

**From:** [Cahoon, Gillian](#)  
**To:** [Cooper, Trevor](#); [Partridge, Jeff](#)  
**Cc:** [Sterling, David](#); [Rooney, Eugene](#); [Thomson, David](#); [Brankin, Bernie](#); [Robson, Rod](#); [McCune, David](#); [Aiken, Glynis](#)  
**Subject:** FW: Invitation INV/423/2014 : DFP Part Input request: Supply Resolution Debate on Monday 9th June 2014 and Budget (No.2) Bill Debates  
**Date:** 27 May 2014 14:09:45  
**Attachments:** [Sub to Minister - BRIEFING FOR SUPPLY RESOLUTION DEBATE 2014-15.doc](#)  
[Annex A - DETI Main Estimates Briefing.docx](#)  
**Importance:** High

---

Jeff/Trevor

This has now been cleared by the Minister/SPAD. Happy for you to forward to DFP.

Regards

## Gillian Cahoon

Private Office  
Department of Enterprise, Trade & Investment  
Netherleigh  
Massey Avenue  
Belfast, BT4 2JP  
Tel: 028 9052 9440 (ext: 29440)  
TextRelay: 18001 028 9052 9440  
Web: [www.detini.gov.uk](http://www.detini.gov.uk)

## Please consider the environment - do you really need to print this e-mail?

---

**From:** Private Office DETI  
**Sent:** 19 May 2014 11:03  
**To:** Cahoon, Gillian; Ingram, James  
**Cc:** Stevenson, Valerie (DETI Private Office)  
**Subject:** FW: Invitation INV/423/2014 : DFP Part Input request: Supply Resolution Debate on Monday 9th June 2014 and Budget (No.2) Bill Debates  
**Importance:** High

---

**From:** McCoy, Laura **On Behalf Of** Cooper, Trevor  
**Sent:** 19 May 2014 10:52  
**To:** Private Office DETI  
**Cc:** Sterling, David; Rooney, Eugene; Thomson, David; Ross, Alastair; Brankin, Bernie; Partridge, Jeff; McCune, David; Murray, John (DETI); Robson, Rod; Aiken, Glynis; DG\_DETI Press Office  
**Subject:** Invitation INV/423/2014 : DFP Part Input request: Supply Resolution Debate on Monday 9th June 2014 and Budget (No.2) Bill Debates  
**Importance:** High

Private Office

Please see attached submission from Trevor Cooper for the attention of the Minister.

Regards,

## Laura McCoy

Personal Secretary  
Department of Enterprise, Trade & Investment  
Netherleigh  
Massey Avenue

Belfast, BT4 2JP  
Tel: 028 9052 9200 (ext: 29200)  
TextRelay: 18001 028 9052 9200  
Web: [www.detini.gov.uk](http://www.detini.gov.uk)

**Please consider the environment - do you really need to print this e-mail?**

---

**Please consider the environment - do you really need to print this e-mail?**

**From:** [james.ingram@detini.gov.uk](mailto:james.ingram@detini.gov.uk) [<mailto:james.ingram@detini.gov.uk>]

**Sent:** 09 May 2014 11:47

**To:** Cooper, Trevor

**Cc:** Brankin, Bernie; Partridge, Jeff; McFarlane, Iain; Sterling, David; Thomson, David; Rooney, Eugene; Aiken, Glynis; Stevenson, Valerie (DETI Private Office); DG\_DETI Press Office; Cahoon, Gillian; Ingram, James

**Subject:** Invitation INV/423/2014 : DFP Part Input request: Supply Resolution Debate on Monday 9th June 2014 and Budget (No.2) Bill Debates

DEPARTMENT OF ENTERPRISE, TRADE AND INVESTMENT

INVITATION BRIEFING REQUEST - URGENT

Reference: INV/423/2014

Invitation From: DFP

REFERRED TO: Cooper Trevor (Mr)

Date: 9 May 2014

Subject: DFP Part Input request: Supply Resolution Debate on Monday 9th June 2014 and Budget (No.2) Bill Debates

BRIEFING REQUIRED

Please see attached request from DFP. Please provide appropriate part input as requested..

Please return to Private Office by noon **on Wednesday 14th May** To be cleared by 1. Andrew Crawford, 2. Arlene Foster, 3. DFP. Extension provided to be with Private Office by **close Friday 16 May 2014** and with DFP by close Tuesday 20 May.

James Ingram  
Private Office

Netherleigh House [Tel:- 028 90529504](tel:02890529504)

Copied To For Information:

cc Finance

Cahoon Gillian (Miss)

Ingram James (Mr)

**Copy Distribution List Below**

**FROM:** Trevor Cooper

**DATE:** 19 May 2014

**TO:** 1. Andrew Crawford  
2. Arlene Foster MLA

**BRIEFING FOR SUPPLY RESOLUTION DEBATES**

**Issue:** DFP has commissioned briefing material, to be used by the Finance Minister for the Supply Resolution Assembly debate in support of the Budget Bill scheduled for the Assembly on Monday 9 June 2014 and subsequent Budget Bill debates.

**Timing:** **URGENT.** Briefing material is due with Private Office this evening and DFP by close on Tuesday 20 May 2014.

**Need for referral to the Assembly** N/A. We are providing background briefing for the DFP Minister.

**Presentational Issues:** None.

**Freedom of Information:** Disclosable.

**Programme for Government /PSA Implications:** None identified at this stage.

**Financial Implications:** Assembly approval is required to provide the appropriate authority for departmental spending in 2014-15.

**Legislation Implications:** Assembly approval required for Budget Bill and Main Estimates. DFP is in the lead.

**Statutory Equality:** Considered in budget settlement and as part on in-year monitoring. HLIAs are completed for changes made through in-year monitoring.

**Recommendation:** That you consider and approve the attached briefing material.

**Background**

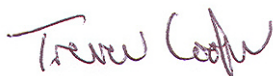
1. DFP have asked for briefing material to be used by the Finance Minister for the Supply Resolution Debate scheduled for the Assembly on Monday 9 June 2014, and subsequent Budget Bill debates.
2. Estimates set out the detailed spending plans of Northern Ireland departments and form the basis for the authorisation by the Assembly of sufficient funding and resources for services as detailed in the corresponding Budget Act.
3. Debates on the Supply Resolution and Budget Bill tend to be wide ranging as questions can be raised on any services covered by the Estimates.

**Briefing Material**

4. DFP Supply has specifically requested briefing material on the topics listed at **Annex A** for return by Tuesday 20 May 2014.

**Recommendation**

5. That you consider and approve the briefing material at **Annex A** for the Supply Resolution Debate in the Assembly.
6. There are likely to be further requests for briefing on current topics as we approach the days for the debates. Updated briefing may be available before the debates take place for the following specific items:
  - Tourism Performance (late May 2014);
  - New Innovation Strategy for Northern Ireland (June 2014); and
  - Utility Regulator Information Paper – Electricity Prices (end of May 2014).
7. If required, additional / amended briefing will be forwarded at a later date for your clearance.



**TREVOR COOPER**

cc David Sterling  
Eugene Rooney  
David Thomson  
Alastair Ross, MLA, Assembly Private Secretary  
Bernie Brankin  
Jeff Partridge  
David McCune  
John Murray  
Rod Rodson

**ANNEX A**

**INDEX**

**BRIEFING FOR SUPPLY RESOLUTION DEBATE 2014-15**

1. NITB – G8 Summit
2. NITB – Giro D'Italia 2014
3. Tourism policy – Tourism performance
4. Economic Policy – Agri-foods Loans Scheme
5. Economic Policy – Enterprise Zones
6. Economic Policy – Response To The Economic Downturn
7. Economic Policy – New Innovation Strategy for NI
8. Energy – Gas Network Extension
9. Energy – Gas to East Down and Other Areas
10. Energy – Utility Regulator Information Paper – Electricity Price
11. Energy - Northern Ireland Electricity Price Control (RP5)
12. Energy – Renewable Energy Targets
13. Energy – Cost of Renewables To The Customer
14. Energy – Gas Prices
15. Energy – Electricity Prices – Domestic
16. Energy – Security Of Electricity Supply

17. Energy – Russia/Ukraine Crisis – Impact For UK Gas Supplies
18. Energy – Transparency Of Pricing/Generator Remuneration
19. Energy – North South Interconnector.
20. Energy – Energy Efficiency
21. Minerals – High Volume Hydraulic Fracturing
22. Invest NI – Mivan
23. Telecoms – Current Broadband Provision
24. Telecoms – Current Broadband Projects
25. Telecoms – Future Broadband Projects
26. HSENI - Farm Safety

**RAISED BY: NORTHERN IRELAND TOURIST BOARD**

**TOPIC NAME: G8 SUMMIT**

**LINES TO TAKE:**

- Building on the positive legacies of ni2012, the G8 Summit was another big step forward for tourism.
- The global media attention was unprecedented with the G8 Summit demonstrating to the global community that Northern Ireland is a first class destination for business and tourism.
- G8 showcased Northern Ireland by maximising the opportunities for inward investment and highlighting internationally what its people and businesses have to offer, not only a great place to visit, but to live, work, study and invest in.
- Research undertaken by the Northern Ireland Tourist Board (NITB) demonstrated a positive perception of the impact of this event in terms of increasing civic pride, changing perceptions of Northern Ireland and improving its reputation as a tourist destination.
- This process was achieved through delivery of a unique web portal, a bespoke marketing campaign for Fermanagh, the management of the media centre in Belfast and the coordination of a Northern Ireland Showcase Gala Reception for media and key stakeholders.



- Capitalising on the successful delivery of the G8 Summit, NITB delivered a visitor gateway welcome programme, conducted a series of media familiarisation trips and hosted its annual Meet the Buyer event at The Lough Erne Resort, County Fermanagh in April 2014.
- The G8 Summit 2013 received significant media coverage in the Irish Republic market, mainly through print and online articles, generating £360,000 of Weighted PR Value. In the Northern Ireland market NITB generated press releases with £58,000 of Weighted PR Value.
- Work on a formal evaluation to quantify the short term effects and assess the potential longer term benefits is currently underway.

**RAISED BY: NORTHERN IRELAND TOURIST BOARD**

**TOPIC NAME: GIRO D'ITALIA 2014**

**LINES TO TAKE:**

- One of the world's greatest cycle races got one of the world's greatest welcomes as the people of Northern Ireland rolled out the pink carpet for the Giro d'Italia in style.
- The world is talking about Belfast and Northern Ireland and we can be tremendously proud of setting new standards and new benchmarks for Giro d'Italia Big Starts.
- Many hundreds of international journalists and photographers joined cheering visitors, creating an anticipated economic impact of £2.5 million for local businesses. When final figures are complete we anticipate visitor numbers will well exceed the 140,000 target.
- As an event the 2014 Big Start captured the imagination. It is being hailed as an awesome success. But as a result of our investment there will also be long-term benefits in terms of our economy, tourism and interest in cycling.
- People will now come to ride the Giro stages in our beautiful countryside. NITB is pushing hard for Northern Ireland to become the venue for an official Giro sportive known currently as the Gran Fondo (Big Ride). This will further boost a sport which off-road, through the recent development of a series of mountain bike trails, is already

world-class.

- The Giro has helped to change international perceptions and convey the message of our brand: Northern Ireland is confidently moving on.
- Bringing the world's second biggest cycling race to Northern Ireland was about showcasing our tourism product to the world and proving we can deliver in staging major international events. We have achieved both of those objectives and much more.

## **BACKGROUND**

- The three-day spectacle ran from Thursday 8<sup>th</sup> to Sunday 11 May 2014.
- Organisers and riders were genuinely overwhelmed with Northern Ireland and deeply appreciative of what the stakeholders and agencies have done in organising the race.
- We have been beamed into the living rooms of some 125 million households in 175 countries and reached a global audience of approximately 775 million people.
- And this has showcased our dramatic landscapes, iconic architecture, living legends and friendly people around the globe, adding further value to the £300 million investment in our tourism Signature Projects.

- Northern Ireland pulled together to plan the Big Start to the very last detail. Its delivery was a superb partnership effort involving 10 government departments.
- We developed 1,800 of the coolest pink road closure signs, placed 8,000 traffic cones across the routes, trained 1,200 volunteers and cooperated with 500 police officers. We dropped 847,000 leaflets to every household and business in Northern Ireland and 600 more in the Irish Republic.
- Our local authorities, communities and schools jumped wholeheartedly into the spirit of the Giro and turned Northern Ireland pink with a memorable array of carnivals, festivals and events.
- In the lead-up to the Giro the Northern Ireland Tourist Board ran a series of roadshows to help local councils, tourism businesses and accommodation providers maximise the business and promotional opportunities. More than 800 public, private and community sector representatives attended to hear how they could get involved.
- NITB developed a toolkit to inspire the tourism industry and produced hundreds of Freddie Fortes, bunting, balloons, window vinyls, foam hands and pink ponchos.
- NITB also secured the services of legendary Giro winner Stephen Roche who promoted tourism, cycling and Northern Ireland very effectively, and staged the first Racine County Sports (RCS) Sport

Hall of Fame event ever to be held outside Italy.

- Our passion in delivering the Giro with real effort and such enthusiasm again illustrated that Northern Ireland is becoming known as the home of global events. In recent times we have hosted the MTV EMA Awards, the most peaceful G8 summit on record, the friendliest World Police and Fire Games ever, the first sell-out Irish Open and the first UK City of Culture.

**POINT RAISED BY: TOURISM POLICY**

**TOPIC: TOURISM POLICY – TOURISM PERFORMANCE**

**LINES TO TAKE:**

- Latest figures for the first 9 months of 2013 are very positive with visitor numbers up by 8% and expenditure up by 6% when compared to the same period in 2012.
- The number of external visitors is up by 7%, with associated expenditure rising by 5%, when compared to the same period last year, largely due to an increase in visits from Great Britain and overseas.
- These 9 month figures cover the main summer holiday period which includes events such as the World Police & Fire Games and key events for the UK city of Culture.
- 2013 hotel room occupancy rates maintained the record high levels reached in 2012, according to the latest published full year statistics. Over 1.8million hotel rooms were sold in 2013, an increase of 1% on 2012.
- This demonstrates that the momentum built up with the ‘ni2012 Our Time, Our Place’ celebrations has continued into 2013 with solid progress being maintained.

- With 3.2m visitors spending £539m up to September 2013 we are well on our way to meeting our 2013 Programme for Government targets of 4.1m visitors and £637m revenue.

## **BACKGROUND**

1. NISRA has advised that full outturn figures for 2013 are not due to be published until late May 2014.

### **Drop in visitors from the Irish Republic**

2. Visitors from the Irish Republic reached a record high in 2012 and we have seen a slight decline in 2013. However 2013 remains a significant improvement on 2011.
3. The increase in Great Britain visitors (+14%) and overseas visitors (+5%) more than compensated for the drop (-5%) in the number visiting from the Irish Republic.
4. Therefore, overall visitors from outside of Northern Ireland increased by 7%.

### **Drop in holiday visitors**

The fall (-2%) in the number of visits for holiday purposes was mainly due to a marked fall in the number of overnight (holiday) visitors from the Irish Republic.

Despite this fall in the Irish Republic market it is encouraging to note an increase in the number of holiday visits from Great Britain residents (+11%) and those from overseas markets (+3%).



**POINT RAISED BY: ECONOMIC POLICY DIVISION****TOPIC: AGRI-FOOD LOAN SCHEME****LINES TO TAKE:**

- The first phase of the Agri-Food Loan Scheme, which relates to broiler production, is now open for business.
- The first applications are now coming through for approval and the first loan under the scheme has already been approved (by First Trust).
- And while the necessary agreements have taken slightly longer to conclude than originally expected, I understand that DETI has taken time to address upfront a number of potential issues which I hope will ultimately lead to a smoother application process for poultry producers than might otherwise have been the case.
- Ultimately the time getting the scheme up and running has not really impacted the growth of the industry, and at this stage the greater challenge for this industry undoubtedly is demonstrating the sustainability of its growth plans to those that regulate such matters with the Northern Ireland environment Agency (NIEA) and Planning Service.
- With the framework for the scheme now established, it should prove easier to roll out to other sectors.

- Officials have had positive initial discussions with the banks regarding a proposal from a section of the pork industry.
- Our officials are keen to engage with other agri-food sectors. Any agri-food producer with a proposal should bring it forward to Invest NI for consideration.

## **BACKGROUND:**

1. The Agri-Food Loan Scheme will help local food producers, who form part of an integrated supply chain, to access the finance they need to invest in the farm buildings necessary to increase supply of the primary produce for processing.
2. Participating banks are:
  - a. Bank of Ireland
  - b. Barclays
  - c. Danske Bank
  - d. First Trust
  - e. Ulster Bank
2. Other banks are eligible to join the scheme at any time by signing up to standard terms agreed by the participating banks.
3. Potential applicants are facing issues in relation to gaining planning permission (around the environmental impacts of dealing with poultry litter), and this is a major risk to take up of the scheme by Farmers.

**POINT RAISED BY: ECONOMIC POLICY DIVISION****TOPIC: ENTERPRISE ZONES****LINES TO TAKE:**

- The UK Government's Economic Pact, published on 14 June 2013, set out 3 commitments in relation to Enterprise Zones, focusing on Enhanced Capital Allowances (ECAs), which permit 100% first year allowances for qualifying plant and machinery expenditure.
- The majority of incentives available within Enterprise Zones in GB are, with the exception of enhanced capital allowances, already devolved policy areas and the NI Executive is already taking steps to support businesses using these levers.
- While enhanced capital allowances are a new lever, their benefit is limited to large capital intensive projects and therefore will have limited benefit to the majority of investment projects. Indeed there has been minimal uptake of enhanced capital allowances by investors in GB to date.
- The pilot Zone in Coleraine, announced in the Budget statement on 19 March, will only offer ECAs as an incentive.
- In selecting a location for a pilot Zone, the over-riding criteria was that it could potentially assist the development of new capital-intensive

projects where ECAs would provide an attractive incentive and would outweigh other forms of available financial support.

- Due to the then legislation cut-off date of April 2017 for projects to benefit from ECAs, any potential project also needed to be operational before that date.
- The decision to designate a particular area offering ECAs is ultimately for Treasury.
- DFP and DETI are working alongside Treasury to ensure that the necessary arrangements are put in place as quickly as possible following the Budget announcement.

**POINT RAISED BY: ECONOMIC POLICY DIVISION****TOPIC: RESPONSE TO THE ECONOMIC DOWNTURN****LINES TO TAKE:**

- The Executive recognises the challenges facing the economy, and has taken the important step of making the economy its top priority within the Programme for Government.
- The Northern Ireland Economic Strategy, launched in March 2012, set out clear and challenging actions and targets. The actions, which cut across all Departments, are expected to deliver job creation and growing employment levels in Northern Ireland.
- The Executive further responded to difficulties in the NI labour market by launching its Economy & Jobs Initiative in November 2012.
- In June 2013, the UK Government and the Executive launched *Building a Prosperous and United Community*, a further package of measures to help NI fulfil its economic potential and promote peace and prosperity.
- As part of the Economic Pact, we continue to advance the case for devolution of corporation tax varying powers to the Executive and Assembly.

- Given that no final decision on this will be made until autumn 2014, we continue to focus our efforts on the wide range of measures to both rebalance and rebuild the economy as outlined in the NI Economic Strategy, Programme for Government, Economy & Jobs Initiative and Economic Pact.
- The DETI Minister has also been working with Minister Farry to progress the Programme for Government's commitment to develop a strategy to reduce economic inactivity through skills, training, incentives and job creation. Following the end of the public consultation on the Strategic Framework for Economic Inactivity, officials in DETI are now working in conjunction with DEL, DSD and DHSSPS to develop a draft Strategy to Tackle Economic Inactivity.

**POINT RAISED BY: ECONOMIC POLICY DIVISION****TOPIC: NEW INNOVATION STRATEGY FOR NORTHERN IRELAND****LINES TO TAKE:**

- A new Innovation Strategy has been agreed by the Executive subcommittee on the Economy, and will shortly be tabled for final Executive approval.
- The Strategy sets out a series of key actions to make Northern Ireland one of the most innovative regions in UK by 2025 (currently 11<sup>th</sup> out of 12) and in so doing increase employment in the knowledge economy sectors by over 50%.
- While we have had record expenditure on R&D in recent years our performance on wider innovation has not been as impressive. We are currently among the lowest of UK regions in terms of innovation,
- The focus is very much on open innovation i.e. we need more firms to collaborate at home and abroad. Firms who collaborate are more productive than those who do not.
- Some of the key actions include:
  - The expansion of the Northern Ireland Science Park
  - Increased use of prizes to stimulate innovation
  - The introduction of a new open innovation service
  - Funding a new world class business start up accelerator, and
  - More support to companies to engage in innovation.

**BACKGROUND:**

1. Innovation is the key driver of productivity - 63% of productivity increases due to investments in innovation.
2. BUT only 27% of NI companies surveyed are classed as innovation active. The UK average is 31%, which puts us 11<sup>th</sup> out of 12 UK regions.
3. The Innovation Strategy has been subject to extensive consultation with key stakeholders and the wider public.
4. The Strategy was agreed by the Executive Sub Committee in April, and the aim is to table for final Executive approval in June.



**POINT RAISED BY: ENERGY**

**TOPIC: GAS NETWORK EXTENSION**

**LINES TO TAKE:**

- The NI Executive has committed to supporting gas extension to further towns in the West and North-West up to a maximum of £32.5 million.
- DETI has been working to obtain State Aid approval from Brussels.
- The extension is intended to include Dungannon, Cookstown, Magherafelt, Coalisland, Omagh, Enniskillen/Derrylin and Strabane.
- The Utility Regulator launched the competition for new gas licences in the West in February 2014, with a formal licence award scheduled for Autumn 2014.
- It is anticipated that construction works could commence in 2015 with the first customers connected to gas in 2016, although timescales are challenging.

**POINT RAISED BY: ENERGY**

**TOPIC: GAS TO EAST DOWN/OTHER AREAS**

**LINES TO TAKE:**

- Gas extension projects must be economically viable with expected revenues covering the cost of new networks.
- Taking gas to other areas, including East Down, is dependent on sufficient gas loads, an interested developer, and the granting of a licence by the Utility Regulator.
- DETI would wish to see any company interested in developing gas networks in new areas engaging further with the Utility Regulator with the aim of submitting a licence application.

**POINT RAISED BY: ENERGY**

**TOPIC: UTILITY REGULATOR INFORMATION PAPER -  
ELECTRICITY PRICES**

**LINES TO TAKE:**

- Recent analysis by the Utility Regulator shows costs paid by our Industrial and Commercial sector are among the highest in Europe.
- The Regulator, with input from the Department of Enterprise, Trade and Investment, is conducting further analysis to look at the reasons for this - this analysis will be completed by the end of May 2014.
- The DETI Minister will consider if any policy actions are needed on foot of the analysis.
- Ultimately any reduction in prices for one customer group will have implications for others and may breach European Commission State Aid guidelines.

**POINT RAISED BY: ENERGY**

**TOPIC: NORTHERN IRELAND ELECTRICITY PRICE CONTROL**

**(RP5)**

**LINES TO TAKE:**

- The Competition Commission delivered its Final Determination in April 2014.
- The Competition Commission considers that the Determination supports the delivery of an efficient grid, at least cost impact to consumers, and in a manner that allows Northern Ireland Electricity to fund its operations.

**POINT RAISED BY: ENERGY**

**TOPIC: RENEWABLE ENERGY TARGETS**

**LINES TO TAKE:**

### **Renewable Electricity**

- The Strategic Energy Framework (SEF 2010) target is for 40% of electricity consumption to be from renewable sources by 2020, with an interim Programme for Government target of 20% by 2015.
- For the twelve months ending March 2014, approximately 19% of electricity was generated by renewables.
- DETI is on track to meet the 20% renewable electricity consumption target by 2015.

### **Renewable Heat**

- The Renewable Heat target is for 10% of heat from renewable sources by 2020, with an interim target of 4% by 2015.
- The primary lever to achieve this is the Renewable Heat Incentive (RHI) which provides financial incentives to installers of renewable heat technologies.

**POINT RAISED BY: ENERGY**

**TOPIC: COST OF RENEWABLES TO THE CONSUMER**

**LINES TO TAKE:**

- The move to more renewable energy brings many benefits, including investment, exports and jobs.
- Most importantly it improves our security of supply by reducing our dependence on fossil fuels.
- There is a need to take a long term view on energy prices. Increasing the amount and diversity of renewables in our energy mix will insulate against future cost increases of wholesale oil and gas prices.
- The cost of not integrating renewables into the energy mix could be even higher in the long term. Investing in renewables now will mean cheaper energy in the longer term for the next generation of electricity consumers.

**POINT RAISED BY: ENERGY**

**TOPIC: GAS PRICES**

**LINES TO TAKE:**

- Gas prices for domestic and small business consumers in Northern Ireland are currently estimated to be around 7% lower than average retail prices in Great Britain and 14.8% lower than prices in the Irish Republic.

**POINT RAISED BY: ENERGY**

**TOPIC: ELECTRICITY PRICES - DOMESTIC**

**LINES TO TAKE:**

- Following 2013 electricity tariff increases in both the Northern Ireland and GB markets, Northern Ireland domestic bills are now broadly equivalent to GB comparator regions.
- They are approximately 17% lower than those paid by domestic customers in the Irish Republic.



**POINT RAISED BY: ENERGY**

**TOPIC: SECURITY OF ELECTRICITY SUPPLY**

**LINES TO TAKE:**

- Electricity generation surplus in Northern Ireland will drop from 600 to 200 Megawatts in 2016, but the adequacy standard will still be met.
- Market interest in the provision of an extra 250 Megawatts of generation adequacy has been sought.
- The Utility Regulator will consider that potential for additional capability to be deliverable by end of 2015.
- The additional 250 Megawatts of capacity is required in the unlikely scenario of a prolonged large generation plant outage post-2015.

**POINT RAISED BY: ENERGY**

**TOPIC: RUSSIA/UKRAINE CRISIS - IMPACT FOR UK GAS SUPPLIES**

**LINES TO TAKE:**

- Northern Ireland obtains all its gas supplies from Great Britain, which is not overly dependent on gas supplies from Russia via Europe.
- The bulk of UK gas imports come from Norway and from Liquefied Natural Gas from the Middle East.
- The most likely impact of the Russia/Ukraine dispute on gas supply contract issues would be higher gas prices rather than for security of supply.

**POINT RAISED BY: ENERGY**

**TOPIC: TRANSPARENCY OF PRICING/GENERATOR  
REMUNERATION**

**LINES TO TAKE:**

- The Utility Regulator considers that further work is required to enhance transparency of the Single Electricity Market (SEM).
- During 2014-15 it intends to review market monitoring arrangements to improve transparency and targeting of regulatory focus.
- The Regulatory Authorities in Northern Ireland and the Irish Republic are also progressing work to make the Single Electricity Market compliant with the European Target Model – this work will also examine how generators are remunerated for the services they provide.

**POINT RAISED BY: ENERGY**

**TOPIC: NORTH SOUTH INTERCONNECTOR**

**LINES TO TAKE:**

- Delivery of the Interconnector is critical to achievement of the Executive's renewables commitments and long-term security of electricity supply in Northern Ireland.
- The Utility Regulator has reported that delay in delivery of the Interconnector is currently costing consumers approximately £10 million per year.
- A preferred route for the least cost, most technically efficient delivery of the Interconnector has been identified and it is critical that progress is made based on that assessment

**POINT RAISED BY: ENERGY**

**TOPIC: ENERGY EFFICIENCY**

**LINES TO TAKE:**

- I have ensured that transposition of the Energy Efficiency Directive has been carried out to meet the Directive's minimum requirements thereby minimising costs to consumers.
- Inevitably the Directive does impose some additional requirements for electricity and gas suppliers in relation to improving energy efficiency for all consumers.
- Over the longer term this incremental cost will have to be met by consumers.

**RAISED BY: DETI - MINERALS & PETROLEUM BRANCH**

**TOPIC NAME: HIGH VOLUME HYDRAULIC FRACTURING**

**LINES TO TAKE:**

- DETI policy is to facilitate the assessment of all energy supply options, including indigenous gas resources
- The exploration and possible development of energy resources is integral to the development of a competitive energy market and ensuring Northern Ireland's security of energy supply
- The potential economic benefit of shale gas should be investigated, provided this can be achieved safely, without significant harm to the environment and within the constraints of the Northern Ireland planning system.
- Ultimately it will fall to the Executive to decide whether or not the deployment of high volume hydraulic fracturing in Northern Ireland should be approved.
- No licence for high volume hydraulic fracturing in Northern Ireland has been issued.
- There are four Petroleum Licences in Northern Ireland. A fifth application is currently being processed. Only geological mapping,

desk studies, laboratory work and shallow rock sampling are permitted initially without requiring additional consents.

- Only one licence (Tamboran Resources) is concerned with unconventional shale gas that would require high volume hydraulic fracturing to test and develop. This lies mainly south and west of Lough Erne in Fermanagh.
- Tamboran is expected to apply soon to DOE Planning to drill a test borehole (under permitted development rights) to collect core samples for analysis - **this is a standard process that does not involve high volume hydraulic fracturing**
- The Department of Energy & Climate Change (DECC), intends to shortly launch a consultation paper on proposals for automatic rights of access to underground lands for Shale Gas and Geothermal companies. Access Rights is an issue which the NI Executive would also require to consider in due course as part of informing the future of shale gas/high volume hydraulic fracturing in Northern Ireland.

### **Economic Benefits**

The **UK** Exchequer would receive:

- Ring Fence Corporation Tax at a rate of 30% of profits.
- Supplementary Charge at a rate of 32% of adjusted ring fence profits, although the UK Government has recently proposed a 'pad allowance' that will effectively reduce this charge.

- A royalty of 7.5% of the value of petroleum produced is payable to the former owners of the petroleum rights or to DETI if ownership cannot be established.
- Landowners would benefit through rental payments from drilling companies.
- Jobs would be created and local economies stimulated.

**BACKGROUND:**

1. Petroleum exploration and development are activities licensed by DETI and administered by Minerals and Petroleum Branch with the technical advice of the Geological Survey for Northern Ireland.
2. DECC intend to shortly launch a consultation paper on proposals for automatic rights of access to underground lands for Shale Gas and Geothermal companies. DECC do not believe that the proposals should apply to Northern Ireland where these matters are transferred but have expressed a willingness to work with Northern Ireland officials should it be considered desirable to extend the proposals to Northern Ireland. Access rights are issues which the Executive would wish to consider in due course.



**POINT RAISED BY: INVEST NI**

**TOPIC: MIVAN - UPDATE**

**Update on Administration and liquidation of Mivan (No1) Ltd**

**Lines to take**

- The Administrator has recently made the remaining skeleton staff of Mivan redundant. A total of 282 Mivan staff has been made redundant since the company went into Administration 10 January 2014.
- Brian McConville owner of MJM Marine Ltd purchased the assets of Mivan on 30 January 2014.
- The assets of Mivan include the Antrim factory, equipment, other property, and the firm's trading name.
- MJM is a strong player in fit out and specialist joinery sector a market in which Mivan operated.
- MJM and other Invest NI client companies have employed a large number of ex Mivan staff. The vast majority of staff has now found employment.

## **Impact on creditors and subcontractors**

### **Line to Take**

- The administrator and creditor list confirms a relatively small number of Northern Ireland based companies were impacted by the Administration of Mivan. The vast majority of creditors and subcontractors are based overseas.

## **Could more have been done to save the business?**

### **Lines to Take**

- Invest NI did have discussions with the company.
- Under EU State Aid rules Mivan, as a large company, was out of scope for Invest NI's assistance for companies in difficulty.

## **What are the opportunities for the existing workforce?**

### **Lines to Take**

- The vast majority of the 282 staff made redundant has found work. Invest NI understands, that of those recently made redundant some have already be approached by Northern Ireland based companies.

**POINT RAISED BY: TELECOMS****TOPIC: CURRENT BROADBAND PROVISION****LINES TO TAKE:**

- DETI is continuing to make broadband services widely available via a mix of technologies.
- Over £45 million has been invested since 2008 to encourage private sector upgrade to networks, some £21m of which was specifically targeted at rural areas.
- There have been over 175,000 superfast connections to date.
- 78% of households currently access the Internet (Comparable to UK figures), of which 74% do so through a broadband connection:
- The number of premises connected to a broadband service offering speeds of less than 2 Megabits per second (Mbps) has almost halved in the last two years to 12% and is continuing to decrease.
- Broadband speeds in Northern Ireland are continuing to increase - the average download speed now stands at 20.4 Mbps, the highest of any UK nation.
- DETI estimates 83% of premises in Northern Ireland can access fixed-line superfast broadband services.

**POINT RAISED BY: TELECOMS**

**TOPIC: CURRENT BROADBAND PROJECTS**

**NI Broadband Improvement Project - 2MBPS Universal Service  
Commitment and Superfast Services**

**LINES TO TAKE:**

- The Northern Ireland Broadband Improvement Project is a £23.5 million project aimed at providing improvements to basic broadband services (at least 2mbps) and to increase the availability of superfast broadband (24Mbps or better) by the end of 2015.
- A contract was signed 4 February 2014 after an intensive procurement process.
- The project is supported by Public funds of up to £19.3m :-
  - £9.9m from DETI;
  - £4.4m from Broadband Delivery UK (BDUK); and,
  - £5m– DARD
- The contracted Supplier, BT, is contributing £4.2m to the project.

- BT has commenced an extensive survey and design process that will take a number of months to complete.
- Until that process is complete, it will not be possible to be precise as to which premises are likely to benefit.
- Further details on the roll-out will be published as they become available and the best mechanism for this is currently being considered.

**POINT RAISED BY: TELECOMS**

**TOPIC: FUTURE BROADBAND PROJECTS**

**Superfast Extension Programme**

- UK-wide Superfast Broadband programme is aimed at bringing superfast broadband to 95% of premises by 2017.
- Northern Ireland has been awarded an indicative allocation of £7.24 million, which DETI is seeking to match bringing the total funding available to £14.48 million.
- DETI has submitted an initial proposal and officials are working closely with Department of Culture, Media and Sport colleagues to bring forward a more detailed proposal by end June 2014.
- This funding will provide an opportunity to bring further improvements to superfast broadband in the hard to reach areas of Northern Ireland.

**POINT RAISED BY: HSENI****TOPIC: Farm Safety****LINES TO TAKE:**

- Work continues to tackle the high accident rate on Northern Ireland farms and the early signs are that the work of the Farm Safety Partnership is having a positive effect on the attitudes to safety within the farming community.
- The Enterprise and Agriculture Ministers launched the Partnerships second Farm Safety Action Plan on 7 April 2014. This follows on from the first action plan launched in November 2012.
- The ongoing multi-media advertising campaign aimed at reducing work-related deaths on our farms will be continued in the 2014-15 financial year at a cost £350,000.

**BACKGROUND:**

1. A Farm Safety Partnership was launched in May 2012 by Ministers Foster and O'Neill between the Health and Safety Executive for Northern Ireland (HSENI), the Department of Agriculture and Rural Development (DARD), and the Ulster Farmers' Union (UFU). Since then the Partnership has also been joined by the National Farmers' Union Mutual (NFUM), the Young Farmers' Clubs of Ulster (YFCU) and the NI Agricultural Producers Association (NIAPA).

2. The aim of this Partnership is to challenge all the partners to drive up health and safety standards on farms and strive to significantly reduce work-related deaths, injuries and illnesses.
3. The partnership has developed a second action plan which was launched on 7 April 2014. This follows on from the first action plan launched by the Minister in November 2012. The action plans set out a clear strategy aimed at reducing injury and deaths in farming and includes details of specific goals and targets the partnership aims to achieve.
4. One of the key actions from the first action plan was the development of an effective and targeted multi-media campaign aimed at raising awareness of farm safety in Northern Ireland.
5. The campaign encompasses multi-media elements including TV, radio, press and online. In 2013-14 the campaign cost was £300,000, shared equally between HSENI and DARD.
6. Following a mid-year survey of the campaign effectiveness it has been decided to continue, and where possible develop, the campaign into 2014/15. Results indicate that the campaign has been successful with 96% of the farming community having seen some component and 93% agreeing that the advertising would influence them to take steps to protect themselves against accidents on the farm
7. Continuing the campaign into 2014-15 will cost £350,000, which will be shared between HSENI (£238,000) and DARD (£112,000) subject to the necessary approvals.