



**COLERAINE
BOROUGH COUNCIL**

**Response
on behalf of**

**Coleraine Borough Council
to the
Independent Review of
Economic Policy
(DETI and Invest NI)**

20th October 2009

Proposed response on behalf of Coleraine Borough Council

Barnett Review

Coleraine Borough Council would like to make the following comments on the recommendations put forward by Professor Richard Barnett and his Review team.

Chapter 7: Recommendations for Change

1. Policy Development

Recommendation:

An overarching economic development strategy for NI should be developed which incorporates the findings and recommendations made in Chapter 7, 8 & 9 of the report.

Council: Coleraine Borough Council (CBC) would concur with the majority of the findings with the following critical exceptions:

- The Enterprise Strategy which was to articulate the policy, delivery and role of all agencies (in addition to Invest NI and DETI) was delayed by DETI in the early stages as this piece of work was to incorporate the role that all other economic development providers (including Councils and others) would play in the role of business development and economic development – and thus closing the productivity gap. There is no proposal in this research to complete this work in the future. There is little evidence in the research of the role of pre-enterprise support – its value or contribution.
- The Executive has made a decision to deliver on Local Government Reform by June 2011. A number of functions including economic development powers are transferring at this time. There is a marked absence of a description of the role that Councils will subsequently play. If this is not addressed and the role that Councils and other agencies involved in the Economic Development arena perform is not articulated this will lead to an un-coordinated effort which lacks direction, could potentially duplicate services and waste valuable resources. Despite the fact that a number of local authorities responded to the call for evidence in February there is minimal acknowledgement of the recommendations in the report.
- Council agree that there needs to be greater integration between indigenous SMEs and the supply chain of larger companies. Policy needs to reflect this.
- The Council strongly disagree that cities should be the focus for FDI - this focus will impede any future development of the Coleraine area. It also means that attracting inward investment to an area which has key research in the attractive high value added sectors means that Coleraine would be discounted on this basis. The Council insist that the decision for location for FDI should be with the FDI business and should not be influenced by Government. Government should focus on a 'balanced' regional economy which builds on the assets within each area of NI.

2. Recommendation:

A portfolio of new innovation policies should be developed over time, but should initially include four elements:

- A new institution for commercially-orientated research should be explored in NI, along the lines pioneered by the successful VTT institute in Finland. The institution should be outside the University system and not subject to the constraints of the Research Excellence Framework (REF). It is envisaged that this would incorporate a number of existing near market organisations in NI and would be charged with reviewing and taking forward the MATRIX agenda
- Additional research in Universities and public sector bodies should be aligned closely with the needs of industry in NI and potential inward investors in NI. Furthermore, the development of specific new research capabilities should be used as an incentive to attract potential investors.
- Industry-led innovation communities, as suggested in the MATRIX report, should be developed as a pilot to bring together business, academia and Government and exploit market opportunities
- More should be done to support innovation in service sector forms beyond software, which we believe is well served. The concept of Innovation in the service sector should include the broad range of areas outlined in the definition of Innovation

Council:

In terms of the:

- **New Institution:** CBC welcome the development of a new commercially-orientated research institution to be explored in NI. As highlighted in the report the focus for this activity in the past has been with the local Universities whose primary priority is to produce research reports and papers for publishing in international journals.
- **Additional research with Universities and public bodies to reflect industry needs:** As the Coleraine campus of the University of Ulster is located within the Borough, CBC welcome the development of new research capabilities which can be used in Coleraine's value proposition to potential inward investors.
- CBC commend the bringing together of **Industry-led innovation communities as suggested by Matrix**. This acknowledges that innovation is not simply about 'newness' but could be about products and processes new to the region. It is this wider definition which can contribute towards productivity.
- **Support the service sector on innovation:** The Coleraine economy (as is all of NI) is moving from a manufacturing dominated environment towards a service sector environment - much of the innovation to date has been in the manufacturing sector. If we are to address the productivity gap in the future we will need for our service businesses to innovate to keep up and succeed.

3. Recommendation:

That additional support for Innovation and R&D should not involve new public expenditure but instead be financed from savings in grant support for investment by existing firms and in property management.

Council:

Council would agree with the need for a focus on Innovation and R&D. Council would disagree with the financing and resourcing of this activity through reductions in grants to existing business. In Coleraine, as highlighted in the call for evidence in February – our large firms (the majority of whom are Invest NI clients) are in the indigenous traditional manufacturing sector or from inward investment which located in Coleraine pre-1979. These companies are the backbone of our local economy and are the major employers. If it is suggested that these companies would only receive investment initially this would have serious and wide ranging consequences for Coleraine and other rural areas in NI. There are insufficient start-up businesses in high value added sectors which could contribute towards the productivity gap. We have had a number, particularly FDI businesses, which have made timely investments – this was on the back of making the case to their respective parent companies thus ensuring longevity in Coleraine. If these companies wanted to expand their operations in Coleraine or companies wanted to expand in or set up other business units in Coleraine, it could potentially mean that Invest NI would not be able to assist these businesses. The impact of implementing this recommendation would result in reduction in the productivity of NI. This would contribute towards the widening of the productivity gap rather than a closing of it. This is a particular problem for Coleraine as on average our business productivity rate is running at 85% of the NI rate (which has been evidenced in the report as being below the UK average).

4. Recommendation:

The review panel recommend that most assistance delivered via SFA should be redirected between now and 2013 to provide greater levels of support for Innovation and R&D

Council:

As highlighted in the previous point, Council would agree with the need for R&D but not at the expense of the existing companies currently in receipt of support. The SFA will be available without question until 2013. SFA is one of the main reasons that NI can compete on an international level and has been one of the most successful regions in terms of attraction of FDI per head of population. NI needs to demonstrate its track record, competency in R&D and have a validated value proposition built around this field before altering the proposition. This is especially important given that NI has experienced substantial job losses over the past year - jobs attracting around the NI wage average are better than no jobs at all.

5. Recommendation:

The Review Panel recommend that grants for business expansion should be phased out towards 2013 after which such grants are unlikely to be available under the EU state aid rules

Council:

As point 3 above

6. Recommendation:

Business expansion not involving innovation and R&D should, where necessary, be supported in the form of co-investment in companies that have already been successful in securing funding from the private sector. Invest NI assistance should be in the form of sub ordinate debt or equity.

Council:

Council agree with the fact that there has been an overreliance from the private sector on Government grants and that this has stagnated the development of the co-investment type organisations. Implementation of this recommendation would go some way to enabling this support structure to grow. However, the Council does have concerns that in Coleraine over 10% of our population are living in deprived or Neighbourhood Renewal wards. Some of these people would have difficulty because of their social standing in obtaining finance from the risk adverse financial institutions which are currently operating in NI. Further to this, the willingness of Banks and lending institutions to lend monies to business especially over the past twelve months would give cause for concern. Again, the process and structures need to be in place with the various lending organisations prior to this even being considered as an option.

7. Recommendation:

As soon as practicable, DETI and other relevant departments commence work on preparing a case for retaining state aid limits that support the changes outlined in this review.

Council:

Council agree that departments should prepare the case for retaining stage aid limits.

8. Recommendation:

Invest works to significantly reduce the number of its support programmes

Council:

Council agree with this recommendation.

9. Recommendation:

Invest NI should further reduce its support for company training, and concentrate support largely to small firms and to projects with a high innovative content, where retraining is necessary to realise a substantial rise in productivity.

Council:

Council agree with this recommendation

10. Recommendation:

Invest NI's export assistance is more dedicated and professional, adopting a similar model to the fee-charging export agency outlined in early sections of the report, with two tiers of charges depending on whether the company is an SME or large firm.

Council:

Council has concerns about this recommendation. The business community believe that they pay substantial corporation tax and other taxes to the NI Executive already and assume a portion of this goes towards support for business development. We doubt companies are going to pay for something extra particularly during the current difficult trading times. Secondly, the service needs to be world class and fit for purpose. We are uncertain of the capability and capacity currently within Invest NI to meet this potential and are unsure that NI PLC has all of the processes in place to deliver on this. Council do agree that with scarce resources they need to be targeted if we are to achieve the Programme for Government productivity targets. However, the model recommended was Finland – which has taken up to twenty years to increase their productivity to its full potential. We think it unlikely the changes in culture, process and mindsets are possible within the next 4 years.

Council does agree with a more flexible, dedicated and professional model of support which is client focused and has worked well elsewhere in areas such as ROI and the USA.

11. Recommendation:

The concept of Invest NI 'clients' is removed and Invest NI works throughout the entire business base to raise awareness and provide support for businesses undertaking Innovation, R&D and exports.

Council:

Council agree with the fact that Invest NI are and should work with all businesses to raise awareness and provide support for businesses undertaking Innovation, R&D and exports. However as highlighted in point 1, without a clear enterprise strategy articulating who does what in terms of support this will lead to greater confusion for the small business owner on the ground. Coleraine Borough Council has worked extensively with the 'in-between businesses' and Invest NI locally – businesses that have the potential to meet Invest NI's criteria at some stage in the future. The support offered has been in line with the recommendation identified in the report such as enhancing their skills, capability and focus. This recommendation should mean that Invest NI will be dealing with a wider variety of companies.

However we are unsure in this scenario what will happen to the remainder of businesses who do not fall into the innovation category – how are these businesses to be supported in the future (or is this something which is going to fall to local economic development?). There has been no reference made to how this large proportion of business can or will be supported. Again, an Enterprise Strategy would hopefully articulate the appropriate stakeholder detail and ownership of the key activity. In terms of further research it is disappointing that this research has not been included in the section for future research.

12. Recommendation:

DETI/Invest NI should urgently commission a review of industrial land provision to determine why there is a perceived need for Invest NI to purchase large amounts of land over the next 5 years.

Council:

Council agree with this recommendation and as highlighted in the call for evidence in February, Coleraine Borough Council do not believe that Invest NI should be involved in commercial property development. This role should be transferred to the Local Authority. Large pockets of land in prime locations (such as in Coleraine- Wattstown) are being sat on by Invest NI for their own client base. Often this land is prohibitive in terms of cost and involves significant amounts of red tape.

Coleraine Borough Council would strongly recommend that this work is undertaken and that Local Authorities are included as a key consultation group in the process as they are best placed to decide on what are the local priorities for their respective areas.

13. Recommendation:

Invest NI should transfer its budgets relating to tourism accommodation back to DETI to be redistributed to a more appropriate body.

Council:

Council agree with recommendation to transfer function back to Northern Ireland Tourist Board.

14. Recommendation:

DETI and other relevant departments should undertake a study to establish how the social economy might be further helped to reduce deprivation and increase labour force participation in disadvantaged areas within NI.

Council:

Council have already submitted a substantial response to the recent consultation on DETI's Social Economy Enterprise strategy. We will enclose a copy of Coleraine Borough Council's response for your perusal. Council agree with the fact that social economy businesses can play a vital role in generating disadvantaged areas.

However in Coleraine's disadvantaged areas there is evidence which does suggest that inhabitants within those same areas are unemployed or underemployed. There is a greater scope within Invest NI to work with DSD to address Neighbourhood Renewal economic renewal priorities. These people need to be embraced and nurtured to contribute to society and potentially further address the productivity levels in NI.

15. Recommendation:

Aside from those funds designed to support seed stage projects, Invest NI should disengage its direct involvement with venture capital (VC) funds. Rather than direct participation in the market, Invest NI should act as a facilitator between companies and VCs. In the case of seed stage VC funds, Invest NI should avoid placing restrictions on the market as outlined previously in Chapter 3.

Council:

Council agree with this recommendation – Invest NI should not be involved in areas unless there is evidence of market failure

16. Recommendation:

As part of the review of structures within DETI (proposed later in Chapter 8), the department should ensure that more resources are dedicated to policy development and monitoring.

Council:

Council agree with this recommendation – Invest NI have been criticised for the bureaucracy associated with their appraisal process. The fact that the appraisal process is going to be relaxed to accommodate 'innovation' means that riskier and potentially higher valued added business engagement can be encouraged.

17. Recommendation:

As part of the review of structures within DETI (proposed later in Chapter 8), the department should ensure that more resources are dedicated to policy development and monitoring.

Council:

Council agree that DETI should set policy for all organisations which have a role to play within economic development. Lack of clear measurable policy has led to an erratic approach to economic development. It is imperative however that local economic development is seen as an integral part of this policy setting process. Communication between the two needs to be two way i.e. policy needs to be outward looking and also needs to be cognisant of what is happening at the cold face.

18. Recommendation:

The appointment of an independent economic advisor.

Council:

This report has been a refreshing approach as it actually tests the current structures in terms of 'fit for purpose' and delivery capability. It is important to constantly challenge policy and source the right partners/individuals to assist DETI and Invest NI to change policy when it fails. It is important that the external advisor is someone of international standing and who has a track record in assisting developed economies achieve and increase productivity.

19. Recommendation:

Instead of Invest NI reporting on its strategic performance, this should be led by DETI as the funding department, with the co-operation of Invest NI statistical staff.

Council:

DETI are the policy provider and therefore it is appropriate that they report on Invest NI's performance. This will again encourage cross working between the various departments and NPGB (Quangos) which DETI support and it ensures that DETI take responsibility for the performance monitoring. It also leads to, potentially, a more objective review of performance.

20. Recommendation:

A study should be undertaken to determine how NI can more rapidly shift the pattern of inward investment towards higher value sectors.

Council:

It is evident from the Barnett Review that although FDI has been above average in comparison to the UK in terms of employment per head – the value of per job and cost of support has contributed little towards additionality or productivity. Council would wholly support a study to determine how NI can more rapidly shift the pattern of inward investment towards higher value sectors. It would be important for existing organisations such as the Universities and the role which they can play to be clearly articulated as a point in the terms of reference for such work.

21. Recommendation:

Promotion of greater energy efficiency/conservation in the private sector should be accorded a higher priority in the 2009 Strategic Energy Framework (reflecting, where appropriate, the current and ongoing work of the Green New Deal for NI).

Council:

Energy is a major problem for companies in Coleraine and across NI. It is one of the key constraints of doing business in NI and the status quo currently makes us uncompetitive. Council would endorse the need for greater promotion and support towards greater energy efficiency and conservation. There has been little evidence of this in practice to date at the local level and within the local business base. This needs to be addressed.

22. Recommendation:

DETI and Invest NI should undertake an immediate and focused review of its overall strategic and sectoral approach to capitalise on the benefits of new telecommunications connectivity in NI.

Council:

DETI in Northern Ireland and DETE in the Republic of Ireland have provided 30 million euros towards the support of telecommunications connectivity to NI. As a point of presence (similar to 7 other nodes in NI) and the added benefit of the location for the cable landing station, we would fully endorse the need to undertake a strategic and sectoral review on how to capitalise on the benefits of the new telecommunications infrastructure. Coleraine Borough Council would like to be involved in this strategic piece of work. Coleraine Borough Council would be keen to work in partnership with the DETI to facilitate any local development which would enable the potential of the telecommunications to be utilised to its full potential for the benefit of NI as a whole.

23. Recommendation:

Relevant policies and accompanying resources should be updated annually to quantifiably demonstrate how individual policies / organisations contribute to the PfG productivity goal.

24. Recommendation:

Wherever data availability / quality allows, 'impact' targets for economic development should be expressed in relative terms (to the UK average or appropriate subsection of UK regions) rather than in absolute terms.

25. Recommendation:

When reporting on performance, DETI / Invest NI should include targets specifically for investments new to NI (expressed as a share of equivalent jobs coming into the UK).

26. Recommendation:

The Invest NI data collection system needs to be developed as a single database, to include offer activity, drawdown and outcome / performance data. The IREP database, constructed specifically for the Review, will be transferred to DETI to help facilitate this process.

Council (23-26):

Council do agree that their needs to be a much clearer link between its interventions (including those of Invest NI) and the overarching Programme for Government productivity goal. To date policy has been extremely fragmented. The Council would endorse the need to update policies annually, measure impact in relative terms rather than absolute, and report on investments new to NI specifically. The report also recommends a single database to measure performance which would incorporate the database developed for the IREP.

Council would like to stress that the remit of the database should be enlarged to include all businesses across NI not just those investing in R&D. Data protection of information should be accommodated to allow for other organisations such as Councils and others involved in local economic development to access this information. This process could facilitate a joined up approach in terms of programme and support development for companies locally who contribute to NI plc.

Chapter 8: Wider Issues

27. Recommendation:

That the economy should remain as the top priority for many years to come.

Council:

Council agree that the economy should remain the main priority for the Executive for many years to come. We are conscious that without high value added jobs the economy will not recover as quickly or as well. The standard of living which productivity affects will not increase and we will continue to lag behind the rest of NI and in turn the rest of the UK. It is essential that a balanced approach to developing the local economy is implemented rather than a focus around city development. There is a requirement for the joining up of the proposals for delivering this PfG target and other strategies such as DRD planning for the future which focus on regional development, Investment Strategy for NI etc.

28. Recommendation:

DETI, DEL and Invest NI work together to more effectively implement their existing liaison arrangements.

Council:

There has been a lack of co-ordination and some duplication of effort by DETI, DEL and Invest NI. Council would welcome a more effective and efficient liaison arrangement between the departments.

29. Recommendation:

As part of the review of strand one institutions, the core economic functions (covering existing DETI and DEL areas of responsibility) should be brought together under a single 'Department of the Economy'.

Council:

Council welcome the creation of one department covering skills and economic development called the "Department for the Economy". This would save cost in terms of governance, duplication of effort as well as contributing towards a 'seamless' service for the client on the ground as well as reducing the number of government departments in NI.

30. Recommendation:

FM and dFM and the Executive establish a sub-committee to prioritise action on the economy. We further recommend that this sub-committee is chaired by the Minister of the Economy (in the interim, the Enterprise, Trade and Investment (EIT) Minister).

Council:

Council agree with this recommendation. It is important that regional representatives from all parts of NI are able to feed in regional variations within NI. If proper representation is not sought it could result in yet another level of bureaucracy. It is also important that a term of reference for the subgroup be established so that its impact can be measured.

31. Recommendation:

The Executive sub-committee should agree an economic strategy, building on the findings of the IREP, as a matter of urgency.

Council:

Council agree with this recommendation

32. Recommendation:

That DETI undertakes an internal review of its staffing structures to ensure that the allocation of staff is more fully aligned with its policy objectives.

Council:

Council agree with this recommendation however it also needs to incorporate DEL and Invest NI staff also.

33. Recommendation:

That the core functions of strategic policy development and performance monitoring are brought together within any revised DETI structures. The department should also provide the necessary support, professional and otherwise, to the Executive sub-committee on the economy.

Council:

Council agree with this recommendation however it is essential to outline where Local Government and other non Central Government agencies and organisations have the opportunity to feed into this structure. The recommendations in the report are internally focused on how the central government departments are organising themselves to deal with the required changes – little reference is made to the plethora of other organisations who are delivering support on a regional or local level.

34. Recommendation:

That consideration is given to an internal reorganisation of Invest NI and one that reflects the differing skill sets required to support FDI, exports, Innovation / R&D and small business support.

Council:

As highlighted in Councils feedback on recommendation 9, it is essential that relevant skills sets required to support FDI, exports, innovation, R&D and relevant small business support are in place before a change in direction takes place. If this is achieved through an internal reorganisation then Council agree with this recommendation. The structures however need to be considerate of the other private sector and local economic development organisations currently delivering services.

35. Recommendation:

The creation of a small business unit within Invest NI, with responsibility for the development and co-ordination of relevant support to SMEs throughout NI.

Council:

Council would like further information on this recommendation & discussion. It has been agreed by the Executive that local economic development powers are to be strengthened through Local Government Reform. If a number of powers are transferring we would appreciate further information on the focus of this small business unit. Council would recommend that there would be potential to locate small business units within the newly constituted Councils across NI which could reflect regional variations and facilitate the delivery of policy set down by DETI.

36. Recommendation:

That world class training in sales and marketing is provided for relevant Invest NI staff (particularly those working in international offices). In addition, staff should be recruited with relevant experience to meet the demands of investment decisions that are increasingly based on Innovation and R&D.

Council:

Council agree with this recommendation. Council would propose that the strengths as articulated in the MATRIX Report and identification of the sectors which will identify high value added FDI be targeted. This may involve a less of a focus for FDI from North America, Canada and mainland Europe to a refocus on up and coming economies such as South America, Africa etc

NI has a large and international network of companies who have already established presence in NI. More should be done to utilize and exploit the existing FDI business base in NI in order to sell NI's competences. This expertise should also be gleamed so NI can focus on up and coming sectors which are driving the world markets such as Green Energy, advanced ICT etc

Invest NI needs to create a Sales department which is not restricted by the permanent structure of its overseas offices. This structure needs to be more fluid in that people should be more mobile and not be fixated by geography. These people need to have specialist expertise, capacity and appropriate resources to sell to global networks.

37. Recommendation:

That the MSFM should be reviewed and revised in light of the IREP recommendations contained in this report.

Council:

Council agree with this recommendation.

38. Recommendation:

Invest NI should be allowed more freedom to operate, with DETI having less involvement in operational matters, to enable the organisation to be more entrepreneurial and responsive to business needs.

Council:

This is an admirable recommendation and one which will be difficult to implement. However the Council strongly believe that if we are to compete at all for high value added jobs, risks need to be taken – albeit managed. It is essential that Invest NI do not be held back by the risk adverse attitude which has been enforced on the agency by Central Government. However, the risk does need to be managed and a structure and process of how this is to achieved needs to be determined.

39. Recommendation:

Given the non- executive composition of the Invest NI board, it should cease to perform executive functions and focus on providing strategic direction and oversight.

Council:

Council agree with this recommendation

40. Recommendation:

That a senior member of the DETI Departmental Board should be represented on the Invest NI Board.

Council:

Council agree with this recommendation

41. Recommendation:

That high level experience in international business and expertise in economic development should be sought when the invest NI board is reconstituted.

Council:

Council agree with this recommendation. However it is imperative that there is still local representation from people who can assist in closing the gap in the productivity. The board also needs to incorporate business excellence expertise in terms of representation particularly in the sectors they are hoping to develop or attract.

42. Recommendation:

That Invest NI delegations should be both simplified and the limits increased significantly. For example, the Review Panel specifically recommend that the current DFP delegated limits for mobile SFA (currently £10m) should also apply to Innovation and R&D projects.

Council:

Council agree with this recommendation

43. Recommendation:

The establishment of an NI version of the Central Project Review Group (CPRG), to incorporate Invest NI, DETI and DFP in order to speed up the decision making process for major industrial assistance cases.

Council:

Council agree with this recommendation. NI needs to be able to project a pro-business environment which is not crippled or stifled through layers of bureaucracy which result in long gestation periods and perceived inefficiencies in delivery.

44. Recommendation:

That Invest NI should be given greater autonomy in managing its budgets, including End Year Flexibility where required.

Council:

Council agree with this recommendation

45. Recommendation:

That DETI / Invest NI Accounting Officer Memorandum is reviewed in light of the revised governance arrangements implemented as part of this Review.

Council:

Council agree with this recommendation

46. Recommendation:

The ex post assessment of projects involving financial assistance to industry should be undertaken on a portfolio basis.

Council:

As highlighted in recommendation 37 – risk does need to be managed. Some projects will come to fruition faster than others and a portfolio approach is a practical approach more akin to how the private sector manage investment decisions. This approach will also allow for sectors which have longer gestation periods (such as those which are strengths at the University of Ulster in Coleraine i.e. health and life sciences) to be considered. The focus of these agencies to date has been on short-termism.

This has been influenced by funding from the EU focusing on short-term objectives, the expectations of the public to ensure public funds are managed appropriately and are delivering a visible return on taxation.

47. Recommendation:

The ETI Minister stands down EDF and establishes a small advisory body, comprising expertise on regional economic development (drawn from business and economics) to provide independent advice on the economy. This body should draw on expertise from the local community as well as seek international and national representatives, if possible, with previous links to NI.

Council:

Council wholly endorse this recommendation.

48. Recommendation:

Stakeholders involved in economic development should continue to seek engagement with the ETI Minister on a bilateral basis.

Council:

Council agree with this recommendation. However, as recommended in points 1 & 32 there needs to be an Enterprise Strategy which incorporate Central and non-Central Government structures.

Chapter 9: Facilitators of Growth

49. Recommendation:

That the local education system prepares now to meet the anticipated increased demand for higher level skills in STEM and other Innovation relevant subject areas arising from the increased emphasis on Innovation and R&D.

Council:

The Department for Education partially achieved this through the development of the specialist schools programme articulating the need to promote the teaching of STEM skills to the youth and potential entrepreneurs of tomorrow. It is essential, particularly if we are focused in achieving high value added businesses that the skills are available for potential FDI. FDI and specific sectors have been earmarked as priority areas – if these are the correct areas it is essential that we have a young working age population with the skills to service these businesses, whether they are indigenous or FDI. It is critical that this is recognised as a long term priority and as was the case in Finland, it may take up to twenty years to firmly embed this culture in our schools, in our community and in Government.

50. Recommendation:

The current focus on technical and professional qualifications, including apprenticeships and vocational training be extended to emphasise higher level qualifications at levels 4 and 5.

Council:

One of the key findings of our large firms last October was the need to introduce apprenticeships to assist companies to grow. The report is supportive of this recommendation and has suggested the need to introduce technical and professional qualifications including apprenticeships and vocational training. This is a welcome intervention. The focus being extended to include Levels 4 & 5 also mean that the apprenticeship route is perceived to be equally valuable to the professional services and high value added business sectors.

51. Recommendation:

DETI, DEL and Invest NI should work to significantly develop management and leadership skills in NI. The Panel also supports the recommendation from a recent sub-group of the Economic Development Forum (EDF) that Government should sponsor a cross-sectoral 'Management Masterclass' to identify and develop the best managers from local industry and the public sector.

Council:

Council agree with this recommendation

52. Recommendation:

That the Executive should ensure that the third ISNI plan takes a much greater economic focus by committing more investment into projects that will maximise NI's future economic performance.

Council:

The key word here is NI. It is important that the Investment Strategy for NI is not focused primarily around the cities. Peripheral regions like Coleraine do need investment and it is important that:

- a. We do not over congest our cities
- b. We do not develop strategies and policies which will only serve to starve peripheral regions

53. Recommendation:

That in the context of reform, the Planning Service is given processing time targets which are comparable and competitive with those countries and regions against which NI is competing for mobile international investment.

Council:

The Planning Service can lack co-ordination with other government departments - this has sometimes resulted in the development of policy which is at odds with priorities set by other government departments such as Rural Development and Enterprise Trade and Investment. The time taken to process planning approvals has been one of the reasons for delays in spend of monies from EU SFA. Council fully endorse that planning becomes a public facing department with targets set to deliver on applications. Again, this reiterates what was previously highlighted - NI is a pro-business environment which can efficiently compete for mobile international investment opportunities.

54. Recommendation:

The Planning Service works to ensure that the legislative timetable for reform is met.

Council:

Council agree with this recommendation

55. Recommendation:

That it should deal with all applications relating to investment new to NI.

Council:

Although in principle it may appear desirable to have new inward investment applications dealt with by strategic project teams, it is only practical and necessary for regionally significant projects. Smaller inward investment applications can be efficiently dealt with by the local office in a local context where the relevance of such applications have greater context. It would however be very useful for local planning offices to have a fast track process for inward investment projects given their significance to the local area.

56. Recommendation:

In terms of constitutes a 'regionally significant development', a clear definition and qualifying criteria should be developed and agreed between DoE, DRD, DETI and Invest NI.

Council:

Council agree that a clear definition and qualifying criteria is necessary however it would be important that Councils are part of this process. As certain aspects of local planning reform are due to come to Councils in 2011 and it is important that as the organisation who will potentially be the clients first point of contact are aware of and endorse the criteria being set.

57. Recommendation:

This process must be as efficient as possible and should be included when reporting on timings for standard applications.

Council:

Council agree with this recommendation.