

Independent Review of Economic Policy (DETI and Invest NI)

Response from Omagh District Council

Omagh District Council (hereafter referred to as the Council) welcomes the opportunity to comment on the Independent Review of Economic Policy (DETI and Invest NI). At the outset, the Council would wish to recognise the positive working relationship it enjoys with the Western Regional Invest NI office based in Omagh and acknowledge the commitment of local officers. For ease of reference, this response has been set out in eight thematic headings.

Role of Local Government:

The Council considers that this review is timely and is particularly relevant given the ongoing discussions regarding the transfer of powers from DETI and Invest NI to local government in the context of the Review of Public Administration. It is disappointing therefore, that this review has overlooked the democratic and representative role of Councils and the potential for local government to be meaningfully engaged in a future “monitoring” role of the performance of Invest NI and DETI.

In addition, and in recognition of the transferring functions, Invest NI should be required to formally consult with local government as to the effectiveness of its funding programmes prior to the award or extension of any contracts which straddle the RPA timeline of May 2011.

The review does not consider in any meaningful way the potential of Community Planning and the Power of Well Being. Local Councils will be the facilitators of this process which will require the participation of all relevant government departments (including Invest NI and DETI). Community Planning will be the key vehicle by which Councils and their communities will determine and fulfil local priorities.

From a local government perspective there has traditionally been a disconnect between local priorities and central Invest NI/DETI policy. Community planning can ensure that no similar confusion arises in the future, and the Council would wish to ensure DETI and Invest NI’s full commitment to this process.

While reference is made to the transfer of the planning function to local Councils, little attention is paid as to the linkages between this transfer and the zonings of land for economic and industrial purposes. Again, a meaningful relationship with local government will be required.

The Council considers that Invest NI and DETI have failed to recognise the differing economic development needs of Northern Ireland. A single, homogenous solution is not possible, rather a flexible approach is required and local councils are best placed to provide this analysis and advice to Invest NI.

“Skewed” Investment:

The Council welcomes that the review team has recognised that Invest NI’s pattern of investment has been “significantly skewed towards the urban areas of Belfast, and to a lesser extent Londonderry/Derry” (para 3.60).

The underinvestment in the Omagh district and other areas west of the Bann has been consistently highlighted by this Council and we would therefore recommend that immediate steps are taken to ensure that this historic underinvestment is addressed so that the economic development investment from central government in this district may be brought to the same level as those areas of Belfast and Londonderry/Derry which have previously benefited disproportionately from Invest NI and DETI assistance.

On a related point, the Council is aware of the substantial running costs of Invest NI and would suggest that efficiency savings could be identified which in turn could be invested in those areas, such as Omagh, which require further investment.

It is also likely that a more meaningful transfer of economic development powers to local councils would result in further savings, thus enabling more funding to be targeted directly at economic development initiatives.

Leadership and Clarity of Roles:

The Council considers that the division of economic development responsibilities across DETI, DEL and also some aspects of DSD, has been unhelpful and has resulted in an uncertainty as to which Department leads in this area. To this end, the Council considers that there would be merit in proper consideration as to how the economy and economic development should be managed into the future. This consideration could result in a single Department of the Economy as suggested in the review, or perhaps, in the transfer of related functions to an existing government department. As previously indicated, the Council would wish to ensure that the role of local government and its contribution to economic development is fully reflected in any future arrangements.

In a similar way, the definition of Invest NI companies has been unhelpful, and, as suggested in the report, the Council considers it particularly useful if such definitions were reviewed.

The Report illustrates the number and complexity of Invest NI business support programmes. The experience of many local businesses in the Omagh district is that they find Invest NI support programmes confusing and difficult to access. Local businesses require an approach that when they contact Invest NI, they are directed and supported through a process of smaller and more focused mix of programmes flexible to the needs of individual businesses.

On a related point, access to information on the number of local businesses by District Council Area engaged in the range of Invest NI programmes is very difficult to attain. This information should be made available on a quarterly basis, providing statistics on the number of businesses by area, per programme, /impact etc. This data would enabled Councils to determine if local businesses are fully benefiting from the programmes, establish gaps in the provision and allow them to investigate potential programmes under the Competitive and Employment Programme (2007-2013).

The review also recognises the need for a study to further develop the Social Economy. Councils already have a significant and substantial understanding of the Social Economy because of their connectivity with local communities. The Council therefore considers that the advancement of the Social Economy should immediately be led and delivered by Councils with appropriate partnerships in place.

Infrastructure:

The review indicates that Northern Ireland benefits from 100% telecommunications geographic coverage. The reality not addressed in the report is that for locations like Omagh District Council, SMEs' connectivity is patchy, of a poor quality and expensive. Independent research clearly highlights a significant East/West disparity and inequality regarding telecommunications generally, and broadband in particular.

This will have a negative impact on the growth of new business sectors including Creative Businesses, the potential of existing businesses to benefit from internal innovative approaches (e-commerce) and micro business and employees (particularly women) to work from home. While the Council welcomes Project Kelvin, particularly its connectivity through Omagh, we would wish to ensure that measures will be put in place to allow SMEs to connect effectively and efficiently to Kelvin's infrastructure.

The Council welcomes that the review panel has recognised the importance of the new A5 (para 9.43) and would wish to ensure that future investment decisions reflect this new infrastructure for the Omagh district and its increased connectivity to Belfast, Derry and Dublin.

Foreign Direct Investment:

The Review refers to the importance of Foreign Direct Investment (FDI). Within our district, the opportunities to benefit from FDI in the short term is severely restricted because of the delays in securing appropriate land banks. The knock on effect is that local SMEs cannot benefit from the supply chains of FDI/larger companies. The Council would therefore suggest that immediate interventions are put in place in areas such as Omagh to increase Invest NI's acquisition of industrial land, and prioritisation of Omagh as a destination for FDI.

Tourism Development:

The review recognises the immediate potential of growing tourism in Northern Ireland. The Council concurs with this and proposes that the Department should consider immediate actions (including capital and revenue support that are specific to needs of individual tourism projects) that could act as an immediate stimulus to energise the tourism sector, particularly in areas west of the Bann. Innovative approaches should be considered to attract new Hotel Groups to areas such as Omagh and the lower Sperrins.

Pilot Energy and Conservation Best Practice:

The Council welcomes the review's emphasis on the importance of greater energy efficiency in the private sector. The Council suggests that reference should be made to the strides that the public sector has also made in this area and would draw attention to our own expertise which includes the development of a Wind turbine, Biomass boiler, hydro scheme and Solar panels.

Skills Development:

The review indicates the need and the increased demand for higher level skills now and into the future to assist in the facilitation of growth.

The Council considers that there needs to be an urgent review of the existing linkages between Further Education Colleges and the wider economic development network. It has been our experience that the model of Workforce Development Fora has not been successful. The Council would also suggest that there needs to be a formal commitment from DEL to deliver through Regional Colleges (rather than Belfast or Derry) programmes which provide higher value employment opportunities than an undue reliance on those courses which provide low paid employment and minimal productivity for the local and regional economy.

Conclusion:

Omagh District Council remains committed to the future growth and development of Omagh and the sub-region and would be happy to provide any further information on the suggestions proposed within this response.