



**Dungannon & South Tyrone Borough Council's
Economic Development Strategy & Action Plan
2007 – 2013**



December 2007

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Section 1: Introduction

- 1.1 Dungannon and South Tyrone Borough Council has been at the forefront of promoting local economic development within the Borough from the introduction of local economic development powers in 1993. Since that period the Council has developed successive economic development strategies and action plans which have become increasingly more ambitious and wide-ranging in their scope.
- 1.2 In September 2007, Dungannon and South Tyrone Borough Council commissioned Blueprint Development Consultancy Ltd and Locus Management to undertake a review of its Local Economic Development Strategy for the period 2001 to 2007 and to develop the next Local Economic Development Strategy and Action Plan covering the period 2008 to 2010, with a possible extension to 2013.

The Local Economic Development Strategy for the period 2008 to 2010 (2013) has been developed on the basis of:

- the findings of the review of the 2001 to 2007 Local Economic Development Strategy and Action Plan;
 - a clear understanding of the needs and priorities of the Borough including the reference to the socio-economic data and
 - framed within the changing social, economic and structural environment.
- 1.3 The Local Economic Development Strategy 2001 to 2007 had four priority themes: Business Innovation; Town Development; Partnerships and Inter Regional/International Co-operation and Tourism.
- These priority themes were supported by a series of strategic objectives as follows:
- To expand capacity for SME development
 - To assist SME growth
 - To ensure appropriate infrastructure is in place for innovation and application of new technologies
 - Promote innovation in product and design and process developments
 - To ensure adequate funding is in place for SME's undertaking such actions

- To ensure training and education is available to support business development
- To assist local Partnerships with the implementation of joint collaborative actions
- To develop and promote the retail and commercial sectors in Dungannon town
- To assist and provide workspace provision for private sector SME's

Over the period 2001 to 2007, Dungannon and South Tyrone Borough Council contributed a total of £1million plus to the implementation of the Local Economic Development Strategy and Action Plan. This contribution was matched by European Regional Development Funding of £840,972 through the Local Economic Development Measure and provided leverage of £3,433,726.

The 2001 to 2007 Local Economic Development Strategy and Action Plan was very successful, with many of the successes being directly attributable to the partnership approach to delivery with stakeholder organisations in the Borough. The targets identified in the action plan were achieved and in many instances project and programme targets were exceeded. A total of 7 jobs were created directly through the 2001 to 2007 Local Economic Development Strategy and Action Plan, with an additional 550 jobs and 333 businesses created through the Business Start Programme. A copy of the review of the Local Economic Development Strategy and Action Plan 2001-2007 is provided in Appendix 1.

- 1.4 The new Local Economic Development Strategy and Action Plan for the period 2008 to 2013 has been developed against a backdrop of substantial change in economic policy in Northern Ireland. Policy is being driven by pressures to reduce the high levels of public expenditure on the one hand and narrowing the gap in living standards which has emerged between Northern Ireland and Great Britain and the Republic of Ireland. The challenge for the new Northern Ireland Assembly is to address this gap and accelerate the growth in the private sector. It was within this context that the First Minister in his address to the Assembly on the 25th October 2007 in introducing the Programme for Government and Investment Strategy stated:
- “In growing a dynamic innovative economy will be our top priority over the lifetime of the Programme for Government. Economic growth and*

convergence with both the United Kingdom and Republic of Ireland is the focus of the new Programme for Government.

Both the Northern Ireland Competitiveness and Employment Objective 2007-2013 and the Northern Ireland Economic Vision published in February 2005 provide the framework to achieve this new economic policy in Northern Ireland. The challenge in implementing this policy is to create businesses which are able to compete in global markets on the basis of high value added rather than a focus on low cost.

“Growing a sustainable and globally competitive private sector in conjunction with existing strategies to accelerate Northern Ireland’s business formation and growth rates, is one of the key themes of the Economic Vision”.¹

Dungannon and South Tyrone Borough Council area has one of the most dynamic private sectors in Northern Ireland coupled with an under reliance on public sector jobs. Of a total 19,291 employee jobs in Dungannon LGD, 24% were public sector compared to 32% for Northern Ireland, 30.3% (5,849) of employee jobs in the Dungannon and South Tyrone Borough Council area were in the manufacturing sector, which is substantially above the Northern Ireland average for manufacturing jobs of 12.8%. The service sector makes up the bulk of the remainder of jobs in the Borough at 63.6% (12,293 employee jobs) which in turn is lower than the Northern Ireland average for the service sector of 80.2%.

The occupational structure of Dungannon LGD is significant in that it differs from that of Northern Ireland as a whole, with a higher share of skilled trades and process plant and machinery operative occupations and lower levels of management and professional occupations. This in turn has implications for wage levels and the Borough’s potential to attract more skilled higher value jobs.

The private sector in Dungannon LGD is characterised by a micro business sector, with 80% of VAT registered businesses with less than 5 employees and 90% with less than 10 employees. During the period 2002 to 2007 Dungannon LGD ranked fifth amongst the 26 District Councils in relation to the level of Start a Business approvals processed by Invest NI.

¹ Northern Ireland Economic Vision, February 2005

1.6 Other economic and social indicators which have had implications for the development of Dungannon and South Tyrone Borough Council's Local Economic Development Strategy and Action Plan include:

- The population of Dungannon LGD is rising, net migration has contributed significantly to an increase in the population of the Borough, over the period 2005 to 2006 of 3.1% with net migration figures for the period accounting for an additional 1,244 people. Moreover the Worker Registration Scheme, managed by the Home Office indicates that for the period 2006 to 2007 Dungannon had 9% of the Northern Ireland total for migrant workers employed within the Borough.
- The agricultural sector is declining in Dungannon as in Northern Ireland as a whole, although at a lesser rate. Over the period 2000 to 2006, the Northern Ireland agricultural sector has experienced a 13.6% decline while the Dungannon LGD experienced a decline of 5.8% over the same period.
- Educational attainment is higher in the Dungannon LGD for those in Higher and Further Education in comparison to the Northern Ireland average. However at the other end of the scale, at the time of the 2001 census, the percentage of the working age population in Dungannon LGD with no qualifications was 45% which is higher than the Northern Ireland average of 42%.
- In 2006 Dungannon LGD only benefited from 1.7% of the total tourism spend in Northern Ireland and tourism figures for 2005-2006 reflect Dungannon LGD experiencing a decline in visitor spend, whilst the Northern Ireland tourism figure spend indicated an overall increase in visitor spend.
- Figures for housing in Dungannon produced for the University of Ulster Affordability Index for 2006 indicate that there were no houses sold in Dungannon LGD in that year which were affordable to first time buyers.

- The Northern Ireland Deprivation Measures produced by NISRA during 2005 indicate that Dungannon LGD was ranked as the 9th most deprived District Council area in Northern Ireland, based upon average output scores across the District. Furthermore, Dungannon LGD has an extent score of 9%, which indicates that 9% of the Dungannon LGD population live in the most deprived super output areas in Northern Ireland. Dungannon LGD also ranks 9th in relation to income deprivation.
- Coalisland South and Ballysaggart rank 62 and 81 respectively in terms of income deprivation affecting children, which places them within the top 10% most deprived Super Output areas in Northern Ireland. Coalisland South was also rated fourth most deprived super output area in Northern Ireland with respect to income deprivation affecting older people, which places it within the top 10% most deprived in Northern Ireland for this measure of deprivation.

1.7 It is within this backdrop that Dungannon and South Tyrone Borough Council has developed its Economic Development Strategy and Action Plan for 2008 to 2010(2013). The socio-economic indicators are provided in more detail in Section 3 of this report. Section 2 provides a summary of the Policy and Strategic context in which the Plan has been developed, and the remaining sections identify strategic issues, Section 4, and the corresponding strategic framework which will be used to address these issues. The Action Plan for 2008-2010 (2013) is provided in Section 6, and a proposed implementation structure to deliver the Action Plan is provided in section 7.

Section 2: Strategic Context

2.1 Introduction

Economic policy in Northern Ireland is in a period of change. This follows a decade of rapid economic growth when the region outperformed the rest of the UK, particularly in terms of job creation and manufacturing output. Despite this period of growth and investment there is a perception that continued growth and possibly even the maintenance of the status quo – rely disproportionately on high levels of public expenditure – expenditure that Government is under increasing pressure to reduce. The results of the Comprehensive Spending Review 2008 - 2011 show public expenditure in Northern Ireland rising at an annual average rate of 1.7% in real terms, less than half the growth rate of the last 12 years. The knock on effects of the Comprehensive Spending Review for Northern Ireland spending departments will become apparent in the weeks and months ahead but it is likely that some of the smaller spending departments will have to bear the brunt of any cutbacks.

The biggest economic challenge is how to prevent the already substantial gap in living standards between Northern Ireland and Great Britain and the Republic of Ireland widening further. It is only by tackling this problem and accelerating the growth of the private sector that Northern Ireland's dependence on the United Kingdom Exchequer can be reduced. The First Minister in his address to the Assembly on the 25th October 2007 introducing the Programme for Government and Investment Strategy stated, "Growing a dynamic innovative economy will be our top priority over the lifetime of this Programme for Government". Economic growth and convergence with both the United Kingdom and Republic of Ireland is the focus of the new programme for government.

The new Executive is convinced that a more competitive corporation tax regime would attract more of the higher wage, higher value added jobs that Northern Ireland needs in order to boost income levels. The case for a lower rate of corporation tax in Northern Ireland has been put in the strongest terms to the Varney Review led by the Executive, the Department of Finance and Personnel, the Department of Enterprise, Trade and Investment, representatives of Northern Ireland business and a number of individuals. In recent times rumours have started to circulate that the Varney Review, whilst stopping short of endorsing a lower rate of corporation tax, may support the

so-called double jurisdiction approach. Under this approach companies located in the Republic of Ireland may be able to locate some of their activity in Northern Ireland with their profits still being taxed at the lower Republic of Ireland rate. It is believed that a team of Treasury tax experts is currently evaluating this proposal. (needs to be revised, Varney Published 19/12)

If such a policy change were to come about, it would confer benefits to the United Kingdom, the Republic of Ireland as well as Northern Ireland. Northern Ireland stands to gain thousands of higher wage jobs. The United Kingdom Exchequer benefits also because of higher income tax receipts, higher national insurance contribution and higher VAT revenues. The Republic of Ireland retains its corporation tax revenues and gets a potential solution to its pressing human resource and skills problems. It would bring the two labour markets on the island of Ireland closer together and would present areas like Dungannon and South Tyrone with considerable opportunities for economic growth, building on its existing cross border linkages and relationships.

Economic Policy in Northern Ireland: the implications for Dungannon
Dungannon's performance needs to be seen in the context of the overall performance of the Northern Ireland economy, where GDP growth levels of 2% to 3% have equalled or outperformed the UK average since the mid to late 1990s. Manufacturing output has outperformed the UK average since the mid to late 1990s (growing by 2.3% between Q4 2003 and Q4 2004 compared to 0.6% in the UK) and with proportionately fewer job losses than the UK. Employment is at a record high with 10,830 jobs created in the year 2005-2006, while unemployment at approximately 4% is at a record low. Despite the relatively small private sector and the equally low historic level of business starts in Northern Ireland, there is some evidence of the impact of the enterprise economy.

The latest Global Entrepreneurship Monitor (GEM) Report shows that entrepreneurial activity in Northern Ireland is steadily increasing, albeit from a relatively low base and that support for entrepreneurship is high in relation to other UK regions. However, fear of both failure and debt are major barriers, with men and women equally dissuaded from setting up a business by fears of financial failure, while women particularly perceive themselves lacking the skills to set up in business. Of all sections of the community, Northern Ireland

graduates are more likely to set up in business than any other group, while entrepreneurial activity is highest among those aged 35 to 44.

In comparison to our closest neighbour, the Republic of Ireland, levels of enterprise remain poor. A recent Bank of Ireland survey revealed 'that more than 15,300 start-ups have been recorded to date this year in the Republic, with the level of entrepreneurship remaining consistently high. Dublin remains the location of choice of Irish entrepreneurs, with almost 6,000 in the year to date (October); almost twice the number recorded across Northern Ireland in a full year according to the latest Invest Northern Ireland statistics.' Alan Bridle, Head of Research, Bank of Ireland, Irish news, 14th November 2007.

Structural weaknesses

It is worth highlighting a number of underlying structural weaknesses in the Northern Ireland economy including:

An under-developed private sector

Of Northern Ireland's 53,770 VAT-registered private sector businesses, 89% employ fewer than 10 and a mere 65 employ more than 500 workers;

Over dependence on the public sector

Northern Ireland's public sector equates to 61% of GDP, compared to UK's 42% and the Republic of Ireland's 27%;

Low levels of business formation

Northern Ireland has the second-lowest level of business formation and the lowest level of business growth amongst the 12 UK regions (compare the 2007 Bank of Ireland figures – 6,000 new business starts in Dublin alone up until October, twice the amount created in the entire Northern Ireland in a full year);

Low levels of R&D spend

Northern Ireland has amongst the world's lowest percentage of GDP invested in R&D - 41% of the UK average. Overseas-owned manufacturing firms account for 60% of Northern Ireland's R&D spend;

Low levels of labour market participation and high levels of long-term unemployment

Over 290,000 people in Northern Ireland (28% of working-age population) are not economically active and whilst unemployment has fallen steeply, the rise in incapacity claimants is almost three times the total fall in unemployment. Northern Ireland currently has the highest level of long-term and youth unemployment amongst the 12 regions; and

An unsustainable £5billion annual subvention from the UK Treasury

While Northern Ireland receives around £14billion per annum in public expenditure; it is estimated that we pay less than £9billion in taxes.

Building a Better Future – Draft Programme for Government 2008-2011

The First Minister in his address to the Assembly on the 25th October introducing the Programme for Government and Investment Strategy stated,

“Growing a dynamic innovative economy will be our top priority over the lifetime of this Programme for Government. Sustainable economic growth and increased prosperity will provide the opportunities and the means through which we can enhance quality of life, reduce poverty and disadvantage, increase health and well being and build stronger more sustainable and empowered communities.

As an Executive we recognise the characteristics of a successful economy – namely a highly skilled and flexible workforce and employment growth. To that end, we will work to increase the employment rate from 70% to 75% by 2020. We will create the environment to support 45 new businesses and 600 existing companies to become exporters for the first time by 2011. We will seek to secure inward investment commitments promising over 6500 new jobs by 2011 and ensuring that at least 75% of these provide salaries above the local private sector average. We will aim to increase the number of tourists visiting Northern Ireland and to increase tourism revenue from £370m to £520m each year by 2011.

We will also take steps to address problems of economic inactivity and promote greater employment opportunities in rural areas and disadvantaged communities. We will invest £45m by 2013 to improve the competitiveness of the rural sector.”

The Programme for Government will be delivered through five priority areas, including:

1. Growing a Dynamic, Innovative Economy
2. Promote Tolerance, Inclusion & Health & Well-Being
3. Protect & Enhance Our Environment & Natural Resources
4. Invest to Build Our Infrastructure
5. Deliver Modern High Quality & Efficient Public Services

The draft programme for government contains a number of commitments and goals, a few are worth highlighting in the context of Dungannon's economic development strategy.

Growing a Dynamic, Innovative Economy:

Invest £45.0m by 2013 to improve the competitiveness of the agricultural sector.

Promote Tolerance, Inclusion & Health & Well-Being:

Introduce in 2008 a new Employment and Support Allowance to enable those unemployed due to ill-health or disability to return to work; and Bring forward a £10.0m package to combat rural social exclusion and poverty.

Protect & Enhance Our Environment & Natural Resources:

Deliver a fundamental overhaul of the planning system by 2011 to ensure that it supports economic and social development and environmental sustainability.

Invest to Build Our Infrastructure:

Improve the quality of life in rural areas by investing £100m in local development strategies by 2013.

Deliver Modern High Quality & Efficient Public Services:

Reduce by 25% the administrative burden on farmers and agri-food businesses by 2013 and Provide a network of one-stop shops to improve access to DARD services by 2011.

European Regional Policy

Dungannon's future competitiveness will be increasingly reliant on the outcomes and impact of regional policy at UK and European level. At the Lisbon Summit in March 2000, the EU Heads of State and their governments agreed on an ambitious goal: to make the EU

“the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion.”

To achieve this Lisbon Strategy for Growth and Competitiveness it was agreed to adopt an overall strategy, aimed at:

- Preparing the transition to a knowledge-based economy and society by better policies for the information society and R&D, as well as by stepping up the process of structural reform for competitiveness and innovation and by completing the internal market;
- Modernising the European social model, investing in people and combating social exclusion;
- Sustaining the healthy economic outlook and favourable growth prospects by applying an appropriate macro-economic policy mix.

The summit identified the main issues necessary to realise this goal. These included:

- Driving national investment in research and development up to 3% of GDP;
- Reduction of red tape to promote entrepreneurship;
- Achieving an employment rate of 70% (60% for women)

The EU Heads of State increasingly became frustrated with the lack of progress in respect to achieving these ambitious goals. In March 2004, the Commission set out to assess the progress made towards the Lisbon goals and painted a dire picture of the state of the EU's competitiveness. The Commission therefore urged governments to give the Lisbon strategy fresh impetus. In particular, it outlined three priority areas:

- Investment in networks and knowledge: stating the priority projects approved in the European Growth initiative;

- Strengthening competitiveness in industry and services: stepping up efforts in the areas of industrial policy, the services market and environmental technologies; and
- Increasing labour market participation of older people: promoting active ageing by encouraging older workers to work for longer.

All of these have been identified as lying at the heart of EU competitiveness policy and it is important that these issues be fully explored and exploited by Dungannon as potential drivers of future growth.

European Agricultural Policy

The importance and relevance of the CAP and rural development at a European level have increased with the recent enlargement of the European Union. The European Model of Agriculture reflects the multifunctional role that farming plays in the richness and diversity of landscapes, the production of food and the cultural and natural heritage of rural areas.

The guiding principles for EU agricultural and rural development policies were set by the European Council in Göteborg in 2001 and confirmed in the Lisbon Strategy Conclusions in Thessaloniki in June 2003: –

"Strong economic performance must go hand in hand with the sustainable use of natural resources and levels of waste, maintaining biodiversity, preserving ecosystems and avoiding desertification. To meet these challenges, the European Council agrees that the Common Agricultural Policy and its future development should, among its objectives, contribute to achieving sustainable development by increasing its emphasis on encouraging healthy, high quality products, environmentally sustainable production methods, including organic production, renewable raw materials and the protection of biodiversity."

The European Commission agreed the 'Support for Rural Development by the European Agricultural Fund for Rural Development' (EAFRD) which reinforces the EU's rural development policy and aims to promote sustainable rural development throughout the Community in a way that complements the market and income support policies of the CAP, Cohesion Policy and the Common Fisheries Policy.

EAFRD sets out three major objectives (referred to as Priority Axes) for rural development policy for the period 2007–2013, reflecting the November 2003 Salzburg conference conclusions and the outcomes of the Lisbon and Göteborg European Councils. These three comprise:

Axis 1: Improving the competitiveness of agriculture and forestry by supporting restructuring, development and innovation;

Axis 2: Improving the environment and the countryside by supporting land management; and

Axis 3: Improving the quality of life in rural areas and encouraging diversification of economic activity.

EAFRD also indicates a significantly strengthened role for the LEADER approach to delivery within rural development programmes and proposes that each programme should also contain a LEADER Axis, which can cut across the other Axes.

Northern Ireland Competitiveness and Employment Objective 2007-2013

The strategic objective of Northern Ireland's ERDF Competitiveness Programme 2007-2013 is to create a more competitive and sustainable Northern Ireland and to close the productivity gap with the UK and increase Northern Ireland's GVA per hour worked compared with international averages. It will be targeted through the concentration of resources on activities that are most directly related to the realisation of the NI Economic Vision and other policies aimed at securing sustainable competitiveness improvements. The Programme will have a single objective under which there will be three interrelated broad expenditure areas all of which will have the promotion of equality and good relations, sustainable development and overcoming poverty and social exclusion as a cross cutting themes.

The programme's three key expenditure areas will be:

- Increasing investment in research and development;
- Promoting enterprise and entrepreneurship; and
- Improving accessibility and protecting and enhancing the environment.

The overall strategic aim of Northern Ireland's ESF operational programme is to reduce economic inactivity and increase workforce skills. The programme will support regional policy priorities to increase the employment rate and

improve the skills levels of young people and adults, within the framework of the Lisbon Agenda for growth and jobs.

The Programme's strategic aim will be supported by two objectives:

- To contribute to employment policies to make progress towards increasing the overall employment rate and reducing inactivity in Northern Ireland (subject to economic conditions) by extending employment opportunities in particular for those groups at a disadvantage in the labour market; and
- To contribute to skills policies to increase productivity, enterprise and competitiveness by raising the skills levels and adaptability of workers and new entrants to the labour force through lifelong learning and ensure the right workforce skills for future employment opportunities.

The Northern Ireland Economic Vision

The Economic Vision for Northern Ireland, published in February 2005, sets out the principals for the new economic policy in Northern Ireland. The overarching driver to achieving the vision is described as 'improving our global competitiveness through increased productivity and value added leading to enhanced market share in products and services'.

Reflecting the objectives of the Lisbon strategy, this confirms that Northern Ireland must create businesses able to compete in global markets, not, as in the past, on the basis of low cost but on the basis of high value added. High value added can be created by production processes which are efficient and create good margins, or by providing goods and services which are innovative in nature or have some form of knowledge base.

The Economic Vision suggests that Northern Ireland should aspire to the position of, 'a high value-added, highly skilled, innovative and enterprising economy which enables us to compete globally leading to greater wealth-creation and better employment opportunities for all.' In seeking to realise the Vision, the authors identify four economic 'drivers:'

- Increase investment in R&D and promote innovation/creativity;
- Promote and encourage enterprise;
- Ensure our people have the right skills for future employment opportunities; and

- Ensure we have a modern infrastructure in place to support business.

One of the themes of the Economic Vision is the need to grow a sustainable and globally competitive private sector, presupposing underlying strategies to accelerate Northern Ireland's business formation and business growth rates, which are currently amongst the lowest of the UK's twelve regions.

The Economic Vision also notes that the future fiscal environment will be one of '...less rapid growth in public expenditure than in recent years', and there are concerns that the underlying structural weaknesses and regional disparities may require resources well beyond those in the Economic Vision.

Shaping Our Future - The Regional Development Strategy 2025

The Regional Development Strategy for Northern Ireland 2025 establishes a spatial planning framework for all public bodies undertaking development, in order to make the best use of key regional assets, deliver balanced and integrated development, address regional disparities and encourage more sustainable patterns of development. The pivotal focus of Shaping Our Future is the Spatial Development Strategy which is a hub, corridor and gateway framework for regional development. The Spatial Development Strategy is designed to reinforce and strengthen the hubs, corridors, and gateways, making best use of key regional assets to accommodate growth by:

- Investing in the urban hubs: promoting a sustained urban renaissance based on maintaining compact cities and towns, and creating high quality urban environments with improved urban transport systems, and green spaces, thus underpinning their strategic role as hubs of economic activity, employment, and services, and providing more attractive towns in which to live.
- Creating an upgraded and integrated transport system, built around the Regional Strategic Transport Network of the key transport corridors with their main public transport services providing the skeletal framework for future physical development.
- Enhancing the regional gateways with a focus on generating employment opportunities in and around the ports and airports.

Economic development is a cornerstone of the spatial strategy which provides the infrastructural framework for job creation and tourism growth. While the importance of Belfast and its hinterland as the primary engine of growth is recognised, and the role of Londonderry as the economic hub of the North West, the Strategy encourages decentralised growth throughout the Region, focused on the main towns, and facilitated by upgraded transport corridors, to provide a regional network of economic development opportunities, supporting a vibrant economy.

‘Success through Skills’ - The Skills Strategy for Northern Ireland

The Department of Employment & Learning produced the ‘Skills Strategy for Northern Ireland’ in 2006. This strategy seeks to provide, for the first time, an over-arching framework for the development of skills. It focuses on raising the skills of the current workforce, enhancing the quality of those entering the workforce and addressing the employability skills of those not in employment. All three groups are important to the future of Dungannon, while the identification and articulation of skills needs by employers, and their representative bodies, must become a central driver of the overall strategy.

‘Building a Better Future’ - The Draft Investment Strategy for Northern Ireland 2008-2018

The Draft Investment Strategy for Northern Ireland published in October 2007 sets out a £18 billion programme of investment in public infrastructure over the next ten years. It includes investment in public transport, road, water and sewerage, and energy infrastructure to deliver economic returns and environmental benefits. Future investment will be taken forward under six ‘Pillars’ that help to join up the plans of government departments and other stakeholders.

The six ‘Pillars’ are:

- **Networks** – roads, public transport, gateways, telecoms, energy
- **Skills** – schools, higher and further education, youth services, libraries
- **Health** – primary care, public safety and technology, hospitals modernisation
- **Social** – regeneration, social housing, welfare reform & modernisation, culture, arts sports and inland waterways
- **Environment** - water & waste water, waste management, flood risk management, environment

- **Productive** – enterprise & innovation, tourism, rural development and primary industries, public sector reform

Although still at a draft stage there are a number of targets which impact upon the immediate environs of Dungannon and South Tyrone including:

Networks

- By the end of 2011, working with the private sector, the delivery of widespread access for businesses to a next generation broadband network;
- Opening of the Dungannon to Ballygawley dualling in 2010.

Skills

- Taking forward major works at over 100 schools across the regions in the period 2008-2011, including eight schools for pupils with special educational needs;
- From 2012, commencement of a broader programme of schools modernisation, based firmly on cross-sector area plans and linking with other public services;

Social

- Completion of up to 10,000 new social and affordable housing completions over the next five years, working with Housing Associations and the private sector;
- Co-location of all the previously separate benefit delivery and job assistance services in single offices by 2012.

Environment

- Upgrading water treatment and distribution infrastructure in a phased manner, to comply with existing water quality regulations across the region by 2014;
- Upgrading waste water treatment infrastructure in a phased manner to bring the region into compliance with current EU standards by 2014;
- Supporting local authorities to deliver the waste management infrastructure by 2011 with up to £200m or 50% of the capital cost, whichever is less).

Productive

- A major review of surplus public sector sites by 2008, and with a view to identifying significant sites with industrial development potential across the region;
- By 2012 acquire and / or develop 200 acres of serviced land for Invest NI client companies in main hubs as defined by the Regional Development Strategy;
- Helping the farming community into compliance with the Nitrates Directive by 2009;
- Support for 20 farm/agri-food businesses in a £10m scheme to create renewable energy from agri-food waste by 2014

Northern Ireland Rural Development Strategy 2007-2013

Agriculture plays a more important role in the economy of Northern Ireland than is the case in the UK as a whole. Perhaps of more significance is the fact that approximately 80% of the total Northern Ireland land area of 1.4 million hectares is in agricultural use, which defines much of the rural landscape character. The Less Favoured Areas (so designated under EU legislation largely as a reflection of their agricultural production characteristics) account for 70% of the farmed land in Northern Ireland and are location to 67% of the region's full-time farmers and 72% of its part-time farmers.

Records show that farming communities are continuing to change, with fewer farms remaining economically sustainable in the absence of an external source of income and a consequent downward pressure on farming's level of employment. To meet the challenges that this creates requires diversification out of traditional farming and the growth of a stronger, more diverse rural economy.

The NI Rural Strategy 2007-2013 advocates a strategic approach to growing competitiveness, fostering job creation, maintaining and investing in the regions natural, cultural and community assets and supporting innovation in rural areas. By helping Northern Ireland's rural areas fulfil their potential, rural development policy can play its part in the sustainable development of the entire region.

The overall theme of the Strategy is:

“diversifying the rural economy, protecting the rural environment and sustaining rural communities.”

The NI Rural Strategy is structured around four broad aims as follows:-

Key Aim 1: Creating a Rural Champion

Key Aim 2: Improving Performance in the Marketplace

Key Aim 3: Conserving and Investing in the Rural Environment

Key Aim 4: Strengthening the Social and Economic Infrastructure of Rural Areas

Dungannon & South Tyrone’s response to the draft NI Rural Development Plan 2007-2013 dated 9th August 2006 stated:

‘Councils have been given rural development as a core function as part of the RPA and would therefore be best placed to commence this role under the delivery of the NIRDP 2007-2013. The Council would propose that Axis 3 and parts of Axis 1 would commence within local authorities with immediate effect. Council should also be given the remit to develop and oversee a LEADER model linked to community planning....

Evaluations of Council LED and other programmes have shown value for money, high local level impact, integration, strong partnership, and cost efficiency in delivery. Local authorities are best placed to keep the cost of delivery to a minimum through effective and efficient systems and procedures’.

The current impasse in respect to the RPA creates a degree of uncertainty in respect to future delivery structures. However the future is both exciting and yet challenging for local authorities in respect to rural development. The challenge for Dungannon & South Tyrone and the other local authorities in Northern Ireland is to develop a local rural development programme for their district based on need, and flexible enough to respond to opportunities which will arise as a result of the ever changing environment within which development is delivered.

The Review of Public Administration

Dungannon & South Tyrone Borough Council is one of 26 local authorities in Northern Ireland. The current Review of Public Administration (RPA)

proposes changing the way Northern Ireland administers many of its existing public services including health, education and local government. Prior to the restoration of the devolved assembly the then Secretary of State for Northern Ireland, Peter Hain, MP recommended the establishment of seven councils, from the current twenty-six, with enhanced powers and budgets to deliver a range of local services. This has obvious implications for Dungannon and South Tyrone as the seven council model envisages a new council serving the south west comprising of four existing local authorities; Fermanagh, Omagh, Cookstown and Dungannon.

Environment Minister Arlene Foster announced a review of the future shape of local government on the 6th July 2007. The Minister explained that the review will have three strands: “The first strand will focus on developing our shared vision for local government. The second will focus on the numbers of councils and the third will concentrate on the functions to transfer to local government. The review will consider the decisions of the previous administration to develop a council-led community planning process and the complementary power of well-being”.

When published in October 2007, the results were greeted with extreme disappointment by all Local Authorities. The proposed transfer of powers with respect to economic development and planning is clearly not going to be at a level that was expected, while there appears to be further delays built in with dates of 2011 or 2013 being proposed. The Minister has committed to further announcements in January 2008, which hopefully will offer clarity and a more optimistic outlook for Local Authorities.

Dungannon and South Tyrone Borough Council Corporate Plan 2006-2009

Dungannon and South Tyrone Borough Council Corporate Plan for the period 2006 to 2009 sets out three key priorities:

- Delivering Best Value Services;
- Sustaining Quality of Life;
- Leadership, Partnership and the Community.

The Council’s Economic Development remit will be delivered under the priority: “Sustaining the Quality of Life”. Within the Corporate Plan Dungannon and South Tyrone Borough Council outlines its commitment to review its

Economic Development Strategy to improve its support to the business community.

The Corporate Plan states that the Council should achieve this by:

- Working with the Planning Service so that land can be zoned for industrial use, having regard to the 2010 Area Plan and current industrial land requirements;
- Evaluating the support provided by Invest NI and developing a regional group with closer links to the local economy appropriate to the needs of the Borough;
- Reviewing and monitoring the capabilities of the Council to understand the needs of the business community;
- Considering a Council resource with the responsibility of providing dedicated support and advice to the business community;
- Providing, through the Chief Executive's Office, focused and impartial support to the business interests of the Borough;
- Promoting an "enterprise culture" through a dedicated, co-ordinated initiative;
- Promoting engineering and skilled manufacturing as a career , to address and retain these skills within the Borough and promote these career choices to young people;
- Promoting a knowledge-based economy in the Borough;
- Promoting the development of visitor accommodation in Dungannon town;
- Providing a 6-monthly Business Leaders Forum;
- Establishing through the Chief Executive's Office a synergy with the Borough's business community;
- Support the establishment of a Dungannon and South Tyrone Chamber of Commerce;
- Raising the issue of industrial de-rating at an appropriate level.
- Reviewing the opening hours of Council facilities;
- Establish an International Business Forum.

Many of these proposed actions are reflected in the findings that emerged from the consultation exercise in section 4 of this report, and are proposed for further action within the Action Plan in section 6 of the report.

Dungannon and South Tyrone Borough Council's Rural Development Needs Assessment and Action Plan

In addition to developing its Economic Development Strategy and Action Plan for the period 2008 to 2010 (2013), Dungannon and South Tyrone Borough Council is also contemporaneously developing a Rural Development Needs Assessment and Action Plan. The authors of this report recognise that there may be substantial overlap in the strategic issues and corresponding actions emerging from both research and consultation exercise. The authors of this report will liaise with the relevant staff within Dungannon and South Tyrone Borough Council and the consultants, SER Solutions, working on the Rural Development Plan, to ensure consistency and to avoid duplication of actions.

Section 3: Socio Economic Profile of Dungannon and South Tyrone Borough Council Area

3.1 Overview

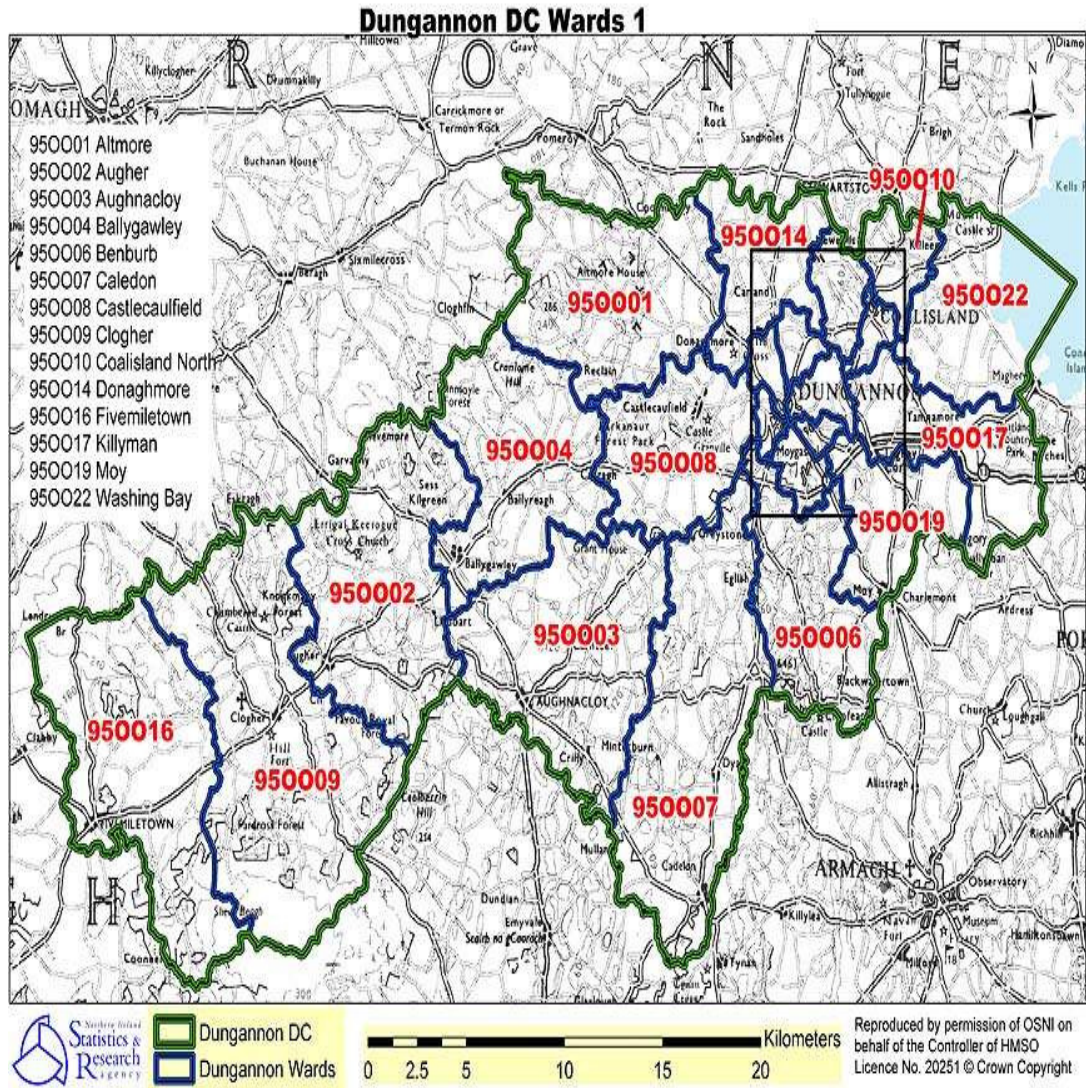
The Borough of Dungannon and South Tyrone covers an area of 315 square km, from the shores of Lough Neagh to the Fermanagh border and along the boundaries of Co. Monaghan. With a population of @50,000 people, the Borough has a strong agricultural base and with its infrastructure manages to attract many international businesses. Dungannon Town, with a current estimated population of 11,139 people, is the commercial and administrative heart of the borough, however, around 75% of the borough's population live in the many small rural towns and villages that are located throughout the borough or in dispersed rural communities.

Its location offers easy access to all other parts of Northern Ireland, UK and Europe and beyond. Belfast International Airport (41 miles from Dungannon), George Best City Airport (Belfast City) is also within easy reach (46 miles from Dungannon) as well as the Port of Belfast (45 miles from Dungannon). Due to Dungannon & South Tyrone Borough's strategic location and good transport links it has now become an outer commuter area of Belfast. It is also strategically connected to Donegal as a border area and to other regions across Europe and America, supporting the ESDP (the European Spatial Development Perspective) and TEN's (Trans European Network links).

Dungannon Borough is one of the fastest growing areas of Northern Ireland. In the recently publicised report by the Statistics and Research Agency in Northern Ireland for 2005 the Dungannon area saw the largest population increase of 2.9%, which is almost four times the 0.8% average. Proportionally the Borough is the area most benefiting from inward migration with an estimated several thousand migrant workers in the Borough. The overall net population increase for 2004-5 is 1,400 with a net inward migration estimate of 1000.

The Borough is recognised as the "Centre of Excellence" for light engineering on the island of Ireland. There is a host of family owned businesses spread within the region in Coalisland, Edendork, Dungannon, Newmills, Moy, Caledon, Donaghmore, Ballygawley, Augher, Clogher, Eglis, Benburb, Fivemiletown and Galbally.

Other key sectors in the Borough include construction, retail and manufacturing. Between them, the agricultural, construction, retailing and manufacturing sectors account for over 76% of all VAT registered businesses in Dungannon.



Source: NISRA, Census 2001

3.2 Population

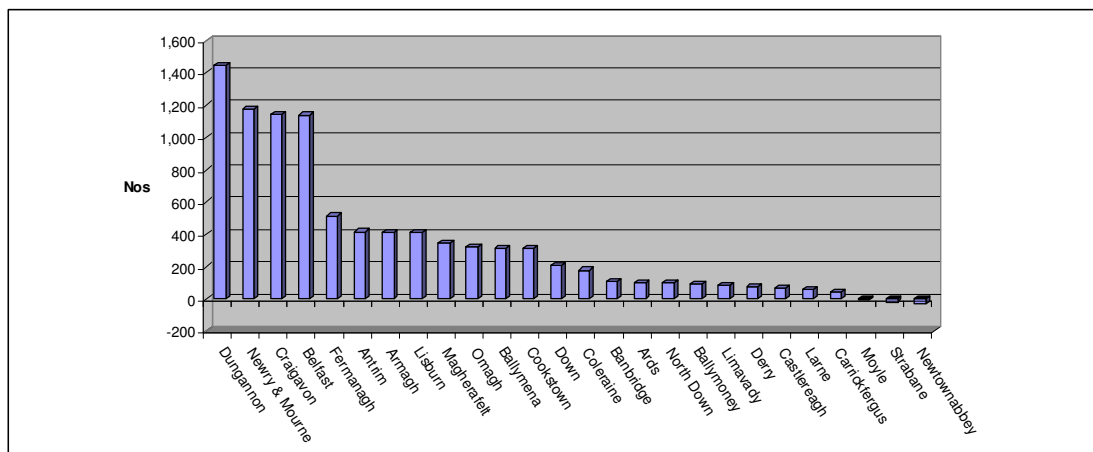
On Census Day, 29th April 2001 the resident population of Dungannon Local Government District (LGD) was 47,735. 2006 mid year population estimates show that the population had increased by 4,559 to 52,334 (9.6%). Over the same period, the population increase in Northern Ireland was 3.3%².

Mid year population estimates show that the population has increased by 3.1% (1,587) over the period 2005 to 2006 which is three times the NI population increase of 1% over the same period. This population increase in Dungannon LGD is attributable to:

- population growth through natural change i.e. the difference between births and deaths which was 343 and
- population gain due to net civilian migration which accounted for 1,244 people

Figure 1 illustrates that of the 26 District Council areas in NI, Dungannon experienced the highest level of net international migration during 2005 - 2006.

Fig. 1: Net International Migration by Local Authority Area (July 2005 – June 2006)



Source: NISRA July 2007

The demographic profile of the population based on 2006 estimates illustrates that the working age population is in line with the NI average but that there is

a higher than average proportion of children in the area and a lower than average proportion of elderly.

Table 1: Age Structure, 2006

	Children 0-15	Working Age 16-64M/59F	Older People 65M/60F & over
Dungannon	23.4%	61.9%	14.7%
NI	21.8%	61.9%	16.3%

Source: NISRA

3.3 Economic Activity

Dungannon has a slightly lower rate of economic activity compared to the NI average, 71.8% compared to 72.1% respectively. However the contrast between males and females is more significant, with the economic activity rate for men 4.4% below and the rate for women 3.5% higher than the NI rate.

Table 2: Economic Activity, 2005

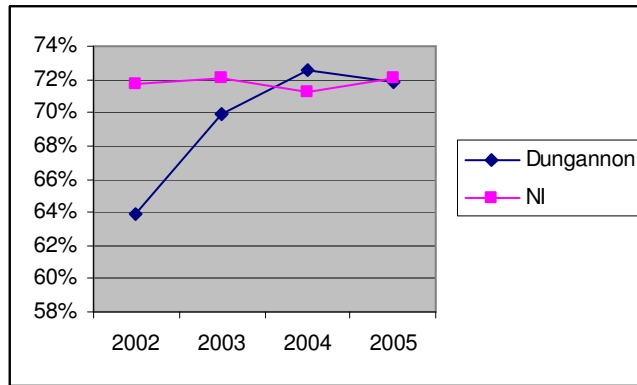
Economic Activity	NI		Dungannon	
	No (000's)	%	No (000's)	%
Total economically active	778	72.1	24	71.8
- Male	432	78.6	13	74.2
- Female	347	65.2	11	68.7
Total economically inactive	536	27.9	15	28.2

Source: DETI

Figures 2 and 3 illustrate an improved performance in Dungannon over the period 2002 to 2005 with regard to economic activity in general and employment specifically. In 2005 the working age employment rate was 2.4% higher than NI as a whole.

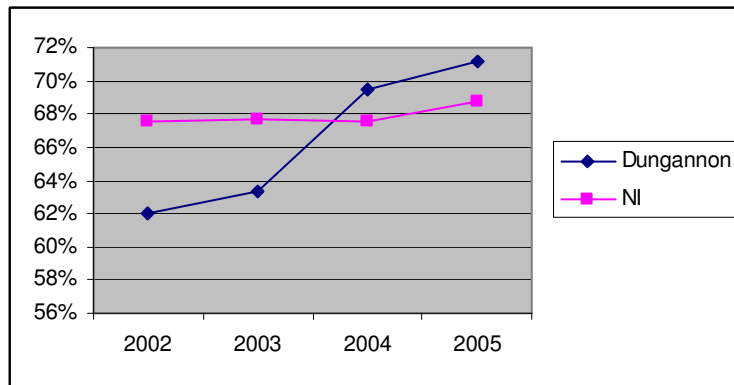
² NISRA

Fig. 2: Economically Active, Working Age Population, 2002 - 2005



Source: DETI

Fig. 3: Employment Rate, Working Age Population, 2002 - 2005



Source: DETI

On Census day 2001, 72.2% of the working age population living in Dungannon LGD worked in the area. Armagh and Craigavon were the next most popular destinations with 6% and 4.8% respectively travelling to work in these neighbouring District Council areas.

Department of Finance figures for xx indicated that Dungannon ranks 15th out of 26 District Councils in relation to the percentage of economically active population in the Dungannon LGD employed in the public sector.

Table 4: The percentage of economically active people employed in the public sector, living in each Northern Ireland Council area:

Employment in Public Sector			
Antrim	31.1	Magherafelt	15.9
Down	17.5	Carrickfergus	10.6
Ards	11.1	Moyle	13.8
Dungannon	17.9	Castlereagh	32.1
Armagh	23.8	Newry & Mourne	19.5
Fermanagh	18.1	Coleraine	21.4
Ballymena	21.6	Newtownabbey	13.3
Larne	10.4	Cookstown	11.3
Ballymoney	13.5	North Down	13.6
Limavady	17.0	Craigavon	23.5
Banbridge	11.4	Omagh	30.8
Lisburn	17.6	Derry	29.9
Belfast	53.2	Strabane	12.2

Source: Department of Finance & Personnel

3.4 Unemployment

In September 2007 the total number of people in NI claiming unemployment related benefits was 23,810, of which 449 (1.8%) are located in Dungannon LGD. The Dungannon claimant count is 1.4% of the working age population which is below the NI total of 2.2%. This places Dungannon as the fourth lowest claimant count area of the 26 district Council areas. Over the last year the claimant count rate in Dungannon LGD has decreased by 0.2% compared to the rate for NI as a whole which has decreased by 0.5%. The five wards with the highest and lowest proportion of claimants at September 2007 is shown in tables 3 and 4.

Table 5: Wards with Highest Proportion of Claimants

Ward	Men	Women	Total
Ballysaggart	4.4	2.3	3.4
Mullaghmore	2.7	2.3	2.5
Coalisland South	4.0	1.0	2.4
Killymeal	2.4	1.8	2.1
Ballygawley	2.3	1.3	1.9

Source: DETI

Table 6: Wards with Lowest Proportion of Claimants

Ward	Men	Women	Total
Castlecaufield	0.9	0.9	0.9
Altmore	0.9	1.1	1.0
Coalisland North	1.1	1.0	1.0
Coalisland West & Newmills	1.8	# ³	1.0
Donaghmore	0.9	1.0	1.0

Source: DETI

DETI figures show that in September 2007, 21% of claimants in NI have been unemployed for 1 year or more, compared to 13% for Dungannon, demonstrating a lower level of long term unemployment in the District.

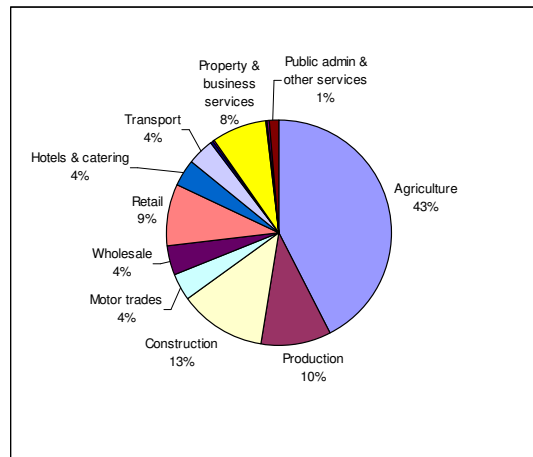
3.5 Enterprise

In 2006 businesses were legally obliged to register for VAT once their turnover reached a threshold of £61,000. The number of VAT registered businesses in Dungannon LGD in 2006 was 2,865 and the figure in 2005 was 2,755 which is an increase of 110 businesses (4%) over the year⁴. This was the fifth highest increase recorded across all 26 District Council areas and compares favourably to the NI increase of 2.5% over the same period. The breakdown of these businesses by sector is illustrated in figure 4.

³ # indicates disclosive data

⁴DETI Inter Departmental Business Register, June 2007

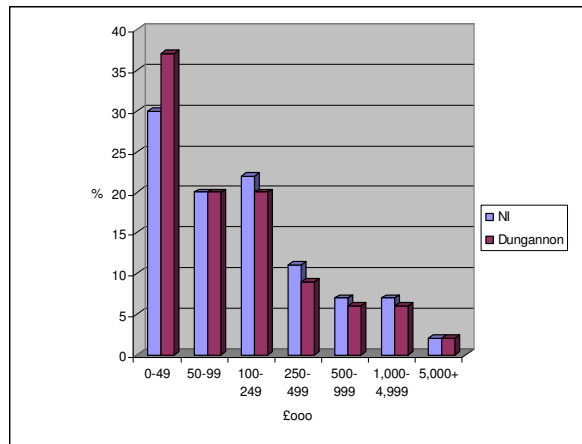
Fig.4: VAT Registered Businesses by Industry Group



Source: DETI

37% of VAT registered businesses in Dungannon in 2006 report a turnover less than £50,000 and the Inter Departmental Business Register highlights that four District Councils in NI report more than a thousand VAT registered businesses with a turn over of less than £50,000, of which Dungannon is one.

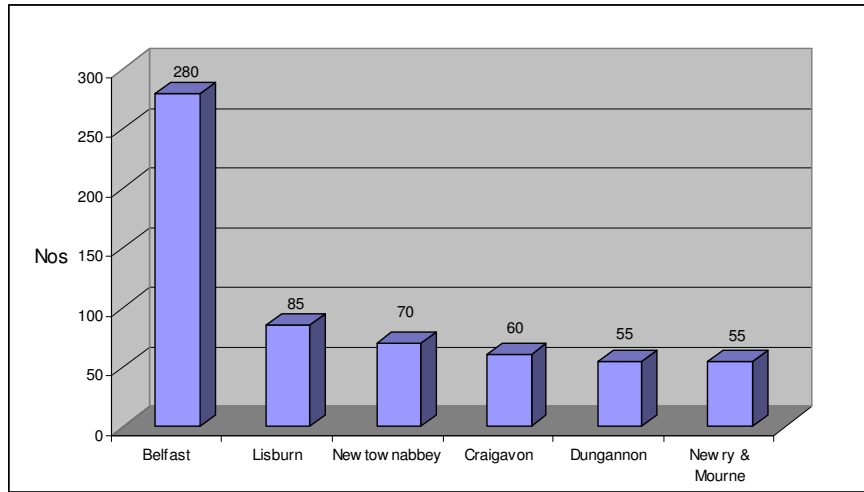
Fig. 5: VAT Registered Businesses by Turnover



Source: DETI

Dungannon LGD ranks joint fifth out of the 26 District Council areas, with Newry & Mourne District Council area, in terms of the number (55) of VAT registered businesses reporting a turnover greater than £5 million.

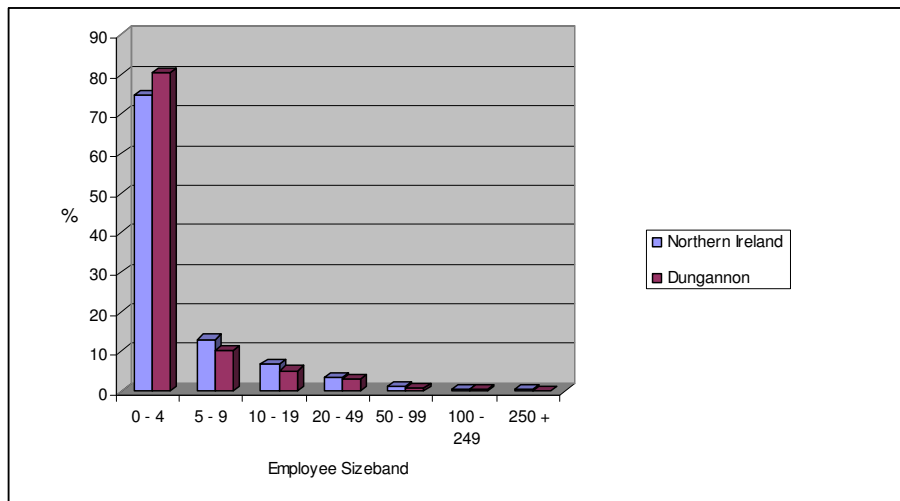
Fig. 6: District Council Comparison of VAT Registered Businesses with a Turnover Greater than £5 million



Source: DETI

The private sector in Dungannon LGD is characterised by a micro business sector, with 80% of VAT registered businesses with less than 5 employees and 90% with less than 10 employees. Comparative figures for NI are 75% and 90% respectively.

Fig. 7: VAT Businesses by Employee Sizeband



Source: DETI

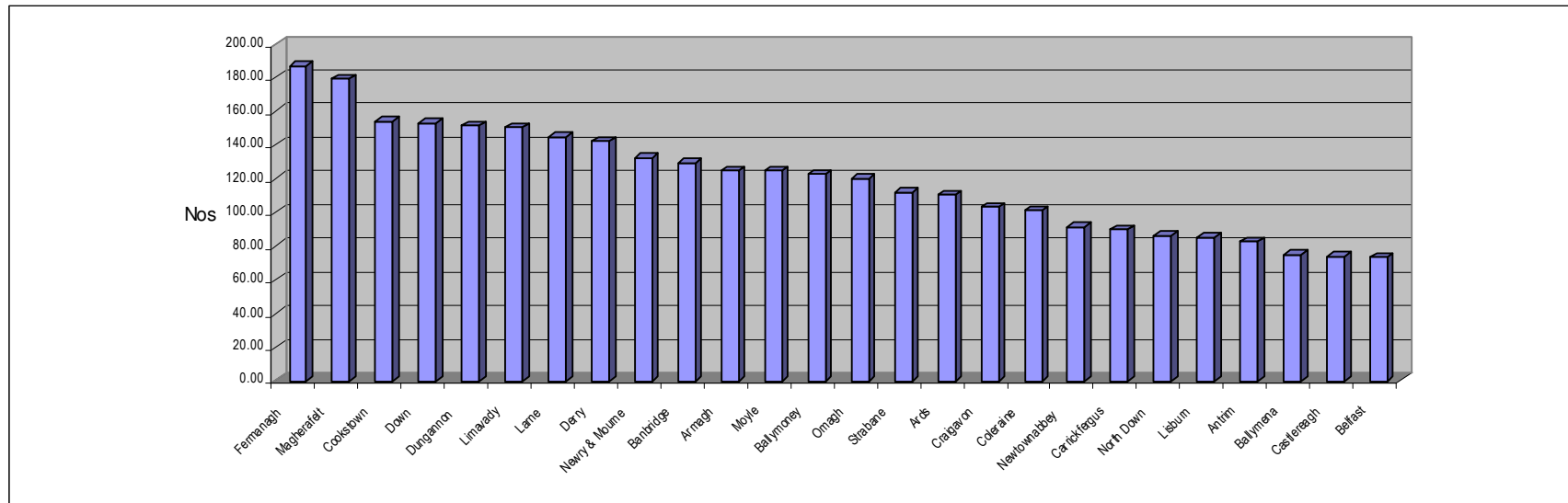
3.6 Enterprise Support

During the period 2002 to 2005, Invest NI made 456 offers of assistance to businesses in Dungannon LGD, totalling £8.5 million approximately, towards a planned investment in the area of £44.8 million approximately. Of all the 26 District Council areas, Dungannon ranks third during this period in terms of the numbers of offers of assistance made (behind Belfast and Derry) and eighth in terms of the level of assistance offered.

During this period Invest NI supported a total of 346 new business start ups in Dungannon LGD. Of these businesses, 12 (3.5%) were externally focussed i.e. have the potential for growth, primarily through the development of markets outside Northern Ireland and 334 (96.5%) were locally focused i.e. those whose market focus is primarily within Northern Ireland. Figure 14 illustrates that Dungannon LGD is ranked 5th out of the 26 District Council areas with regard to Start a Business approvals processed by Invest NI during the period 2002 to 2007, per 10,000 head of adult population. Invest NI make specific reference in their Performance Report 2002/03 to 2004/05 that:

“Further research is required to achieve a better understanding of why areas such as Magherafelt, Fermanagh, Cookstown and Dungannon display higher rates of start-up activity. It is speculated that there are many underlying reasons, which are associated with the rural nature of these areas, such as the number of farming businesses. This may result in a higher propensity to engage in entrepreneurial behaviours, since such individuals would already be familiar with the funding and management issues relating to self employment. Compared to more urban areas, there are also fewer alternative employment opportunities.”

**Figure 8: Invest NI Start a Business Programme Approvals by District Council Area
Per Head of Adult Population 2002/03 to 2006/07⁵**



Figures for 2006/07 are provisional and may be subject to amendment

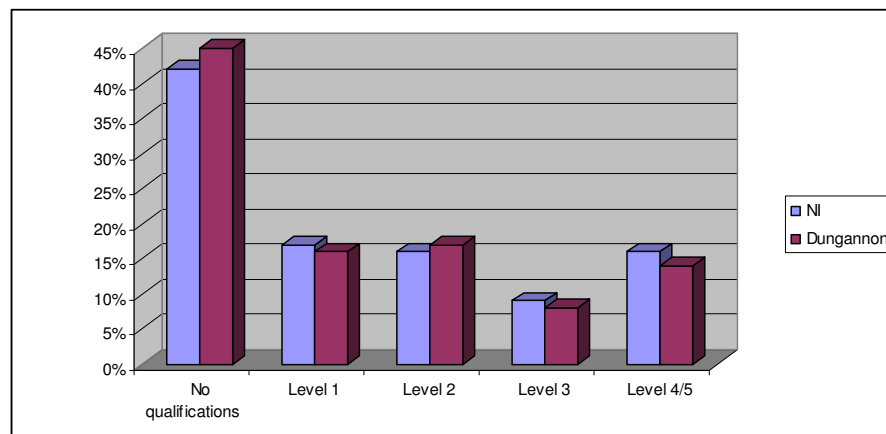
Source: Invest NI

3.7 Skills and Education

Dungannon LGD falls within the Southern Education and Library Board area. At the time of the 2001 census, the percentage of the working age population in Dungannon LGD with no qualifications was 45%, which is higher than the NI average of 42%. Educational attainment of the remainder of the population was:

- 16% have Level 1 qualifications – 1+ GCSE pass, NVQ level 1, Foundation GNVQ
- 17% have Level 2 qualifications – 5+ GCSE passes, NVQ level 2, Intermediate GNVQ
- 8% have Level 3 qualifications – 2+ A levels, 4+ AS levels, NVQ level 3, Advanced GNVQ
- 14% have Level 4/5 qualifications – First and Higher degree, NVQ level 4 and 5 and qualified teachers, nurses, doctors and dentists

Fig. 9: Educational Attainment



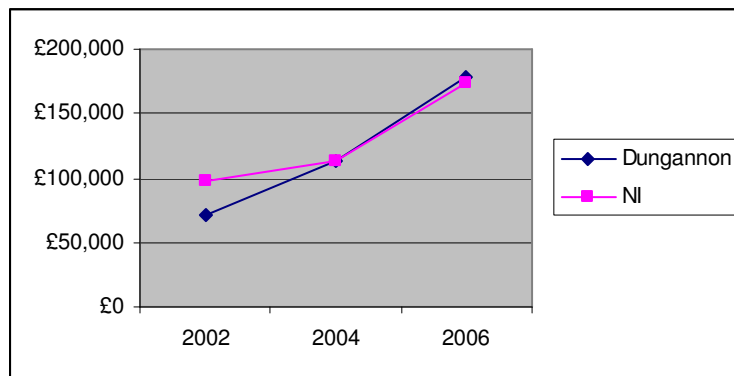
Source: NISRA

Of those who left school in 2004-05, 65.5% gained 5 or more GCSE's at grade C and above, compared to a NI figure of 63.1%. 43.2% went on to Higher Education and 30% went into Further Education. This compares favourably with the NI figures of 38.2% and 27.6% respectively.

3.8 Housing

The Northern Ireland housing market has been the fastest growing in the UK over the last one to two years and figure 16 illustrates that average house prices in Dungannon LGD have mirrored the overall upward trend in Northern Ireland. Average house prices in Dungannon in 2002 were 27% below the NI average but have increased by 2006 to 2% higher than the NI average.

Fig. 10: Average House Prices



Source: UU, Quarterly House Price Index, District Housing Plan Dungannon & South Tyrone Borough 2007

The Affordability Index produced by the University of Ulster for 2006 shows that there were no houses sold in Dungannon LGD in 2006 which were affordable to first time buyers.

Table 8 profiles the housing market in Dungannon LGD and shows the higher than average number of houses owned outright and owner occupied.

Table 6: Dungannon LGD Housing

	Dungannon	NI
Number of households (2001)	16,259	626,718
% owner occupied	73.5	69.6
% rented	26.5	30.4
% owned outright	37.2	29.4
% lone pensioner	12.4	12.8
% lone parent with dependable children	6.9	8.1
Number of domestic properties (2003)	18,972	685,676
% terraced	20.4	31.0
% apartments	3.5	9.4
% semi-detached	23.5	24.0
% detached	52.5	35.6

Source: NISRA

Rate Collection Agency statistics show that in 2006 11.2% of the housing stock in Dungannon LGD was empty. This was an increase of 69 homes on the 2005 figure.

3.9 Issues Emerging from the Socio-Economic Data

The Socio-Economic data for the Dungannon and South Tyrone Borough Council area highlighted a range of issues which have been taken into account in the development of the Economic Development Strategy and Action Plan 2008 to 2013. These are summarised as follows:

- Dungannon and South Tyrone Borough Council area has one of the most dynamic private sectors in Northern Ireland coupled with an under reliance on public sector jobs.
- The occupational structure of Dungannon LGD is significant in that it differs from that of Northern Ireland as a whole, with a higher share of skilled trades and process plant and machinery operative occupations and lower levels of management and professional occupations. This in turn would have implications for wage levels and the Borough's potential to attract more skilled higher value jobs.
- The private sector in Dungannon LGD is characterised by a micro business sector, with 80% of VAT registered businesses with less than 5 employees and 90% with less than 10 employees. During the period 2002 to 2007 Dungannon LGD ranked fifth amongst the 26 District Councils in relation to the level of Start a Business approvals processed by Invest NI.
- The population of Dungannon LGD is rising, not all migration has contributed significantly to an increase in the population of the Borough, over the period 2005 to 2006 of 3.1% with net migration figures for the period accounting for an additional 1,244 people. Moreover the Worker Registration Scheme, managed by the Home Office indicates that for the period 2006 to 2007 Dungannon had 9% of the Northern Ireland total for migrant workers employed within the Borough.
- The agricultural sector is declining in Dungannon as in Northern Ireland as a whole, although at a lesser rate. Over the period 2000 to 2006, the Northern Ireland agricultural sector has experienced a 13.6% decline while the Dungannon LGD experienced a decline of 5.8% over the same period.

- Educational attainment is higher in the Dungannon LGD for those in Higher and Further Education in comparison to the Northern Ireland average. However at the other end of the scale, at the time of the 2001 census, the percentage of the working age population in Dungannon LGD with no qualifications was 45% which is higher than the Northern Ireland average of 42%.
- In 2006 Dungannon LGD only benefited from 1.7% of the total tourism spend in Northern Ireland and tourism figures for 2005-2006 reflect Dungannon LGD experiencing a decline in visitor spend, whilst the Northern Ireland tourism figure spend indicated an overall increase in visitor spend.
- Figures for housing in Dungannon produced for the University of Ulster Affordability Index for 2006 indicate that there were no houses sold in Dungannon LGD in that year which were affordable to first time buyers.
- The Northern Ireland Deprivation Measures produced by NISRA during 2005 indicate that Dungannon LGD was ranked as the 9th most deprived District Council area in Northern Ireland, based upon average output scores across the District. Furthermore, Dungannon LGD has an extent score of 9%, which indicates that 9% of the Dungannon LGD population live in the most deprived super output areas in Northern Ireland. Dungannon LGD also ranks 9th in relation to income deprivation.
- Coalisland South and Ballysaggart rank 62 and 81 respectively in terms of income deprivation affecting children, which places them within the top 10% most deprived Super Output areas in Northern Ireland. Coalisland South was also rated fourth most deprived super output area in Northern Ireland with respect to income deprivation affecting older people, which places it within the top 10% most deprived in Northern Ireland for this deprivation measure.

Section 4: Strategic Issues Emerging

4.1 A range of strategic issues emerged from the research undertaken to review the 2001-2007 Local Economic Development Strategy and Action Plan to develop the new plan for the period 2008-2010 (2013). The research undertaken involved desk research and a widespread consultation exercise with Councillors, Party Groups, Council staff and local stakeholders. This consultation exercise comprised one to one meetings, focus sessions and workshops. In addition a comprehensive survey of businesses operating in the Dungannon and South Tyrone Borough Council area was undertaken to identify needs and priorities. The strategic issues which emerged from this research exercise area summarised below:

4.2 Issues emerging from the consultation exercise

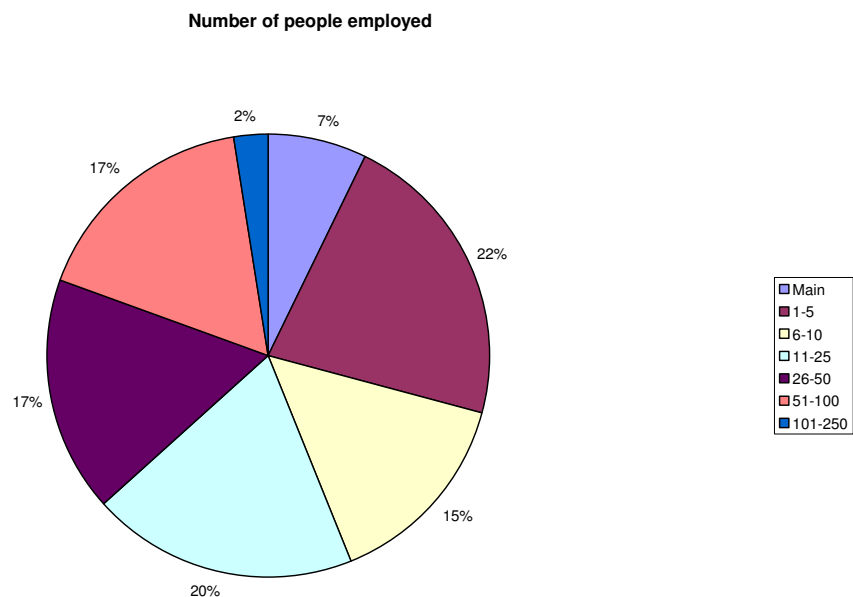
During the widespread consultation exercise conducted to review the Economic Development Strategy and Action Plan for the period 2001 to 2007 and develop the new Economic Development Strategy and Action Plan, a range of strategic issues emerged which need to be addressed as part of the new plan.

- Local businesses expansion is limited by lack of workspace and property provision in the Dungannon and South Tyrone Borough Council area;
- Whilst Innovation and Research and Development is essential to the business community, its importance is not always recognised or supported;
- There is a dependence on migrant workers to fill labour shortages;
- There is a need to attract a more skilled workforce to the area;
- The tourism sector has substantial potential for further development and expansion;
- There is a need to attract higher value added jobs to the area because whilst there is high levels of unemployment in the area, many of the jobs tend to be low wage;
- Attracting graduates back to the area will be crucial to the future development of the local economy.

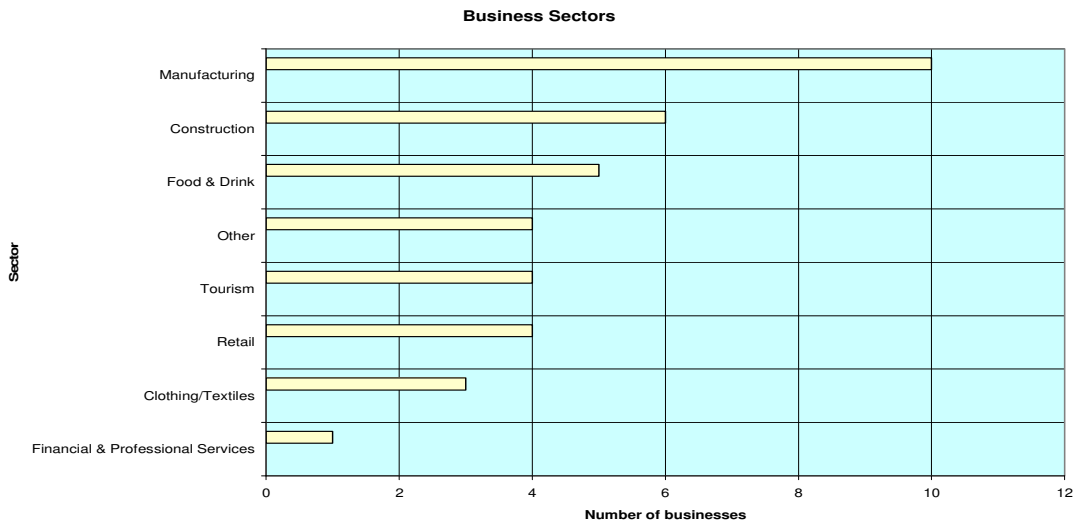
4.3 Issues Emerging from the Business Survey

Dungannon and South Tyrone Borough Council developed a business survey which was distributed to 130 businesses. The aim of the survey was to identify the needs of the local business community and to identify priorities for implementation within the Economic Development Strategy Action Plan 2008 to 2013. Forty one surveys were completed by local businesses and returned to the Council. A copy of the Business Survey is attached as Appendix 2.

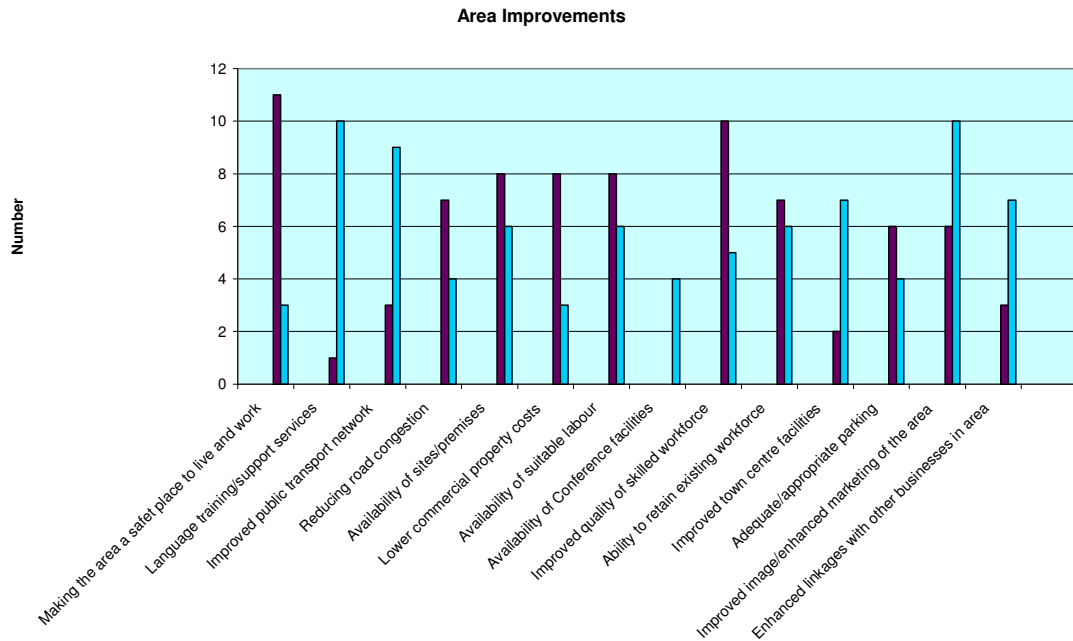
A breakdown of the numbers employed by respondents is provided in the diagram below, 14% of these businesses were micro-enterprises, employing less than 10 employees. The remainder (56%) were medium to large companies.



Of the 41 respondent companies, manufacturing, construction and food were the most prevalent sectors represented.



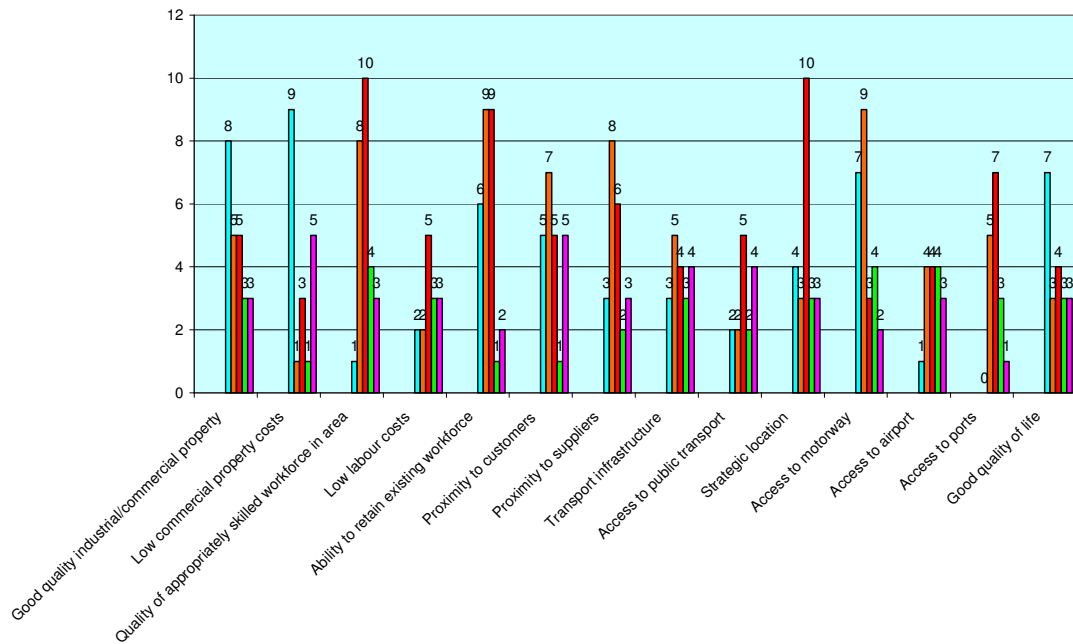
A summary of the needs identified by the business respondents is provided in the diagram below:



The needs identified by local businesses which are most relevant to the development of the Local Economic Development Strategy and Action Plan are as follows:

- The need for language training and support services
- The need for workspace/premises
- The availability of skilled labour
- Improved town centre facilities
- The need to market the Borough to improve the image and profile

Businesses identified the need for specific areas of assistance as shown in the diagram below. These specific areas of assistance have been taken into account in the development of the 2008 to 2013 Action Plan in section 6 of this report.



The infrastructure of the Borough including communications, workspace and road networks must be developed to ensure that Dungannon and South Tyrone is a place to do business.

4.4 Issues Emerging from the Socio-Economic Data

The Socio-Economic data for the Dungannon and South Tyrone Borough Council area highlighted a range of issues which have been taken into account in the development of the Economic Development Strategy and Action Plan 2008 to 2013. These are summarised as follows:

- Dungannon and South Tyrone Borough Council area has one of the most dynamic private sectors in Northern Ireland coupled with an under reliance on public sector jobs.
- The occupational structure of Dungannon LGD is significant in that it differs from that of Northern Ireland as a whole, with a higher share of skilled trades and process plant and machinery operative occupations

and lower levels of management and professional occupations. This in turn would have implications for wage levels and the Borough's potential to attract more skilled higher value jobs.

- The private sector in Dungannon LGD is characterised by a micro business sector, with 80% of VAT registered businesses with less than 5 employees and 90% with less than 10 employees. During the period 2002 to 2007 Dungannon LGD ranked fifth amongst the 26 District Councils in relation to the level of Start a Business approvals processed by Invest NI.
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- In 2006 Dungannon LGD only benefited from 1.7% of the total tourism spend in Northern Ireland and tourism figures for 2005-2006 reflect Dungannon LGD experiencing a decline in visitor spend, whilst the Northern Ireland tourism figure spend indicated an overall increase in visitor spend.

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- Coalisland South and Ballysaggart rank 62 and 81 respectively in terms of income deprivation affecting children, which places them within the top 10% most deprived Super Output areas in Northern Ireland. Coalisland South was also rated fourth most deprived super output area in Northern Ireland with respect to income deprivation affecting older people, which places it within the top 10% most deprived in Northern Ireland for this deprivation measure.

4.5 SWOT Analysis

The strategic issues emerging through the consultation exercise, the results of the business survey and the socio economic data for the area are summarised in a SWOT analysis as follows:

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • A dynamic and growing private sector • A high level of manufacturing jobs • A high level of people into Higher and Further Education • A good Retail mix • A strong Tourism Potential • Existing Council and implementation Structures • Access to R & D with Dungannon (Business Innovation Centre) 	<ul style="list-style-type: none"> • A lack of workspace for companies to grow • A lack of integration between delivery structures • A lack of clarity in relation to Council role • A relatively few public sector jobs • Cost of living pressures • Limited “value added” jobs in the District
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • A strong Entrepreneurial Culture and Role Models • Potential for further exports for local companies • Road Infrastructure • Widespread access to broadband (?) • Farm diversification in renewable energy • Ideas 2 Products 	<ul style="list-style-type: none"> • A potential down turn forecasts for Meat and Food Processing throughout NI • Over dependence on migrant labour to meet labour shortages • The Review of Public Administration • General down turn in Housing/Building Market • Lack of public investment in workspace in the area • Decline in Agriculture

Section 5: Strategic Framework

5.1 Informed by the research, analysis and consultation, the following sets out the proposed Vision, Strategic Themes and Objectives to guide the Council's economic development activities.

5.2 Dungannon and South Tyrone Borough Council's vision for Economic Development is guided by the Northern Ireland Economic Vision placed within a local context.

"Our Vision is of a high value-added highly skilled, innovative and enterprising economy which enables us to compete locally, nationally and globally leading to greater wealth-creation and better employment opportunities for all".

Dungannon and South Tyrone is characterised by:

- A dynamic and growing private sector
- High levels of manufacturing jobs
- Excellent Education provision at primary, secondary and higher education levels
- A sustainable rural economy
- A high level of migrant labour
- Good road networks

5.2 This Vision will be supported by a series of strategic aims as follows:

- To assist local businesses to grow and become more competitive and innovative
- To strategically position Dungannon and South Tyrone as a place to do business
- To expand and develop the tourism sector in the area
- To ensure that local infrastructure meets business needs.

A series of strategic objectives will support the Council in addressing these strategic issues as follows:

i) To assist local businesses to grow and become more competitive and innovative

- To assist local businesses to access research and development facilities;
- To ensure that local training provision matches the skills needed by businesses;

- To ensure that local businesses have access to a wide range of business support systems and networks;
- To assist local businesses attract a more skilled workforce;
- To lobby Northern Ireland Assembly to ensure that local business needs are recognised;
- To assist local companies access business and export opportunities.

ii) To strategically position Dungannon and South Tyrone as a place to do business

- To lobby the Northern Ireland Assembly to ensure that Dungannon has access to higher value added jobs;
- To assist local businesses attract graduates and skilled labour;
- To further develop trade-links at **local, national and international level**;
- To promote and celebrate best practice within the Borough.

iii) To expand and develop the tourism sector in the area

- To promote the Borough Dungannon at **local national and international level** as a place to visit;
- To develop visitor attractions in the area;
- To improve visitor signage throughout the Borough;
- To develop visitor packages within the Borough;
- To ensure greater co-ordination of events throughout the Borough;
- To improve quality of existing tourism provision through access to training and mentoring;
- To conduct research which will provide more focused performance targets and better measurement of activities and outcomes.

iv) To ensure that local infrastructure meets business needs.

- To provide the opportunity for additional workspace/lands to meet the expansion needs of local businesses;
- To lobby and liaise with Planners regarding land and industrial zoning;

- To lobby the Northern Assembly to ensure that proposed upgrades to the roads network meet economic and social need;
- To ensure widespread access to **broadband** throughout the Borough;
- To lobby Invest NI to ensure that additional workspace/property/lands is provided to meet the needs of larger growing businesses in the Borough;
- To lobby central government to ensure better access and additional provision of car parking in the town centres;
- To promote balanced Town Centre development and to ensure that town centre facilities meet the needs of the growing population.
- To lobby for All-Island Gas Connector to the region

5.3 Dungannon and South Tyrone Borough Council's role in delivering this Vision will be:

- to act as a "pump-primer"
- a facilitator of economic development,
- to create the environment to do business in the Borough; and
- to create the opportunities for greater integration and co-ordination of economic development in the Borough.

5.4 The Council's Vision for economic development will be delivered across four themes:

- Enterprise Development;
- Innovation and Creativity;
- Skills Development;
- Developing the Infrastructure.

Section 6: Action Plan

- 6.1 This section outlines the proposed actions which have emerged during the desk research and consultation exercise to develop the Local Economic Development Strategy 2008 – 2010 (2013), provided in sections 3, 4 and 5 of this report.

The Action Plan detailed in this section is divided over the four themes of Enterprise Development, Innovation and Creativity, Skills Development and Developing the Infrastructure. The strategic aims and objectives which will be addressed through the implementation of these actions are also provided.

The Action Plan will be delivered through the Council's Economic Development Budget with matched funding from the European Regional Development Fund, which may provide for a total budget of some £450,000 over the two-year period 2008-2009, to 2009-2010.

The Council will also be bidding for Interreg 4 funding as a conduit for developing East-West and North-South economic linkages.

Dungannon and South Tyrone Borough Council has also successfully obtained £496,000 ESF (European Social Fund) budget which will be targeted at women's economic activity and business initiatives.

Theme: Enterprise Development

Strategic Aim: To assist local businesses to become more competitive and innovative

OBJECTIVES	INDICATIVE ACTIONS	IMPLEMENTING AGENT	INDICATIVE BUDGET	LEVERAGE	TIMESCALE	PERFORMANCE INDICATORS
<ul style="list-style-type: none"> To ensure that local businesses have access to a wide range of business support systems and networks. 	<ul style="list-style-type: none"> Business Start Programme 	<ul style="list-style-type: none"> Invest NI/ Dungannon Enterprise Centre 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> Invest NI 	<ul style="list-style-type: none"> 08/09 09/10 	<ul style="list-style-type: none"> Invest NI to establish targets
	<ul style="list-style-type: none"> Business Angels Programme 	<ul style="list-style-type: none"> WEST 	<ul style="list-style-type: none"> £10,000 	<ul style="list-style-type: none"> £40,000 (other Councils) 	<ul style="list-style-type: none"> 08/09 	<ul style="list-style-type: none"> No. of businesses participating No. of experts acting as "Angels" No. of relationships established.
	<ul style="list-style-type: none"> Business Growth Programmes 	<ul style="list-style-type: none"> To be determined through tendering process. 	<ul style="list-style-type: none"> £30,000 	<ul style="list-style-type: none"> £10,000 (private sector) 	<ul style="list-style-type: none"> 08/09 	<ul style="list-style-type: none"> No. of businesses participating Changes taking place in participating businesses measured from established baselines, (sales/profitability etc)
<ul style="list-style-type: none"> To lobby the Northern Ireland Assembly to ensure that local business needs are recognised. 	<ul style="list-style-type: none"> Meetings Position papers 	<ul style="list-style-type: none"> Dungannon and South Tyrone Borough Council Staff time 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> Ongoing 	<ul style="list-style-type: none"> Number of meetings Number of position papers submitted

* Council very much supports BSP programme and may be responsible for delivering it in the medium term.

Theme: Enterprise Development

Strategic Aim: To strategically position Dungannon and South Tyrone as a place to do business

OBJECTIVES	INDICATIVE ACTIONS	IMPLEMENTING AGENT	INDICATIVE BUDGET	LEVERAGE	TIMESCALE	PERFORMANCE INDICATORS
<ul style="list-style-type: none"> To lobby the NI Assembly to ensure that Dungannon & South Tyrone Borough Council area has access to higher value-added jobs 	<ul style="list-style-type: none"> Prepare briefing/position papers Undertake regular meetings Monitor the outcomes 	<ul style="list-style-type: none"> Dungannon and South Tyrone Borough Council/Economic Development Partnership 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> 08/09 	<ul style="list-style-type: none"> Increase in better paid/higher value added job investment in Council area.
<ul style="list-style-type: none"> To promote and celebrate best practice within the Borough 	<ul style="list-style-type: none"> Establish a Business Bursary for Young People (under 25 years) Establish Panel of Experts to select winners and provide mentoring assistance to selected businesses 	<ul style="list-style-type: none"> Dungannon and South Tyrone Borough Council/Economic Development Partnership 	<ul style="list-style-type: none"> £10,000 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> 08/09 09/10 	<ul style="list-style-type: none"> Number of Young Businesses participating Number of Experts providing advice and support. Number of businesses established Number of investments resulting
<ul style="list-style-type: none"> To assist local businesses to attract graduates and skilled labour 	<ul style="list-style-type: none"> Graduate Attachment Programme 	<ul style="list-style-type: none"> WEST 	<ul style="list-style-type: none"> £5,000 	<ul style="list-style-type: none"> £20,000 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> 5 Graduates across 5 Council areas.

Theme: Enterprise Development
 Strategic Aim: To strategically position Dungannon and South Tyrone as a place to do business

OBJECTIVES	INDICATIVE ACTIONS	IMPLEMENTING AGENT	INDICATIVE BUDGET	LEVERAGE	TIMESCALE	PERFORMANCE INDICATORS
<ul style="list-style-type: none"> • To further develop trade-links at Local, National and International Level (Scotland, USA, Europe, Other) • To build upon existing links • To assist local companies access business and export opportunities. 	<ul style="list-style-type: none"> • Establish an Ambassadors Programme/ Strategic Business Alliances • Organise outward trade visits in conjunction with the Ambassadors • Host inward visits in conjunction with Ambassadors • Develop Interregional co-operation for SMEs • Trade Development Programme • Dungannon 2 Olympics 2012 	<ul style="list-style-type: none"> • Dungannon and South Tyrone Borough Council/Economic Development Partnership in conjunction with Sports, Arts and Tourism. • Delivery by 3rd party agency 	<ul style="list-style-type: none"> • £80,000 	<ul style="list-style-type: none"> • £10,000 Private sector • Interreg IV 	<ul style="list-style-type: none"> • Years 1 and 2 	<ul style="list-style-type: none"> • No. of trade links established • No. of new businesses participating (making first contact in market place). • % change in sales from baseline. • % change in export sales from baseline

Theme: Enterprise Development
 Strategic Aim: To expand and develop the Tourism Sector in the area

OBJECTIVES	INDICATIVE ACTIONS	IMPLEMENTING AGENT	INDICATIVE BUDGET	LEVERAGE	TIMESCALE	PERFORMANCE INDICATORS
<ul style="list-style-type: none"> • To develop Tourism Businesses in the Borough. • To promote and market Dungannon and South Tyrone at local, national and international level as a place to visit. 	<ul style="list-style-type: none"> • Establish baseline information • Development of a Marketing Programme for Tourism to include: <ul style="list-style-type: none"> ➤ Tourism Trade Shows ➤ Tourism Promotional Literature ➤ Updating of Website ➤ Provision of Information Kiosks 	<ul style="list-style-type: none"> • To be determined/third party agency or Council function 	<ul style="list-style-type: none"> • £55,000 	<ul style="list-style-type: none"> • NITB • Interreg • Private Sector 	<ul style="list-style-type: none"> • 08/09 • 09/10 	<ul style="list-style-type: none"> • No of businesses participating in Shows • No. of leads establishes • Change from baselines in new business secured • Literature produced and circulated to target markets. • Change in numbers re: usage of website measured • Usage of kiosk measured. • Impacts measured from Tourism stats.

Theme: Enterprise Development
 Strategic Aim: To expand and develop the Tourism Sector in the area

OBJECTIVES	INDICATIVE ACTIONS	IMPLEMENTING AGENT	INDICATIVE BUDGET	LEVERAGE	TIMESCALE	PERFORMANCE INDICATORS
<ul style="list-style-type: none"> To facilitate the development of tourism businesses in the area through developing visitor products in the Borough. 	<ul style="list-style-type: none"> Development of "Speciality Breaks" businesses 	<ul style="list-style-type: none"> Dungannon and South Tyrone 	<ul style="list-style-type: none"> £55,000 	<ul style="list-style-type: none"> RDP NITB 	<ul style="list-style-type: none"> 08/09 09/10 	<ul style="list-style-type: none"> No. of products developed No. of businesses participating Increase in usage measured Establish baseline of participating company sales in year 1, measure change from baseline in year 2 No. of jobs created No. of jobs secured

Theme: Enterprise Development
 Strategic Aim: To expand and develop the tourism sector in the area

OBJECTIVES	INDICATIVE ACTIONS	IMPLEMENTING AGENT	INDICATIVE BUDGET	LEVERAGE	TIMESCALE	PERFORMANCE INDICATORS
<ul style="list-style-type: none"> To develop tourism businesses in the Borough. 	<ul style="list-style-type: none"> Tourism Research Exercise 	<ul style="list-style-type: none"> Dungannon and South Tyrone Borough Council and third party implementing agents. 	<ul style="list-style-type: none"> As part of overall £55,000 budget outlined on previous page. 	<ul style="list-style-type: none"> NITB 	<ul style="list-style-type: none"> 08/09 09/10 	<ul style="list-style-type: none"> Research conducted Baselines and targets established and in use across the Tourism products.
<ul style="list-style-type: none"> To improve quality of existing tourism provision through access to training and mentoring. 	<ul style="list-style-type: none"> Training in customer service, hospitality, and finance 	<ul style="list-style-type: none"> Dungannon and South Tyrone Borough Council and third party implementing agents. 	<ul style="list-style-type: none"> ESF Budget 	<ul style="list-style-type: none"> Private sector 	<ul style="list-style-type: none"> 08/09 09/10 	<ul style="list-style-type: none"> No. of companies participating Baselines measured and established in year 1 re: sales/costs etc and measured against in year 2. % Change re: Sales % Change re: Profitability
	<ul style="list-style-type: none"> Mentoring programme 	<ul style="list-style-type: none"> Dungannon and South Tyrone Borough Council and third party implementing agents. 	<ul style="list-style-type: none"> ESF Budget 	<ul style="list-style-type: none"> Private sector 	<ul style="list-style-type: none"> 08/09 09/10 	<ul style="list-style-type: none"> No. of companies participating No. of company action plans developed Baseline targets established in year 1 and measured against in year 2. % change in sales and profitability measured from established baselines

Theme: Innovation and Creativity
 Strategic Aim: To assist local businesses to grow and become more competitive and innovative

OBJECTIVES	INDICATIVE ACTIONS	IMPLEMENTING AGENT	INDICATIVE BUDGET	LEVERAGE	TIMESCALE	PERFORMANCE INDICATORS
<ul style="list-style-type: none"> To assist local businesses to access research and development opportunities 	<ul style="list-style-type: none"> New Product Development Programme Technology Student Placement Programme 	<ul style="list-style-type: none"> To be determined 3rd party delivery To be determined 3rd party delivery 	<ul style="list-style-type: none"> £40,000 £30,000 	Private sector and stakeholder organisations	<ul style="list-style-type: none"> 08/09 09/10 	<ul style="list-style-type: none"> Number of businesses participating Number of new products developed Number of students placed within companies.
	<ul style="list-style-type: none"> Business Innovation Programme 	<ul style="list-style-type: none"> To be determined 	<ul style="list-style-type: none"> £50,000 	Private sector and stakeholder organisations £10,000	<ul style="list-style-type: none"> 08/09 09/10 	<ul style="list-style-type: none"> Number of businesses participating Change in business processes/product innovations from established baselines.

Theme: Innovation and Creativity

Strategic Aim: To assist local businesses to grow and become more competitive and innovative

OBJECTIVES	INDICATIVE ACTIONS	IMPLEMENTING AGENT	INDICATIVE BUDGET	LEVERAGE	TIMESCALE	PERFORMANCE INDICATORS
<ul style="list-style-type: none"> To assist local businesses to attract a more skilled workforce 	<ul style="list-style-type: none"> Audit of skills levels of migrant community. Schools Innovation Competitions 	<ul style="list-style-type: none"> Council and 3rd party partnerships 	<ul style="list-style-type: none"> ESF 	Private sector	<ul style="list-style-type: none"> 08/09 09/10 	<ul style="list-style-type: none"> Audit completed Information made available to local recruitment agencies Number of people placed in companies Number of schools participating Number of innovation projects implemented
<ul style="list-style-type: none"> To ensure that local training provision matches the skills needed by business 	<ul style="list-style-type: none"> Lobby local Workforce Forums to ensure business needs are met 	<ul style="list-style-type: none"> DEL/ Dungannon South Tyrone Borough Council 	<ul style="list-style-type: none"> ESF 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> Local Company needs audited and communicated to Workforce Forum Number of meetings with Workforce Forum

Theme: Developing the Infrastructure

Aim: To ensure that local infrastructure meets business needs

OBJECTIVES	INDICATIVE ACTIONS	IMPLEMENTING AGENT	INDICATIVE BUDGET	LEVERAGE	TIMESCALE	PERFORMANCE INDICATORS
<ul style="list-style-type: none"> To provide additional opportunity for workspace/lands to meet the expansion needs of local businesses 	<ul style="list-style-type: none"> Development and design Bill of Quantities and Business Plan for development of additional business/ industry space Design development, establishment of R & D Centre. 	<ul style="list-style-type: none"> Dungannon and South Tyrone Borough Council and Third Parties 	<ul style="list-style-type: none"> £5,000 £5,000 £5,000 £20,000 	<ul style="list-style-type: none"> Stakeholder agencies and private sector Stakeholder agencies and private sector 	<ul style="list-style-type: none"> 08/09 09/10 08/09 09/10 	<ul style="list-style-type: none"> Additional industrial land provided for indigenous businesses Number of local businesses expanding their companies as a result of additional land provision.
<ul style="list-style-type: none"> To improve access to public utilities such as: electricity; gas; alternative energy sources 	<ul style="list-style-type: none"> Proposals developed for consideration 	<ul style="list-style-type: none"> Dungannon and South Tyrone Borough Council and third parties 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> Stakeholder agencies and private sector 	<ul style="list-style-type: none"> 08/09 09/10 	<ul style="list-style-type: none"> Improved access to public utilities throughout the Borough Alternative Sources of Energy Identified

Theme: Developing the Infrastructure
 Aim: To ensure that local infrastructure meets business needs

OBJECTIVES	INDICATIVE ACTIONS	IMPLEMENTING AGENT	INDICATIVE BUDGET	LEVERAGE	TIMESCALE	PERFORMANCE INDICATORS
<ul style="list-style-type: none"> To ensure widespread access to broadband throughout the Borough 	<ul style="list-style-type: none"> Lobby to ensure widespread coverage Prepare position papers and undertake meetings as required 	<ul style="list-style-type: none"> Dungannon and South Tyrone Borough Council 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> Stakeholder agencies and private sector. 	<ul style="list-style-type: none"> 08/09 	<ul style="list-style-type: none"> Widespread access to broadband implemented throughout the area.
<ul style="list-style-type: none"> To ensure that proposed upgrades to the roads network meet economic and social need 	<ul style="list-style-type: none"> Lobby paper and proposals developed and implemented 	<ul style="list-style-type: none"> Dungannon and South Tyrone Borough Council and Partners 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> 08/09 09/10 	<ul style="list-style-type: none"> Proposal re: road upgrades developed.

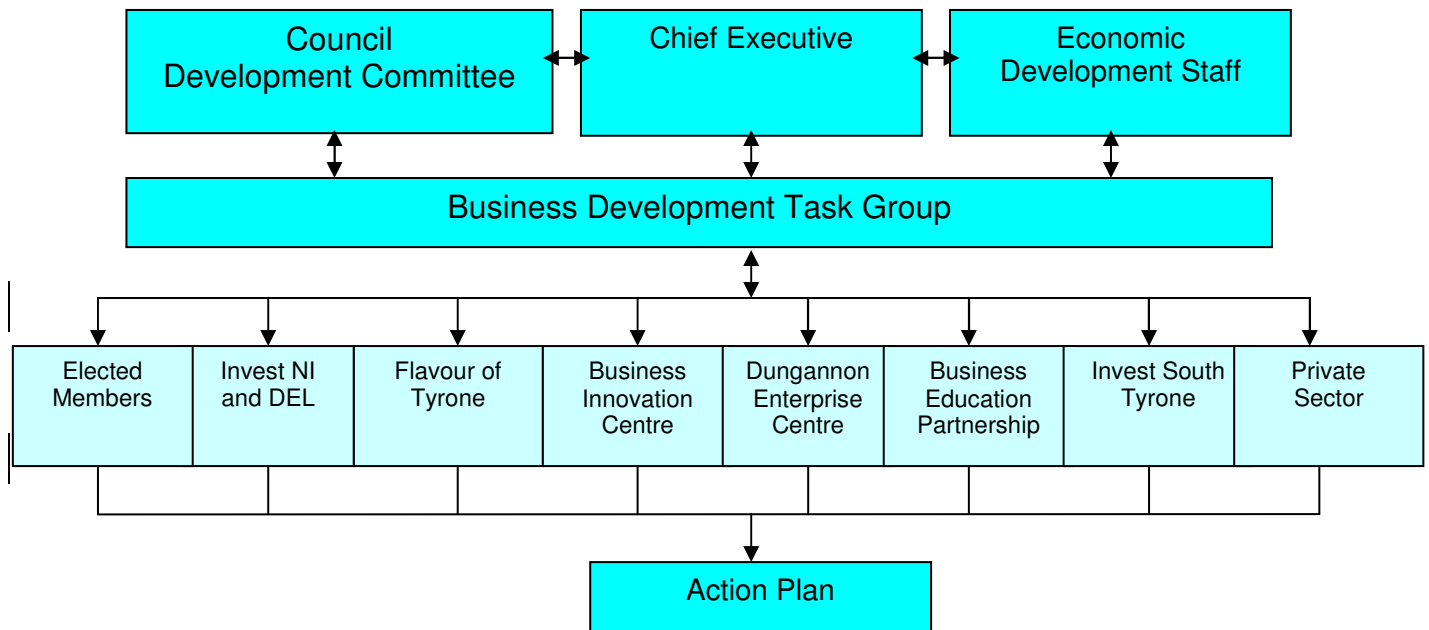
Theme: Developing the Infrastructure

Aim: To ensure that local infrastructure meets business needs

OBJECTIVES	INDICATIVE ACTIONS	IMPLEMENTING AGENT	INDICATIVE BUDGET	LEVERAGE	TIMESCALE	PERFORMANCE INDICATORS
<ul style="list-style-type: none"> To lobby Invest NI to ensure that additional workspace is provided to meet the needs of growing businesses in the Borough 	<ul style="list-style-type: none"> Regular meeting with Ministers and key staff 	<ul style="list-style-type: none"> Dungannon and South Tyrone Borough Council 	<ul style="list-style-type: none"> N/A Staff time 	<ul style="list-style-type: none"> Private sector support 	<ul style="list-style-type: none"> 08/09 09/10 	<ul style="list-style-type: none"> Additional workspace
<ul style="list-style-type: none"> To promote balanced development in the two main conurbations through provision of additional business/industrial land and better usage of existing resources and infrastructure 	<ul style="list-style-type: none"> Establish industrial/commercial land, Advisory service Establish and maintain land database Lobby on basis of land database re: new zoning Develop Business Park/Industrial Estate in conjunction with Council and private sector Development of Granville site in conjunction with Invest NI Development of opportunity site in conjunction with DSD. 	<ul style="list-style-type: none"> To be determined with Invest NI and 3rd parties 	<ul style="list-style-type: none"> £125,000 	<ul style="list-style-type: none"> Private sector 	<ul style="list-style-type: none"> 08/09 09/10 	<ul style="list-style-type: none"> Increase acreage for industrial development No of businesses using service No of businesses expanding this use of service Change from baseline of additional business/industrial land No of businesses sustained Number of businesses created as a result of this intervention.

Section 7: Structures

7.1 The implementation structures proposed to oversee the management and delivery of the Economic Development Strategy and Action Plan 2008 to 2010 (2013) are summarised below:



7.2 The Development Committee of Dungannon and South Tyrone Borough Council would have overall responsibility for the management and implementation of the Economic Development Strategy and Action Plan

The Business Development Partnership

The functions of the Business Development Partnership would be threefold:

- i. To oversee the day-to-day delivery of the Economic Development Strategy and Action Plan 2008 to 2010 (2013).
- ii. To report performance against targets to the Council's Development Committee in relation to delivery of the Action Plan.
- iii. To act as a conduit to identify and address the needs/opportunities of the business community in the Dungannon and South Tyrone Borough Council area.

Elected Members

Elected Members would be represented on the Business Development Partnership, either through the Chair and Deputy Chair of the Development Committee or alternatively nominations could be sought from all the political parties represented on the Council.

Other Members of the Business Development Partnership

In addition to the elected members the Business Development Partnership would also comprise the chair of each of the sub-groups/delivery agents outlined in the diagram above, plus representatives of the local business community. Programme Managers would act as Advisors to the Business Development Partnership, and would attend meetings in this capacity.

These sub-groups/delivery agents would be responsible for implementing elements of the Action Plan and in turn would report progress in relation to activities and outcomes to the Business Development Partnership.

Business Development Partnership Operations

The Business Development Partnership would have a Chair and Vice Chair, one of which would be a political representative; most likely from the Development Committee and the other would be a representative from the private sector.

The Business Development Partnership would meet quarterly and would be serviced by the Economic Development Staff of Dungannon and South Tyrone Borough Council.

Effective communication would be essential at all levels to the successful implementation of this strategy and action plan and should ensure the delivery of a totally integrated economic development strategy. It would be essential that the Business Development Partnership reports progress at every meeting of the Economic Development Committee. A terms of reference to guide the operations of the Business Development Partnership would be essential. This terms of reference would outline the framework in which the Business Development Partnership would operate, including its structural and reporting arrangements to Council. The terms of reference would also outline the framework for communicating with both the media and public, and the imperative to agree proposed actions with the Council. The terms of reference would also outline both the implementation processes and the performance targets for the individual elements of the structure.

Appendix 1
Review of LED 2001-2007



**Review of Local Economic Development Strategy & Action
Plan
2001 – 2007**



October 2007

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BACKGROUND

In September 2007 Dungannon and South Tyrone Borough Council commissioned Blueprint Development Consultancy and Locus Management to undertake a review of its Local Economic Development Strategy and Action Plan for the period 2001 to 2007.

The review was carried out through a process which included review of primary information relating to the overall strategy and programmes, and through consultation with Councillors, Council staff, key stakeholders in the Council area and representatives of the Department of Enterprise Trade and Investment who are responsible for managing the European funding related to local economic development.

THE STRATEGY AND ACTION PLAN

Dungannon and South Tyrone Borough Council's Economic Development Strategy and Action Plan 2001-2007 was developed in the context of both National and European policy which focused on improving the business environment and business competitiveness. It may be useful to state that "Local Economic Development" in itself is not a direct job creation initiative. This is the remit of Central Government through its Economic Agencies such as DETI and Invest NI.

The Economic Development Plan was developed as an integrated plan to reflect the combined economic interests of the range of economic players in the district and thereby avoided duplication and confusion in the marketplace. The Economic Development Strategy and Action Plan 2001 to 2007 focused on the issues emerging from an extensive regional audit conducted in 2000, and on the findings emerging from a widespread consultation process with key stakeholders in the district.

The 2001 to 2007 Plan had four priority themes:

- Business Innovation;
- Town Development;
- Partnerships and Inter Regional/International Cooperation;
- Tourism.

The Objectives of the Plan were as follows:

- *To expand capacity for SME development;*
- *To assist SME growth;*
- *To ensure appropriate infrastructure is in place for innovation and application of New technologies;*

- *Promote innovation in product and design and process developments;*
- *To ensure adequate funding is in place for SME's undertaking such actions.*
- *To ensure Training and Education is available to support Business Development.*
- *To assist local Partnerships with the implementation of joint collaborative actions.*
- *To develop and promote the Retail and Commercial sectors in Dungannon Town.*
- *To assist and provide workspace provision for private sector SMEs'.*

These nine objectives were addressed in the Action Plan of the strategy across five programmes as follows:

Business Development;

Physical Regeneration;

Partnerships – Local, Regional and International;

Tourism;

Management and Administration.

The total contribution from Dungannon and South Tyrone Borough Council was £840,972 which was matched by European Regional Development Funding through the Local Economic Development Measure, totaling £1,681,944. The Council funding of £840,972 acted as catalyst funding and provided leverage of £3,433,726.

Over the period of this Strategy and Action Plan 7 jobs were created directly by Dungannon and South Tyrone Borough Council, with an additional 550 jobs created through the Business Start Programme for which Council funding was essential. In addition 333 businesses were created through the Business Start Programme.

Dungannon and South Tyrone Borough Council Economic Development budget of £840,972 has facilitated leverage from a range of private, public and other EU sources over the implementation period of this Action Plan. A total of £3,433,726 of additional funds was levered through the five Programmes within the Action Plan. This means that for every pound provided through Dungannon and South Tyrone Borough Council's Economic Development budget an additional £4 has been generated to deliver economic development activities and programmes in the Borough.

A summary of the five Programmes delivered through the Action Plan over the period September 2001 to 2007 is provided below:

PROGRAMME	OBJECTIVES	TARGETS	ACTUAL	EXPENDITURE £	LEVERAGE £
Business Development	To expand capacity for SME development	Development of Economic Development Section within Dungannon Council Website and establishment of online business section.	Council website developed and updated on a weekly basis	£6,250	
	To assist SME growth				
	To ensure appropriate infrastructure is in place for innovation and application of new Technologies	Creation of 20 part-time craft businesses	3 Christmas Craft Fairs – approx 100 Craft businesses participated 3,000 people in attendance Sales of £15,000 per annum generated for participating Craft businesses Linen Green Retailers generated £31,500 of additional sales per annum as a result of the Craft Fairs 8 businesses participated in Showcase Ireland	£22,500 (approx)	£17,000 generated from sales. £31,500 extra sales generated
	Promote innovation in product and design and process developments				
	To ensure adequate funding is in place for SMEs undertaking such actions				
To assist and provide Workspace provision for private sector SMEs	4 Workspace centres (60,00 sq. ft in total)	4 individual sites completed providing at total of 33,000 sq.ft and leveraging £1.34m additional funding. Dungannon West Private Sector Workspace	£330,000	£1,340,000	
		Production of Socio- Economic profile and Facts and Figures document	Completed. Information provided for www.dungannon.gov.uk DVD produced as a marketing tool.	£6,630	£ 6,630
		A scoping study to be completed on Agriculture, Construction, Food and IT Sectors. The Study to make recommendations for the sectors where appropriate	Study completed but agriculture omitted as DARD working on similar initiative.	£9,950	£ 9,950

PROGRAMME	OBJECTIVES	TARGETS	ACTUAL	EXPENDITURE £	LEVERAGE £
Business Development	<p>To expand capacity for SME development</p> <p>To assist SME growth</p> <p>To expand capacity for SME development</p> <p>To assist SME growth</p> <p>To ensure appropriate infrastructure is in place for innovation and application of new Technologies</p>	<p>Target 30 SMEs/companies with 10 of these participating in Investors in People Accreditation Programme and achieving the National Award.</p> <p>Business Innovation Centre – BSP monies will contribute towards the production of a strategy action plan; the appointment of a Technical Service Manager by East Tyrone College to be responsible for the implementation/development and management of the Innovation Programme; Costs associated with acquiring technical services and the public launch and marketing of the Business Innovation Centre.</p>	<p>9 businesses participated in partnership with DEL. 7 Managers achieved Investors in People</p> <p>Strategy and Action Plan developed. Technical Service manager in place from Sep '05. Training Needs analysis conducted on 70 SMEs from area Mentoring support and technical consultancy provided to 50 SMEs on CAD, advanced manufacturing techniques, prototyping, CE marking, patenting, IT, financial management and website design.</p> <p>Seminars conducted include: Managing Staff - 20 participants Innovation with SMEs – 15 participants Motivating Staff – 10 participants Effective Handling of Customer Complaints – 8 participants Team Management and Leadership Skills – 6 participants Health & Safety Committee Training in conjunction with local SME's – 8 participants Improving Customer Service – 6 participants Agile manufacturing in SMEs in NI – 38 participants 8 Companies referred to specialist agencies 28 companies receiving technical support/mentoring. Relationships established with Universities.</p>	<p>£3,700</p> <p>£24,000</p>	<p>£3,000 DEL £3,000 Private Sector</p> <p>£24,000 £30,958 Invest NI £24,000 East Tyrone College £24,000 DEL</p>

PROGRAMME	OBJECTIVES	TARGETS	ACTUAL	EXPENDITURE £	LEVERAGE £
Business Development	<p>To expand capacity for SME development</p> <p>To assist SME growth</p> <p>To ensure appropriate infrastructure is in place for innovation and application of new Technologies</p>	<p>Meet the Buyer Event in conjunction with InterTrade Ireland:</p> <p>30 SMEs participating from region</p> <p>5 - 10 buying organisations participating</p>	<p>24 businesses participating in Meet the Buyer Event</p> <p>11 Buyers participating</p> <p>Business to Business Session held</p> <p>One participating company secured £10,000 funding support from InterTrade Ireland.</p> <p>Monitoring ongoing</p>	TBC	TBC

PROGRAMME	OBJECTIVES	TARGETS	ACTUAL	EXPENDITURE £	LEVERAGE £
Physical Regeneration	<p>To develop and promote the Retail and Commercial sectors in Dungannon Town</p> <p>To assist and provide Workspace provision for private sector SMEs</p>	<p>Appoint 1 Urban Regeneration Project Officer. 1 Full time job created by April 2001 Appoint 1 Full-time Administrator 1 Action Plan created by April 2002:</p> <p><i>Improving Retail and Service Provision.</i></p> <p><i>Promoting Development & Refurbishment:</i></p>	<p>Job created Nov. 2006</p> <p>Job created June 2001</p> <p>Job created</p> <p>Strategy and Action Plan developed and operational:</p> <p><i>Welcome Host Customer Care training to 40 frontline staff;</i></p> <p><i>2 Retail Training Initiatives- Management Development Programme/Training for Unemployment Programme.</i></p> <p><i>3 Town Centre Audits/Surveys completed</i></p> <p><i>Disability Awareness Training for Retailers</i></p> <p><i>Town Centre Reinvigoration Programme – “Leaving the Legacy Behind – Dungannon a New Beginning:”</i></p> <ul style="list-style-type: none"> • <i>Development of Dungannon website</i> • <i>3 Dungannon Life Newsletters</i> • <i>Development & publication of town centre street map.</i> 	<p>£105,000</p> <p>£37,500</p> <p>£1,293</p> <p>£27,324</p> <p>£1,500</p> <p>£17,314</p> <p>£4,136</p> <p>£4,096</p>	<p>£105,000 LED</p> <p>£37,500 LED</p> <p>£ 247,314 levered from EU Programme for Peace and Reconciliation, Measure 2.11 (DSD) £7,745 levered from private sector</p>

PROGRAMME	OBJECTIVES	TARGETS	ACTUAL	EXPENDITURE £	LEVERAGE £
Physical Regeneration	To develop and promote the Retail and Commercial sectors in Dungannon Town	<i>Improving the Environment and Public Realm</i>	<p><i>Town Centre living Status Secured 2006 –</i></p> <ul style="list-style-type: none"> • <i>1 Living above the Shop Initiative complete, 3 underway and 12 in planning phase.</i> • <i>24 Shop Front Schemes delivered</i> • <i>Signage project – M1 “Welcome to”</i> <i>Erection of 12 information display panels in town centre</i> • <i>Spruce-Up Scheme at Church Lane & Wilson’s Lane</i> • <i>Connecting Dungannon – Improving Broadband Access delivered</i> • <i>£4.5m Public Realm Scheme developed and economic appraisal approved by DSD. Currently with DFPNI for consideration.</i> • <i>Preparation of dossier of development briefs for key opportunity sites</i> <p>Delivery of Townscape Heritage Initiative (THI) – 3 schemes completed and 1 underway in Conservation Area</p>	<p>£56,613</p> <p>£13,889</p> <p>£59,685</p> <p>£14,099</p> <p>£9,339</p> <p>£3,100</p>	<p>£521,315 - Private Sector leverage</p> <p>£96,939 private sector, £43,800 HLF, £57,143 Planning Service</p>

PROGRAMME	OBJECTIVES	TARGETS	ACTUAL	EXPENDITURE £	LEVERAGE £
Physical Regeneration	To develop and promote the Retail and Commercial sectors in the district	Development of Strategic Framework and Action Plan to address issues related to retail and commercial sector in Coalisland.	Development of Coalisland Development Framework in partnership with a range of stakeholders.	£13,350	
			2 Awards from Association of Town Centre Management. DRP endorsed by DSD as a model of good practice in 'Partnership Working'- Vital and Viable, A Good Practice Guide for Regenerating Cities and Towns.	£2,490	
		<i>Traffic and Parking</i>	Development and publication of Town Centre Access Guide. Pilot Feeder Bus system with Ulsterbus <i>Review of Waiting and Parking Restrictions implemented in partnership with Roads Service & traders</i>	£1,217	
		1 Marketing Plan created by April 2003: <i>Active Marketing and Promotion</i>	4 Retail Promotion Events delivered. 4 Seasonal Marketing/Advertising Campaigns – 'Shop Local' Christmas Marketing Initiatives	£28,080 £26,383	£26,905 secured from private sector
			DSD Town Centre Marketing and Promotions Programme – Halloween Spooktacular Event, Seasonal advertising Campaigns, Promotional Package to attract investment	£15,000 £30,000	£10,000 ERDF £5,650 private sector £45,650 DSD. Match funded by Council & private sector

PROGRAMME	OBJECTIVES	TARGETS	ACTUAL	EXPENDITURE £	LEVERAGE £
Physical Regeneration	To develop and promote the Retail and Commercial sectors in the district	To develop and implement a new brand for Dungannon.	New brand concept and logo designed for Dungannon – used in Branding and Billboard Advertising Campaign in local towns – Dungannon, Armagh, Cookstown, Portadown and Monaghan. Also used in Local Press advertising and seasonal campaigns.		

PROGRAMME	OBJECTIVES	TARGETS	ACTUAL	EXPENDITURE £	LEVERAGE £
Partnership and Inter-Regional Co-Operation	To assist Local Partnerships with the implementation of joint collaborative actions To ensure Training and Education is available to support Business Development	Business Forum Constituted Tourist Inward Investment of £20m 5 Joint Ventures for SMEs with overseas businesses Increased turnover/Export sales	Business Working Group established comprising key stakeholders Proposal at Economic Appraisal phase with DETI. 7 SMEs exporting to overseas markets 6 Businesses participated in Trade Mission to Magdeburg , Germany Oct. 2006 2 companies established new markets in Germany. 1 company achieved £45,000 of export sales as a result, and as a result of a contact made through this visit is in process of establishing a distribution centre in the USA. This company is also sending a product to showcase at EXPO Trade Show in Las Vegas in Mar '06. Councillors participating in Trade Mission have established range of networks. Planned exploratory visit to China postponed by Council. Working Group established and operational.	£5,500	£48,000

PROGRAMME	OBJECTIVES	TARGETS	ACTUAL	EXPENDITURE £	LEVERAGE £
Partnership and Inter-Regional Co-Operation	<p>To assist Local Partnerships with the implementation of joint collaborative actions</p> <p>To ensure Training and Education is available to support Business Development</p>	<p>Attract and host two conferences which will reflect international businesses and the significance of indigenous business to Dungannon</p> <p>The formation/development of Dungannon and Cookstown Business Education Partnership.</p>	<p>“Skills Beyond 2007” - Sep ‘07 100 delegates in attendance Council decided not to proceed with International Business Conference.</p> <p>7 Interview Skills Programmes with 5388 participants 3 Enterprise days with 280 participants 4 Engineering Programmes with 280 participants 3 Teachers Events with 30 participants 6 Business Insight days with 275 participants Construction Insight Day with 50 participants Food Insight Day with 50 participants 4 Careers Conventions with 2817 participants Innovation West Programme – 94 participants 20 Teacher Placements</p> <p>Events: Business Drive – 75 participants ICT@ work – 160 participants Design Event – 70 participants Special Needs Careers Convention – 120 participants</p> <p>BEP Website updated on a regular basis as a result of Council support.</p>	£24,000 Programme Costs	£24,000 ERDF

PROGRAMME	OBJECTIVES	TARGETS	ACTUAL	EXPENDITURE £	LEVERAGE £
Partnership and Inter-Regional Co-Operation	To ensure Training and Education is available to support Business Development	Innovation West – to establish and implement a Schools Ambassadors Programme across the Council areas of Tyrone and Fermanagh	Schools Ambassadors Programme 2 Workshops held 5 Schools participated 100 students participated	£7,500	£7,500
			Knowledge Transfer Programme 2 Dungannon companies participated 6 Workshops held 3 Mentoring Sessions held		
			Young Foresight Programme 1 School participating 30 students participating 1 project presented at the MLN “Northern Ireland Unlimited” 1 project implemented	£4,000	£4,000
			Innovation Management Programme 2 Companies participating 2 Workshops 2 Action Plans developed 2 Action Plans implemented		
			Information Society Programme 12 SMEs recruited 11 SMEs audited		
		PLATO Cross-Border Programme/ Dungannon and Monaghan	2 Year Action Plan developed and implemented. 6 Group Leaders recruited 2 PLATO Gold Management Forum 4 Clusters established 144 SMEs attending National Networking Day 8 Training Programmes - 127 participants	£75,000	£75,000 Monaghan County Enterprise Board £161,000 SEUPB/ Co-Operation Ireland (€230,000)

PROGRAMME	OBJECTIVES	TARGETS	ACTUAL	EXPENDITURE £	LEVERAGE £
Tourism	<p>Development of annual action plan to deliver programme to promote Dungannon & South Tyrone Borough as a visitor destination & increase visitor numbers.</p> <p>To develop and promote accommodation, activity, attraction, heritage, food and craft sectors in the region.</p> <p>5 themes include Membership, Market Research, Marketing, Events, and Product Development.</p> <p>Membership</p>	<p>1 Full-time job created – Marketing Events Officer 1 Full-time job created – Flavour of Tyrone Project Manager</p> <p>Promote and support development of International Hotel and Golf Complex that will create 175 jobs (BSP paying for staff time/resource)</p> <p>To increase membership on a yearly basis</p>	<p>Post holder in place from June '03 Post holder in place from June '04</p> <p>Project developed and at economic appraisal phase with DETI.</p> <p>Flavour of Tyrone partnership developed and operational. 11 Board Members Network Membership of 140 members. Review undertaken and Flavour of Tyrone Action Plan developed covering 3 year period Visitor satisfaction survey conducted.</p>	<p>£146,000 Programme Costs</p>	<p>£146,000</p> <p>Annual £10,000 private sector contribution</p>

PROGRAMME	OBJECTIVES	TARGETS	ACTUAL	EXPENDITURE £	LEVERAGE £
Tourism		To support tourism & Hospitality sectors by providing mentoring services	Tourism Product Audit conducted Good Food Circle established with 19 members. Membership increase - 45 members in 2003 to 140 members 2007. New membership drive 2008. TIC staff attend Fam trips to NITB Dublin Office members attended Hospitality exchange 06 & 07		
	Market Research	To establish visitor perceptions and satisfaction baselines by means of research surveys. Tourism product audit study	Mourne Heritage branding initiative in turn they want to use GFC as best Practice example Monthly visitor tracking survey established within TIC		
	Marketing To increase visitor numbers by 10%	To increase publicity of Flavour of Tyrone and its projects in local press by advertising & editorial. Target 60 publications each year	FOT Membership satisfaction survey distributed amongst members 2004 to 2007 over 300 feature/advertisements/ editorials appeared in newspapers, publications, 25,000 visitors added to existing figures of 35,000 pa. 99,699 visitors to Qt Mar '07 Flavour of Tyrone window display at NITB offices in Dublin to promote borough as a short break destination	£5000 £2500	Leverage £125,000 £40,000
	Branding scheme for all FOT members				

PROGRAMME	OBJECTIVES	TARGETS	ACTUAL	EXPENDITURE £	LEVERAGE £
Tourism	<p>FOT to become a partner of the Western Regional Tourism Partnership (WRTP). Includes 7 council and 4 tourism partnerships. In 2007 the WRTP funding £62,500, NITB funding £125,000 as tactical spend for marketing activity for the all the partnership region. In addition, there is a further £205k from IFI Challenge Fund.</p> <p>Working in conjunction with Council to implement a series of successful events to increase visitor numbers to the Borough and bring the local community together</p>	<p>Programme 5 (£40,000) – Food Network and Development Forum. Project completed Dec 08.</p> <p>In partnership with Council implemented a series of events for 'the Return of the Earls Festival' 2007.</p> <p>To participate in a number of national & local exhibitions in 04/07</p>	<p>Branding scheme developed for Flavour of Tyrone and Good Circle members. Additional media campaign through the Western Regional Tourism Partnership will target regional and ROI press and in turn will increase market share to the western region by 1% by the end of the year.</p> <p>FOT is now a member of the WRTP. WRTP Marketing plan (refer to targets). Already raised awareness in the ROI market by means of Roadcaster. (1000 text entries from ROI market). Tourism Ireland – presentation to the GB team raising awareness of the product offer. FOT and GFC invited to participate at the Good Food Show Nov 07 in the NEC. Provided a number of opportunities via Emarketing and the publicity GB Team. (refer to WRTP marketing plan</p> <p>Dungannon Food & Drink Festival May 2007. Taste of the Valley Flight of the Earls Festival Flavour of 1607 – opening event to the Flight of the Earls Festival Annual event Christmas Craft Fair 39 businesses participating Canadian Craft/Retail Visit to Borough Sep '06 Rally Ireland Clogher Valley Ploughing championships Over 50's</p>	£1000	

PROGRAMME	OBJECTIVES	TARGETS	ACTUAL	EXPENDITURE £	LEVERAGE £
Tourism	<p>To develop and promote Tourism within the Dungannon and South Tyrone Region through product development and marketing.</p> <p>Development of websites including FOT/GFC and learntotyrene To achieve 11,800 hits per month E-zine newsletter</p>	<p>Product Development: FOT set up the first Good Food Circle (GFC) in Northern Ireland</p> <p>Development of the Learn 2 Project . Launch website</p> <p>Maintenance and ongoing publicity of FOT sites - www.flavourofityrone.com www.tyronegoodfood.com</p> <p>Target 4 per annum</p> <p>Appoint 1 Full-time Officer to take forward Craft Development /Marketing Sales role Admin support Support 1 full-time permanent job Provision of a Tourist Information kiosk</p> <p>Council in partnership with Flavour of Tyrone will carry out an audit and mid-term review of the Tourism Action Plan and structures as agreed by Council and FOT. This review will set out a suite of programmes/ initiatives for a 2 year period ending July 2007</p>	<p>Holiday World Dublin – £2,800 Holiday World, Belfast - £2,000 BBC Good Food Show NEC 07 (partnership with Tourism Ireland. Cross Border FAM Trip with accommodation providers Oct '06. Attendance at 20 regional/national events to promote the Borough, hosted 8 visits from key tourism stakeholders to the area 20,000 Good Food Circle Guides developed. Members expanded from 10 to 19 now includes coffee shops/bistros. New guide published 07 Killybegs and Good Food Circle signature restaurants developed “The Black Recipe Book” 3rd publication due Dec 07. 4 half day workshops to commence in Jan 08</p> <p>Learn 2 Cook Learn 2 Paint Learn 2 Horse Trekking Learn 2 Quad Biking Accommodation & hospitality. Launch of the website Oct 2007 via Press release in conjunction with Rally Ireland event. E-marketing will be established.</p> <p>E-Marketing - 25 E-Zine Newsletters developed and distributed. (circulated on a monthly basis)</p> <p>104652 hits recorded May 2007 to Flavour of Tyrone website Postholder in place from Aug '05</p>		

PROGRAMME	OBJECTIVES	TARGETS	ACTUAL	EXPENDITURE £	LEVERAGE £
Programme Management		Annual Audit completed Annual Performance completed Provision of timely and good quality reports to European Programmes	Quarterly Monitoring of projects to facilitate preparation of Quarterly Reports to DETI. 25 Quarterly Monitoring Reports submitted to DETI. 2 Article 4 Checks completed by DETI.	£116,000	£116,000 Programme Management Fee, ERDF
Business Start Programme	To ensure training and education is available to support Business Development To expand capacity for SME Development To assist SME Growth	Business Start Targets: 280 Participants 196 Business Start-ups	1000 Client Enquiries 333 Business Starts 550 Jobs created Business Starts by Sector: Retail Services 41 Manufacturing 41 Domestic Services 50 Retail Goods 45 Finance & Business Services 44 Professional Services 10 Health & Beauty 24 Transport Services 11 Construction 217 Education 20 ICT 15 Catering & Hospitality 11 Others: including Craft; Leisure; Creative Arts & Environmental 55 Agricultural 25		

CONCLUSIONS

Dungannon and South Tyrone Borough Council's Economic Development Strategy and Action Plan for the period 2001 to 2006 have been implemented in an efficient and effective manner. The targets identified in the Action Plan have been achieved and in many instances programmes and projects have exceeded their targets.

The success of the Action Plan for the period 2001 to 2006 can largely be attributed to the partnership approach which the Council has used in developing and implementing projects and programmes. This collaboration has also facilitated leverage of substantial amounts of additional funding from the private and public sector and from wider European funds, £3,433,726 in total.

Dungannon and South Tyrone Borough Council's Economic Development budget of £840,972 has acted as catalyst funding to a range of projects and programmes within the Action Plan 2001 to 2007.

Dungannon and South Tyrone Borough Councils contribution to LED represents approximately 3% of the overall Council budget. Given that a significant proportion of the Councils budget is raised through private sector rate contributions this 3% (£870,972) have created significant added value to Economic Development activities in the Borough and has provided significant value for money.

The collaboration and partnership approach to delivery of projects and programmes has proved extremely successful, and should be further developed within the next phase of development, 2007 to 2013.

Appendix 2

Business Survey Questionnaire



Dungannon & South Tyrone Borough Council

Business Needs Survey

The information you provide will be treated in the strictest confidence and your details will be used solely for this purpose of this survey.

Section A: About your Business

Q1 In which electoral area is your business located? (Please tick one box below)

- Blackwater
- Clogher Valley
- Dungannon Town
- Torrent

Q2 What is your business/company name?

Q3 What is your business/company address?

Q4 How many people do you employ at your premises? (Please tick one box below)

- | | |
|--------------------------------|----------------------------------|
| <input type="checkbox"/> 0 | <input type="checkbox"/> 51-100 |
| <input type="checkbox"/> 1-5 | <input type="checkbox"/> 101-250 |
| <input type="checkbox"/> 6-10 | <input type="checkbox"/> 251-500 |
| <input type="checkbox"/> 11-25 | <input type="checkbox"/> 500 + |
| <input type="checkbox"/> 26-50 | |

Q5 Which of the following sectors does your business fall within? (please tick one box below)

- | | |
|---------------------------------------------------------------------------------------------|------------------------------------------------|
| <input type="checkbox"/> Automotive | <input type="checkbox"/> Media/Creative Arts |
| <input type="checkbox"/> Chemicals | <input type="checkbox"/> Pharmaceuticals |
| <input type="checkbox"/> Construction | <input type="checkbox"/> Retail |
| <input type="checkbox"/> Electronics | <input type="checkbox"/> Sport |
| <input type="checkbox"/> Financial & Professional Services | <input type="checkbox"/> Telecommunications |
| <input type="checkbox"/> Food & Drink | <input type="checkbox"/> Clothing/Textiles |
| <input type="checkbox"/> Healthcare | <input type="checkbox"/> Tourism |
| <input type="checkbox"/> ICT | <input type="checkbox"/> Transport and Haulage |
| <input type="checkbox"/> Manufacturing e.g. Engineering/
Construction Products/Furniture | <input type="checkbox"/> Other |

If Other, please specify

Q6 How long has the business been based in Dungannon & South Tyrone Borough Council area?

(Please tick one box below)

- Less than 2 years
- 2-5 years
- 6-10 years
- 11-20 years
- 21 years or over

SECTION B: Business Location

Q7 Overall, I am satisfied with my business location.

(Please tick one box below)

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly Disagree

Please add any comments below

Q8 Have you noticed any improvements in conditions affecting your business over the last 2 years?

(Please tick one box below)

- Yes
- No

Q9 If Yes, please outline what 2 improvements have had the most positive effect.

Q10 Have you noticed adverse changes in conditions affecting your business over the last 2 years?

(Please tick one box below)

- Yes
- No

Q11 If Yes, please outline what 2 changes have had the most negative effect.

**Q12 What do you consider to be the benefits for your company of operating from the premises in your area?
(Please rank the top 5 benefits using 1,2,3,4,5 with 1 being the top benefit – you should only tick 5 boxes overall)**

	1	2	3	4	5
Good quality commercial property	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Low commercial property costs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Quality of appropriately skilled workforce in the area	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Low labour costs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ability to retain existing workforce	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Proximity to customers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Proximity to suppliers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Transport infrastructure	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Access to public transport	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Strategic location	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Access to motorway	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Access to Airport	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Access to Ports	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Good quality of life	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q13 Are you planning Business Expansion? (Please tick one box below)

- Yes
- No

If Yes where will this be located?

- On site
- New site

**Q14 What most needs improving to make your area a better place to operate or run your business?
(Please rank the top 3 improvements using 1, 2 and 3 with 1 being the top improvement – only tick 3 boxes overall)**

	1	2	3
Making the area a safer place to live and work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Language training/support services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Improved public transport network	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reducing road congestion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Availability of sites/premises	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lower commercial property costs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Availability of suitable labour	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Availability of Conference facilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Improved quality of skilled workforce	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ability to retain existing workforce	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Improved town centre facilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Adequate/appropriate parking	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Improved image/enhanced marketing of the area as a business location	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Enhanced linkages with other businesses in the area	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other factors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q15 Please add any comments on any of the above areas

**Q16 Business crime is a problem in my area
(Please tick one box below)**

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

Q17 Please comment/define your response (i.e. employee crime/fear of crime etc)

**Q18 It is important to raise my area's profile as a prosperous business location.
(Please tick one box below)**

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

Please add any comments below

**Q19 How much of a problem are the following for you and your business?
(Please tick one box for each problem)**

	Major	Persistent	Can be a problem sometimes	Not a problem
Graffiti	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Litter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lack of parking	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Vandalism	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Crime	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q20 Please add any other problems below

SECTION C: Business Support Services

Where applicable, please indicate how you would rate the support you have received in the last 2 years from the following business support organisations, and what type of service they provided to you.

Q21 Please indicate if your business has applied/received support from any of the following agencies.

- Dungannon & South Tyrone Borough Council
- Invest NI
- East Tyrone Rural
- Rural Development Council
- Dungannon Enterprise Centre

Other funding Agencies please specify below

Q22 Please provide more detail on type of support/service received? (e.g. funding/mentoring)

Q23 If you have received support from Further Education Colleges/Universities, how would you rate the support you received? (Please tick one box below)

- Good
- Neither good nor poor
- Poor
- N/A

Q24 Please comment on type of service provided in the box below.

Q25 Which specific areas of assistance would you require for your business from support agencies?

- | | | | |
|--------------------------|-------------------------------------|--------------------------|------------------------------------------|
| <input type="checkbox"/> | Access to finance | <input type="checkbox"/> | IT commercial assistance |
| <input type="checkbox"/> | Skills development for staff | <input type="checkbox"/> | Sales and marketing |
| <input type="checkbox"/> | Assistance with exporting/importing | <input type="checkbox"/> | Networking opportunities |
| <input type="checkbox"/> | Developing workspace | <input type="checkbox"/> | Business Improvement Programmes |
| <input type="checkbox"/> | Capital grant for machinery | <input type="checkbox"/> | Planning |
| <input type="checkbox"/> | Lobbying central government | <input type="checkbox"/> | Provision of local economic intelligence |
| <input type="checkbox"/> | Environmental improvement scheme | <input type="checkbox"/> | Research & Development |

If other please specify

Thank you for taking the time to complete this survey.

Please return to vinny.beggs@dungannon.gov.uk by Friday 16 November 2007.

Appendix 3

List of Consultees

One to one meetings and workshop were held with the following :

Representatives from Party Groups:

- Sein Fein
- Ulster Unionists
- DUP
- SDLP

Stakeholder Consultation

- Business Working Group
- Dungannon and South Tyrone Borough Council Staff
- Invest NI
- Dungannon Regeneration Partnership
- Flavour of Tyrone
- Dungannon Enterprise Centre
- Business Education Partnership
- Business Innovation Centre
- South West College of Further & Higher Education
- DETI

Appendix 4
Letter from Minister for Enterprise Trade and Investment

From the Office of the Minister



Departm
**Ent
and**
www.de

NE
M/
BELFAS 1
BT4 2JP
Tel: 028 90 529452
Fax: 028 90 529545
E Mail: private.office@detini.gov.uk
Our Ref: DETI SUB 321/2007

Councillor Brian Monteith
Mayor
Dungannon District Council
Council Offices
Circular Road
DUNGANNON
BT71 6DT

RECEIVED
29 OCT 2007

25 October 2007

Dear Brian

GRANVILLE INDUSTRIAL ESTATE, DUNGANNON

At the meeting on 3 July I met a delegation of Dungannon Council representatives. A number of points were raised that I undertook to consider further. In this letter I will deal with the issues pertaining to the physical development of the estate.

Some twelve years ago, IDB sold off the freehold on much of the existing Granville Industrial Estate. This sale was in line with its policy at the time as the estate had been substantially developed and there was little remaining benefit for the agency in the land. Approximately two years after that sale, IDB acquired a substantial plot of land to the west of the existing estate.

When considering how to access the new lands, the most economically efficient solution at the time was to enhance the Granville junction on the A4 that already served the existing lands. This solution was endorsed in the Dungannon & South Tyrone Area Plan which accepted the access but required the junction to be upgraded before development of the new lands.

The original route for supporting the development of the new lands stretched to almost 1.5 acres and created a small triangular shaped parcel of land that would be hard to use for economic development purposes or sell on. See attached aerial photos.

However, the publication of the preferred route for the A4/A5 dual carriageway from Dungannon to Ballygawley provided the opportunity for Invest NI to reconsider access to the new lands. As a result of the scheme the prospect of an access at the site of the existing Killyliss junction has re-emerged and Invest NI is currently exploring this option with Roads Service. Should this option materialise, there would be no need to develop the originally proposed road infrastructure for the new lands.

Invest NI is currently discussing the remaining plateau on the existing site with an international client who requires the entire plateau to secure its current proposal and

future expansion. Access to the new lands via the Killyliss junction will provide a better traffic solution and together with leaving the existing roads infrastructure at its current extent may enable securing the arrival of the major international inward investment project mentioned above

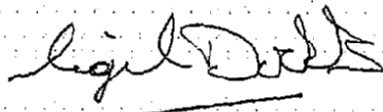
Your second concern was about the provision of a trailer park on the new lands. Invest NI land is allocated on the basis of an approved business case and a demonstrable immediate property need. Demand at Granville is strong and several companies have been competing for the remaining available lands. The ultimate decision is based on which site use will provide the biggest benefit to the NI economy. In the current climate I do not foresee that a trailer park is likely to out-score a new manufacturing or service project in terms of economic benefit. In view of the practicalities and economic considerations outlined above I am unable to support your request for the provision of a trailer park on the new lands at Granville.

Following our meeting Invest NI officials have met with officials from the Department of Regional Development (DRD) and the Council regarding the traffic management issues and some proposals for a resolution are being considered by DRD.

I have already addressed the Environment and Renewable Energy Fund projects in my letter to the Mayor of the Council of 12 October 2007.

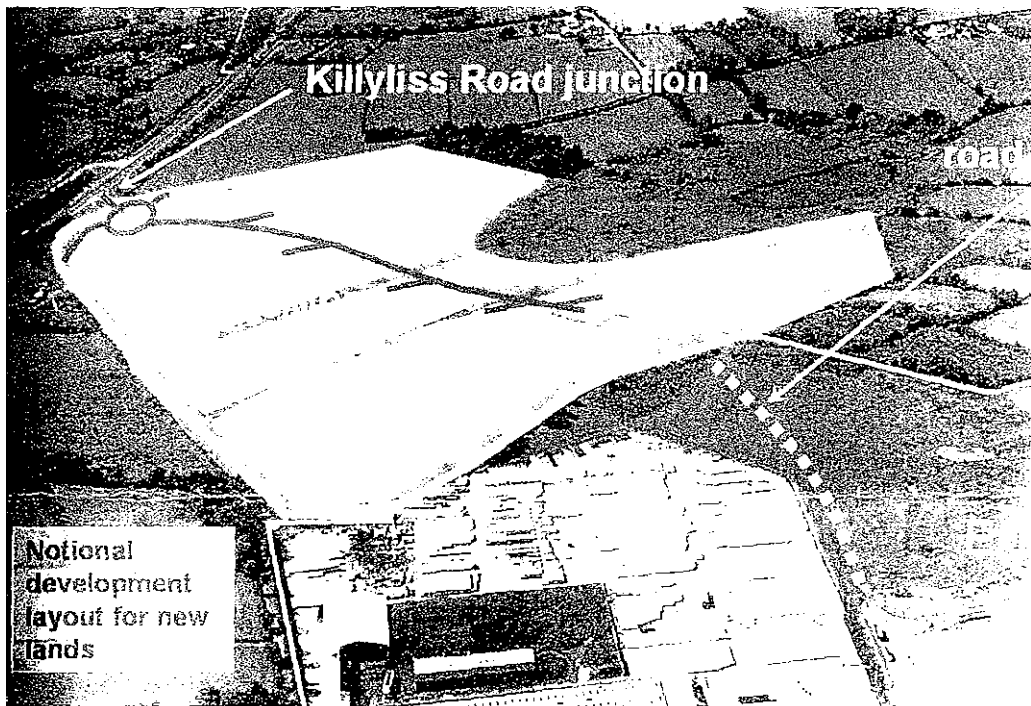
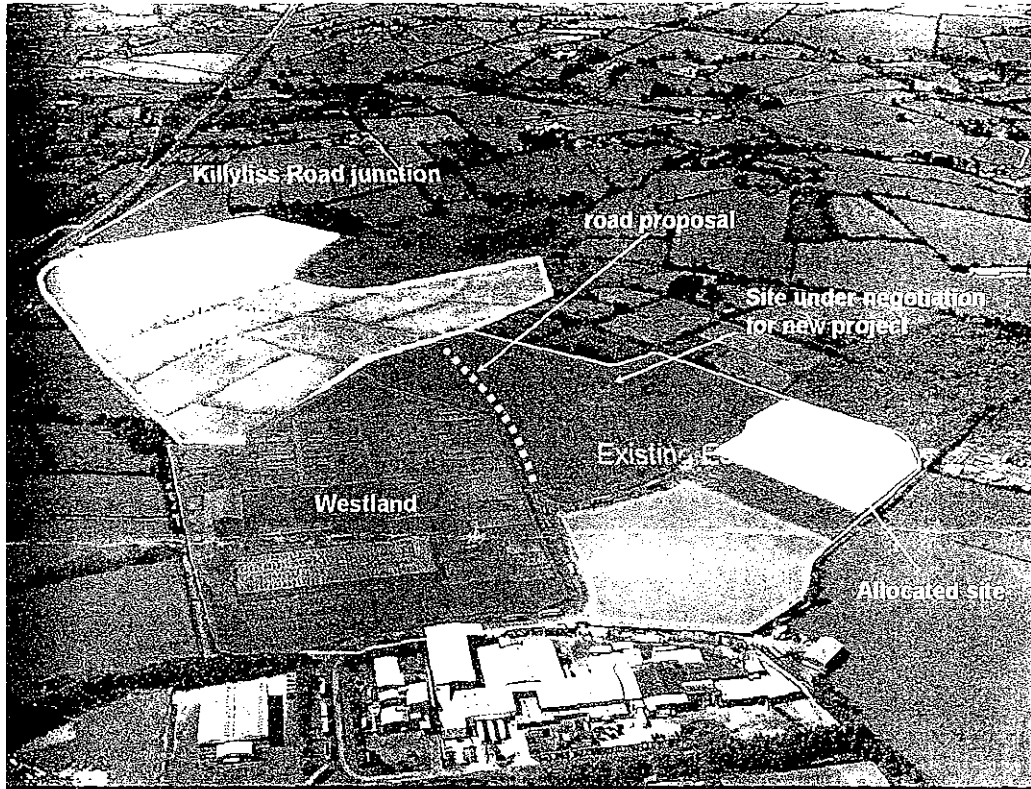
I can assure you that my officials will continue to provide whatever assistance they can to Westland, Linden, and the other companies located on the estate.

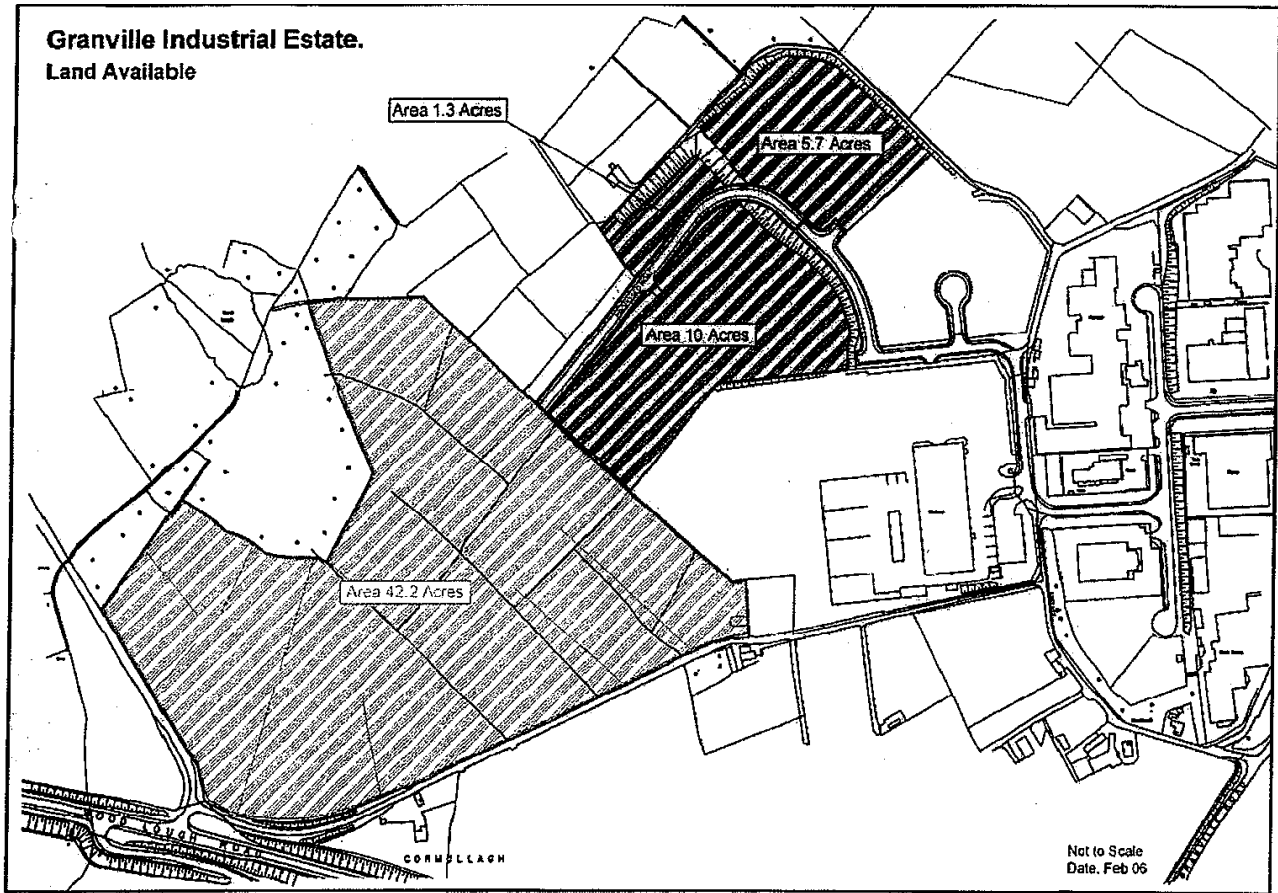
Best regards,

A handwritten signature in black ink, appearing to read 'Nigel Dodds', with a horizontal line underneath the name.

NIGEL DODDS OBE MP MLA

Aerial Photography of existing and new lands





From the Office of the Minister



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**Enterprise, Trade
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Our Ref: DETI COR 144/2007

1 RECORDED
21 DEC 2007
L...

Mr Alan Burke
Acting Chief Executive
Dungannon & South Tyrone Borough Council
Circular Road
Dungannon
BT71 6DT

18th December 2007

Dear Mr Burke,

Thank you for your letter of 6 December in relation to a Workspace Strategy for the Dungannon & South Tyrone Borough Council area.

You highlight some specific issues in relation to businesses which do not meet Invest NI criteria for support who are having difficulty getting appropriate accommodation and it would be useful to get some idea of the scale of this problem. You also raise issues about the Department's and Invest NI's responsibility as 'lead agencies' for workspace provision which is not the case.

Whilst Invest Northern Ireland works closely with Planning Service in the development of area plans as a consultee, it is ultimately the responsibility of Planning Service to identify and zone land for industrial use in compliance with its RDS obligation. Neither the Department nor Invest NI are directly responsible for Workspace provision.

I agree it would be useful for the council and senior Invest NI officials to discuss these issues further and I would accept your offer to convene a meeting. Can you contact Mr Graham Davis, Director of Regional Economic Development who will take the lead for Invest NI, Tel: 02890 698447.

Sincerely,

NIGEL DODDS OBE MP MLA

Appendix 5
Terms of Reference for Action Plan Projects
To be completed

