct.

COST COMMENT

The new natural stone paving has an estimated rate of £120/m² which is considered reasonable for natural yorkstone paving referred to on page 15 of the EA.

Other types of stone paving, such as imported stone, could be investigated which may lead to a cost saving for the project.

Estimated costs are included for the purchase of a vacant site in the sum of £120k and purchase of land in Cornmill Car Park in the sum of £50k for the Public Realm works and purchase of a site in the sum of £150k for the car park. As with all land purchases these items present a risk to the project in terms of time and money. It is assumed that property and site valuations will be confirmed by LPS.

Other rates included in the estimated cost for Option 6 appear to be within the acceptable range for EI schemes.

The Preliminaries at 10% are considered to be reasonable.

PROFESSIONAL FEES

These have been included in the EA at £318,960 on the above Works cost of £2,658,001, which amounts to 12.00% which is considered reasonable for a project of this nature.

OPTIMISM BIAS (OB)

An allowance of 15.99% has been included for OB as stated in the EA. An additional cost for £476,016 has therefore been calculated as OB in the cost summary and is subject to clearance by the DFC economist.

DESIGN DEVELOPMENT

It is noted that Design Development is included in the estimated costs for Car Park B but not in the estimated cost for Proposed Layout 1.

GCM BRANCH ASSESSMENT

GCM have made adjustments to costs submitted as follows:

Capital Expenditure as EA		£ 2,658,001 (This figure includes land & building purchase)
Deduct Land & Building purchase		<u>(£ 320,000)</u>
Construction Cost		£ 2,338,001
Professional Fees	12%	<u>£ 280,560</u>
		£ 2,618,561
Statutory Charges	0.5%	<u>£ 11,690</u> (Based on Construction Cost only)
		£ 2,630,251
Optimism Bias	15.99%	<u>£ 420,577</u>
Total Estimated Cost for Construction		<u>£ 3,050,828</u>

Other estimated costs not included in the above figures which need to be considered are:

- | | |
|---|------------------------|
| 1. Purchase of vacant site for Public Realm | £120,000 |
| 2. Purchase of land in Cornmill car park for Public Realm | £ 50,000 |
| 3. Purchase of site for Car Park | <u>£150,000</u> |
| Estimated Total for land and building purchase | <u>£320,000</u> |

SUMMARY

GCM consider that the estimated cost for Option Nr 6 in the sum of £3,452,977 ex VAT for natural stone paving is reasonable. An adjustment to the method used by GCM to calculate the construction cost results in a decrease of £82,149 bringing the Total Estimated Cost to £3,370,828 including £320,000 for land and building purchase and an amount of £420,577 for OB. As stated above the OB percentage is subject to clearance by the DFC Economist.

Please contact this office if we can be of further assistance.

Raymond Murphy

Grants Cost Management

Cc Damian McErlane



Comhairle Ceantair
Lár Uladh
Mid Ulster
District Council

APPENDIX 7

COOKSTOWN CONTINENTIAL MARKET

2 – 3 JUNE 2018

EVALUATION REPORT



1.0 Introduction

Mid Ulster District Council, in partnership with Cookstown Town Centre Forum, hosted the Continental Market, from Saturday 2 – Sunday 3 June 2018. This was the fifth year Cookstown hosted the Market, with the Market returning as part of Marketplace Europe Spring Tour to Northern Ireland. The market was located along William Street Cookstown Town Centre, with a full road closure in place from 6.30pm Friday 1 June – 10.00pm Sunday 3 June 2018, to meet Health & Safety requirements. A schedule of children's and musical entertainment was delivered over the two days (See Appendix 3). The event is delivered through strong partnership workings with statutory bodies and cross departmental which have been continually enhanced over each year of its delivery.

2.0 Background

Our Community Plan consists of five key themes, one of which is Economic Growth. It is essential that our towns and villages are vibrant and competitive, attracting visitors, in turn resulting in local spend. Mid Ulster District Council Corporate Plan, Sustaining Our Environment a key theme strives to create and build a sense of civic pride in towns and villages across Mid Ulster. Our Plan for Growth, Mid Ulster's Economic Development Plan (2015-2020), theme 3 Enabling Town and Village Regeneration contains the action to 'Deliver and promote key signature events'.

An integral element of the aforementioned documents highlights the need to deliver signature events to create and sustain civic pride within the community. A key signature event for Cookstown is the delivery of Cookstown Continental Markets. This event is now in its fifth year of delivery and over the years has grown and developed into an event which has created and enhanced the civic pride within the community. The market was part of Marketplace Europe Spring Tour, aiming to deliver a high quality market to attract additional traders on the previous year (over 40 traders) and enhance children and musical entertainment, over a period of two days.

3.0 Continental Market 2018 Outputs

- ❖ 25,000 visitors to the Continental Market
- ❖ 52 traders within the Continental Market arena
- ❖ Social Media:-
 - Visit Cookstown facebook- 45 facebook posts, 228k people reached, 30k people engaged,
 - Visit Cookstown facebook event page- 89k reach, 2.4k responses (stating interested in attending the event),
 - 27 twitter posts, over 27k impressions (number of times a tweet has been delivered to twitter stream of users), 1.2k engagements (Number of users that interacted with post), video views of 1.7k

- ❖ Vouchers to the value of £1,000 to be spent at the Continental Market
- ❖ Variety of street and musical entertainment provided over the two days
- ❖ The Brickx Club 151 tickets sold for the event
- ❖ An estimated additional spend of £283,825 additional spend in Cookstown over the two days
- ❖ Total Cost of delivery £38,000- £37,000 Mid Ulster District Council, £1,000 contribution from Marketplace Europe

Estimated additional spend in local area:

	Average Spend	Spend
Accommodation	£50	£12,000
Subsistence	£150	£8,500
Refuelling	£50	£3,325
Footfall	£20 (average normal weekend 10,000 people, additional £8,000 Continental Market Weekend)	£260,000
	TOTAL	£283,825

4.0 Marketing & Promotion

The marketing & promotion campaign was delivered over a four week period commencing 7 May 2018. A variety of marketing channels were implemented, however, the main channel used was digital first:-

- ❖ Billboards- Two week cycle, delivered at three locations, namely Loy Street, Cookstown, Moneymore Road, Cookstown & James Street Omagh.
- ❖ 5,000 leaflets distributed across Mid Ulster District Council area to Council Facilities and Schools.
- ❖ Radio Advert on Q106 & Q102, 40 30 second adverts from 25 May – 2 June 2018.
- ❖ Letters to local businesses:- Letters were distributed to town centre businesses advising them of the Continental Market and associated road closures weeks. Business were encouraged to consider putting on special offers to attract the increased footfall in town to their business.
- ❖ Advertising was conducted in local papers through paid advertising (1 advert in Mid Ulster Advertiser, Impartial reporter, Mid Ulster Mail & County Derry Post) and news releases weeks over a four week period commencing 7 May 2018.

- ❖ Advertising was conducted in the regional press- Friday 1 June 2018 Irish News Mid Ulster Feature.
- ❖ Social Media channels of facebook and twitter. Regular posts were conducted, pre/during/post the Continental Market, including a short promotional videos. A competition was run through social media channels with the opportunity of winning one of £50 vouchers to spend at the market. Promoted posts were conducted commencing 23 May 2018.
- ❖ Mid Ulster District Council Website.
- ❖ Bollard Triangles, Burnavon.
- ❖ Events Guides listings/websites
- ❖ Cookstown Branded Shopping Bags distributed to local shops



5.0 Event Planning of Continental Market 2017

4.1 Continental Market

The Continental Market was part of the Spring Tour of Northern Ireland and was the last stop this year. Council officers worked closely with the providers, Marketplace Europe Ltd, to ensure that all elements of project delivery are considered, implemented and delivered to a high standard. It is Marketplace Europe's responsibility to attract a wide and varied range of international traders to participate in the Market. This year the traders increased in numbers from 40 to 52 on the previous year.

The market is located on William Street, with Continental Market stalls erected back to back to the central reservation and due to the increase in trader numbers a few were located in parking bays, leaving footpaths free of pedestrian congestion. Due to the location of stalls back to back to the central reservation, a road closure was in place from 6.30pm Friday 1 June – 10.00pm Sunday 3 June 2018. This event was the first to apply and secure Road Closure Order within Mid Ulster District and the first civic event following the implementation of GDPR on 25 May 2018. This year the market was delivered over a two day period, with extended opening hours, with the inclusion of the German Beer Stall.



4.2 Local Market Traders

During the Continental Market local Saturday traders traded as per the weekly Saturday Market, under the rules and regulations of P Orr. No trading licences were issued for the Sunday outside of the Continental Market area (William Street). P Orr controlled the James Street area on Saturday 2 June 2018.

4.4 Continental Market Competition

A competition was run to heighten the profile of the market through social media. The competition via social media provided people with the chance of winning one of twenty £50 vouchers to spend at the market.

4.5 Street Entertainment

To add to the Continental Market and create an ambiance a variety of street entertainment was planned and delivered over the two day period at various periods. This included a dedicated Kids Zone themed Willie Wonka with crafts, face painters and balloon modellers. Musical entertainment was delivered throughout Saturday afternoon and evening with a variety of performances to suit all ages. Sunday afternoon included a variety of local talent (See Appendix 3)



4.6 The Brickx Club, Burnavon

Over the Continental Market, The Brickx Club delivered LEGO workshops. The workshops provided the opportunity for children and adults to have the opportunity to utilise LEGO through creative brick building. Construction zones and brick pits were available for all ages to build and create.

6.0 Feedback/Evaluation of Continental Market

6.1 Feedback from Public

A Survey Monkey questionnaire (Appendix 4) regarding the Continental Market was compiled and the link created published on Mid Ulster District Council website and social media via facebook to obtain feedback from the public.

59 people completed the questionnaire.

Feedback from the public included:-

"No improvement required just ensure you have the same amazing weather as this year as it really helped the atmosphere. Excellent work too by stewards who were very helpful with queries and also the litter picking squads as well as the place was spotless. clearly a very dedicated team of staff"

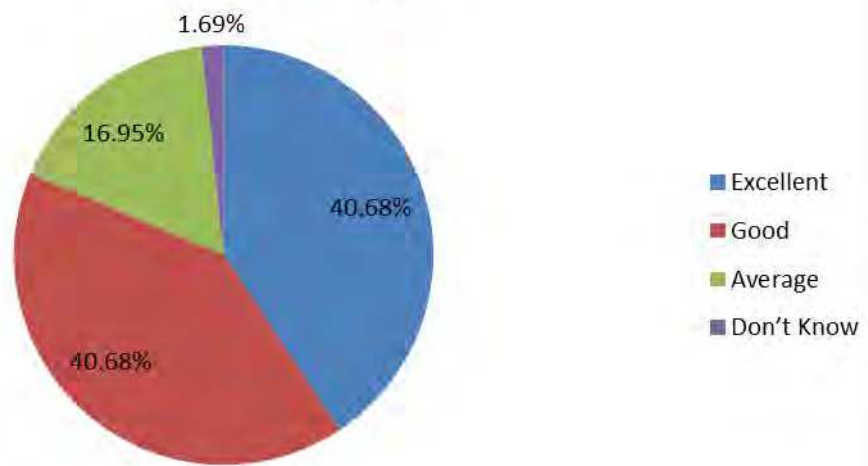
"I felt it was very well organised great relaxed atmosphere very family friendly offered something for everyone."

"Although I don't drink the bar area was in a great place. There was loads of wooden benches & seat to sit at when eating your food. We also called into the Burnavon where there was a small Lego display....just amazing & to meet the fella who built them all amazing. We had a great time thanks again for all your hard work."

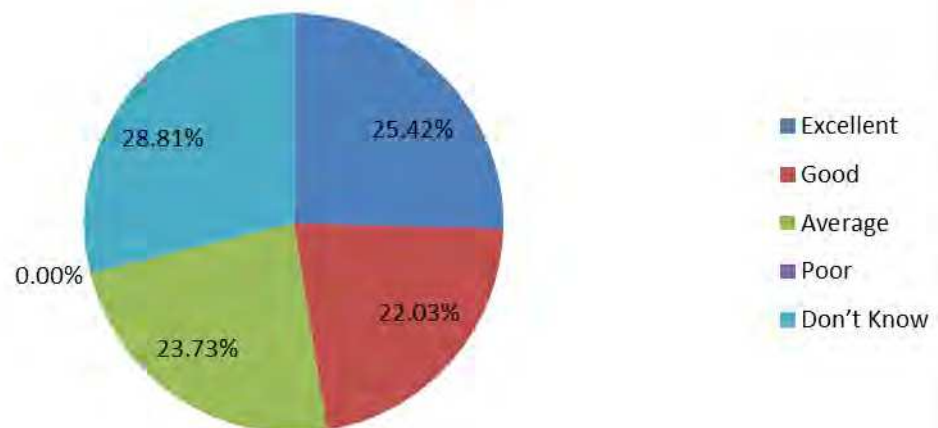
"Excellent event - well organised, great family atmosphere. Really enjoyed it, thank you!"

A sample of responses are depicted in the following pie charts:-

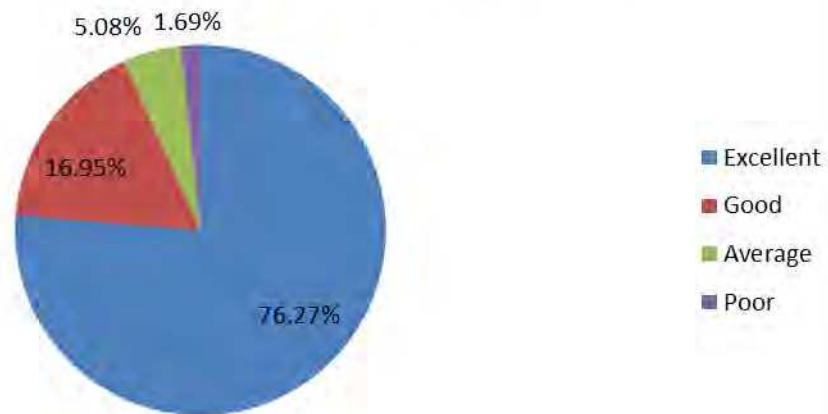
How would you rate the seating facilities provided?



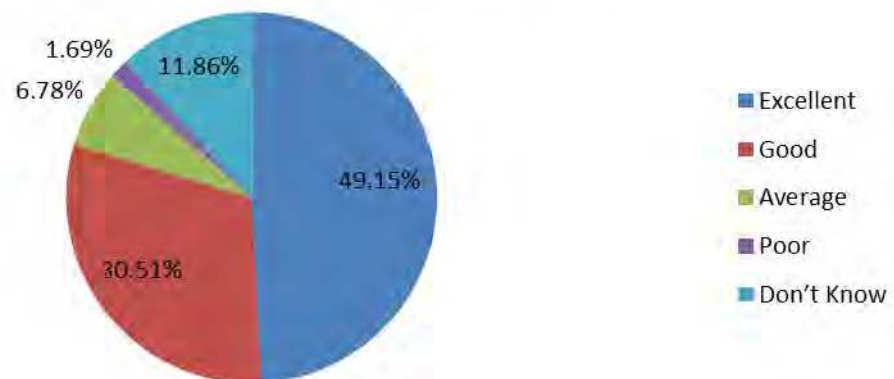
How would you rate the toilet facilities provided?

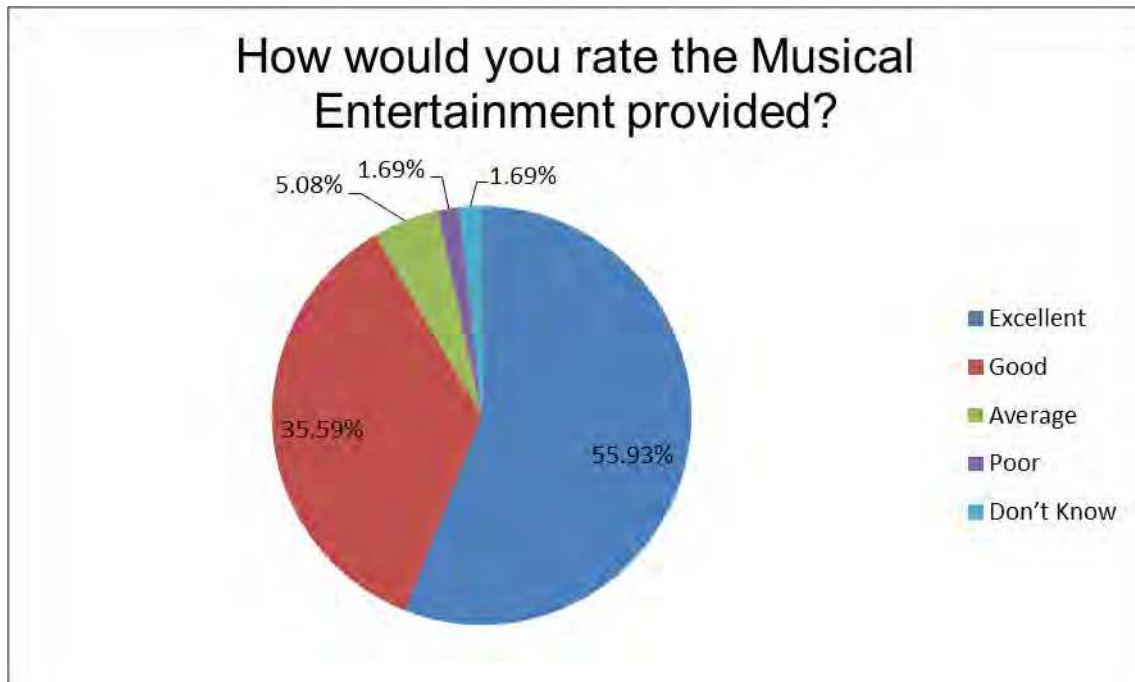


How would you rate the atmosphere in Cookstown Town Centre during the Continental Market?



How would you rate the Children's Entertainment provided during the Continental Market?





Other key statistics recorded include:-

- ❖ The majority of people who responded came from within a 20 mile radius of Cookstown Town with people travelling from as far away as Moira, Armagh, Castlederg, Belfast and Newry.
- ❖ Saturday was the most popular day for visiting the market with 63% of respondents.
- ❖ 36% of people spent 2-3hrs in Cookstown Town Centre, followed by 25% who attended for more than 1-2hrs
- ❖ 81% visited local businesses while at the market
- ❖ 100% stated they would return to Cookstown to shop

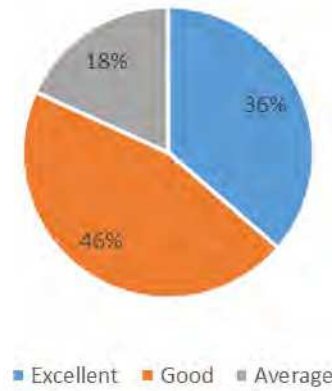
6.2 Feedback from Businesses

An Evaluation Form (Appendix 2) was prepared and distributed to Town Centre businesses to obtain feedback on the Continental Market.

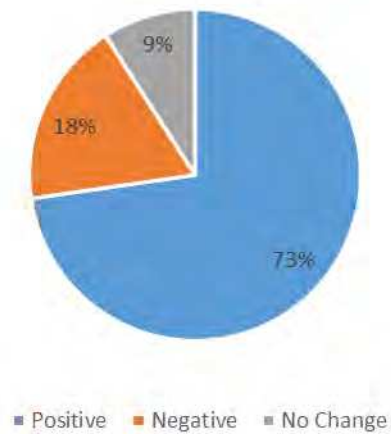
11 businesses completed and returned the Evaluation Form

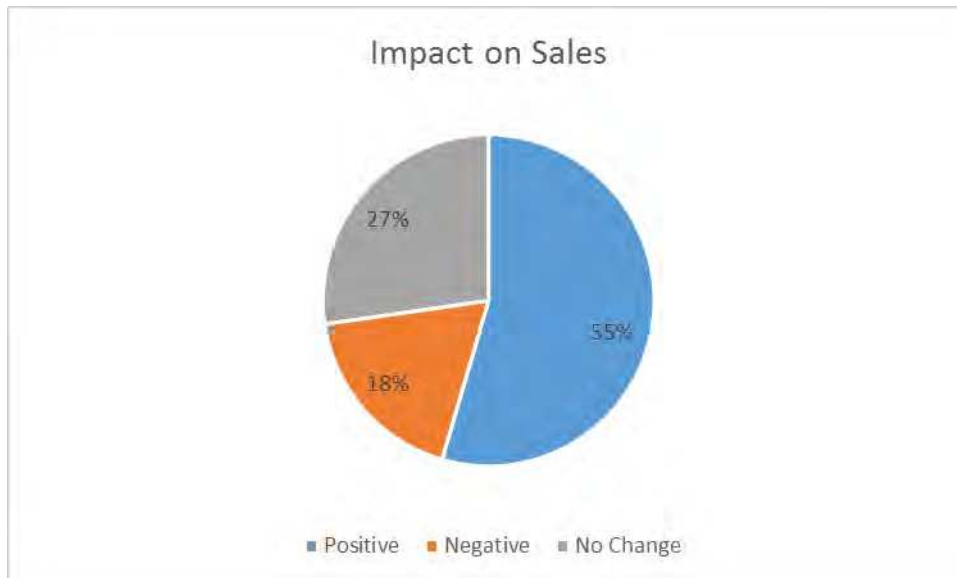
The feedback from businesses was mostly positive:

How would you rate the Continental Market Event



Impact on Footfall





Other

key statistics recorded include:

- ❖ 35% operated extended opening hours throughout the market
- ❖ 80% felt Cookstown town benefitted from the event
- ❖ 82% of businesses felt the Entertainment was Good-Excellent
- ❖ 82% of businesses felt the Atmosphere at the event was Good-Excellent

6.3 Feedback from Market Place Europe

Managing Director, Allan Hartwell stated:-

'Bringing forward the road closure time to 6pm worked extremely well and allowed traders to set up in time to get a good nights sleep before the start on Saturday. The traders reported that they were slightly down on the Saturday compared with last year with the German Beer Stall being approx. 30% down. However this is pretty consistent with the event industry nationally where most events are reporting a downturn in trading. The footfall on the Sunday was however slightly up on the same day last year and the event was a huge success and traders certainly want to return.'

The traders appreciate the level of publicity that the Council give to making the overall event extremely successful.

We had a few more traders in attendance this year such is its popularity but it was felt that in order to create better movement between both sides of the road that a Central walkway should be created to allow customer to traverse from one side to the other more freely.'

6.4 Street Entertainment

A variety of Street Entertainment was delivered over Saturday and Sunday (Appendix 3). The entertainment was well received as per the feedback under item 6.1.

7.0 Recommendations

Should the Continental Market return to Cookstown the following recommendations have been submitted through the evaluation process

Public

- ❖ Extend Continental Market area
- ❖ Route for wheelchair users
- ❖ Additional seating
- ❖ Lack of crafts

Town Centre Businesses

- ❖ Two day market works well
- ❖ Additional seating
- ❖ Additional crafts stalls
- ❖ Relocate the market to alternative area
- ❖ Alternative dates perhaps late Summer

Appendix 1



Comhairle Ceantair
Lár Uladh
Mid Ulster
District Council

EVALUATION OF COOKSTOWN CONTINENTAL MARKET **SATURDAY 2 - SUNDAY 3 JUNE 2018**

From 2-3 June 2018 Cookstown hosted the Continental Market.

This was one of the Mid Ulster District Council's signature events for 2018, delivered in conjunction with Cookstown Town Centre Forum. 50 international traders were involved in the two day event, with free on-street entertainment provided to add to the ambiance.

To assist us in evaluating the Continental market, we would appreciate if you could take a few moments to complete and submit this brief questionnaire.

1. How would you rate the variety of international traders involved?
 - ☐ Excellent
 - ☐ Good
 - ☐ Average
 - ☐ Poor
 - ☐ Don't Know

2. How would you rate the location/layout of the Continental Market?
 - ☐ Excellent
 - ☐ Good
 - ☐ Average
 - ☐ Poor
 - ☐ Don't Know

3. How would you rate the seating facilities provided?
 - ☐ Excellent
 - ☐ Good
 - ☐ Average
 - ☐ Poor
 - ☐ Don't Know

4. How would you rate the toilet facilities provided?
 - ☐ Excellent
 - ☐ Good
 - ☐ Average
 - ☐ Poor
 - ☐ Don't Know

5. How would you rate the atmosphere in Cookstown Town Centre during the Continental Market?

- ☐ Excellent
- ☐ Good
- ☐ Average
- ☐ Poor
- ☐ Don't Know

6. How would you rate the Children's Entertainment provided during the Continental Market?

- ☐ Excellent
- ☐ Good
- ☐ Average
- ☐ Poor
- ☐ Don't Know

7. How would you rate the Musical Entertainment provided?

- ☐ Excellent
- ☐ Good
- ☐ Average
- ☐ Poor
- ☐ Don't Know

8. How would you rate the Marketing/Promotion of the Event?

- ☐ Excellent
- ☐ Good
- ☐ Average
- ☐ Poor
- ☐ Don't Know

9. How did you hear about the event?

- ☐ Billboard
- ☐ Regional Press
- ☐ Local Press
- ☐ Radio
- ☐ Facebook/Twitter
- ☐ Other _____

10. Where did you travel from to attend the Market?

11. Which day(s) did you visit the market?

- Saturday 2 June
- Sunday 3 June

12. Did you visit the market during the extended opening hours on

- Saturday 2 June 18.00-21.00
- Sunday 3 June 18:00-19.00

13. How long did you spend in Cookstown Town Centre?

- Up to 1 Hour
- 1-2 Hours
- 2-3 Hours
- More than 3 hours

14. Did you feel the operating hours were sufficient Saturday 9.00-21.00 & Sunday 11.00-19.00?

- ☐ Yes
- ☐ No

If No, please comment

15. Did you visit any of the local businesses while in Cookstown?

- ☐ Yes
- ☐ No

16. Did you visit the local market trader stalls, located on James Street?

- ☐ Yes
- ☐ No

17. Would you return to shop in Cookstown?

- ☐ Yes
- ☐ No

18. If the event was to be again in Cookstown Town Centre, are there any areas for improvement regarding the development and delivery of the event?

--

Appendix 2

COOKSTOWN CONTINENTAL MARKET COOKSTOWN TOWN CENTRE SATURDAY 2-SUNDAY 3 JUNE 2018



Comhairle Ceantair
Lár Uladh
Mid Ulster
District Council

RETAILER EVALUATION FORM

1. How would you rate the Continental Market held from Saturday 2-Sunday 3 June 2018?
(Please Tick)

	Excellent	Good	Average	Poor	Don't Know
Continental Market					
Location/Layout of Market					
Seating Facilities					
Toilet Facilities					
Atmosphere in the town					
Street Entertainment					
Marketing/Promotion					

2. Did you visit the Continental Market?

Yes ☐ No ☐

3. How would you rate the impact of the market in terms of: - (Please tick)

	Positive	No change	Negative
An increase in footfall			
An increase in sales			

4. Did your business operate extended opening hours on the Saturday/Sunday?

Yes ☐ No ☐

If yes what trading hours did you operate? _____

5. Do you feel Cookstown Town benefited from the event?

Yes ☐ No ☐

6. Please provide further comments/suggestions regarding the event?

7. If the event was to be delivered next year in Cookstown Town Centre, are there any areas for improvement regarding the development and delivery of the event?

8. Are there any other events/activities which you would like to see delivered in Cookstown Town Centre?

Thank you for your co-operation, your feedback is greatly appreciated!

Please return to: Ms Mary McCullagh, Regeneration Manager, Mid Ulster District Council, Cookstown Office, Burn Road, Cookstown BT80 8DT by **Friday 15 June 2018.**

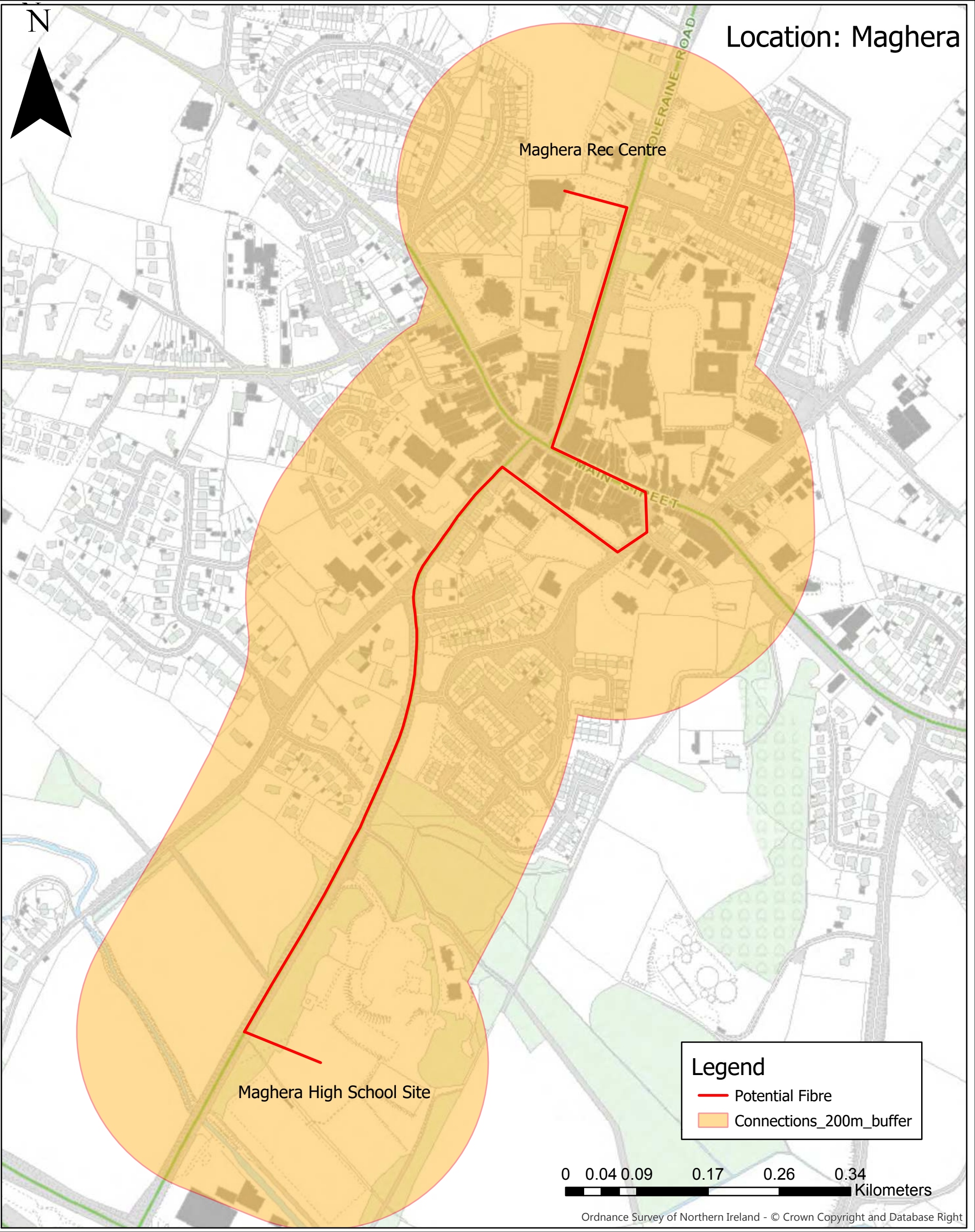
Appendix 3

COOKSTOWN CONTINENTAL MARKET – 2 & 3 JUNE 2018

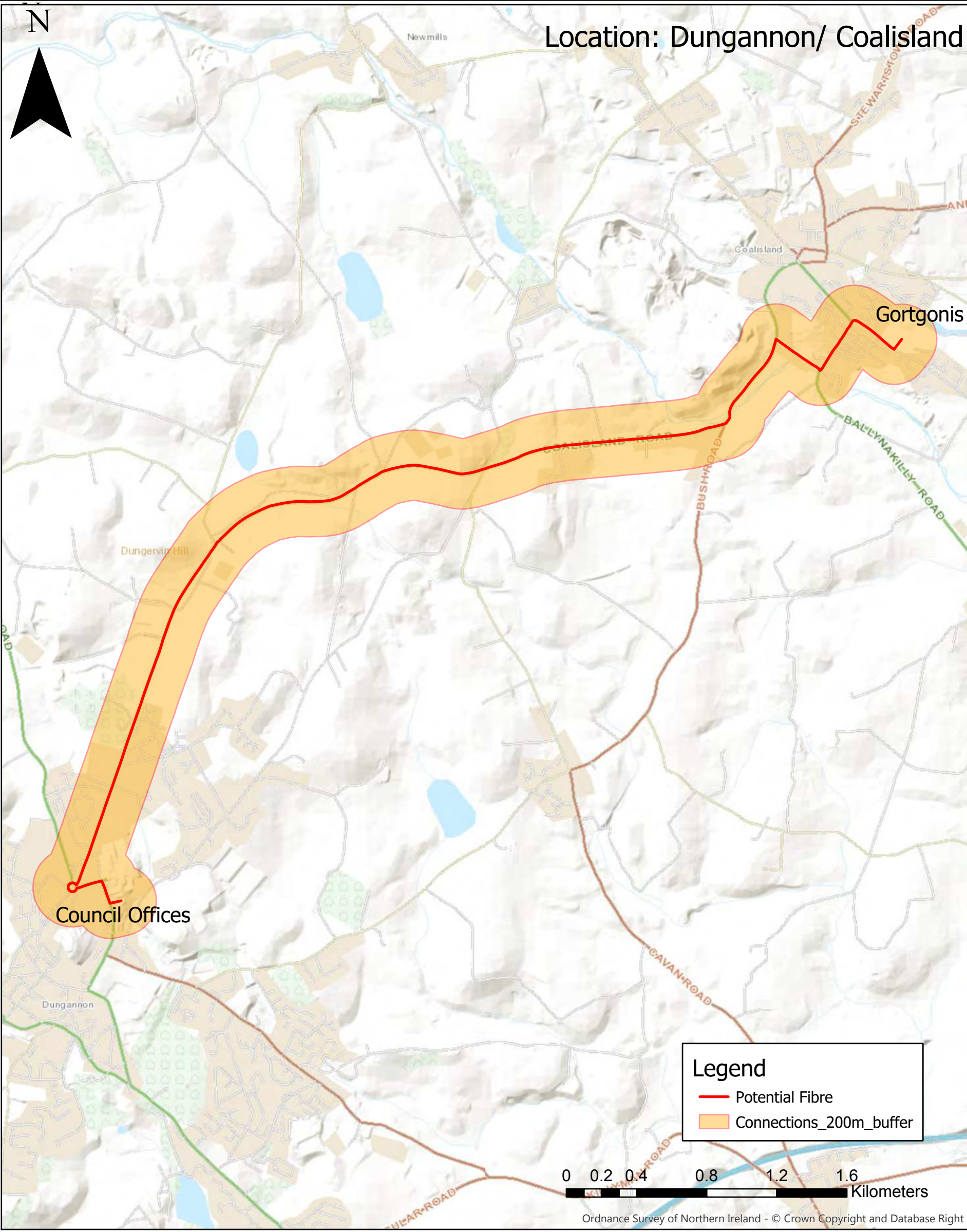
ENTERTAINMENT SCHEDULE

Date	Times	William Street (Free of Charge)	Burnavon
Sat 2 June	9am	Continental Market Opens	<p>The Brickx Club provides the opportunity for children and adults to utilise LEGO® through creative brick building. Each session will provide different construction zones and brick pits where LEGO® enthusiasts of all ages can create models in a fun and creative environment.</p> <p>Workshops will take place on Saturday 2 & Sunday 3 June in the Auditorium at:</p> <ul style="list-style-type: none"> • 10.00am-12Noon • 12.30pm-2.30pm • 3.00pm-5.00pm • <i>A quiet session will take place on Saturday 2 June 2018 from 9.00am-10.00am.</i> <p>Workshop Tickets cost £8 / Family (2 adults/3 children or 1 adult 4 children) £35. Tickets can be booked on www.burnavon.com</p> <p>A Brickx Exhibition will take place in the Studio, with alternative workshops in the Exhibition Area.</p>
	11am – 5pm	Kids Zone	
		<ul style="list-style-type: none"> • Face Painting • Balloon Modelling • Kids Craft making • Photo Booth 	
		On Street Entertainment	
		<ul style="list-style-type: none"> • The Great Mefiesto (11am-12noon) • Meet & Greet Elsa & Anna (12noon-1pm) • Drumming Circle Workshop (1pm-3pm) • Hoopspin (3pm-5pm) 	
		Music Performances On Stage Risers	
Sun 3 June	12Noon - 5pm	<ul style="list-style-type: none"> • Elsa & Anna Singalong (11am-12noon) • Cup O' Joe (12noon-2pm) • Emma Horan (2pm-3pm) • The Swingtime Starlets (3pm-5pm) 	
		The Knotty Pine String Band	
		Continental Market Closes	
		Continental Market Closes	
	11am	Continental Market Opens	
		Kids Zone	
		<ul style="list-style-type: none"> • Face Painting • Balloon Modelling • Kids Craft making • Photo Booth 	
		On Street Entertainment	
Sun 3 June	12Noon - 5pm	<ul style="list-style-type: none"> • Gondo Leering (12noon-2pm) • Barren Carousel (1pm-3pm) • Circus Skills Workshop (3pm-5pm) • Puppet Show commencing at 12.30, 1.30, 2.30, 3.30 & 4.30pm) 	
		Music Performances On Stage	
		<ul style="list-style-type: none"> • The Hub Choir (12noon-1pm) • Banjacks & Jiving (1pm-3pm) • Cookstown Folk Club (3pm-4pm) • Brian Mills & Declan McGrath (4pm-5pm) • Fusion (5pm-6pm) 	
		Continental Market Closes	
	7pm	Continental Market Closes	
		Continental Market Closes	

Draft Full Fibre Network



Draft Full Fibre Network



Draft Full Fibre Network

