

## **DETI Corporate Plan: 2008 - 2011**

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## FOREWORD



May 2008

### CORPORATE PLAN (2008-09 / 2010-11)

I am pleased to introduce the DETI Corporate Plan for the period 2008/09 - 2010/11. The Plan has benefited from many important contributions and I would like to particularly thank the Enterprise, Trade and Investment Committee for their valuable assistance throughout the planning process.

I also appreciate those who responded to the public consultation on the draft Corporate Plan which ended on 30 April. There were 28 responses from a wide range of organisations and they have helped shape the final version of the Plan. The responses, together with a Departmental reply, will shortly be accessible at [www.detini.gov.uk](http://www.detini.gov.uk) (under Corporate Planning and Delivery)

As many will be aware, the Programme for Government (PfG) has identified 'growing a dynamic, innovative economy' as the top priority for the Executive over the next three years. The Department of Enterprise, Trade and Investment (DETI) has lead responsibility in delivering on this aim.

The Department's Corporate Plan sets out the priorities and actions we plan to undertake over the next three years in support of the goals contained in the PfG. They represent an ambitious and challenging agenda for the Department and will help strengthen the Northern Ireland economy. The Plan also recognises the important contribution of other stakeholders, in particular the private sector. Ultimately it is businesses that make the important investment and employment decisions that contribute to economic growth.

The Plan also recognises the significant challenges facing the economy, most notably the current uncertainties in the global and financial markets. This has an inevitable impact on the ability of local firms to export and trade internationally. However, the combination of past economic performance and current initiatives contained in this Plan will help place Northern Ireland businesses in a stronger competitive position.

**NIGEL DODDS OBE MP MLA**

# 1 Introduction

- 1.1 The aim of this Corporate Plan is to outline the main functions of the Department and its economic priorities. The actions and desired outcomes for the period 2008/09 – 2010/11 are also outlined, together with the resources and policy instruments available to the Department.

## The Economic Context

- 1.2 It is important to initially set the Corporate Plan in the context of the Northern Ireland regional economy. Significant features of the Northern Ireland economy are presented at Box 1.1. This indicates that the economy has been very successful in terms of employment creation, and the unemployment rate (4.2%) is currently the second lowest of all the UK regions. Northern Ireland's economic growth has averaged 3.8% per annum and has been broadly in line with recent growth in the UK economy. So the region has become more prosperous in absolute terms. However, as most of the employment growth has been in relatively low value added sectors, output per head remains at around 81% of the UK average, leaving a prosperity gap.

<b>Box 1.1: Economic Overview</b>	
<b>Strengths</b>	<b>Weaknesses</b>
<ul style="list-style-type: none"> <li>• Employee jobs growth (employee jobs currently at a record high of 722,070)</li> <li>• Low unemployment (4.6% during Jan-Mar 2008)</li> <li>• Skills – good participation in Higher Education (37.4% of school leavers in 2005/06)</li> <li>• Manufacturing exports (up 69% over last decade, to over £5.1bn)</li> <li>• Strong growth in R&amp;D amongst SMEs (88% from 2001- 2006)</li> <li>• 100% broadband coverage</li> </ul>	<ul style="list-style-type: none"> <li>• Prosperity: Gross Value Added per capita at 81% of UK average in 2006</li> <li>• Private sector productivity: output per employed person is 91.5% of UK excluding Greater South East average</li> <li>• Some skills shortages and mismatches (for example in STEM subjects, graduate under-utilisation)</li> <li>• High labour market inactivity (26.9% in Jan-Mar 2008)</li> <li>• Business expenditure on R&amp;D still relatively low (equivalent to 0.5% of GVA in 2006, with UK levels at 1.3%)</li> <li>• Lack of business growth and start-ups</li> </ul>
<b>Opportunities</b>	<b>Threats</b>
<ul style="list-style-type: none"> <li>• Continuing the growth of high value added FDI (during 2003/04 - 2006/07 over 6,000 new jobs were created from FDI paying salaries above the private sector average)</li> <li>• Greater exports-led growth in local businesses</li> <li>• Increasing the contribution of tourism to the economy (1.9% of GVA as opposed to 3.2% for UK in 2003)</li> </ul>	<ul style="list-style-type: none"> <li>• Risk of a global economic slowdown</li> <li>• Reduction in FDI globally</li> <li>• Reduction in consumer demand</li> <li>• Competition from low cost economies</li> <li>• Volatile energy prices</li> <li>• Exchange rate uncertainty</li> <li>• Climate change</li> </ul>

1.3 Lower labour productivity, relative to the rest of the UK, is the key factor behind Northern Ireland's lower levels of economic prosperity. The economy has not been able to generate sufficient employment in sectors that yield greater profit and pay high wages. The private sector is relatively small, with a structural bias towards lower value added activity and the economy remains heavily reliant on the public sector for jobs and wealth. Therefore, strengthening the private sector, particularly in high value added sectors such as ICT, Finance and Business Services, represents a real opportunity to increase prosperity and living standards.

- 1.4 The economy already hosts important international companies in the key growth sectors (e.g. Liberty, Fujitsu, Citi and Bank of Ireland Securities), reflecting the value added FDI that Invest NI has been able to attract. However, there is scope for further growth. Local businesses also have the capacity to expand, with export-led growth and an increased emphasis on innovation. In addition, tourism offers enormous potential, particularly if our natural assets are complemented by high quality investment.
- 1.5 We must also be conscious of the threats to economic development. Exchange rate uncertainty and continuing instability in the financial markets represent real challenges for businesses in Northern Ireland as elsewhere. Furthermore, climate change and other environmental pressures illustrate the importance of *sustainable* economic growth.

## The Department: Functions

- 1.6 The Programme for Government (PfG) states that ‘growing a dynamic, innovative economy’ is the top priority for the Executive during the period 2008-2011. This is seen as vital in order to provide the wealth and resources required to build a more peaceful and prosperous society envisaged in the PfG.
- 1.7 Under the direction and control of the Minister and the Executive, our departmental goal is to:

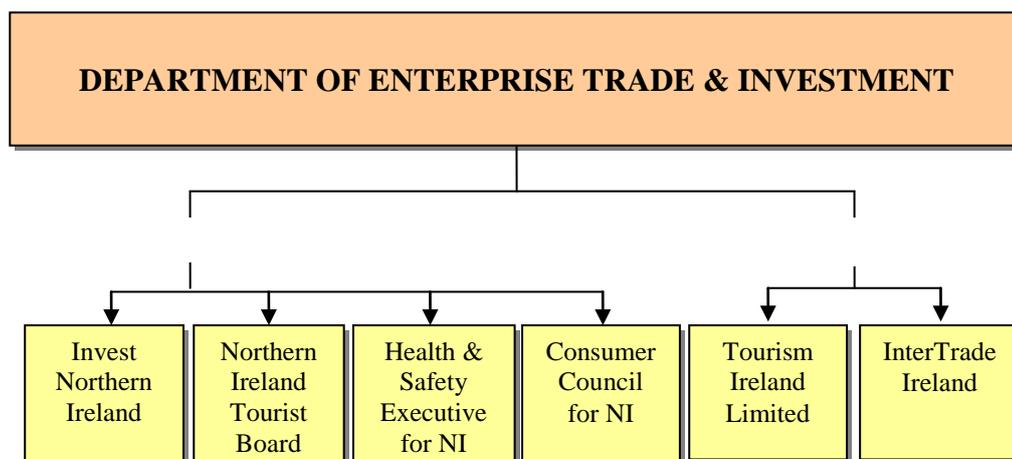
**“to grow a dynamic, innovative  
economy”**

### Box 1.2: DETI Key Functions

- Economic development policy
  - Enterprise
  - Social economy
  - Innovation
  - Energy
  - Telecoms
  - Tourism
- Economic advice and research
- Statistical services
- Business regulation
  - Company law/ Registry
  - Insolvency service
  - Consumer affairs
  - Trading standards
- Health and safety at work
- Geological Survey
  - Natural Resources
  - Geoscience information

- 1.8 To achieve this goal, the Department performs a range of functions which are outlined in Box 1.2. The Department has a crucial role to play in formulating and delivering economic development policy in terms of Enterprise, Social Economy, Innovation, Energy, Telecoms, and Tourism in Northern Ireland. In addition, the Department has responsibility for ensuring a modern regulatory framework to support business and protect consumers.
- 1.9 DETI sponsors a number of agencies, established as Non-Departmental Public Bodies (NDPBs). These have a key role in terms of implementing and delivering the Executive's and the Department's economic development policy. The Department also acts as co-sponsor to two organisations set up under the Belfast Agreement – InterTradeIreland (ITI) and Tourism Ireland Limited (TIL). The Department's relationship with these bodies is illustrated in Figure 1.1.

**Figure 1.1: DETI's Non-Departmental Public Bodies**



- 1.10 Invest NI is responsible for the delivery of the Department's policies and strategies in relation to business support in Northern Ireland. These include encouraging investment (foreign and indigenous); stimulating entrepreneurial activity; increasing exports and trade; promoting R&D/innovation; and providing development support. InterTradeIreland, working with Invest NI and its counterparts in the Republic of Ireland, also plays an important role as a facilitator of all-island competitiveness.

- 1.11 NITB is responsible for the development, promotion and marketing of Northern Ireland [in the Irish Republic and Northern Ireland] as a tourist destination. In doing so, it works closely with Tourism Ireland which is responsible for marketing the island of Ireland in Great Britain and overseas.
- 1.12 The Health and Safety Executive for Northern Ireland is responsible for the promotion and enforcement of health and safety at work, endeavouring to reduce the incidents of, and costs associated with, work-related injuries and ill-health. The Consumer Council for Northern Ireland promotes and safeguards the interests of consumers in Northern Ireland and delivers consumer education, skills and information. In doing so, it strives to ensure that consumer issues are taken into account in the development and implementation of policy.
- 1.13 In addition, DETI has been the primary funder of the Northern Ireland Science Park (NISP) and, along with DRD and DFP, works closely with the independent Northern Ireland Authority for Utility Regulation (NIAUR) in the development and regulation of the electricity and gas industry.

## **Economy Stakeholders**

- 1.14 The Department works with a wide range of stakeholders who influence both the formulation and implementation of economic policy in the region. The Enterprise, Trade, and Investment (ETI) Committee of the Northern Ireland Assembly has the power to consider and advise on DETI budgets and plans; to consider DETI subordinate legislation and it takes the Committee stage of DETI primary legislation. Furthermore, the Committee can initiate inquiries, call for evidence and make reports. The DETI Minister may also bring matters to the Committee for consideration and advice. The Minister and the Department therefore have a continuing dialogue with the ETI Committee on all aspects of DETI's responsibilities.

- 1.15 The private sector has, of course, a crucial role in the development of the regional economy. It is companies which make investments and employment decisions, and company management is responsible for the direction of the strategies and the efficiency and productivity of their business activities. In recognition of this, the Department established the Economic Development Forum (EDF) to ensure that key economy stakeholders have the opportunity to advise Ministers on the main economic priorities for the short to medium term.
- 1.16 The Forum, chaired by the DETI Minister, is also attended by the DEL and DRD Ministers and by senior officials from DE and DFP. This reflects the fact that a number of Departments, as well as DETI, have important roles in terms of creating the right conditions for economic growth. The Forum also includes representatives from the business community, higher and further education, the voluntary and community sectors and the trade unions. Box 1.3 summarises the role of EDF members and other bodies involved in promoting economic development in Northern Ireland.

#### **Box 1.3: DETI's Economic Development Forum Partners**

##### **Business Community**

- Business organisations and companies (indigenous and foreign owned) are responsible for business strategies, productivity, investment and employment decisions. They also promote the economic benefits of increasing exports, R&D and training.

##### **Education Institutions**

- Universities, FE institutions and the Schools Sector equip the workforce with the skills required for current and future businesses.

##### **Trade Unions**

- Develop the skills of the workforce and greater integration of disadvantaged groups and individuals into the workforce.

##### **Other NI Government Departments**

- DEL and DE have lead policy responsibility for skills and education.
- DFP, the Strategic Investment Board and DRD are primarily responsible for improvements in economic / physical infrastructure.

##### **DETI's Delivery Partners**

- Bodies such as Invest NI, NITB, Tourism Ireland Limited and InterTradeIreland implement the policies and strategies of the Department.

##### **Local Government**

- Local authorities have a key role in enterprise development at a local level.

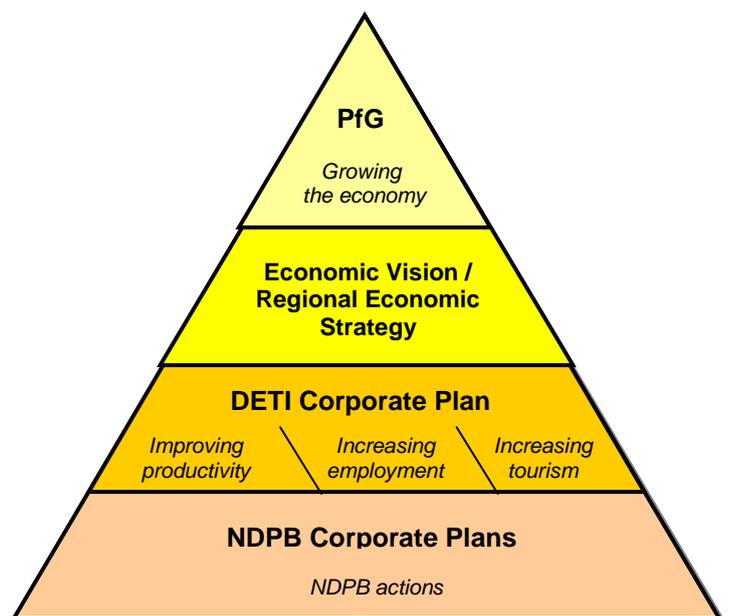
- 1.17 The Executive and DETI's economic priorities are focused on providing the necessary conditions to support and stimulate economic growth. These priorities are set out in the next section of the Corporate Plan.

## 2 DETI: Economic Priorities

### Strategic Policy and Planning Context

- 2.1 The Programme for Government (PfG) sets out the strategic priorities and key plans for the Northern Ireland Executive, covering the period 2008 – 2011. Five key priorities have been identified, with the economy the top priority. The key aim is to promote the growth of the private sector and help make it more dynamic and innovative, with a greater capacity to generate wealth and raise living standards.
- 2.2 The PfG outlines the link between the economic, environmental and social priorities of the Northern Ireland Executive. It is important to recognise that sustainable economic growth is not an end in itself. It is intended to address inequality and poverty, while raising general prosperity.
- 2.3 Figure 2.1 illustrates the strategic policy context within which this Corporate Plan is set and also the link with other relevant policy statements. The PfG sets out the overarching policy commitments of the Executive. From an economy perspective, it is underpinned by the Economic Vision for Northern Ireland and the Regional Economic Strategy (to be updated in light of the review of the competitiveness of the NI economy currently being conducted by Sir David Varney) and by the Corporate Plans of DETI and its NDPBs, and those of other Executive Departments.

**Figure 2.1: Strategic Context of the DETI Corporate Plan**



## Priorities: Public Service Agreements and Objectives

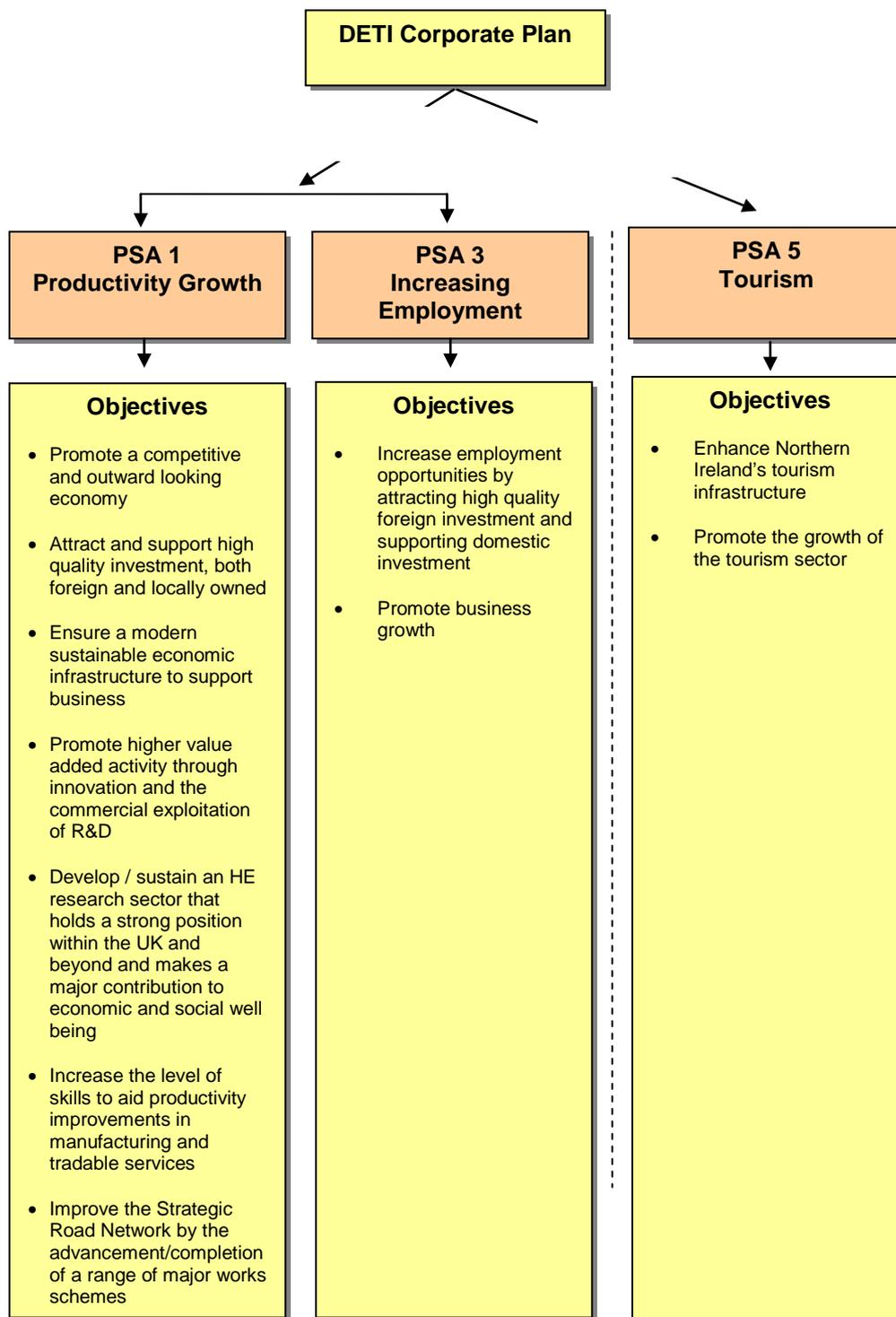
2.4 In the PfG, DETI has identified **three key priorities** for the period 2008 – 2011. These priorities are illustrated in Figure 2.2 and the Department has incorporated these within the framework of the twenty-three Public Service Agreements (PSAs), published as part of the Northern Ireland Executive's PfG. The three PSA priorities DETI has identified are:

- **PSA 1: Productivity Growth** – improve manufacturing / private services productivity
- **PSA 3: Increasing Employment** – raising employment levels;
- **PSA 5: Tourism** – develop the tourism sector.

2.5 In addition to these three PSA priorities, which will form the main focus for DETI's activities during 2008-11, DETI also contributes towards a number of other PSAs. Under PSA 12 (Housing, Urban Regeneration and Community Development), the Department has an important role in terms of delivering the agreed objectives of the West Belfast and Greater Shankill Task Forces. DETI also contributes to PSA 22 (Protecting our Environment and Reducing our Carbon Footprint) via actions to provide energy efficiency and the use of renewable energy.

2.6 The three key PSAs detailed above are attached at Annex A, and the framework of twenty-three PSAs underpinning the PfG is available at <http://www.pfgbudgetni.gov.uk>. A summary of the financial resources that the Department will use to fund these actions during the Corporate Plan period is provided at Annex B. Each PSA is underpinned by a number of objectives, and those relating to DETI are set out in Figure 2.2. These objectives relate to aspects of the economy which the Department can expect to influence through the use of available policy instruments and resources during the lifetime of this Corporate Plan.

Figure 2.2: Overview of Departmental Priorities and Objectives



- 2.7 The PSAs also set out the *actions* that the Department and its NDPBs will undertake in relation to these objectives, and the *targets* we aim to achieve over the next three years. Sections 3, 4, and 5 of this Corporate Plan further outline the actions and targets relating to the Productivity, Employment and Tourism priorities respectively.
- 2.8 It is, however, important to recognise a wide range of external factors, outside the Department's control, but which have a significant influence on overall economic performance. For example, changes in the world economy may have an impact on the volume of Foreign Direct Investment and, therefore, on our ability to secure further growth in value added sectors. Furthermore, the level of exports by companies supported by Invest NI will be sensitive to exchange rate movements and other global demand factors. It is in this context that the Department's performance against its targets should be monitored and interpreted.

### 3 DETI: PSA 1 - Productivity Growth

#### Rationale

3.1 As indicated previously, relatively low productivity is the key factor underlying Northern Ireland's lower level of economic prosperity relative to comparable regions. Consequently, DETI has made improving manufacturing and private services productivity its top priority. This is consistent with the PfG which contains the following goal:

**'aiming to halve the private sector productivity gap with the UK average excluding the Greater South East of England, by 2015'.**

3.2 Improvements in productivity performance will be measured relative to the UK average excluding the Greater South East of England (and also, importantly, in absolute terms over time). The rationale behind this definition is outlined in Box 3.1.

#### Box 3.1: Measuring Relative Productivity

The benchmark for measuring relative productivity improvements is a reflection of a number of factors:

- The UK regions have access to broadly the same policy levers as the Northern Ireland Executive and it is therefore reasonable to assess performance against comparable regions.
- The UK average includes three regions – London; South East and East of England – that exhibit exceptionally high value added performance. As the three regions comprise over 40% of total UK output and, given their dissimilarities with the current structure of the Northern Ireland economy, they are to be excluded from the benchmark.
- The goal is to halve the private sector productivity gap with the UK average (forecast to be around 7% in 2007/08) excluding the Greater South East by 2015.
- This timeframe reflects the reality that private sector productivity in Northern Ireland has fallen from 99% of the UK average excluding the Greater South East in 1996, to a forecast 93% in 2007/08.

- 3.3 This goal, set by the Executive, is a major challenge for all stakeholders (private and public sectors, including DETI) whose actions will influence private sector productivity. It is clear that, in order to secure the required growth in labour productivity, investments will need to provide higher paying employment (relative to median private sector wages) and/or increased profits. Government will therefore target investment, and other assistance, towards the key productivity drivers of enterprise, innovation, skills and infrastructure. Annex C outlines the main policy and delivery instruments available to the Executive, the Department and its NDPBs.
- 3.4 Figure 2.2 illustrated the objectives underpinning the Productivity priority. The narrative below outlines the rationale for these objectives, and Boxes 3.2–3.6 detail some of the key actions that DETI and its NDPBs will be undertaking, and the targets we are seeking to achieve over this Corporate Plan period. Where an NDPB is leading on specific actions, primarily Invest NI in this case, it is clearly indicated.

## Productivity Objectives, Actions, and Targets

### ***PSA 1 Objective 1: Promote a competitive and outward looking economy***

- 3.5 The domestic market (of 1.7 million people) is not large enough to support the higher growth trajectory we are seeking for the Northern Ireland economy. Consequently, DETI has specified an export-led objective, with the following key actions and corresponding targets:

<b>Box 3.2: Actions/targets to 'promote a competitive and outward looking economy'</b>	
<b>Actions</b>	<b>Targets</b>
<p>1. <u>Invest NI</u> will assist businesses that have a focus, or ambition to focus, on markets outside Northern Ireland or are seeking to generate wealth from outside Northern Ireland.</p> <p>2. Specific activity outputs:-</p> <ul style="list-style-type: none"> <li>• 600 new first time exporters</li> <li>• Support companies to diversify into new markets</li> <li>• Improve the sales and marketing capability of NI businesses</li> <li>• Support 45 new start-ups exporting outside the UK and 300 exporting to GB</li> </ul>	<p>1. Maintain the CAGR* in external sales per employee by Invest NI manufacturing clients at 6%</p> <p>2. Increase in the CAGR* in external sales per employee by Invest NI tradable services clients to 4%</p> <p>3. The level of export sales as a percentage of total sales by Invest NI client companies, excluding the Top 25 exporting companies, to increase by 3 percentage points</p> <p>* CAGR = Compound Annual Growth Rate</p>

**PSA 1 Objective 2: Attract and support high quality investment, both foreign and locally-owned**

3.6 Northern Ireland's private sector is comparatively small and skewed towards lower value added sectors. A key objective for the Department is to attract more high quality investment from both foreign and domestic companies. In doing so, the Department will endeavour to ensure that 70% of new FDI projects locate within 10 miles of an area of economic disadvantage.

<b>Box 3.3: Actions/targets to 'attract and support high quality investment, both foreign and locally-owned'</b>	
<b>Actions</b>	<b>Targets</b>
<p>1. <u>Invest NI</u> will prioritise its resources on:</p> <ul style="list-style-type: none"> <li>• Existing client companies whose investment plans demonstrate increasing productivity</li> <li>• Attracting inward investment projects that will promote jobs with salaries above the Private Sector Median (PSM) or increase the value added in the relevant sector</li> <li>• New inward investment marketing activity that seeks to secure contestable projects that promote jobs with salaries above the NI PSM or increase the value added in the relevant sector</li> </ul> <p>2. Specific activity outputs:</p> <ul style="list-style-type: none"> <li>• Secure investment commitments of £1.2BN (excluding potential support towards the Bombardier C-Series project)</li> <li>• Support 90 inward investment projects</li> <li>• Support 45 new start-ups exporting outside the UK and 300 exporting to GB</li> </ul> <p>3. Have an international strategy that identifies regions and sectors to promote a positive image of Northern Ireland and create opportunities for economic development, education, science and technology benefits and to promote (and sell) Northern Ireland's expertise.</p>	<p>1. Total annual wages and salaries secured of £345M, reflecting inward investment successes and growth from locally-owned clients</p> <p>2. 6,500 new jobs from inward investment</p> <ul style="list-style-type: none"> <li>• <u>of which</u> 5,500 will provide salaries above the Northern Ireland Private Sector Median</li> <li>• <u>of which</u> 2,750 will have salaries at least 25% above the Northern Ireland Private Sector Median</li> </ul> <p>3. 70% of new FDI projects secured to locate within 10 miles of an area of economic disadvantage.</p>

***PSA 1 Objective 3: Ensure a modern sustainable economic infrastructure to support business***

- 3.7 Our small size and peripheral location has presented particular challenges in ensuring that our businesses and communities, especially in rural areas, can benefit from a competitive and sustainable energy and telecommunications infrastructure. Both play a key role in facilitating balanced economic and social development across the region.
- 3.8 Security of supply, increasing use of renewable energy sources and cost of energy remain vital issues for the future. The Department will work with the economic regulator (NIAUR) and private sector energy companies to address the challenges ahead. A priority is to build a more competitive and sustainable energy market. The Single Electricity Market provides a framework for further regional harmonisation across electricity and gas markets, which is in line with the EU vision for a more competitive internal market that is open, fair and delivers benefits to consumers.
- 3.9 High quality telecoms infrastructure is needed to help drive up competitiveness and attract mobile investment in the high-technology and tradable services sectors. Northern Ireland now has 100% broadband availability. The challenge is to increase take-up rates and encourage businesses to leverage the full opportunities of greater connectivity. Linking directly to North America and Europe should improve the attractiveness of Northern Ireland as a base for knowledge based industries operating in these key markets. This has the potential to deliver improvements in speed, resilience and cost of telecommunications.

<b>Box 3.4: Actions/targets to 'ensure a modern sustainable economic infrastructure to support business'</b>	
<b>Actions</b>	<b>Targets</b>
<p>1. Open up energy markets to external competition and ensure access to alternative energy sources. To support this, research will be taken forward on issues such as developing of the electricity grid, ensuring diversity and security of energy supplies and improving links with GB.</p> <p>2. Undertake a range of broadband stimulation activities to encourage the take-up and innovative use of telecommunications. Also, develop Northern Ireland's next generation network and establish a direct international communications link.</p> <p>3. Stimulate the construction of between 13 and 16 new workspace units.</p>	<p>1. Reduce energy costs relative to UK/EU regions by 2011</p> <p>2. As in PSA 22, secure 12% of electricity consumption in Northern Ireland from indigenous renewable sources by 2012.</p> <p>3. Increase broadband take-up to 75% of businesses by 2011 from a baseline of 60% in 2006</p> <p>4. Increase e-business activity by 10% by 2011 from its current low base</p> <p>5. Increase the availability of next generation network broadband speeds to 85% of businesses by 2011</p> <p>6. By 2009, reduce latency on communications between the North West and North America by approximately 25% and bring international communications costs in line with those in the major UK cities (e.g. Glasgow and Manchester)</p>

***PSA 1 Objective 4: Promote higher value-added activity through innovation and the commercial exploitation of R&D***

3.10 Engaging in innovation and R&D enables businesses to break new ground, develop new products and exploit new business ideas. This activity is not solely the domain of large high-tech companies, and more SMEs in Northern Ireland are undertaking R&D than before. A key objective for DETI is to build on recent growth and encourage more businesses to engage in R&D and innovation. This will be delivered through DETI's management of the Regional Innovation Strategy and the work of MATRIX in identifying the market opportunities for Northern Ireland's science, research and technology strengths.

<b>Box 3.5: Actions/targets to 'promote higher value-added activity through innovation and the commercial exploitation of R&amp;D'</b>	
<b>Actions</b>	<b>Targets</b>
<p>1. <u>Invest NI</u> will:</p> <ul style="list-style-type: none"> <li>• Secure Research &amp; Development investment commitments of £120M</li> <li>• 300 companies to engage in Research &amp; Development for the first time</li> <li>• Increase the commercialisation of intellectual property from NI's university and company research base</li> </ul> <p>2. Support MATRIX, which will advise DETI on policies to better target resources to technology areas of greatest future potential and exploit core niche strengths in the R&amp;D and science base.</p>	<p>1. Increase the BERD expenditure in Invest NI client companies with less than 250 employees by a 8% CAGR</p> <p>2. Increase the BERD expenditure in Invest NI client companies with greater than 249 employees by a 5% CAGR</p>

***PSA 1 Objective 5 : Develop and sustain a Higher Education research sector that holds a strong position within the UK and beyond and makes a major contribution to economic and social well-being***

- 3.11 The Higher Education sector is also a vibrant source of R&D and the Department for Employment and Learning (DEL) is responsible for policy in relation to this area. DETI will work with DEL, and with other stakeholders, to facilitate a more effective relationship between the business community and the Higher Education research base so that commercial opportunities are more fully exploited.
- 3.12 This involves increasing the level of knowledge transfer and co-operation between businesses and Higher Education, and developing their relationship through the work carried out by MATRIX. Further information on DETI's specific work in this area is included in the Delivery Agreement for PSA 1.

<b>Box 3.6: Actions/targets to 'develop and sustain a Higher Education research sector that holds a strong position within the UK and beyond and makes a major contribution to economic and social well-being'</b>	
<b>Actions</b>	<b>Targets</b>
1. Support MATRIX, which will co-ordinate business, Government and academia and develop a more effective relationship between industry and the R&D/science base.  2. DETI/DEL/Invest NI to work with DFP to secure the necessary resources for permanent "Third Stream" funding in Northern Ireland's universities to increase knowledge transfer and co-operation between the tertiary education sector and local industry	<i>Note: No measurable DETI targets for these actions. PSA 1 contains targets i.r.o. quality of research and knowledge transfer. However, these are monitored by DEL.</i>

***PSA 1 Objective 6: Increase the level of skills to aid productivity improvements in manufacturing and tradable services***

3.13 A skilled labour force is vital for a high value-added economy and the wider strategic objectives of PSA 1. Skills are one of the main attractions for foreign investment into the economy, and it is important to ensure that the future supply of skills is consistent with the demands of existing and prospective businesses. Relevant skills in Science, Technology, Engineering and Maths (STEM) are needed to support innovation and R&D, and businesses selling abroad also require a labour force with strong sales and marketing expertise. The Department for Employment and Learning (DEL) has lead responsibility in this area and it will continue to work with DETI and Invest NI to identify the priority areas for investment.

***PSA 1 Objective 7: Improve the Strategic Road Network by the advancement/ completion of a range of major works schemes***

3.14 In addition to improving the economic infrastructure outlined under Objective 3, the development of the physical infrastructure will also support productivity and attract investment into NI. This involves developing the transportation network on strategic corridors, for which the Department for Regional Development (DRD) has lead responsibility.

## 4 DETI: PSA 3 – Increasing Employment

### Rationale

- 4.1 DETI's second priority reflects the fact that, next to productivity, the low employment rate is the other major factor underlying the prosperity gap between Northern Ireland and the UK regions.
- 4.2 Consequently, over this Corporate Plan period, the Department will actively seek to increase employment levels. Box 4.1 sets out some of the factors involved in measuring progress in this priority.
- 4.3 There are two key aspects of DETI's employment interventions.
- 4.4 Firstly, we will, where necessary, intervene to promote employment in higher value added sectors – both through Foreign Direct Investment and indigenous business growth. This is important as it helps reinforce the productivity goal. Secondly, there is recognition of the need to provide employment opportunities for all in the economy. That is why DETI and Invest NI will continue to promote, albeit at a much lower level than before, employment opportunities for those working in lower value added sectors, particularly within business services.
- 4.5 This Section outlines the supporting actions that the Department and its NDPBs will be taking in terms of increasing employment levels in Northern Ireland and the corresponding targets set in PSA3. This area is closely related to the previous priority and many of the actions are addressed to both the Productivity and Employment priorities. Again, where Invest NI is leading in terms of actions to stimulate employment, this is clearly indicated.

#### Box 4.1: Measuring DETI's Impact on Employment

Several factors need to be considered in measuring DETI's impact on employment:

- Despite the growth in employment in recent years, the employment rate remains around 5 percentage points below the UK average.
- The PfG has a goal to increase the employment rate in Northern Ireland from 70% to 75% by 2020.
- Although the goal is to increase the employment rate, there are a range of factors outside of DETI's control – for example, the rate of population growth and migration.
- Therefore, in this Corporate Plan, DETI is committing to increase employment levels.

## Employment Objectives, Actions, and Targets

### ***PSA 3 Objective 3: Increase employment opportunities by attracting high quality inward investment and supporting domestic investment***

- 4.6 There is a need to increase the number of higher value added jobs which pay wages in excess of the private sector median. It is equally important for employment growth to be sourced from both foreign and domestic investment in order to ensure sustainable economic growth. Our actions/targets to this end are outlined in Box 4.2.
- 4.7 It is also important to ensure that, where possible, the benefits from investment can be shared by those in economically disadvantaged areas. The Department will seek to achieve this by land acquisition in areas of economic disadvantage, encouraging the location of FDI projects near economically disadvantaged areas, and encouraging employers to source labour from the economically inactive, if appropriate.

<b>Box 4.2: Actions/targets to ‘increase employment opportunities by attracting high quality inward investment and supporting domestic investment’</b>	
<b>Actions</b>	<b>Targets</b>
<p>1. <u>Invest NI</u> will:</p> <ul style="list-style-type: none"> <li>• Prioritise resources on promoting value added growth projects from locally-owned clients, including External and Global Start Ups</li> <li>• Prioritise resources on increasing the competitiveness of client companies in global markets with a view to increasing employment opportunities</li> <li>• Focus new inward investment marketing activity on projects that promote jobs with salaries above the NI Private Sector Median or increase the value added in the relevant sector</li> <li>• Consider projects that will bring specific benefits to areas of economic disadvantage</li> </ul> <p>2. DETI, through Invest NI and DEL, will:</p> <ul style="list-style-type: none"> <li>• Encourage employers to work with the Employment Service to assist working age benefit claimants to enter, or return to, employment.</li> </ul>	<p>1. Total annual wages and salaries secured of £345M reflecting inward investment successes and growth from locally-owned clients [8% increase on the average for the three year period ended 2006/07]</p> <p>2. 6,500 new jobs from inward investment</p> <ul style="list-style-type: none"> <li>• <u>of which</u> 5,500 will provide salaries above the Northern Ireland Private Sector Median</li> <li>• <u>of which</u> 2,750 will have salaries at least 25% above the Northern Ireland Private Sector Median</li> </ul> <p>3. 75% of land acquisition (acres) in areas of economic disadvantage</p> <p>4. 70% of new FDI projects secured to locate within 10 miles of an area of economic disadvantage.</p>

**PSA 3 Objective 4: Promote business growth**

4.8 Growing existing businesses and encouraging more start-ups is also a vital means of increasing employment opportunities. In recognition of the importance of the small business sector, DETI has worked closely with Invest NI to map the full range of support to businesses across central and local government. This will help set the direction of an Enterprise Strategy, which will allow Invest NI to concentrate more on innovative entrepreneurship and growing existing small businesses with an export focus. Within the context of this Enterprise Strategy, DETI will also lead on the development of a new and adapted social economy policy. This will be implemented in conjunction with Invest NI and other key stakeholders. DETI will also continue to work with local authorities in the context of the Review of Public Administration to manage the transfer of responsibilities for a range of business support activities.

4.9 The action/target to promote business growth is outlined below:

<b>Box 4.3: Actions/targets to 'promote business growth'</b>	
<b>Actions</b>	<b>Targets</b>
1. Invest NI will promote growth projects from locally-owned clients, including Global and External Start-ups	1. Support 45 new start-ups exporting outside the UK and 300 exporting to GB

## 5 DETI: PSA 5 - Tourism

### Rationale

- 5.1 The Executive and Department have also attached a priority to the Tourism sector. This reflects the fact that there is considerable scope to boost the contribution tourism makes to overall GVA. For example, although the revenue generated by the tourism sector has almost doubled since the mid 1990s, its overall contribution to the economy (1.9%) remains much less than elsewhere in the UK (3.2%).
- 5.2 Our overall aim is to enhance the product offering of the sector, for instance, by the provision of timely and sufficient resources for key signature projects. One expected outcome will be a sustainable tourism sector which maximises revenue from GB, RoI and overseas visitors.
- 5.3 The narrative below outlines the rationale for the objectives underpinning the Tourism PSA. Boxes 5.1 & 5.2 detail some of the key actions that DETI, through NITB and Tourism Ireland, will be taking throughout the course of this Corporate Plan period.

### Tourism Objectives, Actions, and Targets

#### ***PSA 5 Objective 1: Enhance Northern Ireland's tourism infrastructure***

- 5.4 Improving our tourism product offering in Northern Ireland is critical if we are to realise the sector's potential. Tourism infrastructure is a key component of this. DETI is committed to investment in this area and, in particular, the enhancement of our key visitor attractions and development of signature projects including the Mourne, Titanic, Giant's Causeway, St Patrick / Christian Heritage and the Walled City of Derry.

<b>Box 5.1: Actions/targets to 'enhance Northern Ireland's tourism infrastructure'</b>	
<b>Actions</b>	<b>Targets</b>
1. DETI, through NITB and TIL, will take forward key tourism signature projects to improve NI's tourism product	<ol style="list-style-type: none"> <li>1. Ensure significant progress in the completion of all signature projects by 2011.</li> <li>2. Develop local attractions and amenities including integration and interpretation to enhance the visitor experience and development of visitor servicing initiatives to educate on things to see and do, and improve orientation for the visitor.</li> </ol>

### **PSA 5 Objective 2: Promote the growth of the tourism sector**

5.5 Furthermore, the Department has set an objective to promote the growth of the tourism sector with the following actions:

<b>Box 5.2: Actions/targets to 'Promote the growth of the tourism sector'</b>	
<b>Actions</b>	<b>Targets</b>
<p>DETI, through NITB and TIL, will take forward the following:</p> <ol style="list-style-type: none"> <li>1. Through the development of the Tourism Strategic Framework for Action 2008-11, a programme of activities and sector specific support will be identified that will develop the long-term and sustainable competitiveness and entrepreneurship of the tourism industry.</li> <li>2. Specific actions will focus on challenging perceptions regarding safety, cost, ease of access and awareness of what to see and do. Campaigns and PR/ Marketing activities will be targeted at both ROI residents and overseas visitors.</li> <li>3. Development and implementation of strategies to grow tourism through key drivers such as business tourism, activities (golf &amp; walking), culture &amp; heritage and events.</li> </ol>	<ol style="list-style-type: none"> <li>1. Increase tourism revenue from out-of-state visitors to £520m by 2011 from a baseline of £370m in 2006</li> <li>2. Increase the number of out-of-state tourists visiting each year to 2.5m by 2011 from a baseline of 1.98m in 2006</li> </ol>

## 6 DETI: Business Regulation and Consumer Affairs

### Rationale

- 6.1 The Department has an important role to play in providing elements of a modern regulatory framework for businesses in Northern Ireland.
- 6.2 A modern regulatory environment is crucial in ensuring that enterprise can flourish, while at the same time protecting and safeguarding consumers. The Department seeks to achieve this through the effective operation of its Companies Registry, Insolvency Service and Trading Standards Service, as well as through its sponsorship of the Consumer Council and HSENI. In addition, the Department has responsibility for policy and regulation relating to consumer protection, company law and insolvency law issues.
- 6.3 DETI works closely with the UK Department for Business, Enterprise and Regulatory Reform (BERR) to ensure that the benefits of any regulatory improvements apply to businesses in Northern Ireland. For example, Trading Standards Service is committed to adopting the primary authority principle and compliance code for regulators being introduced by the Regulatory Enforcement and Sanctions Bill. In addition, Company Law Branch will continue to implement the Companies Act 2006, which introduced deregulatory measures and simplified company law, making it more accessible, especially for smaller businesses. HSENI will keep under review all health and safety legislation impacting on business, to ensure that unnecessary regulations are removed and that those that remain are consistent and easy to understand.
- 6.4 The Department also has lead responsibility for the Northern Ireland Better Regulation Strategy. This requires departments to undertake a Regulatory Impact Assessment when considering new policy. Departments are also required to provide guidance to business on new legislation at least 12 weeks before it comes into operation. Furthermore, there is also a requirement to keep legislation and forms under review to identify opportunities for removing unnecessary regulation and requirements.

## Business Regulation and Consumer Affairs Actions and Targets

6.5 Box 6.1 provides an overview of the key actions we will undertake to fulfill this role.

<b>Box 6.1: Actions/targets to 'ensure a modern regulatory framework to support business and protect consumers'</b>	
<b>Actions</b>	<b>Targets</b>
<ol style="list-style-type: none"> <li>1. Bring in primary legislation for the setting up of a Debt Relief Scheme which will provide assistance for financially excluded vulnerable people in Northern Ireland.</li> <li>2. Integration of Companies Registry with Companies House Cardiff, under the Companies Act 2006.</li> <li>3. Ensure that Northern Ireland businesses benefit from the provisions of the Regulatory Enforcement and Sanctions Bill (due to come into force in Great Britain in 2008).</li> <li>4. Provision of a dedicated free face-to-face debt advice service across Northern Ireland.</li> <li>5. Ensure optimum level and standard of regulation for Northern Ireland businesses.</li> </ol>	<ol style="list-style-type: none"> <li>1. By March 2010, have in place an Act for the setting up of a Debt Relief Scheme, capable of dealing with up to a maximum of 1000 people per annum.</li> <li>2. By October 2009, complete integration of Companies Registry and Companies House.</li> <li>3. By 31 March 2009, adopt within the Trading Standards function, provisions relating to: <ul style="list-style-type: none"> <li>• The Primary Authority Principle; and</li> <li>• The Compliance Code for Regulators</li> </ul> </li> <li>4. By March 2011, deliver an increase in the quality and scope of the debt advice service across Northern Ireland.</li> <li>5. Publish annual reports on the NI Better Regulation Strategy for 2007/08, 2008/09 and 2009/10.</li> </ol>

## 7 Summary

7.1 The development of this Corporate Plan has benefited from an evaluation of its predecessor, which covered the period 2005/06 – 2007/08. The findings of this evaluation have helped shape the content and style of the current Plan. In particular:

- This Corporate Plan sets a clear Departmental goal – *to grow a dynamic, innovative economy* – which is in line with the Northern Ireland Executive's Programme for Government (PfG). The PfG also has growing the economy as its top priority;
- Conditions and external factors beyond the Department's control, but which may have a significant influence on overall economic performance, are recognised;
- There is now a small and prioritised set of overarching economic priorities. The strategic aim of the Department is to improve productivity within manufacturing and private services, increase employment levels, and develop the tourism sector;
- The Departmental priorities are underpinned by a series of objectives and associated actions. These relate to aspects of the economy which the Department can expect to influence, through the use of available policy instruments and resources, during the lifetime of this Corporate Plan;
- There is a set of quantified targets that will be used to monitor performance. The targets are also fully consistent with the overarching Public Service Agreement (PSA) framework outlined in the PfG; and
- There is greater clarity in terms of the differing roles, responsibilities and actions of the Department and our NDPBs in formulating and delivering economic development policy.

7.2 Greater detail on the economic priorities of the Department can also be obtained from the Delivery Agreements, which underpin the PSAs. These documents set out the delivery strategy for the PSAs, identifying in greater detail the activities to be taken forward by the Department and its NDPBs, the associated resource allocation, and an assessment of risk. The Productivity and Tourism Delivery Agreements can be found on the DETI website ([www.detini.gov.uk](http://www.detini.gov.uk)) under Corporate Planning and Delivery. Similarly, the Employment Delivery Agreement can be found on the DEL website ([www.delni.gov.uk](http://www.delni.gov.uk)) Further detail on the activities of the NDPBs can also be found in their respective Corporate Plans (see Annex G for references).

## Conclusion

7.3 This Corporate Plan sets out a series of stretching targets that are designed to strengthen the value added performance of the Northern Ireland economy. All of our Departmental and NDPB staff, including those in corporate and support functions, have an important role to play in ensuring the successful implementation of this Plan.

DETI'S PUBLIC SERVICE AGREEMENTS

ANNEX A

PSA 1: PRODUCTIVITY GROWTH  
 Improve Northern Ireland's manufacturing and private services productivity

Objective	Actions	Target	Dept.	
1	Promote a competitive and outward looking economy	Invest NI will assist businesses that have a focus, or ambition to focus, on markets outside Northern Ireland or are seeking to generate wealth from outside Northern Ireland.  Specific activity outputs:- <ul style="list-style-type: none"> <li>• 600 new first time exporters</li> <li>• Support companies to diversify into new markets</li> <li>• Improve the sales and marketing capability of NI businesses</li> <li>• Support 45 new start-ups exporting outside the UK and 300 exporting to GB</li> </ul>	Maintain the CAGR in external sales per employee by Invest NI manufacturing clients at 6%  Increase in the CAGR in external sales per employee by Invest NI tradable services clients to 4%  The level of export sales as a percentage of total sales by Invest NI client companies, excluding the Top 25 exporting companies, to increase by 3 percentage points  <i>[Note: these targets will equally reflect the achievement of the actions outline in PSA 1 Objective 2]</i>  <i>[Note: external sales are those outside Northern Ireland and Export sales re those outside the United Kingdom.]</i>  <i>[Note: CAGR represents the Compound Annual Growth Rate.]</i>	DETI
2	Attract and support high quality investment, both foreign and locally-owned	Invest NI will prioritise its resources on: <ul style="list-style-type: none"> <li>• Existing client companies whose investment plans demonstrate increasing productivity</li> <li>• Attracting inward investment projects that will promote jobs with salaries above the private sector median or increase the value added in the relevant sector</li> <li>• New inward investment marketing activity that seeks to secure contestable projects that promote jobs with salaries above the NI Private Sector Median or increase the value added in the relevant sector</li> </ul> Specific activity outputs: <ul style="list-style-type: none"> <li>• Secure investment commitments of £1.2BN (excluding potential support towards the Bombardier C-Series project)</li> <li>• Support 90 inward investment projects</li> <li>• Support 45 new start-ups exporting outside the UK and 300 exporting to GB</li> </ul> Have an international strategy that identifies regions and	Total annual wages and salaries secured of £345M, reflecting inward investment successes and growth from locally-owned clients  6,500 new jobs from inward investment <ul style="list-style-type: none"> <li>• of which 5,500 will provide salaries above the Northern Ireland Private Sector Median</li> <li>• of which 2,750 will have salaries at least 25% above the Northern Ireland Private Sector Median</li> </ul> 70% of new FDI projects secured to locate within 10 miles of an area of economic disadvantage  <i>[Note: the FDI targets are framed in the context of the prevailing economic conditions, in particular the predicted slowdown of the global economy and uncertainties in the financial markets. This may have a significant impact on the flows of FDI as companies adjust to revenue and cost pressures. The targets will be continually tracked and monitored against changing markets and, where appropriate, amended over the PfG period.]</i>  <i>[Note: the external sales targets in PSA 1 Objective 1 are also dependent upon the Actions attributable to PSA 1 Objective 3.]</i>  <i>[Note: the Northern Ireland Private Sector Median salary is £17,000 based on 2006 figures.]</i>	DETI

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Objective	Actions	Target	Dept.	
	sectors to promote a positive image of Northern Ireland and create opportunities for economic development, education, science and technology benefits and to promote (and sell) Northern Ireland expertises	Extend the Northern Ireland Bureau's representation to New York and the Far East. This will include supporting Invest NI's efforts in the foreign direct investment market.  Increase the number of consulate representations in Northern Ireland Deliver 10 summer internships for students in third level education from disadvantaged backgrounds, within influential offices in Washington DC.		
3	Ensure a modern sustainable economic infrastructure to support business	Open up energy markets to external competition and ensure access to alternative energy sources. To support this, research will be taken forward on issues such as developing of the electricity grid, ensuring diversity and security of energy supplies and improving links with GB.  Undertake a range of broadband stimulation activities to encourage the take-up and innovative use of telecommunications. Also, develop Northern Ireland's next generation network and establish a direct international communications link.  Stimulate the construction of between 13 and 16 new workspace units.	1. Reduce energy costs relative to UK/EU regions by 2011 2. Increase broadband take-up to 75% of businesses by 2011 from a baseline of 60% in 2006 3. Increase e-business activity by 10% by 2011 from its current low base 4. Increase the availability of next generation network broadband speeds to 85% of businesses by 2011 5. By 2009, reduce latency on communications between the north West and North America by approximately 25% and bring international communications costs in line with those in the major UK cities (e.g. Glasgow and Manchester) 6. As in PSA 22, secure 12% of electricity consumption in Northern Ireland from indigenous renewable sources by 2012	DETI
4	Promote higher value-added activity through innovation and the commercial exploitation of R&D	Invest NI will: <ul style="list-style-type: none"> <li>• Secure Research &amp; Development investment commitments of £120M</li> <li>• 300 companies to engage in Research &amp; Development for the first time</li> <li>• Increase the commercialisation of intellectual property from NI's university and company research base</li> </ul> Support MATRIX, which will advise DETI on policies to better target resources to technology areas of greatest future potential and exploit core niche strengths in the R&D and science base.  Implementation of the FE Strategy for Northern Ireland, in particular the direct support that FE colleges can provide to employers in areas such as innovation, productivity, design, and business development and incubation.	Increase the BERD expenditure in Invest NI client companies with less than 250 employees by a 8% CAGR  Increase the BERD expenditure in Invest NI client companies with greater than 249 employees by a 5% CAGR  By December 2008 to have established baselines and monitoring arrangements to measure the volume of direct support that further education colleges provide to employers, and to measure the level of employer satisfaction with the support provided.	DETI DEL
5	To develop and sustain a Higher Education research sector that holds a strong position within the UK and	Support MATRIX, which will co-ordinate business, Government and academia and develop a more effective relationship between industry and the R&D/science base.	Measurable improvements in research quality as measured by the Research Assessment Exercise (RAE) {DN: no direct comparison between 2001 and 2008 RAE, will be possible due to changes in output, i.e. - the results being produced as a	DEL DETI

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Objective	Actions	Target	Dept.
beyond and makes a major contribution to economic and social well-being.	DETI/DEL/Invest NI to work with DFP to secure the necessary resources for permanent "Third Stream" funding in Northern Ireland's universities to increase knowledge transfer and co-operation between the tertiary education sector and local industry	graded profile rather than a fixed seven point scale}.  Increase by 10% the key Knowledge Transfer indicators as measured by the Higher Education - Business and Community Interaction (HE-BCI) Survey for Academic Year 2010/11 (HE-BCI 2011 survey published 2012). {DN: DEL's current metrics based NI HEIF 2 allocations run from AY 2007/08 to AY 2010/11. The key HEBCI metrics inform these funding allocations}	
6 Increase the level of skills to aid productivity improvements in manufacturing and tradable services	Delivery of actions outlined under PSA 2	Delivery of targets outlined under PSA 2	DEL DETI
7 Improve the Strategic Road Network by the advancement/completion of a range of major works schemes.	In line with PSA 13 progress schemes against major work milestones	In line with PSA 13, by 2015 reduce journey times on the Key Transport Corridors by 2.5% compared to 2003.	DRD

ISA 3

**INCREASING EMPLOYMENT**

**Subject to economic conditions, increase employment levels and reduce economic inactivity by addressing the barriers to employment and providing effective careers advice at all levels**

Objective	Actions	Target	Dept.
1	<p>Tackle the skills barriers to employment and employability</p> <p>Implementation of the Further Education (FE) Strategy for Northern Ireland, in particular ensuring that sufficient emphasis is placed on college activity that supports social inclusion and lifelong learning.</p> <p>Implementation of strategy and framework for Careers Education, Information, Advice and Guidance</p> <p>Development and implementation of a regional strategy to widen participation in Higher Education by groups who are currently under-represented, in particular students from disadvantaged backgrounds, minority ethnic communities and students with learning difficulties and disabilities</p>	<p>Increase the proportion of FE enrolments from the more deprived Northern Ireland regions, as defined by the Northern Ireland multiple deprivation measures, from 22% in 2005/06 to 24% in 2010/11</p> <p>By 2011, make progress, year on year, towards fair access to higher education.</p> <p>By 2015, increase the proportion of working age population in Neighbourhood Renewal areas qualified to level 2 (including qualifications on the NQF).</p>	DE/DEL
2	<p>Deliver a high quality employment service, providing support for employers and helping people return to work</p> <p>Evaluation of Steps to Work pilots to address barriers to employment and introduction across NI including to New Deal clients.</p> <p>Availability of Pathways to Work for IB clients and new Employment and Support Allowance clients and support for Lone Parents</p> <p>Introduction of a modernised front line employment service</p> <p>Implementation of Employment Service Employer Engagement Strategy.</p> <p>Availability of specific Disability Employment Programmes.</p>	<p>Assist 70,000 working age benefit clients to move into employment by March 2011, subject to economic conditions.</p> <p>Increase by 25% use of e-vacancy by employers by March 2011.</p> <p>Deliver a modernised employment service by March 2011.</p>	DEL
3	<p>Increase employment opportunities by attracting high quality inward investment and supporting domestic investment</p> <p>Invest NI will:</p> <ul style="list-style-type: none"> <li>• Prioritise resources on promoting value added growth projects from locally-owned clients, including External and Global Start Ups</li> <li>• Prioritise resources on increasing the competitiveness of client companies in global markets with a view to increasing employment opportunities</li> <li>• Focus new inward investment marketing activity on projects that promote jobs with salaries above the NI Private Sector Median or increase the value added in the relevant sector</li> <li>• Consider projects that will bring specific benefits to areas of economic disadvantage</li> </ul>	<p>Total annual wages and salaries secured of £345M reflecting inward investment successes and growth from locally-owned clients [8% increase on the average for the three year period ended 2006/07]</p> <p>6,500 new jobs from inward investment</p> <ul style="list-style-type: none"> <li>• of which 5,500 will provide salaries above the Northern Ireland Private Sector Median</li> <li>• of which 2,750 will have salaries at least 25% above the Northern Ireland Private Sector Median</li> </ul> <p>75% of land acquisition (acres) in areas of economic disadvantage</p> <p>70% of new FDI projects secured to locate within 10 miles of an area of economic disadvantage</p>	DETI

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Objective	Actions	Target	Dept.
	In working to stimulate high quality new FDI and follow-on investment, Invest NI will encourage employers to work with the Employment Service to assist working age benefit claimants to enter, or return to, employment.	<p><i>[Note: the FDI targets are framed in the context of the prevailing economic conditions , in particular the predicted slowdown of the global economy and uncertainties in the financial markets. This may have a significant impact on the flows of FDI as companies adjust to revenue and cost pressures. The targets will be continually tracked and monitored against changing markets and, where appropriate, amended over the PfG period ]</i></p> <p><i>[Note: the external sales targets in PSA 1 Objective 1 are also dependent upon the Actions attributable to PSA 1 Objective 3.]</i></p> <p><i>[Note: the Northern Ireland Private Sector Median salary is £17,000 based on 2006 figures.]</i></p>	
4	Promote business growth	Invest NI will: <ul style="list-style-type: none"> <li>• Promote growth projects from locally-owned clients, including Global and External Start-ups</li> </ul>	DETI

PSA 5

TOURISM

Develop our tourism sector and promote Northern Ireland as a must-visit destination to facilitate growth in business and leisure visitors

Objective	Actions	Target	Dept.
1 Enhance Northern Ireland's tourism infrastructure	<p>Take forward key tourism signature projects to improve NI's tourism product</p> <p>Manage and develop our inland navigations</p> <p>Manage and develop NI cultural infrastructure</p>	<p>Ensure significant progress in the completion of all signature projects by 2011</p> <p>Develop local attractions and amenities including integration and interpretation to enhance the visitor experience and development of visitor servicing initiatives to educate on things to see and do, and improve orientation for the visitor.</p> <p>Improved management and development of our inland navigations to keep 95% of the existing waterways and navigations open from April to October annually in years 2008/09, 2009/10, 2010/11.</p> <p>Deliver £229m capital investment by 31 March 2011 in the Northern Ireland Culture, Arts and Leisure infrastructure through a programme of arts, sports, museums, libraries and PRONI capital projects.</p>	<p>DETI/</p> <p>DCAL</p>
2 Promote the growth of the tourism sector	<p>Through the development of the Tourism Strategic Framework for Action 2008-11, a programme of activities and sector specific support will be identified that will develop the long-term and sustainable competitiveness and entrepreneurship of the tourism industry.</p> <p>Specific actions will focus on challenging perceptions regarding safety, cost, ease of access and awareness of what to see and do. Campaigns and PR/Marketing activities will be targeted at both ROI residents and overseas visitors.</p> <p>Development and implementation of strategies to grow tourism through key drivers such as business tourism, activities (golf &amp; walking), culture &amp; heritage and events.</p>	<p>Increase tourism revenue from out-of-state visitors to £520m by 2011 from a baseline of £370m in 2006</p> <p>Increase the number of out-of-state tourists visiting each year to 2.5m by 2011 from a baseline of 1.98m in 2006</p>	<p>DETI</p>

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## ANNEX B

## FINANCE 2008/09 – 2010/11

Budget

## Current Expenditure

Objective and Spending Area	Plans						
	2007-08 £m	2008-09 £m	%	2009-10 £m	%	2010-11 £m	%
Economic Development, Policy & Research	24.0	20.2	-16.1	20.4	1.2	20.9	2.4
Economic Infrastructure/ Minerals	8.5	7.3	-14.0	8.7	19.4	8.5	- 1.8
Invest Northern Ireland	127.5	138.3	8.4	142.1	2.8	146.4	3.0
Development of Tourism	11.2	15.3	36.0	15.3	-0.2	15.4	0.9
Tourism Ireland Ltd	13.2	15.4	16.4	16.7	8.4	17.2	3.3
N/S Body – InterTradeIreland	3.5	3.6	0.6	4.9	37.9	5.3	7.6
EU Support for Economic Development	0.1	0.3	166.0	0.3	-	0.3	-
Business Regulatory Services	6.8	7.1	4.3	8.8	24.6	8.8	-0.4
Health & Safety Executive for NI	4.7	4.5	-3.2	6.7	49.3	7.0	4.0
<b>Total</b>	<b>199.6</b>	<b>211.8</b>	<b>6.1</b>	<b>223.9</b>	<b>5.7</b>	<b>229.8</b>	<b>2.6</b>
EU Peace programme Match Funding	-	2.6	-	-	-		
<b>Total</b>	<b>199.6</b>	<b>214.4</b>	<b>7.4</b>	<b>223.9</b>	<b>4.5</b>	<b>229.8</b>	<b>2.6</b>

## Investment

Objective and Spending Area	Plans			
	2007-08 £m	2008-09 £m	2009-10 £m	2010-11 £m
Economic Development, Policy & Research	0.4	1.2	0.5	0.5
Energy Efficiency, Minerals, Gas & Electric	32.0	7.4	14.0	8.6
Invest Northern Ireland	36.8	25.1	51.0	49.3
Development of Tourism	8.3	5.3	22.5	19.9
Business Regulatory Services	0.1	-	-	-
Health & Safety Executive for NI	-	-	-	-
<b>Total</b>	<b>77.5</b>	<b>39.0</b>	<b>87.9</b>	<b>78.2</b>
<b>Total</b>	<b>77.5</b>	<b>39.0</b>	<b>87.9</b>	<b>78.2</b>

**Budget Resource and Capital Allocations against Priority Areas**

Objective and Spending Area	Plans						
	2007-08 £m	2008-09 £m	%	2009-10 £m	%	2010-11 £m	%
Productivity and Employment	232.8	214.6	81.9	252.2	80.9	239.7	77.8
Tourism	32.7	36.0	13.7	44.1	14.1	52.5	17.1
Business Regulation	11.6	11.6	4.4	15.5	5.0	15.8	5.1

**Efficiencies**

The Department will realise total annual efficiencies of at least £22.5m from 2008-09 to 2010-11, of which £1.0m will be from Administration budgets. The details are set out in the table below:

	2008 – 09 £million	2009 – 10 £million	2010 – 11 £million
<b>Total Efficiencies</b>	7.7	15.2	22.5
<b>Admin</b>	0.2	0.6	1.0
<b>Resource</b>	7.5	14.6	21.5

In addition, DETI and its NDPBs are required to meet inflationary pay costs from 2008 to 2011 through efficiencies.

**European Programmes**

The new EU Competitiveness Programme for 2007 – 13, co-financed by the European Regional Development Fund, will be managed by DETI and will focus on improving Northern Ireland's competitiveness and promoting enterprise and entrepreneurship. A second EU Employment Programme for 2007 - 13, co-financed by the European Social Fund and managed by DEL, will help to get more people into employment and improve the skills levels

within the workforce. Both programmes are complementary and will support better links between R&D, businesses and education and skills providers.

The new Territorial Co-operation Programme between Northern Ireland, the Republic of Ireland and Scotland will build on shared experiences and maximise opportunities for growth on a North/South and East/West basis. In addition, the new PEACE III Programme for Northern Ireland will focus on creating stable communities and improving the economic opportunities for all.

## POLICY TOOLKIT / FRAMEWORK FOR DETI INTERVENTION

## ANNEX C

Vision Driver:	Enterprise	Innovation	Skills	Infrastructure
<b>Strategies:</b>	Enterprise Strategy [under development]	Regional Innovation Strategy	Skills Strategy People & Place Neighbourhood Renewal Strategy	Investment Strategy NI Regional Development Strategy Belfast City Centre Regeneration Policy People & Place Strategy
<b>Mechanisms/ Delivery agents:</b>	DETI, (directly or through Invest NI, NITB, HSENI) Enterprise NI, ITI, TIL, DARD, DSD, DE, local authorities	DETI, Invest NI, Matrix (the NI Science Industry Panel); NI Science Park, RTD Centres of Excellence Cluster Facilitation Forum, DE DEL, DARD, DCAL ,DHSSPS, ITI Universities, FE Colleges, Business Representative Organisations	DEL, DE, DETI, Invest NI Skills Expert Group Workforce Development Fora Sectors Skills Councils Universities/FE Sector Employers Training Organisations DSD (Neighbourhood Partnerships)	DETI, Invest NI, DRD, DOE, DE, DHSSPS, DSD/Private Sector Developers, ILEX, etc.
<b>Form of support:</b>	<b>DETI</b> – European Programmes funding; <b>Invest NI:</b> SFA support to new companies and those with an export focus; financial and non-financial support to companies to export. through a range of programmes and initiatives <b>NITB/TIL:</b> Tourism promotion & marketing including Tourism Signature Projects. <b>HSENI:</b> advice to businesses in addressing H&S issues. <b>ITI</b> programmes aimed at increasing cross-border trade and networks. <b>DARD:</b> programmes to support enterprise in rural areas; <b>DE:</b> embedding enterprise in the curriculum; <b>DSD:</b> financial support to businesses in urban regeneration areas; <b>Enterprise NI</b> support new and existing local businesses. District Council support provided to local businesses including social economy enterprises	<b>DETI:</b> MATRIX to advise DETI on the future technology exploitation priorities for the NI economy. <b>Invest NI:</b> R&D and innovation support to companies in addition to programmes aimed at People, Process & Skills Development; <b>DARD:</b> Support to encourage R&D and innovation in agri-food and rural enterprises <b>DCAL:</b> through its creativity strategy 'embed creativity for economic growth <b>DEL:</b> support for knowledge and technology transfer from the universities and FE colleges; increasing the innovation skills of the NI workforce <b>DHSSPS:</b> The commercial exploitation of NHS research <b>DE:</b> Measures to increase the uptake of STEM subjects in Schools	<b>Invest NI:</b> People Development programmes <b>DEL:</b> Success through Skills (16 projects), Training for Success, Welfare Reform (incl. Pathways), Preparing for Success (Careers), Success through Excellence, Management and Leadership Strategy <b>DSD:</b> Neighbourhood Renewal & Renewing Communities Programmes	<b>DETI:</b> Energy (Gas, electricity, renewables, North/South supply); Telecoms (Broadband availability, international connectivity). <b>DRD:</b> Roads, Public Transport, Water and Sewerage infrastructure. <b>OFMDFM:</b> public sector infrastructure. <b>DOE:</b> Planning. <b>DE:</b> Education provision. <b>DHSSPS:</b> Health infrastructure. <b>DSD:</b> Physical Renewal Programmes delivered via and Assembly & Vesting Powers; Urban Development Grant

## ANNEX D

**EQUALITY CONSIDERATIONS**

DETI is committed to promoting equality of opportunity and good community relations. The policies and programmes outlined in this Corporate Plan are subject to equality screening and, if appropriate, full equality impact assessment, as required under Section 75 of the Northern Ireland Act 1998. During the course of this Corporate Plan, DETI will draw up a new Equality Scheme detailing those equality-related actions which will be taken in the wake of the completion of the Department's 5-year review of its current Equality Scheme and the Equality Commission's recent review of the effectiveness of Section 75.

In seeking to ensure that DETI activities help to address the needs of those who are most disadvantaged in society, the Department will also implement its Disability Action Plan and contribute towards the delivery of a number of key inter-departmental strategies, including:

- A Shared Future: the Good Relations Strategy;
- The Gender Equality Strategy;
- The 10-Year Strategy for Children and Young People;
- The Racial Equality Strategy;
- Ageing in an Inclusive Society: the Older People's Strategy; and
- Lifetime Opportunities: the Anti Poverty and Social Inclusion Strategy.

## ANNEX E

**EFFECTIVE DELIVERY OF THE DEPARTMENT'S SERVICES**

In ensuring its services are delivered effectively, the Department will take forward the following:

- **Economic and Policy Research**

Economic and policy research informs the formulation of policy. The Department will continue to undertake and commission external research in order to provide a sound evidence base for policy development.

- **Policy Evaluation/Development**

Regular and systematic policy evaluation is an integral part of the 'policy cycle' within DETI, and is essential, alongside a quality research agenda, to providing an evidence base to assess whether the Department's policies are relevant and effective.

- **Statistics Research**

The Department will produce and disseminate accurate, timely and relevant economic and labour market statistics (Annex F) in line with National Statistics Protocols to monitor the performance of the NI economy in as efficient a manner as possible.

- **Reform of Public Administration**

DETI, Invest NI and NITB will work closely with DOE and other bodies to ensure that the transfer of local economic development and tourism functions to local Government will be completed within the agreed timeframes for the establishment of the new councils.

- **Centralised Reform Projects**

Recognising the need for an efficient and effective public sector, DETI is committed to transforming the way it provides its services. Ensuring that its business is more streamlined and efficient through the use of modern technology and best practice is vitally important to the Department. In particular, DETI will participate fully in the NICS Reform Programme, including:

- HR Connect
- Workplace 2010
- Records NI
- Centre for Applied Learning
- ICT Infrastructure; and
- Library services.

**DETI PRODUCTION OF ECONOMIC AND LABOUR MARKET STATISTICAL SERIES**

DETI has responsibility for the production of the main economic and labour market statistical series for NI to meet pre-announced National Statistics publications dates and to inform policy.

(i) Economic surveys:- The Department undertakes 32 separate business activity surveys each year, reporting NI level results for the:

- Annual Business Inquiry (annual)
- Research and Development (annual)
- Innovation survey (biennial)
- Exporting NI Services (annual)
- Manufacturing Sales and Exports (annual)
- Index of Production (quarterly)
- Index of Services (quarterly)

The rest are UK level surveys used to inform national macro-economic indicators, for which DETI has a legal obligation to issue forms.

(ii) Labour Market Statistics:- The Branch produces a range of monthly, quarterly, annual and biennial labour market statistics:

- Monthly labour force survey statistics (UK series)
- Monthly claimant unemployment, redundancies (UK series)
- Four quarterly, four special topic labour force reports (UK series)
- Labour Market Business surveys
- Quarterly employment survey (UK series)
- Biennial Census of employment (NI series)

- Annual Survey of Hours and Earnings (UK series)
- (iii) Statistical Infrastructure:- The Department maintains the Northern Ireland relative element of the United Kingdom Inter Departmental Business Register, a database of all Northern Ireland businesses.

## ANNEX G

**RELATED DOCUMENTS AND LINKS**

DETI Operating Plan 2008 – 2009

Available at [www.detini.gov.uk](http://www.detini.gov.uk) (under Corporate Planning and Delivery)

Invest Northern Ireland Corporate Plan 2008 – 2011

Available at [www.investni.com](http://www.investni.com) (under About Invest NI)

Northern Ireland Tourist Board Corporate Plan 2008 – 2011

Available at [www.nitb.com](http://www.nitb.com)

Health and Safety Executive for Northern Ireland Corporate Plan 2008 – 2011

Available at [www.hseni.gov.uk](http://www.hseni.gov.uk) (under Corporate Publications)

Consumer Council Corporate Plan 2008 – 2011

Available at [www.consumercouncil.org.uk](http://www.consumercouncil.org.uk) (under Publications)

IntertradeIreland Corporate Plan

To be made available at [www.intertradeireland.com](http://www.intertradeireland.com)

Programme for Government 2008 – 2011

<http://www.pfgbudgetni.gov.uk>

Budget 2008 – 2011

<http://www.pfgbudgetni.gov.uk>

Economic Vision for Northern Ireland

<http://www.detini.gov.uk/cgi-bin/downutildoc?id=936>

Northern Ireland Draft Regional Economic Strategy

[www.dfpni.gov.uk/res\\_final\\_draft\\_january\\_2007.pdf](http://www.dfpni.gov.uk/res_final_draft_january_2007.pdf)

## GLOSSARY

## ANNEX H

<b>BERD</b>	Business Expenditure on Research and Development
<b>CAGR</b>	Compound Annual Growth Rate
<b>DARD</b>	Department of Agriculture and Rural Development
<b>DCAL</b>	Department of Culture, Arts and Leisure
<b>DE</b>	Department of Education
<b>DEL</b>	Department for Employment and Learning
<b>DETI</b>	Department of Enterprise, Trade and Investment
<b>DFP</b>	Department of Finance and Personnel
<b>DHSSPS</b>	Department of Health, Social Services and Public Safety
<b>DOE</b>	Department of the Environment
<b>DRD</b>	Department for Regional Development
<b>DSD</b>	Department for Social Development
<b>DSO</b>	Departmental Strategic Objective
<b>EDF</b>	Economic Development Forum
<b>ETI</b>	Enterprise, Trade and Investment
<b>EU</b>	European Union
<b>FDI</b>	Foreign Direct Investment
<b>FE</b>	Further Education
<b>GB</b>	Great Britain
<b>GSE</b>	Greater South East of England
<b>GVA</b>	Gross Value Added
<b>HE</b>	Higher Education
<b>HSENI</b>	Health and Safety Executive for Northern Ireland
<b>ICT</b>	Information and Communication Technologies
<b>Invest NI</b>	Invest Northern Ireland
<b>ITI</b>	InterTradeIreland
<b>MATRIX</b>	Northern Ireland Science-Industry Panel
<b>NDPBs</b>	Non-Departmental Public Bodies
<b>NI</b>	Northern Ireland
<b>NIAUR</b>	Northern Ireland Authority for Utility Regulation
<b>NICS</b>	Northern Ireland Civil Service
<b>NISP</b>	Northern Ireland Science Park
<b>NITB</b>	Northern Ireland Tourist Board
<b>N/S</b>	North/ South
<b>PfG</b>	Programme for Government
<b>PR</b>	Public Relations
<b>PSA</b>	Public Service Agreement
<b>PSM</b>	Private Sector Median
<b>R&amp;D</b>	Research and Development
<b>RoI</b>	Republic of Ireland
<b>SME</b>	Small or Medium-Sized Enterprise
<b>STEM</b>	Science, Technology, Engineering and Mathematics
<b>TIL</b>	Tourism Ireland Limited
<b>UK</b>	United Kingdom