



Department for the
Economy
www.economy-ni.gov.uk

An Roinn
Geilleagair



Business Plan

2025-26

AN INTRODUCTION FROM THE MINISTER

My Department’s Business Plan for 2025-26 outlines our plans to advance our Economic Vision in the coming year.



During the first year of this mandate, we made significant progress against our Economic Vision and its four underpinning priorities.

To deliver more Good Jobs, we consulted on proposals for a “Good Jobs” Employment Rights Bill to strengthen our employment law framework and raise minimum standards for all workers. We upped our investment across a range of important skills and training interventions, progressed the development of a Good Work Charter, and supported the new Living Wage Franchise.

To raise Productivity, we launched targeted sectoral action plans to support the growth of our most productive sectors, introduced new funding sources to support businesses to innovate and become more productive, and promoted dual market access in order to capitalise on the unique trading opportunity it offers to the North.

To achieve better Regional Balance, we launched a Sub-Regional Economic Plan, established new Local Economic Partnerships to strengthen local economic decision-making, and published a comprehensive plan to expand the Magee Campus in Derry.

And to advance our Decarbonisation agenda, we introduced various new initiatives such as the Energy Efficiency Capital Grant scheme to help local businesses reduce energy consumption, and took significant steps forward in developing new low carbon heating initiatives, introducing smart meters and banning onshore oil and gas exploration.

In 2025-26, we will build on these achievements. We will invest in the right skills in the right places. We will modernise our employment law framework. We will support more businesses to embrace research and innovation, to pay the real living wage and to adopt green energy solutions. Working in a spirit of collaboration with all our partners, I am confident that in the year ahead we will take significant strides towards achieving our vision of a thriving, competitive, and sustainable economy.

Dr. Caoimhe Archibald
Minister for the Economy

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WHO WE ARE

The Department for the Economy (DfE) is responsible for delivering the Economy Minister's Economic Vision and contributing to the Executive's Programme for Government (PfG).

We do this by developing and implementing economic policy for the North of Ireland, working in close collaborative partnership with a wide array of Partner Organisations including:

- Invest Northern Ireland;
- Northern Ireland Screen;
- Tourism Northern Ireland;
- the Health and Safety Executive for Northern Ireland;
- the Consumer Council for Northern Ireland;
- the Construction Industry Training Board – Northern Ireland;
- the Labour Relations Agency;
- six Further Education Colleges;
- five Higher Education Institutions;
- Intertradelreland;
- Tourism Ireland; and
- the Office of Industrial Tribunal and Fair Employment Tribunal.

While the Economy Minister sets our strategic priorities and policy direction, the Permanent Secretary, Ian Snowden, is the Departmental Accounting Officer and is responsible for the overall organisation, management and staffing of the Department, as well as the regularity, propriety and value for money of all public funds entrusted to us.

The Executive has issued the 2025-26 opening Budget which provides to DfE a combined Non Ringfenced Resource and Capital Opening Budget of **£1,013.7 million**, and has indicated that a further **£12.9 million** will be allocated as part of June monitoring. A high-level breakdown of how the Department's budget is allocated is provided at **Annex A**.

Further details of the Department's role, budget, statutory responsibilities, structure and governance arrangements can be found at: [DfE website](#).

OUR PRIORITIES AND PLANS 2025-26

The Department's Economic Vision was set out by the Economy Minister in February 2024.

It focuses on four key Priorities:



To increase the proportion of working-age people in **Good Jobs** so that working families enjoy a decent standard of living;



To raise **Productivity**, which is the fundamental driver of economic growth and overall living standards;



To promote **Regional Balance**, ensuring that everyone shares in the benefits of prosperity; and



To reduce **Carbon Emissions**, in order to safeguard the planet for future generations.

These four key Priorities are mutually supportive and interdependent. Delivering more Good Jobs right across the North should, for example, help us to achieve better Regional Balance and improve Productivity. The remainder of this Business Plan outlines our progress and planned actions against each of these four key Priorities in the 2025-26 financial year.

GOOD JOBS

Foreword from Dr Lisa Wilson

Many workers and their families across the North continue to be denied a decent standard of living - whether through low pay, insecure contracts, poor work-life balance, or a fundamental lack of voice, support, and representation in the workplace.

Encouragingly, significant progress was made during the first year of this mandate, most notably with the consultation on the Good Jobs Employment Rights Bill. This Bill represents a critical and potentially transformative step forward. At its heart is a recognition that poor-quality working conditions should not be an accepted feature of our economy - nor should they stand in the way of our economic and social progress. By raising the statutory floor of employment rights, the Bill seeks to enhance worker protections and promote fair working conditions.

But the good jobs agenda is not just about minimum standards. It is as much about creating the conditions where everyone can access work that does not impair the health and well-being of workers as it about supporting individuals to improve their skills levels. Through improving skills levels across our economy, we can help accelerate the aim of growing the pool of productive jobs. This is a win-win across the good jobs agenda and also the aim of improving our productivity levels.

We know from academic evidence that higher skilled, productive jobs are more likely to be good jobs. I was therefore pleased to see the Department recognise the multi-faceted nature of job quality in their adopting of the Carnegie Framework as the definition of a good job - recognising the many dimensions of job quality, capturing its many dimensions, from job security, pay, and benefits, to voice and representation, job design, and work-life balance, among others.

Looking ahead, we need to see coordinated efforts to improve job quality both for newly created but also existing jobs. While targeting specific growth sectors with the potential to create more good jobs is important, we need to uplift job quality across the entire economy, with no sectors or regions left behind. We need to do this in a fair and sustainable way, ensuring green jobs are also good jobs with fair wages and secure conditions. And we need to recognise that enhanced worker wellbeing does not prohibit but promotes productivity.

Dr Lisa Wilson
Senior Economist, Nevin Economic
Research Institute

How we're doing

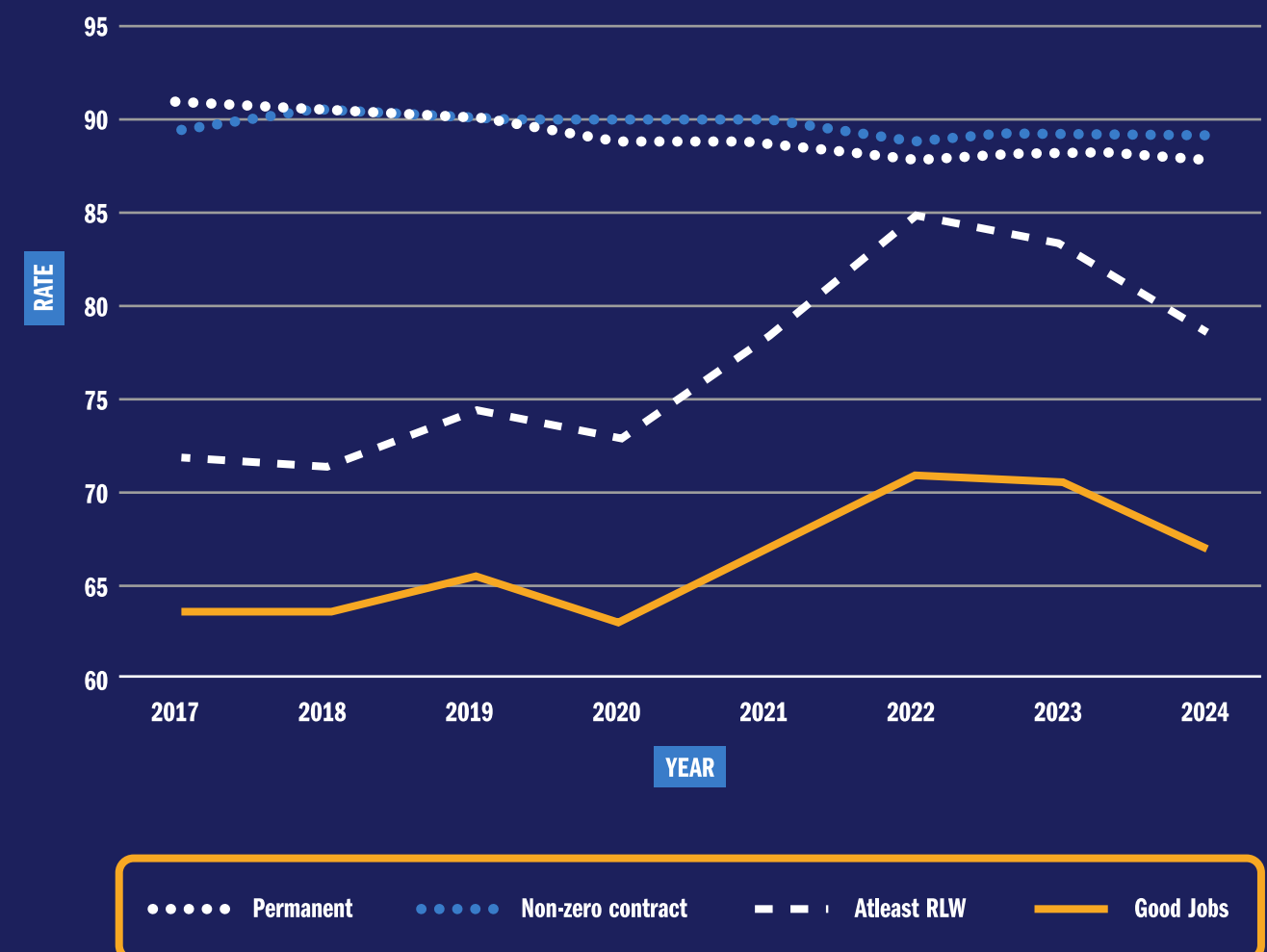
We have adopted the Carnegie Framework as our definition of a good job¹. This Framework focuses on seven dimensions of job quality: pay and benefits; terms of employment; health and safety; job design and the nature of work; social support and cohesion; voice and representation; and work-life balance.

While we will work to progress all seven dimensions, the Northern Ireland Statistics and Research Agency (NISRA) was commissioned to develop a 'good jobs' measure designed to monitor three key areas of job quality:

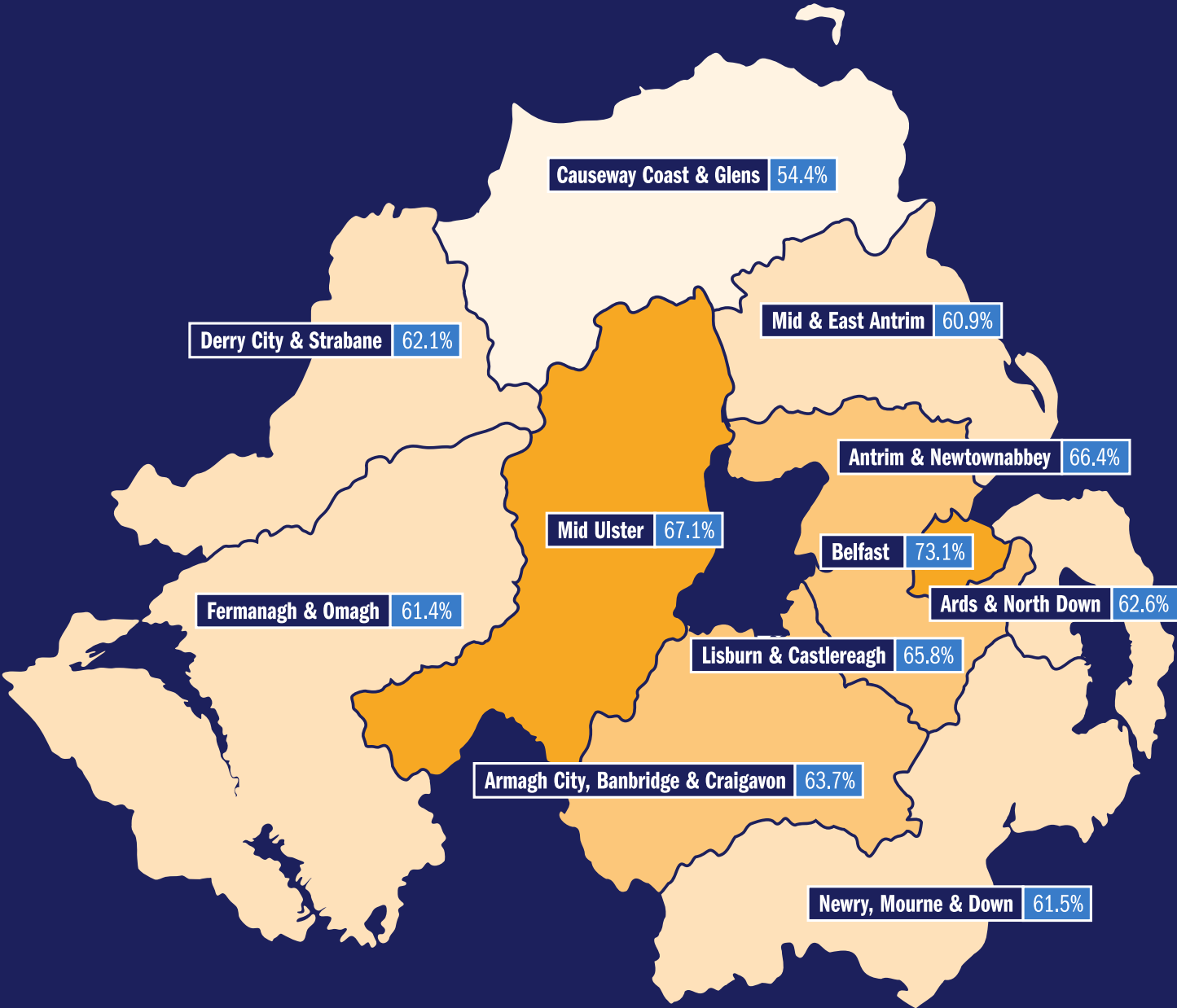
- a permanent contract
- a non-zero hour contract
- earning the Real Living Wage or above.

In 2024, 66.7% of employee jobs in the North (aged 16-64) met the good jobs criteria.

¹ See: [Good Jobs statistics and research | Department for the Economy](#).



Belfast had the highest good jobs rate (73%) while Causeway Coast and Glens has the lowest (54%).



What we’ve done so far

In the first year of this mandate, we consulted on the Good Jobs Employment Rights Bill. We supported the Living Wage Franchise. We delivered with our partners a huge range of training and skills interventions to help people from all backgrounds move up the skills ladder and improve their employment prospects.

For more information on our progress to date, see our [Year One Progress Report](#)

What we’ll do next

In 2025-26, we will support the creation of more good jobs by:

- ✓ Securing Executive agreement for the Employment Rights Bill.
- ✓ Laying Regulations in the Assembly on:
 - the right to safe leave for victims of domestic abuse; and
 - the extension of existing rights to Parental Bereavement Leave and Pay to include those who experience a miscarriage and remove the current 6-month continuous employment criteria.
- ✓ Completing the development of and rolling out a Good Work Charter with the Labour Relations Agency.
- ✓ Reporting on the delivery of Outcome Agreements between DfE and our three universities in the 2024/25 academic year and publishing new Agreements for 2025/26.
- ✓ Putting in place a new Skills for Life and Work 2025 programme to support young people in need of entry Level / Level 1 training.
- ✓ Publishing and beginning to implement a Careers Action Plan, including working with developers to build a new careers portal that will provide careers information and tools to people of all ages and abilities
- ✓ Implementing the Apprenticeship Action Plan including the Apprenticeship 2025 programme
- ✓ Launching six projects through the Apprenticeship Challenge Fund to increase apprenticeship uptake across underrepresented groups.
- ✓ Publishing research from the all-island Working in Ireland Study.
- ✓ Developing a workplan in collaboration with the Further Education sector to develop Vocational Training programmes including curriculum development, work placements and vocational pathways.
- ✓ Initiating and co-designing a programme of work to ensure the Further Education sector is best placed to deliver the skills which learners need to improve their life chances and to contribute to economic growth.
- ✓ Commencing the delivery of the actions contained in the Skills Action Plan to address skills imbalances in our economy.

PRODUCTIVITY

Foreword from Dr David Jordan

Productivity in Northern Ireland has been below the UK average for many decades. Our output per hour worked ranked 10th amongst the UK’s twelve regions in 2022, at £35.60 per hour worked, compared to the UK average of £41.00. The gap is even more pronounced when compared to the rest of Ireland, where productivity is 8% higher than the UK average.

Improving Northern Ireland’s position is a long-term challenge. Low productivity is also a complex problem to solve. There are multiple interconnected drivers of productivity, meaning that successful policy interventions must work effectively together.

Significant progress has already been made in the first year of this mandate. The launch of sectoral action plans to support the growth of our most productive and export-oriented sectors was a particularly welcome step. As was the introduction of various new funding sources, such as the Business Innovation Grant Scheme to support businesses to be more innovative.

Looking ahead, we need to see a continued focus on the growth of high-productivity sectors, alongside supporting existing businesses to raise their productivity, and doing this across all regions of Northern Ireland. We need to encourage businesses to continue to innovate, adopt new technologies, and invest in research and development. Supporting businesses to raise their productivity also means removing barriers to productivity growth, including by developing critical infrastructure, particularly our digital connectivity. And we need to invest in education and skills at all levels, ensuring that skills offerings align with the ever-changing needs of the local economy, strengthening its adaptability and resilience.

Dr David Jordan
Lecturer in Economics,
Queen’s Business School

How we’re doing

Our top line measure of success against this priority is output per hour worked, which was £35.60 in 2022 and 10th amongst UK regions.

In addition to this top line measure, we have identified a range of supporting indicators to help us track progress, from the proportion of innovation active businesses in our economy, to the proportion of higher education qualifiers in crucial narrow STEM subject areas, to exports and external sales as a percentage of Gross Domestic Product. The full range of measures we’ll track to know if we are making a difference can be found in our performance framework at **Annex A**.

Output per Hour Worked (2022); Current Prices; Unsmoothed; PPS Relative to UK Average



What we’ve done so far

In the first year of this mandate, we have launched sectoral action plans to support the growth of our most productive and export-oriented sectors. We have introduced new funding sources such as the Business Innovation Grant Scheme and SME Productivity Booster Scheme to support businesses to become more productive and develop their products, processes and people. We have promoted dual market access in order to capitalise on the unique trading opportunity it offers to the North.

For more information on our progress to date, see our [Year One Progress Report](#).

What we’ll do next

In 2025-26, we will support increased productivity by:

- ✓ Implementing with delivery partners the 2024-27 sectoral action plans to drive growth within our economy’s seven most innovative and high-potential sectors.
- ✓ Working with Innovate UK and Invest NI to develop and publish a Collaborative Innovation Action Plan for the North.
- ✓ Working with business and other interested parties to develop policy proposals around the wider uptake of Artificial Intelligence across the economy in the North.
- ✓ Through the Export Forum streamlining the provision of export support for the benefit of businesses selling beyond the North, including addressing the barriers to exporting faced by woman entrepreneurs and woman-led small and micro businesses.
- ✓ Taking a more targeted approach to exploiting dual market access for our high-potential economic sectors.
- ✓ Delivering through the Skills Fund a range of targeted skills initiatives, including Skill Up, Step Up and the SME Productivity Booster.
- ✓ Working towards the delivery of an Enhanced Investment Zone for the North, co-designed with the Ministry of Housing, Communities and Local Government, to harness £150m of available funding to drive economic growth.
- ✓ Commencing the rollout of Project Gigabit, which will bring high speed broadband to c11,000 premises across the North.
- ✓ Consulting on and finalising an Aviation and Route Development Policy to maximise air connectivity and drive economic growth.



Foreword from Dr Conor Patterson

At a regional level, the North already performs poorly compared to our nearest neighbours across a range of critical economic measures. When viewed at a sub-regional level, these disparities can be even more pronounced, with areas such as the North West lagging significantly behind the average on various fronts such as public and private sector investment per capita, wages, employment and economic inactivity rates, qualification levels, output, and disposable income.

Highlighting the need to take action to address these disparities to re-balance the regional economy and promote social cohesion is front-and-centre of the Department’s economic vision which was announced last year. Steps already taken, such as the publication of a Sub-Regional Economic Plan and the creation of new Local Economic Partnerships, have the potential to make a very significant contribution to re-balancing the regional economy during the remainder of this mandate and beyond.

Looking ahead, it is vital that the role of the Local Economic Partnerships in helping to make the functioning of the entire regional economy more efficient and equitable is embraced by district councils, local stakeholders, the private sector and all the departments, agencies and arms-length bodies of government.

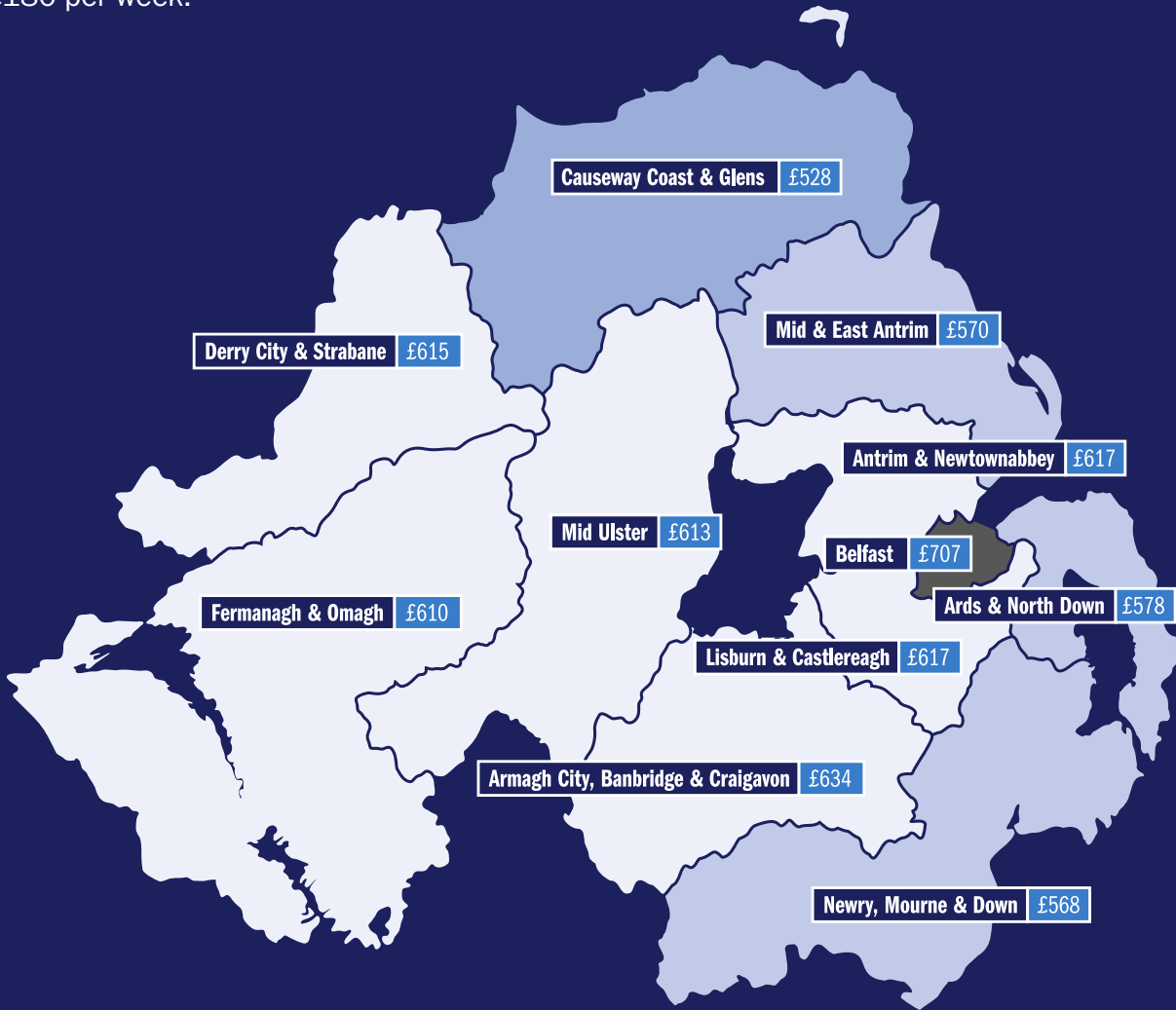
The £45 million Regional Balance Fund announced at the beginning of this calendar year is a major commitment by this Department to pump-priming that process. The commitment by Invest NI to focus efforts on ensuring that 65% of its overall investment during this mandate is made in the seven district council areas outside of the Greater Belfast Area is also a highly significant policy change designed to harness the business development potential of all areas of this region.

Alongside this, we need to accelerate the delivery of all the City & Growth Deals and ensure the swift implementation of the Magee Taskforce Action Plan to meet our long-standing commitment to growing university provision in the North West. My ambition and that of the Minister and this Department is that the whole of government will apply a regional balance lens to improve the delivery of all of its policies, programmes and services.

Dr Conor Patterson
CEO of Newry and Mourne
Co-operative and Enterprise Agency

How we’re doing

Our top line measure of success against this priority is regional median earnings². In 2023 the gap between the lowest and highest performing council areas against this measure stood at c£180 per week.



In addition to this top line measure, we have identified supporting indicators to help track progress, including the regional employment rate, qualification levels, economic inactivity rates and household disposable income. The full range of measures we’ll track to know if we are making a difference can be found in our performance framework at **Annex A**.

What we’ve done so far

In the first year of this mandate, we laid important foundations for delivering better Regional Balance. We launched a Sub-Regional Economic Plan. We introduced Local Economic Partnerships to help put local economic decision-making into the hands of local people. We established the Magee Taskforce and now have a clear Action Plan to expand university provision in the North West.

For more information on our progress to date, see our [Year One Progress Report](#).

2 Median gross weekly earnings (full-time employees). Based on LGD of work.

What we’ll do next

In 2025-26, we will support better regional balance by:

- ✓ Supporting the work of Local Economic Partnerships to facilitate the delivery of Year 1 projects.
- ✓ Implementing the agreed actions outlined in the Magee Taskforce Final Report and Action Plan to progress towards the target of 10,000 students at Ulster University Magee Campus.
- ✓ Launching a Sub-Regional Skills Barometer to better understand and address skills needs on a localised level.
- ✓ Supporting the accelerated delivery of the City & Growth Deal programmes.
- ✓ Working in partnership with Invest NI to implement the Invest NI Review Action Plan.
- ✓ Working in partnership with Tourism NI and Tourism Ireland to implement the year one actions of the Tourism Vision and Action Plan.
- ✓ Concluding a review of the current skills and training landscape for young people with Special Educational Needs after they leave school.
- ✓ Publishing a Credit Union consultation and beginning the process to modernise Credit Union legislation.
- ✓ Completing the new £51m Northern Regional College campus in Ballymena.
- ✓ Supporting Invest NI as it works towards increasing its investments outside of the Belfast Metropolitan Area to 65% by 2026-27.

DECARBONISATION

Foreword from Professor David Rooney

We have a legal and moral obligation to reach net zero by 2050. The North has been successful in reducing Green House Gas emissions, achieving a 26% reduction since the base year of 1990. However, our emissions reduction needs to go much further and faster if the targets set out in the Climate Change Act are to be achieved. I was therefore delighted to see decarbonisation at the heart of the Department's economic vision, and to be asked to take on this advisory role.

Delivering decarbonisation while protecting the economy is complex, but despite this good progress was made in the first year of this mandate. New funding sources were introduced to support businesses to adopt greener and more efficient energy solutions. The Invest to Save scheme has taken significant strides towards helping our public sector to lead by example and decarbonise. We have moved ever closer towards the ban of onshore oil and gas exploration, explored new low carbon heating solutions and continue to progress the introduction of smart meters which will give people better control of their electricity consumption.

Looking ahead, in an environment of ongoing financial constraints it is imperative that we keep prioritising our investment in new and existing net zero initiatives. We need to make rapid progress on high-impact interventions like the Net Zero Accelerator Fund and the Renewable Electricity Support Scheme. We need to adopt a systems approach, collaborating across all sectors and government departments to maximise the economic and societal opportunities of our indigenous resources. And we need to be ready to adapt at pace to newly emerging technologies and energy solutions, which we already know will support us on our journey to greater energy independence.

Professor David Rooney
Professor of Chemical Engineering,
Queen's University Belfast

How we're doing

Our top line measure of success against this priority is CO₂ emissions per capita, which in 2022 stood at 7.4 tonnes across the North and varies significantly by council area.



In addition to this top line measure, we have identified a range of supporting indicators to help us track progress, including the proportion of electricity from renewable sources and the size of our low carbon and renewable energy economy. The full range of measures we track to know if we are making a difference can be found in our performance framework at **Annex B**.

What we've done so far

In the first year of this mandate, we supported Invest NI to launch a new £21m Energy Efficiency Capital Grant scheme for local businesses. We gained Executive endorsement for a proposal to ban onshore oil and gas exploration and production in the North. And we launched important consultations on smart electricity meters and support for low carbon heating in residential buildings.

For more information on our progress to date, see our [Year One Progress Report](#).

What we'll do next

In 2025-26, we will progress our decarbonisation efforts by:

-
- Leading an all-Government approach to deliver a pathfinder community energy project.

ANNEX A
DFE 2025-26 INTERNAL BUDGET ALLOCATION

	Non Ringfenced		Ringfenced
	Resource DEL	Capital DEL & FTC ³	Resource DEL ⁴
	£000	£000	£000
2025-26 Budget Set by the Executive (including June indicative)	812.9	213.7	0.0
DFE Internal Allocations			
Core Department ⁵	419.2	159.1	539.6
Partner Organisations			
Further Education Colleges	237.8	14.2	33.9
Invest NI	74.3	43.3	4.3
Tourism NI ⁶	25.0	3.8	1.4
NI Screen	18.7	0.4	0.3
Tourism Ireland	18.4		0.4
Health & Safety Executive	7.6	0.1	0.1
InterTrade Ireland	5.5	0.1	0.0
Labour Relations Agency	4.9	0.1	0.2
Consumer Council	1.7	0.0	0.1
Construction Industry Training Board NI	0.0	0.1	0.1
Total Internal Allocations	813.1	221.2	580.4

3 Inclusive of £55.4 million Earmarked Capital DEL for City & Growth Deals. The Department has over planned £7.5 million against its capital budget allocation, to reflect that capital schemes can face delays and therefore costs can reduce in year.

4 Ringfenced Resource DEL was not set at opening stage and will be addressed through in year monitoring.

5 Includes Stranmillis College

6 Inclusive of £5.1 million Earmarked RDEL allocation for The Open.

ANNEX B

TOP LINE AND SUPPORTING PERFORMANCE MEASURES⁷

		INDICATOR	BASELINE	YEAR	SOURCE
GOOD JOBS		Good Jobs Indicator (Top Line Measure)	70.5%	2023	Good Jobs 2024
		Earning at least the RLW	83.1%	2023	Good Jobs 2024
		Median Gross Weekly Earnings (full-time employees)	£639	April 2023	Annual Survey of Hours and Earnings Northern Ireland Statistics and Research Agency
RAISE PRODUCTIVITY		Output per hour worked (Top Line Measure)	£35.60 ⁸	2022	Subregional productivity: labour productivity indices by UK ITL2 and ITL3 subregions - Office for National Statistics
		Gross fixed capital formation	TBC		
		Total R&D as % of GDP	1.77%	2023	Northern Ireland Research & Development Survey 2023 Northern Ireland Statistics and Research Agency
		Number of R&D Companies	1,278	2023	Northern Ireland Research & Development Survey 2023 Northern Ireland Statistics and Research Agency
		Innovation Active businesses	32%	2020-2022	Northern Ireland Innovation Survey Northern Ireland Statistics and Research Agency
		Innovation Recognitions	1,437	Total up to end 2023	Innovate NI
		Proportion leaving NI HEIs with narrow STEM qualifications	20% ⁹	2022/23	Qualifications gained at UK Higher Education Institutions - Northern Ireland Analysis 2022/23 Department for the Economy
		Business Births as % of all active enterprises	8.3%	2023	Business Demography NI Northern Ireland Statistics and Research Agency
		Business Deaths as % of all active enterprises	7.9%	2023	Business Demography NI Northern Ireland Statistics and Research Agency
		Management Practices	0.52	2023	Management practices in the UK - Office for National Statistics
		Exports as % of GDP	25.6%	2023	NI Economic Trade Northern Ireland Statistics and Research Agency
		External Sales as % of GDP	52.6%	2023	NI Economic Trade Northern Ireland Statistics and Research Agency
REGIONAL BALANCE		Regional Median Gross Weekly Earnings (full-time employees) (Top Line Measure)	Lowest – Causeway Coast and Glens £528 Highest – Belfast £707	2023	NI geographies, by place of work and place of residence Northern Ireland Statistics and Research Agency
		Regional Employment Rate including Students	Lowest – Derry & Strabane 72.7% Highest – Mid Ulster 83.8%	2023	Labour-Market-Status-sub-population-2023.xlsx TbILFS2401.xlsx
		Qualifications by level of study	No Qualifications – (16-64) Highest LGD – 15.6% Lowest LGD – 8.1%	2023	Labour Force Survey Annual Tables 2023 Northern Ireland Statistics and Research Agency
		Household Disposable Income	Highest LGD – £20,450 Lowest LGD – £17,520	2022	Regional gross disposable household income: all International Territorial Level (ITL) regions - Office for National Statistics
		Economic Inactivity Rate excluding students	Highest LGD – 25.4% Lowest LGD – 14.4%	2023	TbILFS2401.xlsx
DECARBONISATION		C02 Emissions per Capita (Top Line Measure)	7.4 tonnes of C02 per capita ¹⁰	2022	Northern Ireland Greenhouse Gas Emissions 2022
		Proportion of electricity consumption generated from renewable sources	45.8%	2023	Electricity Consumption and Renewable Generation in Northern Ireland: Year Ending December 2023 Department for the Economy
		Size of low carbon and renewable energy economy	£1.6bn	2022	Low carbon and renewable energy economy, UK - Office for National Statistics
		Energy Intensity	2.86 MJ/£	2022	Total final energy consumption at regional and local authority level: 2005 to 2022 - GOV.UK
		Energy Efficiency	TBC		
		Circular economy Material Footprint	16.6 tonnes of resources per person per year	2017	The Circularity Gap Report Northern Ireland
		Circular economy Carbon Footprint	9.1 tonnes of C02e per person per year (carbon dioxide equivalent)	2017	The Circularity Gap Report Northern Ireland

7

The base year for all measures will be 2023. In the 2024/25 DfE Business Plan, the 2023 data was however not yet available for many of the measures (which still remains the case for some of the measures) therefore this business plan simply presents an updated baseline position for each of the measures. From next year the DfE Business Plan will start to report progress against the 2023 baseline position.

8

Current prices, unsmoothed.

9

First degrees and postgraduate qualifications. Indicator to be updated to include narrow STEM qualifications via Further Education Colleges and/or Higher Level Apprenticeship route.

10

Based on the 14.1MtC02e in 2022 divided by 2022 NI population (1.91 million). Note if take all greenhouse gas emissions into account, NI produced the equivalent of 11.2 tonnes of C02 per person.





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