

From: [Lewis, Colin](#)
To: [Cooper, Trevor](#)
Subject: FW: TRIM DETI Document : DT1/13/0012190 : PFG Submission to Minister DETI Quarter 3 Progress Report
Date: 24 January 2013 08:40:35
Attachments: [PFG Submission to Minister DETI Quarter 3 Progress Report.DOCX](#)

Treveor,

For your information. You might be interested in aspects of this relating to Invets NI performance.

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The new website for the European Sustainable Competitiveness Programme for NI is now available - visit www.eucompni.gov.uk

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-----Original Message-----

From: Johnston, Iris On Behalf Of Thomson, David
Sent: 23 January 2013 11:58
To: Private Office DETI
Cc: Sterling, David; Lewis, Colin; 'alastair.hamilton@investni.com'; Hepper, Fiona; Thompson, Mike; Kerr, Jackie; Murphy, Shane; Rodgers, Philip; McCune, David; Pyper, Alistair; Wallwin, Judith; Fullerton, Karen; Aiken, Glynis; Ross, Alastair
Subject: FW: TRIM DETI Document : DT1/13/0012190 : PFG Submission to Minister DETI Quarter 3 Progress Report

Private Office

Please see attached from David Thomson.

Many thanks
Iris

Iris Johnston
Personal Secretary to David Thomson
Department of Enterprise, Trade & Investment Netherleigh Massey Avenue Belfast, BT4 2JP
Tel: 028 9052 9204 (ext: 29204)
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From: David Thomson Copy distribution list below

Date: 23 January 2013

To: 1. Andrew Crawford
2. Arlene Foster MLA

PROGRAMME FOR GOVERNMENT 2011-2015: QUARTER 3 PROGRESS REPORT

Issue: Progress Reports for Quarter 3 of DETI Programme for Government (PfG) Delivery Plans

Timing: **Desk immediate. Progress Reports were expected with OFMDFM on 15 January** – an extension has been obtained to allow for inclusion of quarter 3 Invest NI figures which were only available from 18 January.

Need for referral to the Executive: Not Applicable

Presentational Issues: OFMDFM will publish an on-line summary of all the PfG progress reports.

Freedom of Information: This submission is fully disclosable

Programme for Govt Implications: Progress against PfG commitments

Legislation Implication: None

Financial Implication: None

Statutory Equality Obligations: Not Applicable

Recommendation: That you approve the attached Progress Reports for DETI PfG Delivery Plans for Quarter 3 (October to December 2012).

BACKGROUND

1. OFMDFM have commissioned progress reports on implementation of Programme for Government Commitments for Quarter 3 i.e. for the period 1 October to 31 December 2012.
2. The Central Reporting Team in OFMDFM and DFP will review all the PfG updates and report on progress to the Delivery Oversight Group (PSG) and the Executive's PfG Programme Board. OFMDFM will also be publishing an on-line progress report on all the PfG Delivery Plans.

ASSESSMENT

3. The DETI progress reports, including the on-line summary, have been signed-off by their respective SROs and are attached at Annex A. There are 3 commitments against which a change in status is being reported. These are summarised below.
 - (i) The status of the commitment relating to R&D Investment has moved from Amber/green to Green. Invest NI is reporting a level of work in progress which should allow achievement of its 2012-13 milestone target.
 - (ii) The joint DETI/DARD commitment, to develop a strategy for the Agri-food sector is still reporting progress although timescales have slipped slightly. This is reflected in a revised status from Green to Amber/green.
 - (iii) Reflecting continued economic uncertainty in a number of NI's key markets, progress against the commitment to increase manufacturing exports by 20% has slipped. The status of this commitment has been revised from Amber/green to Amber.

4. While SROs are reporting that the remainder of the commitments remain broadly on track for achievement by the end of the PfG. However, the Minister will wish to note some of the particular risks that have been identified and which may impact upon the delivery of targets in the future.
5. The most recent figures indicate that the value of manufacturing exports recorded for the first half of 2012/13 (April – Sept) were some 4.5% below the figures recorded over the same period one year previously. If this pattern continues, it is likely overall performance will fall significantly behind the PfG milestone and there would then be a real risk that the PfG commitment would not be met by March 2015. It should be noted that Invest NI is continuing to offer extensive support to drive forward export growth, with over 85 trade missions and other trade events planned before the end of 2013-14.
6. Progress against the key job targets is currently behind profile. Invest NI has stated it is confident this existing shortfall can be made up over the remainder of the PfG period. Invest NI has further stated that it is in the process of agreeing remedial action with Enterprise NI to boost performance with respect to jobs promoted from new business starts.
7. However, there are a number of risks which may impact on the ability to convert projects identified within the existing 'Work in Progress' pipeline. This includes the crystallisation of possible external risk factors such as delays for SMEs in accessing finance to bring projects forward; the impact of continued civil unrest and the impact proposed changes to EU Regional Aid Guidelines may have on Invest NI's ability to support job creation projects in large companies. So whilst the key jobs target is continuing to be shown as Amber/Green, there is a risk that we will not be able to meet the PfG jobs target.

RECOMMENDATION

8. It is recommended that you note the progress reports attached at Annex A and agree that these can be submitted to OFMDFM.

A handwritten signature in black ink, appearing to read 'D Thomson'.

DAVID THOMSON

cc David Sterling
Colin Lewis
Alastair Hamilton
Fiona Hepper
Mike Thompson
Jackie Kerr
Shane Murphy
Philip Rodgers
David McCune
Alistair Pyper
Judith Wallwin
Karen Fullerton
Glynis Aiken
Alastair Ross

Commitment No: 01
Year: 2012/13
Quarter: October-December
Department: DETI
SRO: Graeme Hutchinson

Commitment Text:

Contribute to rising levels of employment by supporting the promotion of over 25,000 new jobs

Milestone Target 2012/2013: 13,300
Progress at 31.12.12: 9,769 (6,556 2011/12, 3,213 2012/13 ytd)

Quarterly narrative and quantitative evidence of progress:

In terms of jobs promoted by locally-owned companies and via the Jobs Fund Invest NI remains on track to meet or exceed its targets by the end of the current year. In respect of jobs resulting from business starts, initial progress was hampered by an ongoing legal dispute that was not resolved until September 2012. As a result, the new programme is only at the initial phase of implementation and Invest NI is engaged in ongoing meetings with its delivery partner, Enterprise Northern Ireland (ENI) to agree urgent remedial action to boost performance. Over 1,300 new enquiries have being generated since the start of the new contract and Invest NI has stressed to ENI the importance of converting as many of these as possible before 31st March 2013.

In terms of foreign investment, uncertainty in the global economy continues to make the FDI market challenging. Invest NI's current pipeline of projects would allow the agency to meet its 2012-13 milestone target; however, bringing all of these projects through to fruition on time will be extremely challenging. Invest NI has, therefore, intensified its engagement with projects identified in the pipeline but expects to fall short of its specific foreign-owned companies job target. A number of additional factors may further affect delivery in this area, notably, the timing of access to key finance for some SME projects; the potential of the current unrest in NI to influence the timeline for potential investors to fully commit to completion of their projects; and, the proposed changes to EU Regional Aid Guidelines which may limit Invest NI's ability to support large firms.

Narrative for Quarterly Update Online (QUO):

Overall progress is slightly behind profile, with ground to be made up in respect of jobs arising from new business starts and foreign-owned investments. Despite Invest NI's existing 'Work in Progress' pipeline, external factors such as the timing of access to finance for SMEs, proposed changes to Regional Aid Guidelines and the current civil unrest, have the potential to negatively impact on delivery in these areas. Invest NI is continuing to aggressively target potential investors and is also in the process of developing remedial action to address the shortfall in new business starts.

Proposed RAG status and justification:

Amber Green: Current progress indicates Invest NI may be slightly behind its 2012-13 milestone and, whilst confident that any shortfalls can be made up in 2013 – 15, there are macro economic factors which have the potential to negatively impact on progress.

Commitment No: 03
Year: 2012/13
Quarter: October-December
Department: DETI
SRO: Graeme Hutchinson

Commitment Text:

Achieve £1 billion of investment in Northern Ireland economy

2012-13 Milestone: £550m

Progress to 31.12.12: £549m

Quarterly narrative and quantitative evidence of progress:

Despite slower than anticipated progress in some areas, notably foreign direct investment, where prevailing economic conditions continue to have a negative impact, Invest NI has already substantially achieved its milestone target. Based on current Work in Progress across its key indicators, Invest NI anticipates that the target will be significantly exceeded by the end of the PfG reporting period.

Narrative for Quarterly Update Online (QUO):

Despite slower than anticipated progress in some areas, notably foreign direct investment, where prevailing economic conditions continue to have a negative impact, Invest NI has already substantially achieved its milestone target. Based on current Work in Progress across its key indicators, Invest NI anticipates that the target will be significantly exceeded by the end of the PfG reporting period.

Proposed RAG status and justification:



As above.

Commitment No: 04
Year: 2012/13
Quarter: October-December
Department: DETI
SRO: Graeme Hutchinson

Commitment Text:

Increase the value of manufacturing exports by 20%

2012-2013 Milestone: 6%

YTD Performance: 1.9% (most recent data available to quarter end September 2012)

Quarterly narrative and quantitative evidence of progress:

Data showed export growth of 4.2% in 2011/12, and thus it looked as if Northern Ireland firms were on target to meet the 2012/13 PfG milestone. However, the most recent figures indicate that the value of manufacturing exports recorded for the first half of 2012/13 were 4.5% below the figures recorded over the same period one year previously. This reflects ongoing difficulties with key trading partners and the negative impact on NI's export performance. For example, manufacturing exports to the Republic of Ireland, NI's main export partner, were 8.8% lower in the first half of the current financial year when compared to same period in 2011.

Invest NI continues to offer extensive support to drive forward export growth. Between January and March 2014, its Overseas Events Programme features 85 trade missions and other trade events to existing and emerging high growth international markets. Several of these will be high profile visits and some will involve the DETI Minister and/or Invest NI's Chairman and Chief Executive. In addition, a series of Export Skills workshops will begin in February and run until the end of May 2013.

Narrative for Quarterly Update Online (QUO):

Whilst considerable growth was achieved during 2011-12, data for the current year shows a sharp decrease in the value of exports. This reflects the on-going difficulties with key trading partners such as the Republic of Ireland. Invest NI continues to offer extensive support to drive forward export growth, with over 85 trade missions and other trade events planned before the end of 2013-14 and a range of further initiatives now being prepared for the 2013-14 financial year.

Proposed RAG status and justification:

AMBER: Given the considerable fluctuations in the year on year data, RAG status is flagged as amber at this stage as a precautionary measure until a more detailed trend analysis can be established.

Commitment No: 05
Year: 2012/13
Quarter: October-December
Department: DETI
SRO: Graeme Hutchinson

Commitment Text:

Support £300 million investment by businesses in R&D, with at least 20% coming from Small and Medium sized Enterprises

Milestone Target 2012-13: £150m/20% SMEs

Progress to 31.12.12: £106.3m/53%

Quarterly narrative and quantitative evidence of progress:

Current Work in Progress shows that there are projects with an investment value of over £50m with a target approval date of before 31st March 2013 and the successful management of external inputs should allow Invest NI to achieve its 2012-13 milestone target. The associated target of 20% of planned investment coming from SMEs has already been substantially exceeded, with 53% achieved to date.

Narrative for Quarterly Update Online (QUO):

Current Work in Progress shows that there are projects with an investment value of over £50m with a target approval date of before 31st March 2013 and the successful management of external inputs should allow Invest NI to achieve its 2012-13 milestone target. The associated target of 20% of planned investment coming from SMEs has already been substantially exceeded, with 53% achieved to date.

Proposed RAG status and justification:



Commitment No: 06
Year: 2012/13
Quarter: October-December
Department: DETI
SRO: Mike Thompson

Commitment Text:

Increase visitor numbers to 4.2 million and tourist revenue to £676 million by December 2014

Quarterly narrative and quantitative evidence of progress:

Of the figures available, and based on comparisons with previous years, the level of progress for GB/Overseas is behind schedule to meet targets as at end September, while we are slightly ahead of schedule in terms of the domestic tourism targets as at end August. The overall targets consist of 3 main elements and the latest position on each is as follows: (i) Great Britain/Overseas Markets. Estimates for Jan - Sept 2012 show visitor numbers at 1.0m (62% against target of 1.66m) and visitor revenue of £269m (69% against target of £390m). (ii) Republic of Ireland Market - Figures not yet available. (iii) Domestic Market -Estimates for Jan - August 2012 show visitor numbers at 1.24m (67% against target of 1.86m) and visitor revenue of £122m (75% against target of £163m).

Narrative for Quarterly Update Online (QUO):

Of the figures available, and based on comparisons with previous years, the level of progress for GB/Overseas is behind schedule to meet targets as at end September, while we are slightly ahead of schedule in terms of the domestic tourism targets as at end of August. Figures for visitors from the Republic of Ireland in 2012 are not yet available. Overall we are broadly on track to meet the targets.

Proposed RAG status and justification:

Green/Amber. Based on the figures available the RAG status remains unchanged from the previous quarter. The level of progress for GB/Overseas is behind schedule to meet targets as at end September. We are slightly ahead of schedule in terms of the domestic tourism targets as at end August. Figures for the domestic market are only available for the period Jan - August due to NISRA staff illness. 2012 estimates for the Republic of Ireland will not be available until Spring 2013 however anecdotal evidence would suggest that this market is performing reasonably well.

Commitment No: 07
Year: 2012/13
Quarter: October-December
Department:
SRO: Graeme Hutchinson

Commitment Text:

Aid liquidity of Small and Medium sized Enterprises through a £50m Loan Fund. (£28m in the 3 years covered by the PfG.

2012-13 Milestone Target: 50 SMEs/Loan value £8m

Progress to 31.12.12: 5/£1.175m

Quarterly narrative and quantitative evidence of progress:

Due to a delay in the Fund launch, it has been anticipated that 30 loans valued at £6m will be made in the 2012-13 period. Four loans were made during the last quarter and a further 12 have been approved. The Fund Manager has reported that it is taking a considerable amount of time to obtain bank consents for Growth Loan Fund loans and that legal reviews of the facility letters have also been slow. However, such delays are considered to be part of the 'bedding in process for the new scheme and Invest NI anticipates that these delays will reduce considerably as the quantity of loan facility letters presented to existing banks and legal firms increase.

There is a strong pipeline of £6.4m across a further 24 companies, which the Fund Manager considers to be a viable investment opportunities. These are now being aggressively pursued and we are awaiting further supporting information from these customers. A further 60 loan enquiries, which are not as advanced at this stage, will be carried forward to 2013-2014 and Invest NI therefore expects to make considerable progress towards its overall PfG target in the next financial year.

Narrative for Quarterly Update Online (QUO):

Initial progress was slow due to the delay in launching the Fund however with a number of approvals now made and a healthy pipeline of potential customers being aggressively pursued, Invest NI is confident that 2013-14 will see considerable progress being made to achieving the overall PfG target.

Proposed RAG status and justification:

High level of interest and cases under consideration indicate rapid progress will be made during 2013-14 and that overall PfG targets will be achieved.



Commitment No: 13a
Year: 2012/13
Quarter: October-December
Department: DETI
SRO: Fiona Hepper

Commitment Text:

Encourage achievement of 20% of electricity consumption from renewable sources by 2015

Quarterly narrative and quantitative evidence of progress:

The renewable generation target of 12% by 2012/13 has been exceeded.

The seasonal adjusted average figure for renewable generation to end November 2012 is 13.9%.

The amount of renewable generation for the quarter ending 31 December 2012 is not yet available.

Narrative for Quarterly Update Online (QUO):

The renewable generation target of 12% by 2012 has been exceeded.

The seasonal adjusted average figure for renewable generation to end November 2012 is 13.9%

Proposed RAG status and justification:



Green

Target of 12% renewable generation for 2012/13 has already been exceeded

Commitment No: 13b
Year: 2012/13
Quarter: October-December
Department: DETI
SRO: Fiona Hepper

Commitment Text:

Encourage achievement of 4% renewable heat by 2015

Quarterly narrative and quantitative evidence of progress:

The main means of achieving the target is the introduction of the Renewable Heat Incentive (RHI). All approvals for Phase 1 of the RHI were secured - including State Aid approval - in June 2012 and the scheme was launched in November 2012. The first phase of the RHI is for non domestic consumers. Until Phase 2 of the RHI is operational, domestic consumers can obtain support through the Renewable Heat Premium Payment Scheme (RHPPS). The RHPPS was introduced in May 2012 and since then grant assistance for around 514 domestic installations has been offered. This equates to £665k committed expenditure from DETI and a total investment in the sector of some £2.3 million.

Narrative for Quarterly Update Online (QUO):

The main means of achieving the target is through the introduction of a Renewable Heat Incentive (RHI) and the Renewable Heat Premium Payment Scheme (RHPPS). The RHPPS was introduced in May 2012 and the RHI was introduced in November 2012. The RHPPS was introduced in May 2012 and since then grant assistance for around 514 domestic installations has been offered. This equates to £665k committed expenditure from DETI and a total investment in the sector of some £2.3 million.

Proposed RAG status and justification:



Green

Modelling from the RHI economic appraisal indicates that the scheme will enable NI to achieve in excess of 10% renewable heat by 2020 from a baseline of 1.7%. That being the case, the 4% target by 2015 is deemed to be achievable. Actual data will become available following the introduction of the RHI since a condition of the scheme is that renewable heat output is metered.

Commitment No: 18
Year: 2012/13
Quarter: October-December
Department: DETI
SRO: Mike Thompson

Commitment Text:

Provide financial and other support across government to ensure the success of the Our Time Our Place Initiative in 2012 including marking the centenary of Titanic's maiden voyage

Quarterly narrative and quantitative evidence of progress:

All 8 major events have now been completed. The final event, the 50th Belfast Festival at Queens, took place this quarter. The first high profile event in 2012 was the Titanic Belfast Festival 2012 which included 120 different events and was attended by over 100,000 people. This event celebrated and commemorated the centenary of Titanic's maiden voyage, as well as the opening of Titanic Belfast. Titanic Belfast has been a huge success with over 650,000 visitors since its opening.

Other events in the ni2012: our time, our place programme have continued to be successful. The Irish Open was a record-breaking European Tour sell out with attendance from over 130,000 spectators. The Giant's Causeway visitor centre has received over 320,000 visitors since its opening in early July.

Narrative for Quarterly Update Online (QUO):

All 8 major events have happened. The final event, the 50th Belfast Festival at Queens, took place this quarter. The events have predominantly been a huge success, and include the opening of Titanic Belfast visitor attraction and the Titanic Festival, opening of the Giant's Causeway visitor centre and the Irish Open at Royal Portrush.

Proposed RAG status and justification:



Green - Early indications are that visitor satisfaction levels and local civic pride statistics are significantly above target. Many of the major events have encouraged a strong sense of civic pride and generated enormous PR value for Northern Ireland. The target figure of 50% increase in civic pride has been far exceeded with all events exceeding 90%. Full evaluations are currently being carried out on each event in the programme, and should be available in the near future. A full evaluation of the ni2012 programme and campaign will be completed thereafter.

Commitment No: 24
Year: 2012/13
Quarter: October-December
Department: DARD, DETI
SRO: Keith Morrison/Graeme Hutchinson

Commitment Text:

Develop a strategic plan for the Agri-food sector

Quarterly narrative and quantitative evidence of progress:

The Agri-Food Strategy Board (AFSB) has been operational since June 2012. Stakeholder engagement with the agri-food sector and wider stakeholders has been on-going via a public Call for Evidence, 9 sectoral sub-groups and meetings with government partners, including relevant Ministers and departments/ agencies (DOE, DEL, DFP NITB). The Board has agreed its over-arching Strategic Vision and Key Performance Indicators and work has commenced on an outline Strategy document. Over the coming period, the AFSB will refine its emerging draft Plan, which will set out action needed by government and industry, along with potential funding streams. AFSB aims to present a draft report to DARD and DETI Ministers in February and a report to the Executive by the end of March 2013. It is anticipated that formal public consultation on the report will follow.

Narrative for Quarterly Update Online (QUO):

The Agri-Food Strategy Board (AFSB) has met on a regular basis over the past 6 months. Sub-groups have considered specific priorities, challenges and targets for key sub-sectors, informed by stakeholder engagement, including a public Call for Evidence. AFSB is drawing together its draft report for submission to DARD and DETI Ministers in February 2013.

Proposed RAG status and justification:

The AFSB has been operational since June 2012. It has engaged with a range of stakeholders and is working on its draft report. Presentation of AFSB's initial report to Ministers has slipped from late December to February 2013. However, this additional time is needed to refine the Board's emerging findings and to secure the stakeholder buy-in necessary for effective delivery of the Plan. We remain on track to deliver a report by the end of March 2013.

Commitment No: 48
Year: 2012/13
Quarter: October-December
Department: DETI
SRO: Jackie Kerr

Commitment Text:

Develop and implement a Financial Capability Strategy for consumers

Quarterly narrative and quantitative evidence of progress:

Cross-Departmental steering group established. Work on establishing an evidence baseline, based on data from the NI Omnibus survey and more qualitative evidence from Focus groups run by the Consumer Council is almost complete. Initial engagement with stakeholders underway.

Narrative for Quarterly Update Online (QUO):

Engagement with the wider community, commenced with a launch to MLAs hosted by the Minister at Stormont on 3rd December. This will be followed by a wider public engagement event planned for 17th January 2013 at the Stormont Hotel.

Proposed RAG status and justification:



Envisage completion of a draft Strategy by end January with a view to discussion with the ETI Committee by mid February and presentation to the Executive by end March 2013.

Commitment No: 65
Year: 2012/13
Quarter: October-December
Department: DETI
SRO: Mike Thompson

Commitment Text:

Support the successful hosting of the 2012 Irish Open and build on that success to secure a further international golf event

Quarterly narrative and quantitative evidence of progress:

The Irish Open took place at Royal Portrush from 28 June to Sunday 1 July 2012 and proved to be a record-breaking European Tour sell out with attendance from over 130,000 spectators. The Irish Open provided an opportunity to showcase Northern Ireland's golf tourism offering to a global audience. The Northern Ireland Tourist Board proposes to develop a Golf Strategy which will include attracting further high-quality golf events, improving the golf offering to tourists and capitalising on the current international interest on Northern Ireland golf through their marketing campaigns.

Narrative for Quarterly Update Online (QUO):

The Irish Open 2012 was successfully hosted at Royal Portrush and attracted record breaking European Tour attendance figures of over 130,000.

Proposed RAG status and justification:



Green - the tournament was a huge success particularly when it was organised in less than 6 months. All involved were praised for their professionalism and event organisation from the European Tour, media, key stakeholders and politicians.