

DRAFT COMPETITIVENESS & EMPLOYMENT PROGRAMME 2007-2013

RESPONSE BY OMAGH DISTRICT COUNCIL

1.0 INTRODUCTION

Omagh District Council welcomes the opportunity to respond to the Draft Competitiveness & Employment Programme (2007-2013) which provides detailed proposals on how the £325 million EU funding allocated to the two new programmes should be spent.

The Council notes the content of the new strategy and its implications for the Omagh District and makes the following observations:

2.0 OVERVIEW OF THE NEW FUNDING ARRANGEMENTS

As a Council, we recognise the support the District received from the previous rounds of EU Structural funds which through various actions has supported new business development and helped people into employment. We must continue to improve on this position and provide the conditions that will make our district and the wider sub region more competitive in the ever changing global economy. The next round of EU funding, including the Competitiveness and Employment Programme will be part of a composite programme of strategies and actions that will assist us deliver this vision.

The responsibility of Funders, Government Departments and this Council must be that the programme adds value and produces meaningful demonstrable benefits for the people in our district.

To achieve this, the Council suggests the following underpinning principles would be appropriate:

- 2.1 Recognise the impact of the East/West split (for example the West has higher rates of deprivation, increased numbers of dispersed rural communities, and can be seen to “suffer” from its peripheral location; its inadequate roads and telecommunications infrastructure is a matter of record), and ensure that funding allocations are reflective of this split;
- 2.2 Recognise the influence of local issues in the Socio Economic analysis and Labour Market Analysis (for example the reliance on public sector jobs in Omagh and the dependence on agriculture in the West);
- 2.3 Ensure a flexibility with regard to the programme so that Councils may appropriately embed their strategies into the new programmes;
- 2.4 Increase the level funding into Local Economic Development action (2.2) and to allow Local Authorities to influence other programme funds (ERDF, ESF);
- 2.5 Recognise the increased economic development powers for local authorities post RPA, and ensure appropriate budgetary provision is allocated to these responsibilities;
- 2.6 Increase the level of technical assistance and animation support;
- 2.7 Recognise the greater challenges faced in the West in the delivery of the Lisbon agenda;
- 2.8 Maintain local representation on Regional and European Committees;
- 2.9 Reduce the level of bureaucracy running through the programme.

3.0 VIEWS ON THE SOCIO ECONOMIC ANALYSIS RELATING TO THE DRAFT ERDF COMPETITIVENESS PROGRAMME

The Council recognises the value of the Socio economic analysis and the general trends it demonstrates across Northern Ireland (NI). The difficulty with such an analysis however, is its generic approach, and as such, it fails to take into account regional disparities. It would be erroneous to suggest that the economic challenges of Omagh, are the same as those of, say, Lisburn. The Council would therefore suggest that the Socio Economic data must go further to take into account the trends at District and ward level and this must be embedded into the Strategy, Priorities and Actions in the document. It is also necessary to ensure that positive socio-economic variables, for example second level educational attainment are not taken to be guarantees of future employment and economic success.

The following Socio-Economic issues should be reflected in the analysis:-

- Omagh District falls within the upper quartile of disadvantage in NI (7th most deprived District Council area);
- Peripheral location and spatial issues affecting Omagh within a NI National and European context, resulting in reduced opportunities for individuals in employment, and business development;
- District totally reliant on a failing roads based transport system with no rail service; urgent infrastructural investment is required;
- Little or no foreign direct investment;
- Predominance of small businesses and the consequent high dependence on SMEs;
- Recognise the strengths and established expertise in sustainable energies in the Omagh district;
- Recognise the limited penetration of and access to R&D;
- Recognise the high percentage of the Omagh work force in Agriculture and allied industries (6.4%), and the specific challenges in ensuring this sector is not further eroded;
- Recognise the high number of Omagh work force in public sector, and the specific risk to this sector which may emerge following RPA.

On review of only some of the specific local Socio Economic statistics, the Competitiveness and Employment programme must consider and support the correct mix of local priorities and actions, (not only from this programme but other relevant funds), and then apply the correct level of funding/allocation that must be provided to allow the required impact in the District.

A central analysis will only provide partial solutions at District level and within their local communities.

If the socio economic analysis is a key determinant in the agreement of themes and allocation of funds, it is essential that a more thorough and locally reflective analysis is undertaken.

4.0 VIEWS ON THE LABOUR MARKET ANALYSIS RELATING TO THE DRAFT ESF EMPLOYMENT PROGRAMME

The Labour Market Analysis, in a similar way to the Socio Economic analysis, must take account of a local level analysis in Districts and wards and this must be incorporated into the Strategy, Priorities and Actions in the Employment programme.

It must take into consideration the following local Labour Market Analysis:-

- In Omagh, public sector jobs dominate and there are no practical measures in place to tackle future cuts. This could lead to a potential unemployment crisis;
- Omagh benefits from considerable “hidden reserves”, but in order for these to complement the local economy the “benefits trap” must be addressed as a matter of urgency.

The success of this funding package and others may depend on the ability to recognise the very local disparities and gaps. It is through this approach that the correct support and solutions will be brought to the individuals who are long term unemployed and economically inactive and increase the capacity of employees to update their skills capacity as well as those most affected by social exclusion.

A central analysis will only provide partial solutions at district level and within local communities.

5.0 VIEWS ON THE PROPOSED STRATEGY, PRIORITIES, KEY AREAS OF EXPENDITURE AND INDICATIVE ALLOCATION, WITH THE FOCUS ON THE LISBON COMPETITIVENESS PRIORITIES FOR THE ERDF COMPETITIVENESS PROGRAMME

At the outset it is appropriate to refer to the role of local government. Local authorities have led by example over the last decade through their capability and competence in managing a series of multi-faceted programmes and projects encompassing a variety of funding streams and thematic areas. RPA recommends enhanced powers of economic development to local authorities, and it is somewhat disappointing, that the draft programme appears to be funding only on the basis of our current level of responsibility. The Council would therefore recommend that as local government is the key delivery agent for economic development, the budgets should be redrawn accordingly.

5.1 The Strategy:

The Council welcomes the complementarity brought about by fitting this new programme within the wide range of Economic Strategy documents that have been produced in recent times. Indeed it is the approach applied by the Council in the production of the Council’s own Economic Development Strategy (2007-2013) which incorporates the strategic issues at regional, national and international and includes the unique local needs found in the Omagh District area.

It would be the Council's intention to embed our Economic Development Strategy into our future action plans.

It is through a joined up approach (Funders, Government Departments, Local Authority and other entities) that the strategic goals as set out in Competitive Programme be delivered.

The Council would also emphasise the necessity of ensuring an element of flexibility within the strategy, as it is inevitable the needs of the region will change over the lifetime of the programme.

5.2 The Priorities:

The Council recognises that the 3 priority themes:-

- Increasing Investment in Research and Technological Development and Promoting Innovation;
- Promoting Enterprise and Entrepreneurship; and
- Improving Accessibility and Protecting and Enhancing the Environment;

provide a possible framework to achieve greater competitiveness at local and regional level and help meet the strategic objectives of the programme. Given the reliance on micro-business in the Omagh district, we would suggest that a holistic approach to enterprise and entrepreneurship is adopted.

5.2.1 An Adaptable Approach:

The priorities must reflect and be able to adapt to the specific issues affecting Omagh District and other sub regions. Through this approach, there would be better opportunity to provide innovative approaches and develop local solutions that will assist in best delivering the objectives set out by the priorities.

In the case of Omagh District the priorities must be flexible to permit this District to deliver on the specific actions set out in the Council's Economic Development Strategy (2006-2010).

(See attached, Omagh District Council's Economic Development Strategy 2006-2010))

5.2.2 Reduction of Priorities:

It is the Council's opinion that the 3 priorities could be reduced to 2 by including the priority 3 "Accessibility and protecting the environment" as a cross cutting theme. Further in recognition of the ongoing importance of the actions within priority 3, all programmes and actions (Public and Private) should be required to integrate and include this priority as a cross cutting theme.

5.3 Key Areas of Expenditure and Indicative Allocation:

5.3.1 General

As indicated above, the Council is concerned that apparently no consideration has been given to the enhanced powers of local government and would therefore recommend at least half of the budget associated with Priority 2.1 should transfer to local authorities to ensure the delivery of its post RPA responsibilities. The budget for priority theme 2.2 is totally inadequate, and needs to be urgently reconsidered. It would also appear reasonable that priority theme 3.1 should be transferred to local government to develop sustainable energy projects.

5.3.2 Local Economic Development:

With specific reference to priority theme 2.2 the document recognises the importance of the local economic dimension in the programme; this importance should be further emphasised with additional funds.

Further, Local Authorities must be given a genuine opportunity to engage and influence the other priority themes being delivered by DETI. This should be permitted to assist in directing the additional resources going to those areas, sectors, and businesses within the Omagh District that will benefit and which will therefore accelerate the growth needed in these local areas.

5.3.3 Signature Tourism Projects:

The Council emphasises the necessity for geographic equity of signature tourism projects. It would be grossly unfair if such projects were to be restricted to one or two areas, which are already in receipt of considerable funding.

5.4 The Focus on the Lisbon Competitiveness:

The Council recognises the purpose and value of delivering the programme to the standards set by the Lisbon Competitiveness Agenda.

Consideration must be given to the narrowness of the Lisbon Agenda definition, which will be more difficult for the Omagh District Council and the Councils in the West/East split. This is further demonstrated by not having the same levels of R&D penetration. This may be partially explained as a result of the sub region not having a University or the appropriate outreach provision to advance R&D.

It is essential therefore that there is sufficient scope in the new programme to allow mechanisms to be put in place to ensure R&D is delivered within the Omagh district to ensure that SMEs based in rural deprived areas have access to the same level of expertise as those companies in the greater Belfast area. Indeed, we would go further to suggest that it should be a **requirement** for universities to facilitate outreach within rural areas, and furthermore, those areas which do not have a university located in their area

should not be discriminated against because of this, but in fact gain additional support to address the vacuum which exists.

Many of the activities outlined as being compatible with the Lisbon Agenda are more programme centred than infrastructure centred, and this may present problems both in terms of spend and the achievement of outputs. It is important that “need” is the key factor in determining the priorities for funding in the next round. This should allow the sub-regions to specifically identify and address the distinct circumstances in their areas, such as the need for major infrastructural investment West of the Bann, to help put us on a level footing with other parts of Northern Ireland.

6.0 VIEWS ON THE PROPOSED STRATEGY, PRIORITIES, KEY AREAS OF EXPENDITURE AND INDICATIVE ALLOCATION, WITH THE FOCUS ON THE LISBON COMPETITIVENESS PRIORITIES FOR THE ESF EMPLOYMENT PROGRAMME

The Council welcomes the approach taken, although would suggest consideration be given:

6.1 The Strategy:

The Council welcomes the complementarity brought about by fitting the new Employment programme within the wide range of Employment Strategy documents that are reviewed within the strategy. Indeed, it is part of the approach employed by Omagh District Council, in its production of its own Economic Development Strategy (2007-2013).

This strategy needs to review local factors (including the benefits trap) as described above, and these influences must be incorporated into the strategy. A strategic approach that does not recognise the local issues will not be able to effectively support those people and communities in most need of support or benefit from this programme.

6.2 The Priorities:

The Council recognises that the 2 priorities:-

- Helping people into sustained employment; and
- Improving Workforce skills and adaptability.

The two priorities will provide a framework that will assist people to gain meaningful employment and further improve employment opportunities. However, within the priorities recognition must be given to issues affecting people at the local level and within the wider West region.

6.2.1 An Adaptable Approach:

In the case of Omagh District the priorities must be flexible to permit this District to deliver on the specific actions set out in the Council's Economic Development Strategy (2006-2010).

Through this approach, there would be better opportunity to provide innovative approaches, and develop local solutions that will assist in best delivering the objectives set out by the priorities.

This will allow training support for people with no qualifications to be delivered in their own communities; higher skills to be delivered in the work place and new opportunities in third level and post graduate to be delivered through meaningful linkages with Further Education and University outreach.

The Council would oppose Omagh and the West being discriminated against because they do not have a university in the area.

Integral to this approach must be the ability to supply child care, transport and differing forms of sheltered employment.

6. 3 Areas of Expenditure and Indicative Allocations:

6.3.1 General

The Council generally accepts the Expenditure and Indicative Actions, although in recognition of the specific local needs as described previously, there must be adaptability and capacity to amend Expenditure and Indicative Allocations.

6.3.2 Local Economic Development:

The Council must be given a genuine opportunity to engage, influence and be part of the delivery of the priority themes being delivered by DEL under the ESF Programme. This should be achievable to permit the additional resources to go to those areas, sectors, businesses and individuals within the Omagh District that will benefit and that will accelerate the growth needed in these local areas.

6.4 Focus of the Lisbon Priorities for the ESF Employment Programme:

See response to 5.4

7.0 VIEWS ON THE PROPOSED CROSS CUTTING THEMES FOR BOTH PROGRAMMES OF ENSURING EQUALITY, PROMOTING GOOD RELATIONS AND SUSTAINABLE DEVELOPMENT, AND CREATING SUSTIANABLE COMMUNITIES

The Council notes the proposed cross cutting themes.

7.1 Ensuring Equality:

The Council recognises the value/importance of this cross cutting theme on both programmes. This reflects the overarching commitment to provide a fair and unprejudiced treatment for all and in particular the ethos of equality envisaged by section 75. To ensure Equality is delivered and the ethos filters down through all aspects of the programme it must be effectively monitored, evaluated with a regular review, in an approach that still maintains the lower levels of bureaucracy.

7.2 Promoting Good Relations and Sustainable Development:

The Council recognises the value/importance of the cross cutting theme on both programmes. This approach publicly demonstrates the importance of Good Relations and Sustainable Communities and this must be followed through in all aspects of the programme. Central to rolling out this cross cutting approach is to monitor, evaluate and carry out regular review in an approach that still maintains the lower levels of bureaucracy.

7.3 Creating Sustainable Communities

The Council recognises the value/importance of this cross cutting theme on both programmes. This approach publicly demonstrates the importance of Sustainable Communities and this must not only embrace the protection of the environment but also as something that will lead us to improved economic and social development. Central to rolling out this cross cutting approach is to monitor, evaluate and carry out regular review. In an approach that maintains the lower levels of bureaucracy.

8.0 VIEWS ON THE PROPOSED MANAGEMENT AND IMPLEMENTATION ARRANGEMENTS FOR BOTH PROGRAMMES, INCLUDING THE SIMPLIFIED DELIVERY STRUCTURES, CO-ORDINATION ARRANGEMENTS WITH OTHER COMMUNITY PROGRAMMES AND TECHNICAL ASSISTANCE PROPOSALS

The Council welcomes any management approach that assists in reducing the levels of bureaucracy and permits more funds to go to the end user.

8.1: Management and Implementation Arrangements

8.1.1 Local Representation:

The Council would request that consideration be given to the Committee structures. It will be important that local representation is not lost to these bodies as a result of the measure efficiency. Local representation plays an important role to these committees, being able to report the local issues and solutions to the managing authorities at a regional, national and European level. In turn local representatives are able to communicate the responses from Europe and nationally back to their local communities.

8.1.2 Reduced Bureaucracy:

The Council would suggest that to avoid layers of bureaucracy that Europe, National and Sub regional representatives agree one set of information (performance indicators) and systems requirements that provides the necessary information and provides the minimum level of procedures to avoid any risk from irregularity.

Further, any reporting system (IT) should be able to produce statistics that deliver the requirements for the Managing Authority but likewise can be utilised and beneficial to the programme deliverer including Local Authorities.

8.2 Technical Assistance

The Council has reservations on the level of technical assistance, calculated at 1.2% of the total programme budget and this appears to be substantially lower than for other European Programmes. A consistent level of technical support should be available across all programmes. Further the significantly reduced level of technical assistance funding must not be allowed to reduce the quality in the delivery of the programme particularly animation requirements. The general reduction of technical assistance must be proportional to the reduced level of bureaucracy.

9.0 CONCLUSION:

As evidenced from above, Omagh District Council considers the Draft Northern Ireland Competitiveness and Employment Programmes 2007-2013 in a positive light. The Council would wish to be involved in further discussion with the Department centrally on the two programmes.

ENDS