



Department for the  
**Economy**  
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# DEPARTMENT FOR THE ECONOMY

## Business Plan 2016/17

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## **PERMANENT SECRETARY'S OVERVIEW**

The establishment of the new Department for the Economy presents an excellent opportunity to build on the good work that was done by the former Department of Enterprise, Trade and Investment and Department for Employment and Learning in building the local economy and improving the skills base.

This transitional Business Plan for 2016/17 provides continuity with the policies and strategies of the previous departments and enables us to make further progress while reviewing and refreshing what we are doing to contribute to the Executive's new Programme for Government 2016-2021.

The refresh of the Executive's Economic Strategy which the department leads on, will be a key activity in the period of this Business Plan. Other key activities will be the development of a new Corporate Plan for the department, the development of a strategic skills framework, the development of a new youth training programme, the development of a refreshed Strategic Energy Framework and longer term Energy Strategy and the continuance of support to both existing and new businesses to help them grow and develop.

Doing all of this will be a challenge given the reduction in resources available to the Department. This will require us to work differently adopting new technologies as appropriate and working more closely with others both within and across the Department's family of businesses. Together I am convinced that we can make a real difference to the economy and people in Northern Ireland.

**Dr Andrew McCormick**

# 1. INTRODUCTION

## 1.1 Background

The NI Executive gave a commitment in the Stormont House Agreement to reduce the number of government departments from twelve to nine. As a result, the Department for the Economy (DfE) was established in May 2016.

DfE combines the functions of the former Department of Enterprise, Trade and Investment and the Department for Employment and Learning, with the exception of the Employment Service which is now part of the Department for Communities.

## 1.2 Business Planning 2016/17

This DfE Business Plan 2016/17 sets out the key activities and targets for the first year of the new department.

For business planning purposes, 2016/17 represents a transitional year for DfE and other government departments in Northern Ireland.

One of the key activities during the transitional year will be the development of a Corporate Plan for DfE for the period 2016–2021. The Corporate Plan will be aligned to the new Programme for Government 2016–2021, the refocus of the NI Economic Strategy and the Executive’s budget for the period 2017–2021. It is anticipated that the DfE Corporate Plan (2016-21) will be published later this business planning year.

The other activities and targets for 2016/17 are detailed in the tables at pages 17-34.

### **1.3 Department's Budget**

The Department's budget settlement for 2016/17 is challenging, with a non ring fenced Resource Departmental Expenditure Limit (DEL). This amount includes a £16.9 million allocation from the Public Sector Transformation Fund along with a £5.0 million allocation to address the skills enhancement agenda and is a 3.0% reduction on the 2015/16 opening position.

The Department also has Treasury Resource ring-fenced budgets amounting to £161 million for depreciation, and the Notional Student Loan Subsidy. This amount when combined with the non ring-fenced allocation of £790m gives the department a total allocation of £951m for 2016/17.

In addition to the total above the previous Finance Minister advised that the first £20.0 million Resource DEL made available in June 2016 Monitoring would be recommended for the skills agenda within DfE. Securing this amount will increase the allocation for 2016/17 to £971m.

Finally, the Department's Capital budget is £60 million conventional capital and £31 million for ring-fenced Financial Transactions Capital, making a total capital budget of £91 million.

Appendix B provides further details of the Budget allocation.

### **1.4 Draft Programme for Government**

The draft Programme for Government Framework was published on 27 May 2016 and is a new approach to business planning which focuses on the major societal outcomes the Executive wants to achieve. There are 14 strategic outcomes which, taken together, the Executive believes best describes the society we wish to live in. The outcomes are supported by 42 indicators which show the change we want to bring about. The table below outlines the draft PfG indicators relating to DfE and the

link to the DfE strategic objectives (DfE strategic objectives are described in more detail at paragraph 2.1).

<b>Programme for Government Indicators (DfE)</b>	<b>Link to DfE Strategic Objectives</b>
Improve the skills profile of the population	Strategic Objectives 2 & 7
Increase the proportion of people in work	Strategic Objectives 1, 2, 4 & 7
Reduce economic inactivity	Strategic Objectives 1, 2, 4 & 7
Increase the proportion of people working in good jobs	Strategic Objectives 1, 2, 4 & 7
Increase the size of the economy	All Strategic Objectives
Increase the competitiveness of the economy	All Strategic Objectives
Increase innovation in our economy	Strategic Objectives 3 & 7
Improve internet connectivity	Strategic Objectives 5 & 7
Increase environmental sustainability	Strategic Objectives 5 & 7
Improve our attractiveness as a destination	Strategic Objectives 1, 4 & 7
Increase economic opportunities for our most deprived communities	Strategic Objectives 1, 2, 4 & 7
Reduce underemployment	Strategic Objectives 1, 2 & 7
Improve regional balance of economic prosperity through increased employment	Strategic Objectives 1, 2, 4, 5 & 7
Improve our international reputation	All Strategic Objectives
Increase the proportion of graduates moving into employment or on to further study	Strategic Objectives 1, 2, 4 & 7
Increase quality of life for people with disabilities	Strategic Objectives 2 & 7

The public consultation on the draft Programme for Government Framework which commenced with publication on 27 May 2016 closes on 22 July 2016. Following closure the results will be analysed and, where appropriate, adjustments made to the draft PfG. Any additional actions required of the Department will be added to this Business Plan.

## **1.5 Economic Outlook**

In terms of global economic growth, the International Monetary Fund has downgraded its forecast for global growth in 2016 to 3.4%, 0.3 percentage points lower than in 2015. The pickup in global activity is now projected to be more gradual, especially in emerging market and developing economies. Similar trends are also evident at UK level, with the Office for Budget Responsibility downgrading its forecast of UK growth in 2016 from 2.4% to 2%.

Compared to the UK, the Ulster University Economic Policy Centre forecasts modest local growth of 1.6% in 2016. So, while the Northern Ireland economy is recovering from the recession, it is doing so at a slower pace than the rest of the UK.

## **1.6 Labour Market**

Recent evidence shows that while the level of unemployment is falling in Northern Ireland the levels of long term and youth unemployment are higher than the UK rate and remain a significant challenge.

The number of employee jobs is also growing at a level below the UK rate but over the year to December 2015 there have been increases in jobs, most notably in manufacturing (+1710 jobs) and construction (+1450 jobs).

## **1.7 Northern Ireland Economic Strategy**

The Northern Ireland Economic Strategy (NIES), published in March 2012, sets out a vision for the NI economy for 2030 of “an economy characterised by a sustainable and growing private sector where a greater number of firms compete in global

markets and there is growing employment and prosperity for all". The Department will undertake a refocus of the NIES in 2016 and this is one of the key activities featured in the transitional 2016/17 Plan. The refocused Economic Strategy will include an analysis of the performance of the Northern Ireland economy, will set out the key drivers for growing our economy and will reflect the draft PfG framework.

There are a number of key factors which will be central to the refocus of the NI Economic Strategy in 2016 and which can shape our economic policy priorities over the next decade. Corporation Tax is arguably the single most important policy opportunity in the immediate future.

## **1.8 Corporation Tax**

The Northern Ireland Executive has decided that a lower rate of corporation tax of 12.5% will take effect in Northern Ireland from 1 April 2018. Along with increasing levels of skills, a lower rate of corporation tax has the potential to significantly drive the transformation of the NI economy by attracting foreign direct investment and developing local businesses. The benefits include attracting more export intensive, higher value-added Foreign Direct Investment firms and integrating these companies into the local economy through the supply chain, along with making local companies more competitive in export markets and increasing the attractiveness of business expansion.



## 2. OUR VISION, MISSION AND STRATEGIC OBJECTIVES 2016/17

- 2.1 The vision, mission and strategic objectives developed for the Department are set out below. These reflect the integration of functions of the former Department of Enterprise, Trade and Investment and the Department for Employment and Learning into one structure. The objectives were developed through a process of engagement with a wide range of stakeholders, internal and external.

### OUR VISION

A globally competitive economy that works for everyone



### OUR MISSION

To develop and implement agile policies and programmes which promote a competitive, sustainable and inclusive economy through investment in:

- skills
- economic infrastructure
- research and innovation; and
- business development.



### STRATEGIC OBJECTIVES

1. Assist the development of businesses to compete successfully in the local and global economies and to create employment.
2. Support economic, social and personal development through relevant high quality learning and skills provision.
3. Stimulate research and development, innovation and creativity.
4. Secure high quality inward investment.
5. Facilitate development of the economic infrastructure to provide a strong foundation for economic growth.
6. Deliver a regulatory environment that optimises economic opportunities for business and commerce, while also protecting consumers and workers.
7. Work in partnership with others to support economic growth.
8. Ensure the Department has effective governance, manages its resources, both financial and staff and successfully manages the transfer of DEL and DETI functions to the new Department for the Economy.

### **3. OUR ROLE AND HOW WE DELIVER**

#### **3.1 Core Department**

To deliver the mission and strategic objectives the Department has been structured into 4 business areas as follows:

1. Strategic policy;
2. Operational policy ( delivery through Arms Length Bodies);
3. Operational policy (infrastructure and regulation); and
4. Operational policy (investment).

Each business area is headed by a Deputy Secretary supported by a number of Directors with responsibility for specific areas of activity. An organisation chart showing the structure and key areas of work is included at Appendix A.

#### **3.2 Sponsored Bodies / DfE Family of Businesses**

A number of organisations assist the Department in carrying out its work. The organisations receive funding from, and contribute to the work of the Department by attracting new businesses, developing business capacity and capability, up skilling those preparing for work or already in work, promoting tourism, ensuring the safety of our workplaces and setting and monitoring various governance standards for our workplaces. These organisations are shown in the diagram at Appendix A.

### **3.3 OUR VALUES**

The department adheres to the core Civil Service values of:

1. Selflessness
2. Integrity
3. Objectivity
4. Accountability
5. Openness
6. Honesty
7. Leadership

### **3.4 NICS of the future**

The Northern Ireland Civil Service Management Board has stated that “our goal is to be a well led, high performing Civil Service that focuses on outcomes that will help the Executive to create a thriving, balanced economy and a more equal society in which individuals and communities can flourish”. For the Civil Service this will mean that we need to be more agile in our ways of working, optimising technology, prioritising all that we do, delivering quality frontline services in a way that suits people and gets the best return from our investment and collaborating effectively within and across departments and with others outside the Civil Service. The Department’s senior management team supports this and during 2016/17 will play its part in taking forward the action plan currently being developed.

#### **4. KEY PRIORITY AREAS FOR THE DEPARTMENT IN 2016/17**

The aim of achieving long term economic growth by improving competitiveness and building a larger and more export driven private sector continues to be a priority of the Executive. The establishment of the department presents an opportunity to deliver key economic development policies in a collaborative, cohesive and targeted manner. Key areas of activity for the department are described in the paragraphs below.

##### **4.1 Skills**

Equipping the workforce with the required skills and qualifications necessary is fundamental to economic success. Partnership working with the further and higher education sectors will be crucial to ensuring that job creation and skills development are closely aligned.

To ensure success, the Department will consider the skills landscape and associated suite of strategies currently in place as a means of establishing a robust strategic framework for skills which oversees and drives this agenda. The development of this strategic skills framework is identified as a key target within the 2016/17 transitional Plan.

##### **4.2 STEM**

Increasing the number of people with skills in Science, Technology, Engineering and Mathematics (STEM) will be integral to our economic success in the future. Therefore, as part of the development of the strategic skills framework, the Department in 2016/17 will review the STEM Strategy. The Department also has set a target for increasing the number of graduates and post graduates undertaking economically relevant subjects to at least 22% in 2016/17.

### **4.3 Management and Leadership**

Increasing the number of people with management and leadership skills is recognised as important to our economic success as it enables our businesses to empower and enable their people to deliver high performance and productivity. This in turn maximises the individual's success and contributes positively to the economy as a whole. As part of the development of the strategic skills framework the Department will review the Leadership and Management Strategy in 2016/17.

### **4.4 Apprenticeships and Youth Training**

'Securing our Success: The Northern Ireland Strategy on Apprenticeships', published June 2014, articulates a blueprint for the future of apprenticeships in Northern Ireland. Similarly, 'Generating our Success: The Northern Ireland Strategy for Youth Training, published June 2015, provides the direction for a new youth training system at level 2, to be entitled 'traineeships'.

The new traineeship and apprenticeship system will transform the professional and technical curriculum landscape in Northern Ireland, replacing a range of standalone initiatives and programmes. The new model is expected to have a transformative impact on the supply of skills from level 2 upwards, particularly at higher levels, while at the same time inspiring all who participate to progress in their learning and employment journey, through a clear pathway to higher levels. Through a partnership approach, traineeships and apprenticeships will balance interests of the individual, the employer and the economy. The primary benefit to the economy of the new traineeship and apprenticeship system will be a better matching of supply and demand for skills. Apprenticeships will be extended to a wider range of occupational areas, while at the same time facilitating progression up the skills ladder from level 3 (A level) to level 8 (Doctorate). Traineeships will replace a range of standalone interventions, providing young people aged 16-24 the opportunity to undertake new level 2 baccalaureate style awards, which will be the equivalent to five GCSEs at A\*-C, incorporating extensive work-based learning. Traineeships will be available through both an employed and a non-employed pathway. Key to both strategies is the establishment of new systems of training, employment and learning which are

adaptive to the particular needs of employers across a wider range of sectors. The new model puts employers firmly in the driving seat for youth training and apprenticeships, through such initiatives as the establishment of a high level Strategic Advisory Forum to inform Government, alongside specific Sector Partnerships to design and agree curriculum content. There are a number of targets relating to this continued reform included in the 2016/17 transitional Plan.

#### **4.5 Refocus of the Northern Ireland Economic Strategy (NIES)**

As stated in paragraph 1.7 the Department will undertake a refocus of the NIES in 2016/17. This will be done in parallel with the development of the Programme for Government and will set out the actions that need to be taken to achieve the Strategy's vision of "an economy characterised by a sustainable and growing private sector where a greater number of firms compete in global markets and there is growing employment and prosperity for all". Some of the work undertaken in 2016/17 will involve key research projects – undertaken by colleagues in Analytical Services.

#### **4.6 Reduction in the Rate of Corporation Tax**

The Department will lead on the work necessary to ensure that a revised rate of Corporation Tax of 12.5% is in place from 1 April 2018. This work will involve stakeholders both within and out the Department and while it will begin in the period of this transitional business plan it will also roll forward into the business plan for 2017/18.

#### **4.7 Export Matters Action Plan**

In tandem with preparing for a lower rate of Corporation Tax and developing the skills base the department will contribute to the implementation of the Export Matters Action Plan to deliver the Plan's twin goals of growing the value of sales by local businesses made outside NI and encouraging more local businesses to engage in sales outside NI. During 2016/17, the department will undertake an analysis/audit of existing provision and will develop a composite Trade Development and Overseas

Events Programme. Further work will also be undertaken on the Broad Economy Sales and Export Sales measure.

#### **4.8 Tourism**

In line with priorities identified in the new Tourism Strategy, the department will support investment in tourism infrastructure to increase NI's reach in the international marketplace and increase tourism revenue. It will oversee the delivery by Tourism NI of projects under the Tourism Development Scheme and will work with the National Museum of the Royal Navy on the opening of HMS Caroline as a visitor attraction. The Department will also be involved in submitting a bid in relation to the Rugby World Cup 2023.

#### **4.9 Energy**

The Department will support the continuing evolution of gas and electricity markets and will protect the interests of consumers. Delivery of key energy infrastructure will be progressed through support of the extension of the natural gas network and delivery of the North-South Interconnector. Participation will continue in electricity and gas tariff reviews and Price Determinations and work will be progressed on future renewable electricity policy.

## 5. DfE BUSINESS PLAN 2016/17

<b>STRATEGIC OBJECTIVE 1: ASSIST THE DEVELOPMENT OF BUSINESSES TO COMPETE SUCCESSFULLY IN THE LOCAL AND GLOBAL ECONOMIES AND TO CREATE EMPLOYMENT</b>		
<b>ACTIVITIES</b>	<b>TARGETS</b>	<b>Lead Official &amp; Business Area</b>
Support the Further Education sector to up-skill employees to meet employers' needs.	<p>By March 2017, up-skill 1,500 employees to attain Level 2 and above qualifications via the Skills Focus Programme.</p> <p>By March 2017, deliver 90 Funded Units of Support for Employer (FUSE) Projects per FE college within the InnovateUS Programme (540 in total).</p>	<p>Trevor Connolly, Business Engagement Division</p> <p>Trevor Connolly, Business Engagement Division</p>
Implement the new Further Education Strategy "Further Education Means Success"	<p>By March 2017, through Implementation of the Economic Development Project, within <a href="#">Further Education Means Success</a>, complete the following actions:</p> <ul style="list-style-type: none"> <li>• Audit, map and review the current offer and interventions available to employers; and</li> <li>• Develop a revised portfolio of programmes and schemes to deliver skills training in key economic areas.</li> </ul> <p>(See <a href="#">Implementation Plan</a>)</p>	Beverley Harrison, Further Education Policy Division
Implement the Export Matters Action Plan.	<p>By December 2016, through the establishment of a Sub-Group, complete the following actions:</p> <ul style="list-style-type: none"> <li>• Undertake an analysis/audit of existing provision; and</li> <li>• Working with Invest NI, develop a composite Trade Development and Overseas Events Programme.</li> </ul>	Diarmuid McLean, Strategic Policy Division 1



**STRATEGIC OBJECTIVE 1: ASSIST THE DEVELOPMENT OF BUSINESSES TO COMPETE SUCCESSFULLY IN THE LOCAL AND GLOBAL ECONOMIES AND TO CREATE EMPLOYMENT**

ACTIVITIES	TARGETS	Lead Official & Business Area
	Through the Export Matters Forum: <ul style="list-style-type: none"> <li>• By October 2016, produce a six monthly report on progress; and</li> <li>• By March 2017, produce an annual statement on performance.</li> </ul>	Diarmuid McLean, Strategic Policy Division 1
Develop a Tourism Strategy to increase visitors and revenue.	By December 2016, publish the Strategy.	Mike Thompson, Business Engagement Division
Implement the projects flowing from the Department's two Higher Education Strategies: <i>Graduating to Success</i> and <i>Access to Success</i> .	By March 2017, implement the project target outcomes flowing from the two strategies planned for implementation during 2016/17.	Trevor Cooper, Higher Education Policy and Finance Division
Stimulate employment opportunities in the NI economy.	By March 2017, support the promotion of 4,000 - 6,000 jobs in NI. [Included in Invest NI Business Plan 2016/17]	Trevor Connolly, Business Engagement Division / Alastair Hamilton, Invest NI
Increase external sales and grow the number of NI businesses selling outside NI.	By March 2017, increase the value of NI manufacturing export sales by 11-14% (baseline HMRC RTS 2014/15). [Included in Invest NI Business Plan 2016/17]	Trevor Connolly, Business Engagement Division / Alastair Hamilton, Invest NI
Prepare for exit from the European Community.	By March 2017, have in place an Action Plan for exiting the EU.	Mary McIvor, Business Engagement Division

**STRATEGIC OBJECTIVE 2: SUPPORT ECONOMIC, SOCIAL AND PERSONAL DEVELOPMENT THROUGH RELEVANT HIGH QUALITY LEARNING, RESEARCH AND SKILLS**

ACTIVITIES	TARGETS	Lead Official & Business Area
Support Department funded postgraduate awards in higher education at Northern Ireland's universities.	By March 2017, maintain provision of 729 Department funded postgraduate awards at Northern Ireland's universities in academic year 2016/17.	Trevor Cooper, Higher Education Policy and Finance Division
Support the acquisition of skills and qualifications to school leavers and employees through delivery of ApprenticeshipsNI and Training for Success programmes.	By March 2017, ensure that contracted training suppliers meet required quality, contractual and performance standards (including the achievement of qualification targets for each programme).	Jim Wilkinson, Youth Policy Division
Deliver a careers information advice and guidance service to school pupils and adults.	By March 2017, deliver to at least 90% of pupils, in their final year of compulsory schooling, face to face professional careers guidance and conduct over 15,000 guidance interviews with adults.	Mike Thompson, Business Engagement Division
Implement the <i>Preparing for Success</i> 2015-2020 Strategy.	By March 2017, deliver the following actions contained within the Careers Strategy Action Plan 2016/17: <ul style="list-style-type: none"> <li>• pilot the further use of e-delivery channels including Webex and interactive webinars;</li> <li>• establish a central database to advertise work experience opportunities; and</li> <li>• establish an Accountability and Quality Assurance Framework for the Careers Service.</li> </ul>	Mike Thompson, Business Engagement Division
Develop a framework for social inclusion in the economy.	By March 2017, publish the framework for social inclusion in the economy.	Mary McIvor, Strategic Policy Division 2

**STRATEGIC OBJECTIVE 2: SUPPORT ECONOMIC, SOCIAL AND PERSONAL DEVELOPMENT THROUGH RELEVANT HIGH QUALITY LEARNING, RESEARCH AND SKILLS**

ACTIVITIES	TARGETS	Lead Official & Business Area
Increase the number of learners undertaking higher education courses in economically relevant subjects, as outlined by the NI Skills Barometer.	By March 2017, increase the number of graduates and postgraduates in economically relevant subjects (with an emphasis on narrow STEM) to at least 22% by 2016/17 from a baseline of 18% in 2008.	Trevor Cooper, Higher Education Policy and Finance Division(with input from Skills, Youth Policy and FE)
Develop a strategic skills framework for incorporation in the refocused Economic Strategy.	By December 2016, develop the strategic skills framework.	Mary McIvor, Strategic Policy Division 2
Review the Strategy for Science, Technology, Engineering and Mathematics (STEM).	By March 2017, review completed.	Mary McIvor, Strategic Policy Division 2
Review the Leadership and Management Strategy.	By March 2017, review completed.	Mary McIvor, Strategic Policy Division 2
Pilot key aspects of the new systems of Apprenticeship and Youth Training.	<p>By March 2017, continue the reform of Northern Ireland's Professional and Technical Education and Training system for apprenticeships and youth training including:</p> <ul style="list-style-type: none"> <li>• increasing the number of new starts onto higher level apprenticeship (HLA) pilots by 20% in 2016/17;</li> <li>• introducing pilot HLAs in at least another 3 occupational areas in 2016/17;</li> <li>• developing and piloting new content for reformed level 3 apprenticeships in at least 6 occupational areas in 2016/17; and</li> <li>• developing and piloting new traineeships at level 2 in at least 6 occupational areas in 2016/17.</li> </ul>	Jim Wilkinson, Youth Policy Division

**STRATEGIC OBJECTIVE 2: SUPPORT ECONOMIC, SOCIAL AND PERSONAL DEVELOPMENT THROUGH RELEVANT HIGH QUALITY LEARNING, RESEARCH AND SKILLS**

ACTIVITIES	TARGETS	Lead Official & Business Area
[Develop a new United Youth programme.]	[By March 2017, design and agree the cross-border PEACE IV Youth Initiative Programme (United Youth) and to have commenced the implementation process.]	Jim Wilkinson, Youth Policy Division
Deliver qualifications through our family of businesses at Level 2 and above.	By March 2017, deliver 64,000 qualifications at level 2 and above.	Beverley Harrison, Further Education Policy Division
Enhance enrolment and achievement rates in Essential Skills qualifications in literacy, numeracy and ICT skills.	By March 2017, deliver an additional 7,500 level 2 qualifications in literacy, numeracy and ICT skills.	Beverley Harrison, Further Education Policy Division
Implement the new Further Education Strategy " <i>Further Education Means Success</i> ".	By September 2016, introduce for first teaching refreshed Essential Skills Syllabus in Literacy and Numeracy.	Beverley Harrison, Further Education Policy Division
	By March 2017, identify the main barriers which inhibit different groups of learners from participating in provision, and identify provision and support designed to address barriers faced by those groups of learners. (See <a href="#">Implementation Plan</a> )	Beverley Harrison, Further Education Policy Division
Implement the recommendations arising from the <i>Pathways to Success</i> Strategy evaluation report.	By 30 September 2016, develop an Action Plan to implement the recommendations arising from the <i>Pathways to Success</i> Strategy evaluation report.	Mary McIvor, Strategic Policy Division 2
Implement the ESF Programme 2014-2020.	By March 2017, have 11,300 eligible participants on a range of NIESF Projects.	Maeve Hamilton, European Fund Management Division

**STRATEGIC OBJECTIVE 2: SUPPORT ECONOMIC, SOCIAL AND PERSONAL DEVELOPMENT THROUGH RELEVANT HIGH QUALITY LEARNING, RESEARCH AND SKILLS**

ACTIVITIES	TARGETS	Lead Official & Business Area
Develop and deliver a DfE Research Agenda for 2016/17.	By July 2016, agree a new DfE Research Agenda for 2016/17.	Victor Dukelow, Analytical Services
	By March 2017, complete research projects in accordance with the timetable agreed at the outset of each project.	Victor Dukelow, Analytical Services
Improve accessibility to the higher education sector by piloting a programme for Disabled Applicants.	By March 2017, agree a pilot programme for a route of exceptional application to Higher Education for Disabled Applicants.	Trevor Cooper, Higher Education Policy and Finance Division
Progress the next steps in relation to the Quality Assessment review.	By March 2017, agree new QA arrangements for the HE sector to be finalised for introduction from Academic Year 2017/18.	Trevor Cooper, Higher Education Policy and Finance Division
Secure investment in skills, particularly management and leadership development, to drive productivity and growth.	By March 2017, secure £30-40 million business investment in the development of skills. [Included in Invest NI Business Plan 2016/17]	Trevor Connolly, Business Engagement Division

**STRATEGIC OBJECTIVE 3: STIMULATE RESEARCH & DEVELOPMENT, INNOVATION AND CREATIVITY**

ACTIVITIES	TARGETS	Lead Official & Business Area
Support research and development through application of a Quality-related Research funding model.	<p>By Summer 2016, contribute to the current review of Research Excellence Framework (REF) and the subsequent development of REF 2020.</p> <p>By March 2017, agree a 2017/18 Quality-related Research Funding model</p>	<p>Trevor Cooper, Higher Education Policy &amp; Finance Division</p> <p>Trevor Cooper, Higher Education Policy &amp; Finance Division</p>
Invest in knowledge exchange activities at our Higher and Further Education Institutions.	<p>By July 2016, confirm the tri-annual Northern Ireland Higher Education Innovation Fund (NI HEIF) allocations to each of Queen’s University and Ulster University.</p> <p>By November 2016, secure formal Knowledge Exchange Strategies from each institution receiving funding from NI HEIF.</p> <p>By March 2017, support our universities and FE colleges to undertake a further 112 knowledge exchange projects on behalf of local businesses through the Connected 3 programme (reportable May 2017).</p>	<p>Trevor Cooper, Higher Education Policy &amp; Finance Division</p> <p>Trevor Cooper, Higher Education Policy &amp; Finance Division</p> <p>Trevor Cooper, Higher Education Policy &amp; Finance Division</p>
Effectively manage international programmes such as Horizon 2020 and the US-Ireland Research and Development Partnership.	By June 2016, agree with the Higher Education Institutions EU Support Fund action plans for the period August 16 – July 17.	Trevor Cooper, Higher Education Policy & Finance Division

**STRATEGIC OBJECTIVE 3: STIMULATE RESEARCH & DEVELOPMENT, INNOVATION AND CREATIVITY**

ACTIVITIES	TARGETS	Lead Official & Business Area
	<p>By March 2017, begin to implement the findings of the 2016 Review of the Horizon 2020 support mechanisms provided by the NI Executive.</p>	<p>Trevor Cooper, Higher Education Policy &amp; Finance Division</p>
<p>Oversee the next phase of MATRIX (NI Science Industry Panel) work programme.</p>	<p>By March 2017, process all eligible US-Ireland Research and Development Partnership applications in line with tripartite MoU deadlines.</p> <p>Support the work programme of MATRIX:</p> <ul style="list-style-type: none"> <li>• By June 2016, complete the Advanced Manufacturing / Materials / Engineering Study; and</li> <li>• By March 2017, publish 2 further MATRIX reports.</li> </ul>	<p>Trevor Cooper, Higher Education Policy &amp; Finance Division</p> <p>Diarmuid McLean, Strategic Policy Division 1</p>
<p>Work with the Department of Health and Invest NI to stimulate growth in the Life &amp; Health Sciences Sector.</p>	<p>By September 2016, complete the development of the Life &amp; Health Sciences Strategic Action Plan, in partnership with the Department of Health and Invest NI.</p>	<p>Diarmuid McLean, Strategic Policy Division 1</p>
<p>Implement and monitor Northern Ireland Innovation Strategy 2014-2025.</p>	<p>By end January 2017, produce annual innovation Report.</p>	<p>Diarmuid McLean, Strategic Policy Division 1</p>
<p>Roll out the Small Business Research Initiative (SBRI).</p>	<p>By October 2016, work with DFP, DOE, DHSSPS and Tourism NI to launch 5 SBRI projects funded by the £1.1m pilot SBRI Challenge Fund.</p>	<p>Diarmuid McLean, Strategic Policy Division 1</p>

**STRATEGIC OBJECTIVE 3: STIMULATE RESEARCH & DEVELOPMENT, INNOVATION AND CREATIVITY**

ACTIVITIES	TARGETS	Lead Official & Business Area
Implement the Open Data Strategy.	By December 2016, launch and administer NI Open Data Challenge (in partnership with DFP).	Diarmuid McLean, Strategic Policy Division 1
Northern Ireland Digital Catapult Centre.	By March 2017, complete pilot phase of Northern Ireland Digital Catapult Centre and business case for its longer term operation.	Diarmuid McLean, Strategic Policy Division 1
Encourage increased investment in R&D and Innovation within Northern Ireland.	By March 2017, invest £100m - £170m in R&D and wider innovation. [Included in Invest NI Business Plan 2016/17]	Trevor Connolly, Business Engagement Division



**STRATEGIC OBJECTIVE 4: SECURE HIGH QUALITY INWARD INVESTMENT**

ACTIVITIES	TARGETS	Lead Official & Business Area
<p>Prepare for a reduction in the rate of Corporation Tax from April 2018.</p>	<p>By October 2016, complete three key research projects supporting planning for the reduction in Corporation Tax, and the development of the refocused Economic Strategy.</p> <p>Support HM Treasury in securing the necessary EU clearances for the introduction of the new Northern Ireland Corporation Tax regime.</p>	<p>Victor Dukelow, Analytical Services</p> <p>Victor Dukelow, Analytical Services</p>
<p>Provide assistance to companies to create new jobs through Assured Skills.</p>	<p>By March 2017, promote at least 800 new jobs through the Assured Skills programme.</p> <p>By March 2017, develop and deliver 15 Bridge to Employment programmes.</p> <p>By March 2017, develop and deliver 12 Academies through the Assured Skills Collaborative and Future Skills programme.</p>	<p>Trevor Connolly, Business Engagement Division</p> <p>Trevor Connolly, Business Engagement Division</p> <p>Trevor Connolly, Business Engagement Division</p>
<p>Support Invest NI to promote Northern Ireland internationally as an attractive business investment location with a skilled workforce.</p>	<p>By March 2017, of the Total Jobs promoted in NI, 1,400 – 2,800 will be from inward investors. [Included in Invest NI Business Plan 2016/17]</p>	<p>Trevor Connolly, Business Engagement Division</p>

**STRATEGIC OBJECTIVE 4: SECURE HIGH QUALITY INWARD INVESTMENT**

ACTIVITIES	TARGETS	Lead Official & Business Area
<p>Oversee the delivery of Tourism Ireland (TI) and Tourism NI agreed PfG targets.</p>	<p>By December 2016, increase tourism revenue to £756 million and visitor numbers to 4.7 million.</p> <p>Overall target is split as follows:</p> <ul style="list-style-type: none"> <li>• Target for GB/Overseas Markets (Tourism Ireland) – £476m revenue and 2m visitors.</li> <li>• Target for Domestic/ROI Markets (Tourism Northern Ireland) - £280m revenue and 2.7m visitors</li> </ul> <p>[Included in Tourism NI Business Plan 2016/17]</p>	<p>Mike Thompson, Business Engagement Division / John McGrillen, Tourism NI / Niall Gibbons, Tourism Ireland</p>

**STRATEGIC OBJECTIVE 5: FACILITATE DEVELOPMENT OF THE ECONOMIC INFRASTRUCTURE TO PROVIDE A STRONG FOUNDATION FOR ECONOMIC GROWTH**

ACTIVITIES	TARGETS	Lead Official & Business Area
Maintain and implement a legal and strategic energy framework which complies with EU requirements.	By December 2016, having considered the Energy & Manufacturing Advisory Group (EMAG) Report, publish a refocused Strategic Energy Framework to 2020+.	June Ingram, Energy, Telecoms, Minerals & Petroleum Division
Progress I-SEM programme and participate in electricity and gas tariff reviews and Price Determinations.	By March 2017, secure State-aid clearance for I-SEM capacity mechanism.	June Ingram, Energy, Telecoms, Minerals & Petroleum Division
Support delivery of key energy infrastructure.	During 2016/17, support the extension of the natural gas network and delivery of the North-South Interconnector.	June Ingram, Energy, Telecoms, Minerals & Petroleum Division
Support delivery of the PfG and Executive's renewable electricity targets.	By December 2016, finalise closure arrangements for new small scale wind under the NI Renewables Obligation.	June Ingram, Energy, Telecoms, Minerals & Petroleum Division
Continue to work on future implementation of renewable incentives.	By March 2017, identify a range of policy options for future renewable electricity policy.	June Ingram, Energy, Telecoms, Minerals & Petroleum Division
Undertake a comprehensive review of Non-domestic RHI scheme and contribute to internal / policy reviews.	By September 2016, commence a review of the NI Renewable Heat Incentive.	Stephen McMurray, RHI Task Force
Continue to work on implementation of a new NI Energy Efficiency Scheme, the 'EnergyWise' scheme.	By March 2017, finalise arrangements for a new energy efficiency scheme for NI.	June Ingram, Energy, Telecoms, Minerals & Petroleum Division
Undertake a consultation into potential cost control measures for the Renewable Heat Incentive.	By March 2017, agree cost control measures for the Renewable Heat Incentive.	Stephen McMurray, RHI Task Force

**STRATEGIC OBJECTIVE 5: FACILITATE DEVELOPMENT OF THE ECONOMIC INFRASTRUCTURE TO PROVIDE A STRONG FOUNDATION FOR ECONOMIC GROWTH**

ACTIVITIES	TARGETS	Lead Official & Business Area
Implement the Telecoms Strategy 'Continuing to Connect' 2015-2017.	By June 2016, develop the Educate and Inform Programme and commence delivery.	June Ingram, Energy, Telecoms, Minerals & Petroleum Division
	By March 2017, deliver Phase 1 of the Superfast Roll-out Programme.	June Ingram, Energy, Telecoms, Minerals & Petroleum Division
Support the refurbishment and development of HMS Caroline as a visitor attraction.	By 31 May 2016, work with the National Museum of the Royal Navy to ensure HMS Caroline is opened as a visitor attraction.	Mike Thompson, Business Engagement Division / John McGrillen, Tourism NI
The Health Innovation Life Sciences (HILS) HUB – oversee the delivery of project definition phase.	By September 2016, complete project definition phase of HILS Hub.	Diarmuid McLean, Strategic Policy Division 1
Implement the ERDF Programme 2014-2020.	By 31 March 2017, incur €30m eligible expenditure (including pre-financing) to enable meeting the 2017 ERDF expenditure target (N+3) of €38.9m by 31 December 2017.	Maeve Hamilton, European Fund Management Division

**STRATEGIC OBJECTIVE 6: DELIVER A REGULATORY ENVIRONMENT THAT OPTIMISES ECONOMIC OPPORTUNITIES FOR BUSINESS AND COMMERCE, WHILE ALSO PROTECTING CONSUMERS AND WORKERS**

ACTIVITIES	TARGETS	Lead Official & Business Area
Implement the Credit Unions and Co-operative and Community Benefit Societies Act.	By March 2017, implement the required commencement orders.	Colin Jack, Business Employment & Regulation Division
Implement the Executive’s Action Plan – Better Regulation: An Action Plan for Reform, in association with NI Departments and other key stakeholders.	By March 2017, map out a timeline for progressing actions and secure progress on those identified for commencement in current planning year.	Colin Jack, Business Employment & Regulation Division
Implement aspects of Employment Law Reform.	By 31 December 2016, develop regulations and a code of practice on the use of zero-hours, non-guaranteed hours and other minimal hours employment contracts.	Colin Jack, Business Employment & Regulation Division
	By 30 November 2016, revise rules, procedures, information and guidance relating to the operations of the Industrial and Fair Employment Tribunals.	Colin Jack, Business Employment & Regulation Division
	By 31 March 2017, facilitate the establishment of an Early Conciliation Service in partnership with the Labour Relations Agency.	Colin Jack, Business Employment & Regulation Division

**STRATEGIC OBJECTIVE 7: WORK IN PARTNERSHIP WITH OTHERS TO SUPPORT ECONOMIC GROWTH**

ACTIVITIES	TARGETS	Lead Official & Business Area
<p>In tandem with the Executive's Programme for Government (PfG), refocus the Executive's Economic Strategy.</p>	<p>By March 2017, develop a refocused Economic Strategy in line with the timescales for developing the PfG 2016-2021.</p>	<p>Diarmuid McLean, Strategy Policy Division 1</p>
<p>In tandem with the Executive's PfG, contribute to the development of:</p> <ul style="list-style-type: none"> <li>• the Strategic Investment Board's, Strategic Investment Plan; and</li> <li>• the Executive's Social Strategy.</li> </ul>	<p>By March 2017, contribute to the development of the Strategic Investment Plan.</p>	<p>Andrea Quail / Ronan Murtagh, Finance Directorate</p>
<p>Work with other departments on cross cutting departmental strategies on issues of economic development.</p>	<p>By March 2017, contribute to the development of the Strategy.</p>	<p>Derek Baker, Strategic Policy</p>
<p>Work with other departments on cross cutting departmental strategies on issues of economic development.</p>	<p>By End June 2016, establish inter-departmental group to take forward work on refocus of economic strategy</p>	<p>Diarmuid McLean, Strategic Policy Division 1</p>
<p>Work with other departments on cross cutting departmental strategies on issues of economic development.</p>	<p>By mid September 2016 , draft of refocused Economic Strategy to be published alongside PfG for consultation</p>	<p>Diarmuid McLean, Strategic Policy Division 1</p>
<p>Develop a Departmental strategy for EU/International engagement.</p>	<p>By March 2017, develop an International Framework for cohesive EU and international engagement.</p>	<p>Mary McIvor, Strategic Policy Division 2</p>
<p>Provide Secretariat for the Economic Advisory Group (EAG) and develop and deliver the group's programme of work and research in line with the framework to be agreed at the June Board meeting.</p>	<p>By July 2016, develop agreed 2016/17 EAG work programme.</p>	<p>Victor Dukelow, Analytical Services</p>
<p>Provide Secretariat for the Economic Advisory Group (EAG) and develop and deliver the group's programme of work and research in line with the framework to be agreed at the June Board meeting.</p>	<p>By March 2017, deliver agreed 2016/17 EAG work programme in accordance with prescribed timetable.</p>	<p>Victor Dukelow, Analytical Services</p>

**STRATEGIC OBJECTIVE 7: WORK IN PARTNERSHIP WITH OTHERS TO SUPPORT ECONOMIC GROWTH**

ACTIVITIES	TARGETS	Lead Official & Business Area
Support the Provision of scientific advice for economic policy development.	By 31 December 2016, establish and maintain a cross departmental panel of scientific advisers, and ensure ongoing links to the UK Chief Scientific Adviser and the UK Chief Scientific Adviser’s Committee (CSAC).	Diarmuid McLean, Strategic Policy Division 1
Work with stakeholders to implement the agreed actions in the Strategic Plan for the Agri-Food sector, and monitor progress.	By June 2016, support the industry in the development of an Agri-Food Marketing body in 2016/17, including the development of a marketing plan.	Trevor Connolly, Business Engagement Division
Act as lead department in Northern Ireland for all matters relating to the European Commission’s State aid rules, except for matters relating to agriculture and transport.	By March 2017, provide timely support to NICS Departments, NDPBs and other public bodies on programmes and projects requiring State Aid advice and input.	Victor Dukelow, Analytical Services
	By March 2017, complete the outstanding actions in DETI’s State aid awareness and compliance action plan.	Victor Dukelow, Analytical Services
Work with IRFU to develop bid for Rugby World Cup 2023.	By December 2016, support a successful bid.	Mike Thompson, Business Engagement Division / John McGrillen, Tourism NI

**STRATEGIC OBJECTIVE 8: ENSURE THE DEPARTMENT HAS EFFECTIVE GOVERNANCE, MANAGES ITS RESOURCES, BOTH FINANCIAL AND STAFF, AND SUCCESSFULLY MANAGES THE TRANSFER OF DEL AND DETI FUNCTIONS TO THE NEW DEPARTMENT FOR THE ECONOMY**

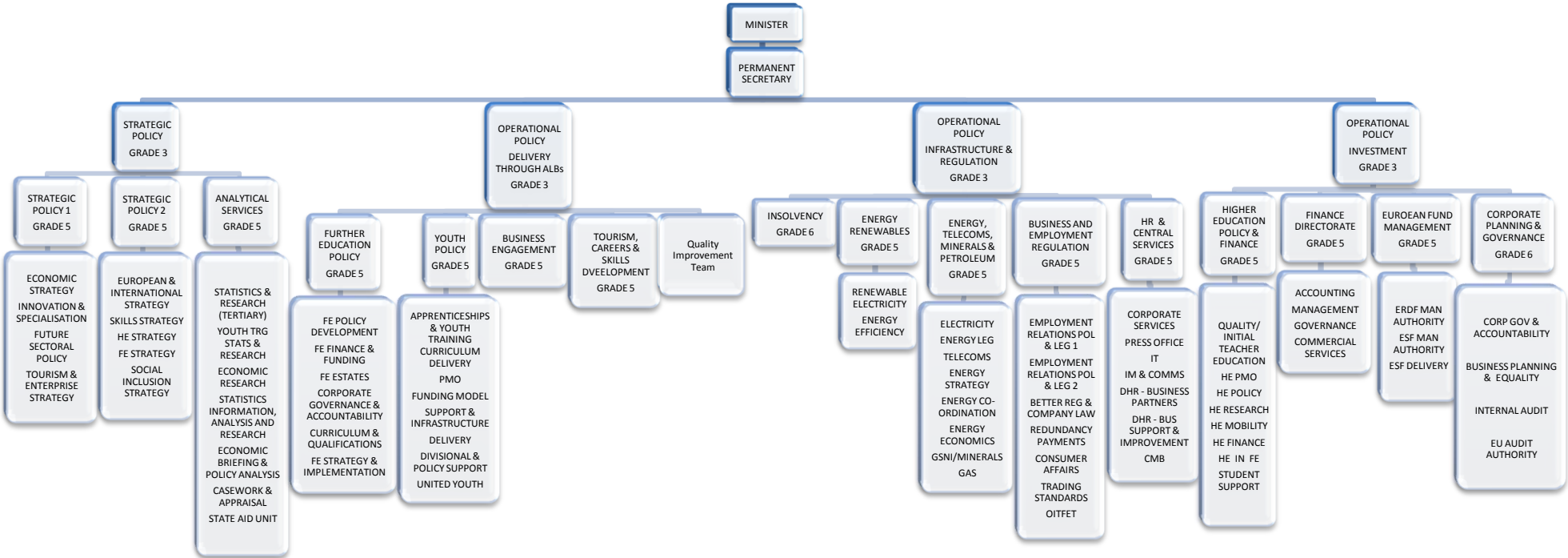
ACTIVITIES	TARGETS	Lead Official & Business Area
Monitor and live within budget allocation.	By March 2017, ensure that our Provisional Non Ring-Fenced Outturn (Capital and Resource) is at least 99% of the Final Budget.	Andrea Quail / Ronan Murtagh, Finance Directorate
Complete closure activity in relation to the 2007-2013 ESF and ERDF programmes.	By March 2017, submit all outstanding claims to the European Commission.  By March 2017, submit Final Implementation Report to the European Commission.	Maeve Hamilton, European Fund Management Division  Maeve Hamilton, European Fund Management Division
Oversee and promote good governance and robust accountability arrangements across all the Department's sponsored bodies.	By March 2017, deliver timely and effective control mechanisms to include: <ul style="list-style-type: none"> <li>• adherence to Management Statement/Financial Memorandum;</li> <li>• approval of business plans;</li> <li>• review of bi-annual assurance statements; and</li> <li>• oversight and liaison meetings.</li> </ul>	Beverley Harrison, Further Education Policy Division Mike Thompson, Business Engagement Division Colin Jack, Consumer Rights, Employment Relations and Business Regulation Division Trevor Cooper, Higher Education Policy & Finance Division Trevor Connolly, Business Engagement Division
Promote and monitor compliance with DfE Equality Scheme.	Annual Monitoring Report to be submitted to ECNI by August 2016.	Heather Cousins, Operational Policy Investment



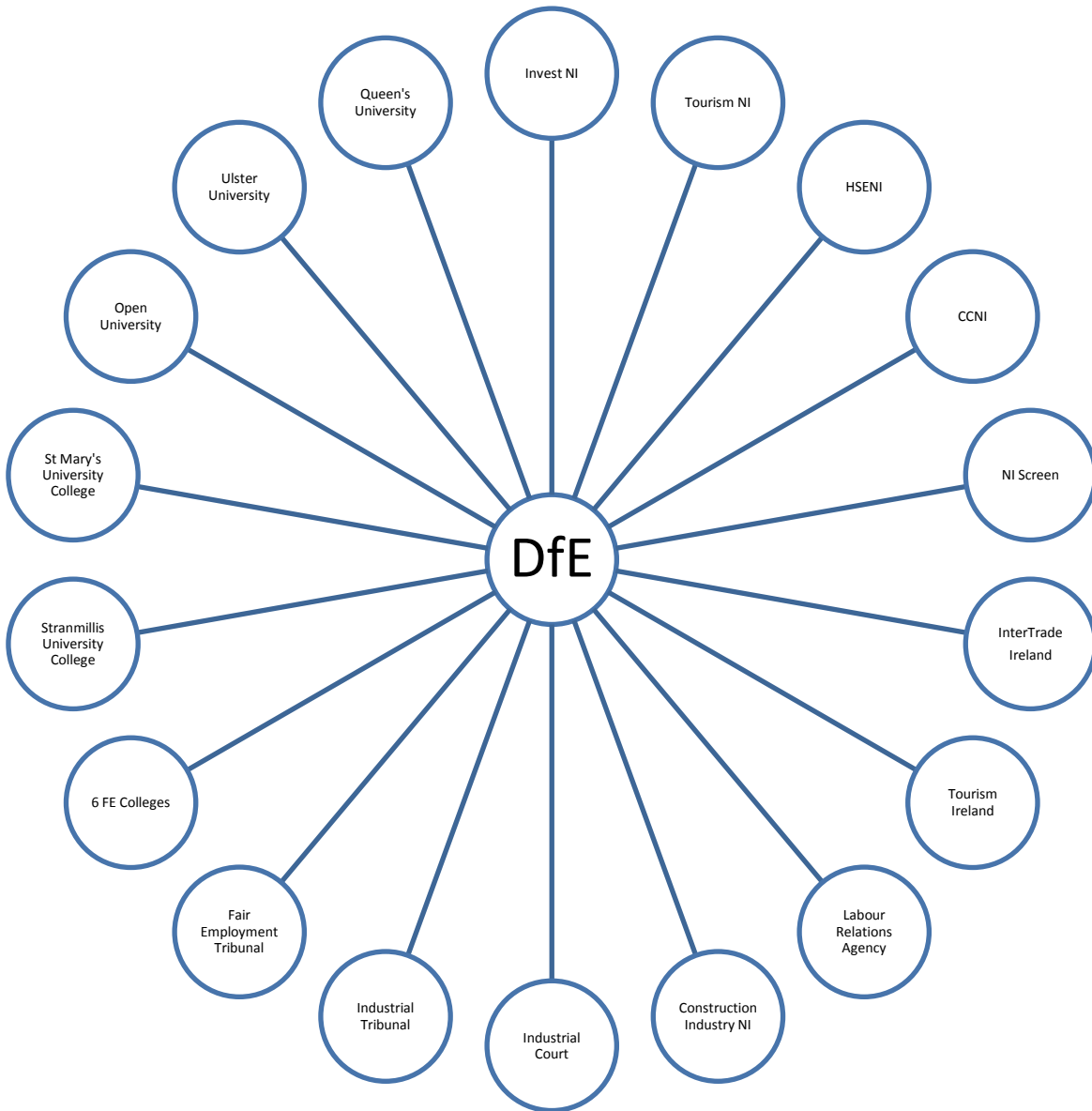
**STRATEGIC OBJECTIVE 8: ENSURE THE DEPARTMENT HAS EFFECTIVE GOVERNANCE, MANAGES ITS RESOURCES, BOTH FINANCIAL AND STAFF, AND SUCCESSFULLY MANAGES THE TRANSFER OF DEL AND DETI FUNCTIONS TO THE NEW DEPARTMENT FOR THE ECONOMY**

ACTIVITIES	TARGETS	Lead Official & Business Area
Establish a Change Management Project to support the embedding of a DfE culture and maximise the benefits of integration.	By March 2017, have a change implementation plan approved and delivered.	Heather Cousins, Operational Policy Investment
Implement robustly sick absence policies.	85% of sickness absences recorded on 1 <sup>st</sup> day of absence and 1 <sup>st</sup> day of return.	Wendy Johnston, HRCS Division
Implement NICS Performance Management System.	85% of return to work interviews completed within 2 days of return from sickness absence.	Wendy Johnston, HRCS Division
Implement NICS Performance Management System.	By 31 May 2016, complete End-Year Reviews and Appraisals for 2015/16 – to achieve a 90% compliance rate by 30 June 2016.	Wendy Johnston, HRCS Division
Implement NICS Performance Management System.	By 15 June 2016, complete PPA/PDPs for 2016/17 – to achieve a 90% compliance rate by 30 June 2016.	Wendy Johnston, HRCS Division
Implement NICS Performance Management System.	By 31 October, complete all in-year reviews for 2016/17.	Wendy Johnston, HRCS Division

**DfE OPERATING STRUCTURE AND MAIN FUNCTIONS**



**DfE Family of Businesses**



## DfE 2016/17 BUDGET ALLOCATION

	Current Budget £m	Capital Budget £m	Total Budget £m
<b>Support Programmes for the Economy</b>	21	1	22
<b>Invest NI &amp; Tourism</b>	140	36	176
<b>Employment &amp; Skills</b>	308	16	324
<b>*Higher Education &amp; Student support &amp; Postgraduate</b>	448	37	485
<b>Tourism Ireland Ltd</b>	11	0	11
<b>InterTradeIreland</b>	3	0	3
<b>Representation &amp; Regulatory Services</b>	20	1	21
<b>TOTAL</b>	<b>951</b>	<b>91</b>	<b>1,042</b>

**\*Please note Higher Education & Student Support & Postgraduate includes £141m in relation to student Loans.**

## GLOSSARY

AFSB	Agri-Food Strategy Board
ALBs	Arm's Length Bodies
ASU	Analytical Services Unit
CCNI	Consumer Council for Northern Ireland
DfE	Department for the Economy
DFP	Department of Finance and Personnel
DHSSPS	Department of Health, Social Services & Public Safety
EAG	Economic Advisory Group
EMAG	Energy & Manufacturing Advisory Group
ERDF	European Regional Development Fund
ESF	European Social Fund
EU	European Union
FE	Further Education
FUSE	Funded Unit of Support for Employer
GB	Great Britain
GSNI	Geological Survey of Northern Ireland
HE	Higher Education
HEFCE	Higher Education Funding Council for England
HEI	Higher Education Institution
HEIF	Higher Education Innovation Fund
HEIR	Higher Education Institutional Research
HILS Hub	Health Innovation Life Sciences Hub
HLA	Higher Level Apprenticeship
HSENI	Health and Safety Executive for Northern Ireland
I-SEM	Integrated Single Electricity Market
ITI	InterTradeIreland
NIES	Northern Ireland Economic Strategy
PfG	Programme for Government
PMO	Project Management Office
REF	Research Excellence Framework

RHI	Renewable Heat Incentive
ROI	Republic of Ireland
SBRI	Small Business Research Initiative
STEM	Science, Technology, Engineering & Mathematics
TI	Tourism Ireland