



## Strabane 2013: Striving for Higher Performance

Strabane District Council  
June 2008



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## Executive Summary

Strabane District Council is aware of the need to coordinate **sustainable economic development** to improve the prosperity of the District within the early part of the 21<sup>st</sup> century. With this in mind, the Economic Development Department, together with the Strabane Employment Task Force, have developed an economic blueprint for the period 2008 – 2013.

Clearly for Strabane, there are uncertainties as to the future role out of the new sub-regional authorities as part of the Review of Public Administration. However, the development of this Economic Development Strategy is well timed in positioning Strabane for the new administrative arrangements.

Development of the **Strabane Economic Development Strategy** has involved a high degree of local area consultation. The process has benefited from the active input of a wide range of stakeholders, and its production has made best use of existing structures to optimise levels of local partner engagement.

This strategy sets out Strabane's economic priorities for the period 2008 – 2013. Overall, the vision is to **further promote Strabane as a high performing and diverse local economy, in addition to being an attractive, healthy and prosperous place in which to live, work and invest.**

The strategy builds on the strength of the area and its people to promote a vision of where Strabane wants to be in 2013, aspiring to create a place where, compared to today:

- There are more new businesses
- More people are in work
- More people have higher level skills
- More 16-19 year olds are in education
- Fewer Strabane residents are reliant on state benefits

The key priority areas for action include:

- **maximising collaboration**, by promoting partnerships, lobbying for policy change and the widening of cross border markets;
- **developing the local workforce**, as a result of tackling barriers to employment through the promotion of skills, training, education and lifelong learning;
- **promoting competitive businesses**, via developing key business sectors, encouraging growth through tailored support packages and attracting new businesses to Strabane; and
- **enhancing the image of Strabane**, in terms of continued rural and urban regeneration, improved connectivity and accessibility and a coordinated marketing of the area

By building on existing assets the aim is create an area which will encourage talent development and investment opportunities, retaining skills and resources within Strabane and attracting new potential from beyond.

# VISION

*'Strabane strives to be a high performing and diverse local economy, in addition to being an attractive, healthy and prosperous place in which to live, work and invest'*

## 1. MAXIMISING COLLABORATION

- A. Widening Cross Border Markets
- B. Promoting Partnerships
- C. Lobbying for Policy Change

## 2. DEVELOPING THE WORKFORCE

- A. Addressing Economic inactivity
- B. Promoting Skills and Training
- C. Advancing Education and Learning

## 3. PROMOTING COMPETITIVE BUSINESSES

- A. Developing Business Sectors
- B. Encouraging Growth through Support
- C. Attracting Innovative and New Business

## 4. ENHANCING IMAGE AND ENVIRONMENT

- A. Progressing Urban & Rural Regeneration
- B. Enhancing Traffic, Transport & the Physical Environment
- C. Marketing and Promotion

# 1 Introduction

Strabane District Council is aware of the need to coordinate **sustainable economic development** to improve the prosperity of the District within the early part of the 21<sup>st</sup> century. The Strabane Community Plan 2002-2006 has been the blueprint for **economic and community development** over the past five years and now requires to be renewed in accordance with the Council's new Corporate Plan.

The Economic Development Department, together with the Strabane Employment Task Force, have developed an economic blueprint for the next 5 years. It is a strategy built on consultation with statutory and voluntary agencies, community groups and local businesses to develop a sustainable economic development strategy for the District.

The timing of the strategy is important in light of the emerging Local Government reorganisation proposals under the current Review of Public Administration (RPA). These evolving proposals are designed to streamline public services throughout Northern Ireland and it is important that Strabane progresses its plans and policies in order to strategically position itself for future reorganisation.

Clearly for Strabane, there are uncertainties as to the future role of sub-regional authorities and the District Council has been involved in emerging economic and spatial strategies at both the North West and West levels. These emerging strategies will play an important sub-regional level role but due to the delayed role of the RPA proposals it is envisaged that this economic development strategy will be implemented over the period 2008 – 2013.

Various organisations have been addressing the actions identified in this plan to create a better place to reside, do business, visit and invest. This strategy provides a framework for improving the economic prospects of residents, businesses and organisations. The Economic Development Department of Strabane District Council has led the process, which has been undertaken within the context of partnership working and community consultation.

This local economic development strategy represents a local interpretation of **An Economic Vision for Northern Ireland** and considers Strabane's contribution to its priorities. It also reflects the wider policy context at local and national levels, complementing the West Tyrone Area Plan and the evolving West and North West sub-regional economic strategies and action planning. The strategy has also been developed in line with the new round of **European Union funding** which covers the period 2008 – 2013. It highlights the big issues facing Strabane and wider district, and provides a partnership framework for addressing them.

The strategy addresses two audiences. Firstly, it speaks to Strabane residents and businesses, providing a **snapshot of the Strabane economy** and identifying the challenges between now and 2013. Secondly, it addresses local area stakeholders, providing a structure for the wide range of **existing partnership activities** in place. It offers a clear statement of priorities and sets out roles and responsibilities for partners in relation to implementation.

No single partner can deliver this **agenda for change**. Nor can Strabane District Council achieve their Corporate Plan objectives in isolation. Some of the problems faced are beyond the power of local partners, and the focus throughout this document is on those areas **where a difference can be made**. Equally, it recognises Strabane's place in the wider world, not least as part of the **wider sub-region** in the West and North West of Northern Ireland, recognising the boundaries and challenges that are shared with neighbours.

On a wider stage, this process has taken cognisance of technological advances and the increasing exposure to globalisation, bringing new opportunities as well as challenges. This strategy acknowledges **Strabane's changing place** in this global environment.



## 2 Economic Development in Strabane

For the 38,600 people who live in Strabane it is a **very special place**. It is an area of outstanding natural beauty throughout its rural area in West Tyrone, its setting on the River Mourne and gateway to Donegal. However, it is also special in other, more challenging ways and consistently has been an area where **economic difficulties** have persistently been a fact of life.



A peripheral cross border location and historical under investment have served to constrain investment and economic growth in Strabane. Faced with these obstacles, the District has also had to contend with job losses due to a declining manufacturing sector and shrinking agricultural sector. Nonetheless it remains a centre for employment and is an important commercial and service centre.

Landmark projects including environmental improvement programmes in Strabane, the Strabane by-pass, the new ASDA store and related retail investments are acting as catalysts for growth in the area.

There is a **real sense of confidence** around the town and this strategy is based on an intangible feel good factor. The evidence is visible with the number of construction sites throughout the town, the state-of-the-art community library and rooms, the new bus depot, the new £3.5 million Alley Theatre, Exhibition and Conference Centre launched in May 2007 and the planned office and retail developments within the next twelve months.

Recent environmental improvements developed by 'Strabane 2000' together with the Shop Front Scheme have helped to kick-start the makeover of Strabane town. However, a lot has yet to be achieved and Strabane is still only playing catch-up on competing towns of Omagh, Letterkenny, Ballybofey and the city of Derry.

The pilot regeneration scheme in Strabane town centre has led to the **development of rural schemes** to tackle similar problems in the rural towns. The Economic Development Department has worked closely with Donegal County Council to develop a programme through the Donegal/Strabane 'HEART' programme that commenced in August 2006.

There is a **strong history of partnership working** and this has been an important factor in some of the recent economic improvements. It is important that all parties continue to strive to grow and sustain businesses and this strategy will create a coordinated framework to allow existing partnerships to achieve a better future for the District.

It is essential that the successes to date are progressed to promote Strabane in the best possible way, to attract investment in the district, assist indigenous businesses, help to sustain and create jobs and lobby for a better environment for the **growth of the people and the place**.



This economic development strategy has been completed in line with best practice guidelines and experience from other local economies throughout Northern Ireland, the UK and the Republic of Ireland.

Development of the Strabane Economic Development Strategy has involved a high degree of local area consultation. The process has benefited from the active input of a wide range of stakeholders, and its production has made best use of existing structures (such as the Employment Taskforce and the existing LSP subgroups) to optimise levels of local partner engagement. The development process has involved a variety of mechanisms, including:

- **Desk review of existing data**

Recognising the need to complement existing activities, a desk review of existing research and strategic commitments, at a local, national and EU level, was undertaken. The output from this element has been embedded in the Strabane Economic Development Strategy and is added as an Appendix.

- **Socio-economic analysis**

Having undertaken the strategic and policy review exercise and thus established a contextual backdrop for the study process, a socio-economic baseline was prepared.

- **Individual stakeholder agency consultations**

A series of individual consultations were held with a number of local and regional partners to gather their thoughts on the future priorities for Strabane.

- **Stakeholder workshops**

Five workshops were held with local stakeholders in October and November 2007. Each of these reflected a key section of the Strabane community, namely, councillors, council officials, local, regional and national agencies, local businesses, community representatives and school pupils and teachers.

- **Local area consultation event**

Following production of an initial draft strategy, an event was been arranged to facilitate discussion and development of the final strategy. The overall aim of this session, as well as discussing and ‘testing’ some of our key findings, was to collectively work together towards defining the new set of aspirations for Strabane and included:

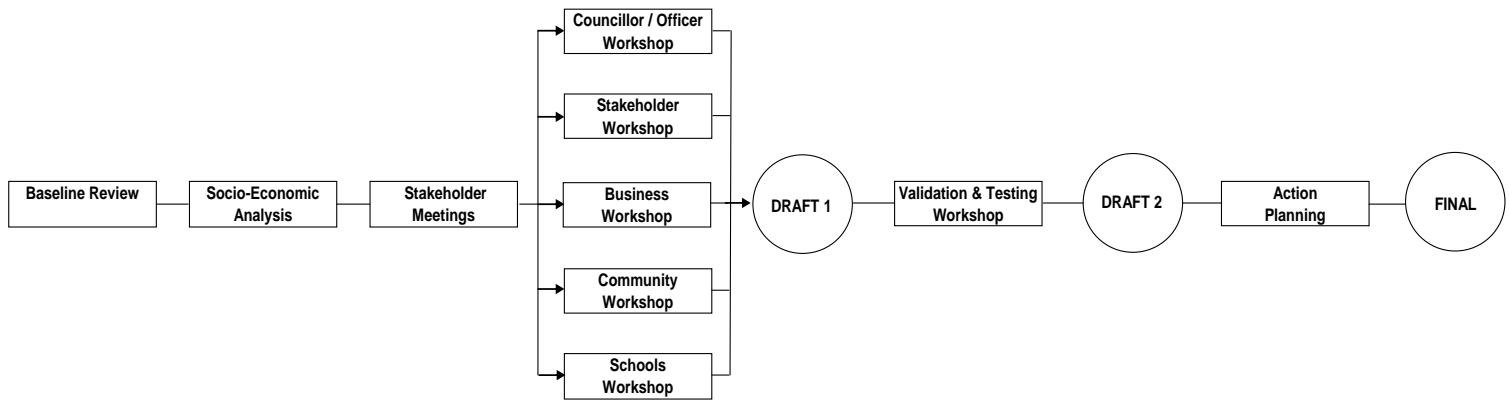
- Presentation of key findings from the statistical & benchmarking exercises;
- Presentation and discussion of the SWOT analysis;
- In-depth discussion of findings and results covering key theme areas;
- Discussion of an overall ‘vision’ for Strabane, a set of key aspirations for the future, as well as strategic themes and headline priorities

- **Joint action planning**

Having finalised the set of aspirations, these were then pieced together to present the key objectives and priority actions which will be necessary to move the area’s economy forward over the next five years. This task was undertaken in partnership with the key delivery partners to ensure their support and buy-in.

The action plan provides a vehicle for better co-ordination of economic development activities. It functions as a framework for each partners' planning and resource allocation. It also acts as a monitoring and evaluation tool by providing performance indicators including outputs, outcomes and issues.

The figure below sets out the process undertaken:



In addition, the process has taken cognisance of Strabane's interface with other local and regional areas and especially the development of economic strategies at both the West and North West sub regional level. Although the strategy development has not been based on discussions with neighbouring authorities it has been developed in line with the emerging sub-regional economic strategies.

### **3 An Economic Context**

#### **UK**

The United Kingdom has the fifth largest economy in the world in terms of market exchange rates and the sixth largest by purchasing power parity (PPP). It has the second largest economy in Europe after Germany. The United Kingdom is one of the world's most globalised countries, ranking fourth in a recent survey.

The most recent official figure for annual UK Gross Domestic product (GDP) growth is 3.3% (2007 Q3).

According to official HM Treasury estimates, annual British GDP grew by 2.75% in 2006 and is expected to grow by 3% in 2007. Growth is expected to slow slightly in 2008 to between 2% and 2.5%. The forecast for 2009 and 2010 is for the economy to return to trend growth of between 2.5% and 3%.

*Strong national level growth is forecast over the next 2-3 years and this strategy must ensure that the drivers of growth are present at the local level*

#### **Northern Ireland**

The most recent data on the NI economy illustrates that, between 2004 and 2005, Gross Value Added (GVA) grew by 3.8%. This level of annual growth placed NI in seventh position in terms of the twelve UK regions and just below the overall UK GVA rate (3.9%). With regard to GVA per head of the population NI remained at roughly 80% of the UK level and only marginally above the North East (79%) and Wales (78%).

The NI labour market continues to be a key strength of the economy. For the period Nov - Jan 2007, there were 770,000 persons in employment, an increase of 1.2% over the year and the highest level on record. Private services is the largest sector in terms of employee jobs, with 45% of the total and growing at a rate of 2%. The public sector still accounts for a significant proportion of employee jobs (31%) but the annual growth was more moderate (1%). Manufacturing is the only sector to have experienced a decline in employment (1.3%) but it still makes up 12.2% of the total.

*The service sector is a key component of the national economy and local restructuring is required to better reflect the key growth opportunities*

The impact of an improving labour market is reflected in the unemployment data, currently at an historic low of 4.3%. However, economic inactivity remains persistently high at 26.9%, the highest rate of any UK region and significantly above the UK average (21.1%).

Notwithstanding the overall growth in employment, the region has the second lowest employment rate (69.9%), marginally ahead of London, and remains well below the UK average (74.4%). Furthermore, with regional output only keeping pace with the UK average, it is clear that labour productivity remains a key economic priority for the future.

***Economic inactivity and low employment rates are holding back NI productivity and growth, improved skills and education are required to bolster growth and improvements in these core areas of the economy***

Average gross weekly wages in NI, were the second lowest of all the UK regions in 2006 (NI - £325 with only the North East lower at £322). The rate of growth over the year was also the lowest of all UK regions at 1.9% (UK = 4.3%). Of the various factors influencing wages in NI, one important issue is that too many people in the workforce have no qualifications, 14% compared to 9% of UK employees. The differential is also reflected more broadly, with 22% of NI's working age population having no qualifications compared to 14% for the UK.

***In order to raise productivity and wage levels, skills and training will be a key component of the Strabane Economic Development Strategy***

NI's employment rate is the second largest negative component of the GVA per capita gap with the UK. Although the employment rate in NI has increased since 1996, this is similarly the case for the UK. NI has had the fastest regional growth in employment outside of London over the decade to 2006. Job growth has been driven by the services sector, in particular private services which have added almost 100,000 jobs to the economy since 1996. The major private services growth sectors have been business services (+36k), retail trade (+31k) and hotels & restaurants (+15k). While public services have also contributed to employment growth, this has been more in health and education rather than in public administration.

***Key growth sectors (business services, retail, hotel/leisure, health and education) must be promoted at the local level, if not, the productivity gap will widen***

**West Tyrone** (Cookstown, Dungannon & South Tyrone, Fermanagh, Omagh & Strabane)

Employment in the West Tyrone has shared in the national job growth success and between 2001 and 2005 the regions employment growth (10.8%) was faster than the NI average (7.2%). The area escaped the loss of manufacturing jobs experienced across NI but this sector declined sharply in Omagh and Strabane. As witnessed at the national level, the level of economic inactivity is also a concern at both the sub-regional and local levels.

***Strabane has been adversely affected by the loss of key manufacturing businesses and the downturn in the agricultural sector. A continued movement into new 'service' based activities and industrial diversification is required for future growth and prosperity***

Based on the 2001 census there are disparities between the economic activity levels at the sub-regional and national levels, where 43% of the West Tyrone adult population are employees compared to 47% at the national level. Some of this difference is accounted for by the number of people in self employment, 11% compared to 8%. In terms of economic inactivity there are more people registered as sick or disabled at the regional level (11%) than at the national level (9%).

There are considerable local differences across the region, where economic activity levels at Fermanagh (62%) are considerably higher than those in Strabane (56%), and where 13% of the adult population are registered permanently sick in Strabane compared to 8% in Fermanagh.

*Supporting people to make the transition from benefits into paid employment is an important priority, and cross-sector activity between health, social care and economic development is a growing priority*

Skills levels at the regional level are below those recorded at the national level where 34% of those economically active do not hold any qualifications, again this varies across local areas and is around 40% in Strabane. Of concern for the Strabane economy is the number of those inactive persons who hold no qualifications, currently at 70%.

*Skills development, including training and education, will be an important component for the Strabane economy over the next 5 years*

### **Strabane District**

Strabane is positioned in County Tyrone and in the north west of Northern Ireland, which covers an area of almost 400 square miles of mostly open countryside. This section of the report is inspired by *Strabane Vital Statistics 2007* hence introducing Strabane District in terms of:

Population	Labour Markets
Education and Training	Enterprise
Transport and Telecommunications	Housing
Tourism	Agriculture

### **Population**

In the recent 2001 population census, the Strabane population was 38,248 people. Even though there was a 5.8% increase compared to the previous census (in 1991), this was below the average population increase in the Northern Ireland of 6.8%. To date, the population has grown by 500 since 2001.

In general Strabane population is more youthful than that of Northern Ireland as a whole. Currently, figures from the General Register Office show a relative natural increase in Strabane's population. About 63% of the population of Strabane is affiliated to Roman Catholic Church, 16.8% Presbyterian and 11% Church of Ireland.

*The relative youthfulness of the local economy is a key strength and energies must be channelled at developing the skills of this labour pool and to encourage talent to live and work in Strabane*

## **Labour Markets**

Contrary to the other districts of West Tyrone, Strabane experienced a fall of 0.9% in employment levels during the period of 2001-03. The Census of Employment 2003 identified the three key industrial sectors in Strabane as manufacturing (26%), retail (17%) and Education (15%). However the period 1999-2003 encountered a loss in manufacturing jobs (21%) in Strabane District while there was an additional 43,325 jobs in Northern Ireland in general. In addition, local redundancies are estimated to be 59% of the whole of Tyrone County for the period 2003-2006.

*Although Strabane's economy has shown signs of development it remains one of the poorest local economies in NI and government support should be channelled effectively over the next five years to build on the recent successes*

The employment rate in 2004 was estimated to be 50.2% which is 17.3% below the Northern Ireland average. By October 2006, 1,188 (or 5%) people were registered as unemployed in Strabane District. The unemployment rate in Strabane is more than twice that of any of its neighbouring districts in Tyrone and it is above the Northern Ireland average (4.3%).

The Strabane population is characterised by a higher level of educational under-achievement; 54% compared to the NI average (42%) and one in three of the population between 16-34 years has no qualification and one in two for those between 35-44.

The average weekly earnings in Strabane District Council were estimated to £250.00; 24% lower than the NI average. Strabane is ranked as the last out of 26 councils in NI in terms of weekly earnings.

*Labour market interventions will be a key component of the future strategy and should form the cornerstone of the economic development strategy 2008-2013.*

## **Education and Training**

Strabane has 31 primary schools with a total of 4,142 pupils. A total of 2,873 students attend post primary schools but there has been a decrease of 950 in the past eight years. The North West Institute of Further and Higher Education provides third level education in Strabane.

There have been considerable recent improvements in educational attainment at both GCSE and A level, and the proportion of Strabane students going on to higher education is above the NI level.

*Raising participation and attainment levels, and encouraging investment in learning are vital to Strabane's future economic competitiveness*

## **Enterprise**

The IDBR 2005 figures shows that 54% of Strabane's VAT registered businesses are in the agricultural sector and less than 10% in manufacturing. From 2000 to 2005, Strabane experienced growth in the transport, construction, property and business service, manufacturing and hotel/catering. From 1999-2005, Strabane has seen a higher rate of growth in VAT registered businesses (3.1%) compared to NI average (2.8%). However, 83% of the businesses have less than 5 employees. Furthermore, 62% are firms with turnovers less than £100,000.

*The Strabane economy is formed around traditional and declining sectors and future direction should be channelled on key growth sectors and diversification of existing primary sectors*

With the launch of Invest NI in April 2002, Strabane continues to have a significantly lower amount in Invest NI client companies compared to other regional districts.

## **Transport and Telecommunications**

The access to Strabane District Council is totally road-based. The total length of the road system in the District is approximately 1,365km with 60% of them unclassified.

Public transport is restricted to bus services. Ulsterbus Company connects Strabane to Omagh, Derry, Belfast and Dublin, while Bus Eireann operates a number of cross-border services between Letterkenny, Strabane and Dublin.

In terms of Telecommunication, Strabane, as the rest of the Northern Ireland, has 100% broadband access.

*Economic growth is closely linked to traffic and transport infrastructure and this strategy recognises the direct contribution of transport related investment in realising economic development objectives*

## **Housing**

According to the 2001 Northern Ireland House Condition Survey, 60.5% of households were owner occupied. This percentage is below the NI average (66.8%) as well as below the Tyrone and Fermanagh region. Strabane was considered to have the highest levels of Housing Executive rented properties (22%) and vacant properties in Tyrone. Bungalows occupy 38% of the house type in the NUTS area while flats account for just 6.6%.

The average house prices in the Strabane/Derry region are estimated at £151,462, only 7% below the average NI prices. There has been an increase of 113% in house prices in 2001-2006 period. A positive aspect in social housing, Strabane was the only district in the West to experience a fall (6.7%) in number of people on waiting list for NIHE/Social Housing in 2006. Strabane also has the lowest rates of ratepayers in the County.

*Although there has been a recent slowdown in the housing sector, the strong 2001-2006 performance witnessed in the housing market suggest Strabane is deemed a desirable and attractive location to reside and visit – this should be capitalised over the period of the economic development strategy*

## **Tourism**

Strabane has two hotels, around 20 Bed &Breakfasts and guesthouses and 13 self-catering accommodation providers. Gray's Printers, Sperrin Heritage Centre and Castledearg Visitor's Centre are key tourist attractions. Strabane was the only council in Tyrone to increase trips between 2002- 05, where the associated value of tourism increased by 28%. However, in terms of its position in Northern Ireland tourism Strabane ranks 23rd of the 26 NI councils.

*Recent strong growth in the tourism sector indicates the growing popularity of Strabane as a destination, this is a key growth sector and presents a good opportunity for sustainable economic growth and employment.*

## **Agriculture**

The agricultural sector remains an important economic sector in Strabane and accounts for 49% of the total VAT registered companies with over 1,500 people working full and part-time. In 2006, 74% out of 1,132 total farms were classified as 'very small farm'. The number of farms declined by 20% from 2000 to 2006. Today 85% of Strabane farms are located in 'Less Favoured Area' compared to 82% in 2000. The dairy farming has also declined by 34% in the six year period (2000-2006).

*Strabane has been severely hit by the move from traditional and primary sectors, agricultural diversification opportunities will be an important component in restructuring the local economy*

## **Deprivation**

In terms of deprivation, based on Multiple Deprivation Measures, Strabane remains the most deprived Council area in Northern Ireland.

*Despite numerous recent successes and new developments there remains pockets of both urban and rural deprivation and the strategy must address this as a priority*



## 4 Key Issues Facing Strabane

To complement our statistical analysis, presented in this section is the feedback from our extensive stakeholder consultation process. This is highly consistent with the key points emerging in the previous section, enabling attention to be paid on the priorities for action in Strabane.

As part of the consultation process, a series of SWOT analyses of the area were generated by local and regional stakeholder groups. Five workshops were held and there was a high level of agreement across the various sections of the community. An overview of the main points from these workshops is presented overleaf.

The availability of a **committed workforce** was a commonly noted positive factor, although it was noted that skills mismatches exist and are largely a result of the decline in traditional industries. There is a legacy of a hard working and committed workforce which has suffered in the recent past from declining industry and closure of major businesses, including Herdmans and Adria. However, there is a common belief that the decline in traditional industries has instilled the workforce with the tenacity, adaptability and durability to benefit from new growth sector and diversification opportunities.

Although the adaptability and durability of the local workforce were seen as strengths there were concerns about **skills mismatches**, which were recorded as one of the key weaknesses. The earlier analysis has already outlined the low level of educational attainment in the area and the resultant impact this has in attracting and growing businesses. There have been a number of local initiatives to tackle this situation and it is important for future intervention to be market facing to address employment opportunities. Stakeholders recorded the need to readdress the imbalance was vital in attracting businesses to the area and to foster the indigenous growth of local firms.

As recorded in the earlier the challenges facing the **rural communities** were highlighted as an area of concern. The downturn in the agricultural sector has resulted in a shrinking of the areas farming base and the need for farming communities to diversify and/or to move into new sectors of employment. Although a national issue, there is a need to utilise existing and new support measures, especially the Rural Development Fund, to enable diversification and opportunities for rural development..

The effect of job losses, unemployment and under investment has resulted in a negative local, regional and national **image** which in turn has affected the District's ability to attract appropriate mobile private sector investment. Stakeholders believed that the local economy remains associated with textile manufacturing and warehousing, and its natural beauty and recent regeneration are often overlooked despite the growing importance of business and proximity to Donegal.

A resultant effect of the external image has been a detrimental internal image and outlook which has resulted in negative **cultural attitudes** and a general lack of motivation with low levels of entrepreneurialism.

The spiral of decline has resulted in an out migration of young people, representing an expensive leakage of educational and professional talent. The workshop findings reported the improving the Strabane image by making it an attractive place to live, work, visit and invest.



**Strabane District: Strengths / Weaknesses / Opportunities / Threats (SWOT) Analysis**

<b>STRENGTHS</b>	<b>WEAKNESSES</b>
<ul style="list-style-type: none"> <li>• Strategic border location</li> <li>• Skilled and available of workforce</li> <li>• Track record in regeneration</li> <li>• Physical signs of improvement, investment</li> <li>• Strong established local partnerships</li> <li>• Environmental quality</li> <li>• Good quality of life</li> <li>• Rich cultural heritage, distinctive retail offer not an “anywhere” town</li> </ul>	<ul style="list-style-type: none"> <li>• Peripheral location</li> <li>• Access &amp; infrastructure – links to motorway network/gas</li> <li>• Economic inactivity/unemployment/social problems</li> <li>• Loss of, &amp; limited job opportunities</li> <li>• Lack of available workspace</li> <li>• Culture of low aspirations</li> <li>• Derelict industrial land &amp; premises</li> <li>• Skills mismatch</li> <li>• External Image of Strabane</li> </ul>
<b>OPPORTUNITIES</b>	<b>THREATS</b>
<ul style="list-style-type: none"> <li>• Cross border work &amp; co-operation with other authorities</li> <li>• Attracting talent originally from Strabane to come back to work/live</li> <li>• EU funding opportunities, capturing a fairer share</li> <li>• Investment in the A5 &amp; improving physical linkages</li> <li>• Training and skills development</li> <li>• Enhancing the tourism product</li> <li>• Attractive rural area</li> <li>• A flagship project –help give the district an identity and bolster its external image &amp; catalyst for further investment</li> </ul>	<ul style="list-style-type: none"> <li>• Increasing competition from other economies (domestic &amp; international)</li> <li>• RPA – uncertainty</li> <li>• Economic slowdown &amp; housing slowdown</li> <li>• Cross border taxation issue</li> <li>• Industrial restructuring</li> <li>• Planning policies working against diversification</li> </ul>

Representatives from the workshops consistently identified Strabane District's rich **natural and cultural environment** as one of its principal strengths. This is seen as a key unexploited asset and is particularly important to promoting the area as a **tourism destination** and location for second and/or retirement homes. In addition the attractiveness of the area is seen as a key component in attracting business to the area, especially those with green credentials, i.e., environmental technologies and tourism.

The perceived **strategic location** of Strabane was as both a strength and a weakness, where there were clear historic issues associated with the border and peripheral location. However, this locational debate has been addressed recently by a number of high profile cross border projects and a general forward looking consensus suggesting it be seen as a strength and an opportunity. By doing so, capitalising on the larger market opportunities associated with residents in the Republic of Ireland.

One important aspect in improving Strabane's competitive position is enhanced traffic and **transport infrastructure**. There was consensus that the existing infrastructure is inadequate, and the commitments to upgrade and further develop the A5 were important in furthering Strabane as an accessible destination. The planned dualling of the Dublin to Derry road has the potential to enhance Strabane as a strategic location by bringing it closer to markets, customers and tourists.

The development of better roads and access across the District, including new linkages across the River Mourne, are also seen as adding to the competitiveness and attractiveness of Strabane. **Public transport** across the District and beyond and car parking within the Strabane town was seen as weaknesses which required resolution, especially in the promotion of Strabane as market town.

Although a wider issue it was noted the importance of supplying **natural gas** to the district and the importance this had on sustaining existing and attracting new businesses.

Also linked to the negative image there was a perceived inadequate **supply of land/sites** for development, and according to a number of representatives the District does not have suitable space for local firms to grow, or encourage start up businesses although there has been some historic success in attracting businesses from outside the District.

In terms of inward investment it was felt that focus should be based on supporting **indigenous business formation** as the area has suffered from an over dependence on inward investment. The District has the tradition of primary sector activity and there remains an opportunity to diversify this activity into other activities, such as production, construction and processing. The stakeholders outlined the provision of suitable and adequate facilities as a priority to assist firms develop their business practice. A number of respondents noted the poor quality and issue of derelict land and the need to unlock these areas for regeneration and renewal

In addition to land/site supply, it was widely acknowledged that additional business support and skills/training programmes is required, especially in new or changing sectors, thus raising the competitive edge of local firms. The stakeholders outlined the need to create an environment which will encourage the growth of new market opportunities. Although recorded as a long term and major challenge it was felt that the well **established local partnerships**, including the recent growth of the Chamber of Commerce, is becoming better placed to drive through and coordinate some of the emerging opportunities.

In addition to advances on the trunk road network there was specific attention paid to improving **physical enhancements and linkages** within the town where key opportunities exist to improve the economic performance of the District. Similarly, there was a belief that Strabane was well placed to promote itself as an attractive and desirable tourism destination, benefiting from its location as a gateway to and from Donegal. Other key related opportunities were associated with the promotion of retail and leisure ventures, and their knock on effect on the construction industry.

Stakeholders felt the need for further physical improvements, especially in relation to the Railway Street link between the new edge of town retail and the town centre, a new hotel and spa complex and also the need for further public art and flagship projects.

There have been a number of recent successes, most notably in relation to **regeneration**, physical developments, external image and promotion which suggest Strabane is moving into a new era of sustainable economic growth although it was reported that it was starting from a low base.

There were a number of key **threats** outside direct control of stakeholders in Strabane, including, the uncertainties of the RPA process, planning regulations, a slowdown in the global and housing markets and of specific local importance the threats caused by varying fiscal powers with the republic of Ireland, namely, business and council tax and fuel duty and the effects these had on local businesses.

## 5 A Vision for 2013

The economic development strategy for Strabane is concerned with making the best possible use of existing resources. The focus is to improve service provision, and securing greater impact in those areas where public sector intervention can make a difference.

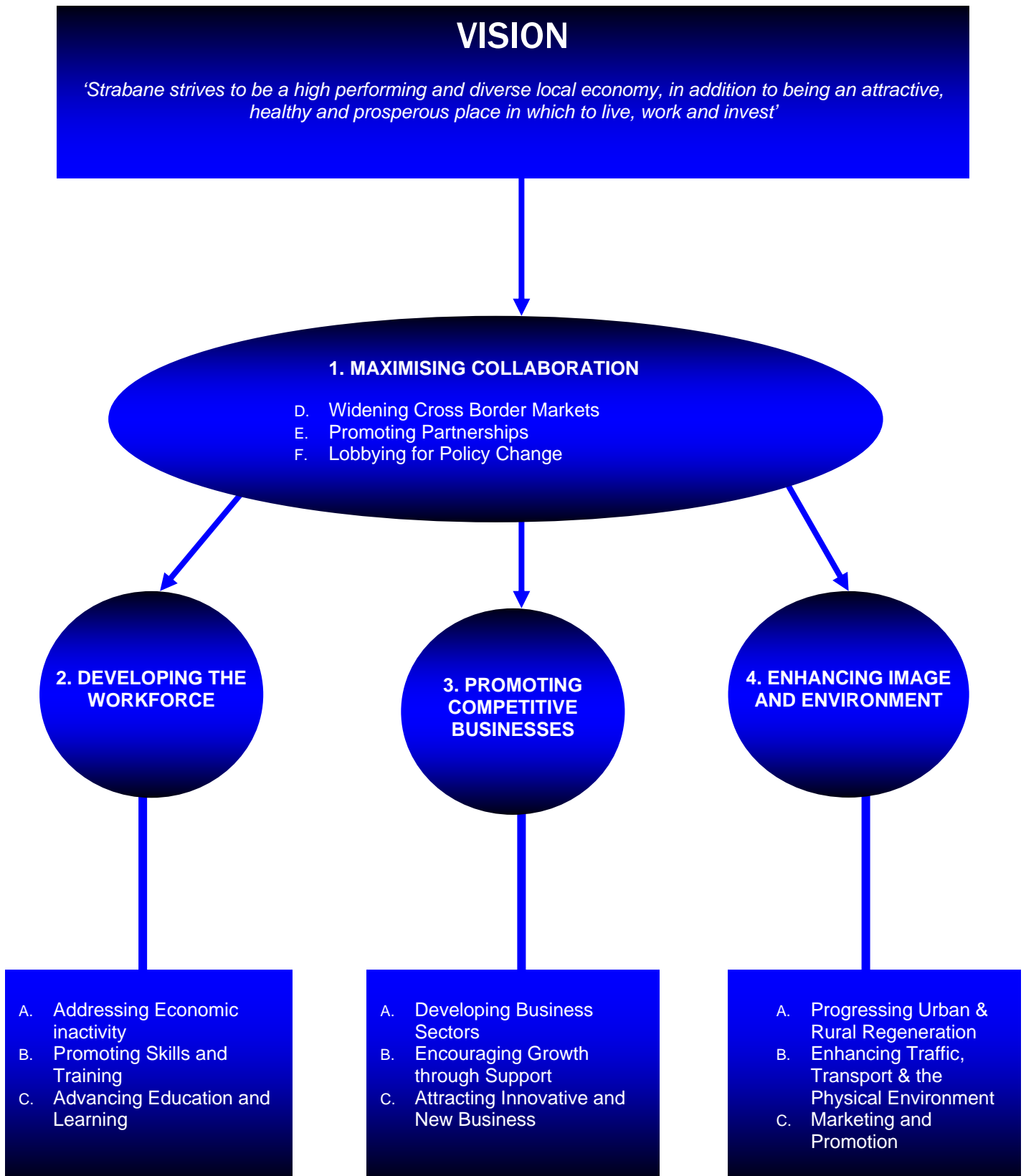
In addition, the strategy is concerned with creating the correct environment for private sector investment, to encourage new businesses and to assist the growth of local firms.

***‘Strabane strives to be a high performing and diverse local economy, in addition to being an attractive, healthy and prosperous place in which to live, work and invest’***

The above vision is an overall objective for the economic development of Strabane over the period 2008 – 2013. It builds on other visions and relates to the national ‘Economic Vision for Northern Ireland’ and the emerging economic visions for both West and North West sub regions. The vision reflects the views of the stakeholder group and is intended to send out a positive message related to prosperity and growth whilst recognising the diversity of assets.

To achieve this, Strabane must optimise its role in west Northern Ireland to ensure that it is developed as an attractive place, which is accessible to businesses, markets and a suitably skilled workforce

## 6 Underpinning Strategic Themes



## **1      MAXIMISING COLLABORATION**

**The successful implementation of the Economic Development Strategy 2008 – 2013 is dependent upon effective management, adequate resources and the formation of operation partnerships with a wide range of organisations and agencies. A coordinated approach is required from all statutory bodies, including Planning Services, DSD, DEL and Chamber of Commerce to identify and react to opportunities and challenges throughout the District.**

**The border location of Strabane offers an opportunity to benefit from wider cross border markets and initiatives. The evolving cross border public sector initiatives and importance of cross border trade and investment should be seen as an opportunity and one which must be progressed as part of this strategy.**

**Similarly, it is important that wider sub-regional and national decision making is shaped towards the needs of Strabane and similar rural and border areas. Strabane has an important role to play in lobbying for change.**

### **Objective 1**

#### **Widening Cross Border markets**

##### ***Priority Areas:***

- *Continue and build on existing cross border projects*
- *Promotion of Strabane at existing and developing cross border initiatives*

### **Objective 2**

#### **Promoting Partnerships**

##### ***Priority Areas:***

- *Continue and strengthen existing economic local partnerships*

### **Objective 3**

#### **Lobbying for changes to policy at sub-regional and NI levels**

##### ***Priority Areas:***

- *Lobbying for investment in upgrading key strategic infrastructure*
- *Policy lobbying, especially in relation to rural and agricultural diversification*

## **2 DEVELOPING THE WORKFORCE**

**The accelerating pace of economic and social change means the significance of existing skills can rapidly diminish. Future prosperity in Strabane must be predicted upon the notion that learning is a continuous process and that a learning community must constantly develop its knowledge and skills to equip itself for new challenges and opportunities.**

**A priority action must be to assist local people access the education and training systems with Strabane. Failure to meet this goal will seriously limit the economic potential of the area, with local businesses unable to realise its full potential if faced with a dearth of appropriately trained and skilled staff.**

**Skills development must be coordinated to ensure there are no mismatches between the needs of the business community and of those individuals seeking employment. Strabane plays an important local role in forging and facilitating actions with DEL.**

### **Objective 1**

#### **Addressing economic inactivity**

##### ***Priority Areas:***

- *Skills development to address defined skills mismatches*
- *Identify barriers to economic activity*
- *Contribute towards support mechanisms to ease transitions from benefits to work*
- *Support the expansion and effectiveness of the not-or-profit sector in Strabane as a vehicle for addressing economic and social exclusion*

### **Objective 2**

#### **Promoting skills and training**

##### ***Priority Areas:***

- *Support the development of programmes for early intervention for disadvantaged young people who require assistance to improve their economic prospects*
- *Support training in key growth sectors*

### **Objective 3**

#### **Advancing education and learning**

##### ***Priority Areas:***

- *Liaison with education and training providers, along with the business community to promote tailored training*

### **3 PROMOTING PRODUCTIVE & COMPETITIVE BUSINESSES**

**Strabane will work to provide a number of measures which address impediments to growth for SMEs. Efforts will be made to harness the advice and services currently available to local businesses to provide a coherent, easily accessible support function encouraging inter-trading, diversification and growth.**

**Support will be made available to local individuals and organisations who seek to develop/establish new businesses or product lines. Where more significant start-up funding may be required the partners will work together to provide match funding, support, business expertise and property advice.**

**Key physical and property requirements need to be prioritised to maximise the environment required to enhance the competitiveness of both new and existing businesses.**

#### **Objective 1**

##### **Developing business sectors**

###### ***Priority Areas:***

- *Continued and enhanced support for local businesses*
- *Promote diversification and added value opportunities for rural industries*
- *Develop the physical infrastructure within Strabane to support new and existing businesses, especially affordable and flexible workspace*

#### **Objective 2**

##### **Encouraging growth through support**

###### ***Priority Areas:***

- *Encouraging the development of a diverse local economy, with targeted support for key growth sectors*
- *Forging links with markets external to Strabane to widen markets, including cross border*

#### **Objective 3**

##### **Attracting innovative and business**

###### ***Priority Areas:***

- *Interventions to increase the number of new local businesses formed*
- *Promotion of suitable business premises*
- *Promotion of entrepreneurial activities in schools and local colleges*

## **4 ENHANCING THE IMAGE & ENVIRONMENT**

**The various partners are committed to the development of a high quality environment and priority must be placed on the need to explore innovative and creative ways in which to facilitate the redevelopment of areas of underutilised land and property to support economic growth.**

**Strabane needs to be promoted effectively to both an internal and external audience - not only to retain residents but to encourage further investment, growth and prosperity for the whole area.**

**To achieve this efforts will be coordinated to establish a strong and recognisable identity for Strabane. There is also a important focus and emphasis upon realising the tourism potential of Strabane, building on existing infrastructure and efforts.**

### **Objective 1**

#### **Progressing urban and rural regeneration**

##### ***Priority Areas:***

- *Supporting the creation of new town centre development opportunities*
- *Promotion of rural regeneration*
- *Identification of Flagship project and progress*
- *Identification of an optimal delivery vehicle for urban regeneration*

### **Objective 2**

#### **Enhancing traffic, transport and physical**

##### ***Priority Areas:***

- *Alleviate traffic congestion*
- *Invest in physical linkages and enhancements throughout the town*
- *Facilitating tourism/business accommodation across the District*

### **Objective 3**

#### **Marketing and promotion**

##### ***Priority Areas:***

- *Improve Strabane's internal and external image*
- *Town centre marketing*
- *Development of Strabane District tourism industry*

## 7 Delivery & Funding

### **Current delivery context:**

Economic Development is a strategic priority for the Council. Implementation of the Economic Development Strategy will be dependant upon pursuing the key objectives and themes identified within this report. It will depend on ensuring strategic co-ordination, targeting resources and prioritising actions

Delivery will be through a range of formal and informal partnerships established by the Council with other public and private sector agencies with a stake in the region. Partnership with other organisations is a key element of this strategy and will provide the management and resources required.

The strategy should be seen as the overarching for arrange of complementary strategies. The lead role for detailed implementation will be through the Economic Development Services.

### **Resource Allocation**

It is acknowledged that resources are scarce and need to be used in a cost effective manner.

Strategic focus is necessary to respond to the external environment but also to guide development in the different parts of the District. A balanced strategy for growth across different programme themes is sought.

Key to this expenditure will be the ability of the Council to

- Address market failure as a criteria for intervention so that it becomes self sustaining
- Attract leverage and match funding from partner organisations to maximise investment
- Achieve Value Added by demonstrating efficiency, effectiveness and economy

### **Partnership mechanisms**

There will be an increasing requirement to partner with the private sector and a clear objective is the need to prime this activity

### **Monitoring and Evaluation**

It will be essential to monitor the success of this strategy and a system of monitoring outputs and outcomes is recommended. Economic impact will be based on the performance of key strategies, and project initiatives within the Action Plan. It is recommended that the targets and output measures are reviewed on an annual basis.

A comprehensive monitoring framework has not been produced but primary indicators should include:

- Employment and Economic Activity
- Unemployment
- Business Start up / Business Survival
- Productivity / GDP per capita
- Educational / Skills attainment
- Visitor / Tourism Figures
- Derelict Land

The Council is committed to ensuring that maximum economic benefit is achieved through its activities. Benchmarking will be important in three respects:

- Firstly measuring Strabane's performance against the sub regional and NI economy
- Measuring the individual performance of programmes against
- Monitoring actions and outcomes on a regular basis

In addition, a lot can be learnt from an assessment of other similar places and benchmarking Strabane is a good measure in terms of placemaking and monitoring Strabane's comparative position as a competitive place.

### **Towards Future Prosperity**

Strabane is emerging strongly from a period of economic underperformance. The District has tremendous potential and re-development of the riverside will act a stimulus for investment and future employment. Symbols of regeneration are emerging but there is much to do in order to exploit the potential that exists for transformation of the fortunes.



## 8 Action Plan

THEMES	OBJECTIVES	PRIORITIES	INDICATIVE ACTIONS	PARTNERS	TIMESCALE	POSSIBLE FUNDING SOURCE
Maximising Collaboration	Widening Cross Border Markets	Continue and build on existing cross border projects	Establish a new rural regeneration project, such as "HEART2"	SDC / DDC	S	Intereg / DARD / NWRCEBG
		Promotion of Strabane at existing and developing cross border initiatives	Explore further INTEREG opportunities with cluster councils	SDC / Cluster Councils	M	Intereg / DARD / NWRCEBG
	Promoting Partnerships	Continue and strengthen existing local economic partnerships	Progress West / North West development opportunities	SDC / NW / W Clusters	S	N/A
		Lobbying for Policy Change	Lobbying for investment in upgrading strategic infrastructure	A5 trunk enhancement / local road network / employment land / natural gas	Cluster Councils	M
	Policy lobbying, especially in relation to rural and agricultural diversification		PPS14 / consultation on rural development cluster funding	SDC / DARD / Cluster Councils	S	EU Rural
Developing the Workforce	Addressing Economic Inactivity	Skills development to address defined skills mismatches	'Up-Skilling' Programme	DEL / SDC	M	ESF
		Identify barriers to economic activity	Cross agency summit to agree barriers (health/childcare) and identify actions to remove barriers			
		Contribute towards support mechanisms to ease transitions from benefits to work	Cross agency approach, including supported employment and volunteering programmes	SDC / DEL / LSP-NRA / LEMIS	S	ESF
	Promoting Skills and Training	Support the expansion and effectiveness of the not-for-profit sector in Strabane as a vehicle for addressing economic and social exclusion	Further promotion of social economy activities	SDC / SDCN / NICVA	S	ESF
		Support the development of programmes for early intervention for disadvantaged young people who require assistance to improve their economic prospects	Support DEL and LSP in the development of new programmes	SDC / DEL / LSP-NRA	S	ESF
		Support training in key growth sectors (retail, IT, hospitality)	Exploring the feasibility of bespoke training initiatives with the private sector and colleges / Ambassadors Programme	SDC / Chamber / INI / DEL / FE	M	ESF
Advancing Education and Learning	Liaison with education and training providers, along with the business community to promote tailored training	Specific initiatives aimed at raising the standard of attainment and improve the skills based of local people	SDC / DEL / HE / FE	S	ESF	
Promoting Productive and Competitive Businesses	Developing Business Sectors	Continued and enhanced support for local businesses	'Think BIG' Programme and assess feasibility of establishing a 'Business Shop' offering advice and guidance from a central location	SDC / DEL	S	ERDF
		Promote diversification and added value opportunities for rural industries	Tailored business support for rural based industries	SDC	S	EU Rural
		Develop the physical infrastructure within Strabane to support new and existing businesses	Support and lobby for affordable and flexible workspace	SDC / DETI	M	ERDF
	Encouraging Growth through Support	Encouraging the development of a diverse local economy, with targeted support for key growth sectors	'Spin-Link' Programme development and the promotion of 'franchising' as a business sector	SDC / NORIBIC	M	ERDF
		Forging links with markets external to Strabane to widen markets, including cross border	Explore market opportunities through research (study trips and best practice reviews)	SDC	S	ERDF
	Attracting Innovative and New Business	Interventions to increase the number of new local businesses formed	Enhanced 'Starter Business Programme' and new 'Spin Link' programme	SDC / NORIBIC	M	ESF / ERDF
		Promotion of suitable business premises	Expansion of incubation and managed workspace and increasing the visibility of high growth and start up firms	SDC / INI	M	ERDF
Promotion of entrepreneurial activities in schools and local colleges		'Young Enterprise' and 'Business Education' liaison	SDC / YE / Education Board	M	ESF	
Enhancing the Image and Environment	Progressing Rural and Urban Regeneration	Supporting the creation of new town centre development opportunities	Develop a town centre strategy proposal with DSD	SDC / DSD / CoFC / S2000	S	ERDF / Private
		Promotion of rural regeneration	Establish an enhanced 'HEART' programme	SDC / HEART	S	ERDF / DARD / Intereg
		Identification of Flagship project and progress	Redevelopment of the pedestrian retail area in town centre - the 'Triangle'	SDC / DSD	M	ERDF / Private
		Identification of an optimal delivery vehicle for urban regeneration	Research Business Improvement District (BID) opportunity	SDC / DSD / CoFC / S2000	S	ERDF / Private
	Enhancing traffic, transport and physical	Alleviate traffic congestion	Promotion of traffic solutions to alleviate town centre congestion including town centre car parking	SDC / DOE / S2000	S	DOE
		Invest in physical linkages and enhancements throughout the town	Enhance key thoroughfares, most notably, Railway Street	SDC / DSD	S	SDC / DSD
		Facilitating tourism/business accommodation across the District	Promote and assist the development of new hotel and tourism facilities	SDC / NITB	M	Private
	Marketing and Promotion	Improve Strabane's internal and external image	Create and deliver an innovative and memorable campaign for Strabane - 'Strabane is Changing' - media relations programme	SDC / CoFC	S	SDC / Private
		Town centre marketing	Facilitate the establishment of a Town Centre Marketing Officer post	SDC / CoFC	S	SDC / CoFC
Development of Strabane District tourism industry		Reviewing the scope to further promote Strabane as a visitor destination and implement a Tourism Development Strategy	SDC / NITB / CoFC	M	NITB / Private	

Short Term: 1-2 years
Medium Term: 3-4 years
Long Term: 5+ years

## **Appendices**

## **Appendix A: Policy Baseline**

<b>Document</b>	<b>Organisation</b>
<b>EUROPE</b>	
Lisbon Agenda/Agreement	EU
EU Employability Programme	ESF
EU Competitiveness Programme	ERDF
EU Rural Development Programme	DARD / EU
EU Peace III Programme	EU Programme for Peace and Reconciliation
EU Intereg IVA	EU Cross Border Territorial Cooperation
EU Intereg IVB	EU Cross Border Territorial Cooperation
EU Intereg IVC	EU Cross Border Territorial Cooperation
<b>NATIONAL</b>	
Economic Vision for Northern Ireland	NI Government: DETI
Regional Economic Strategy for Northern Ireland	NI Government: DETI
Review of Public Administration	NI Government: RPANI
Regional Development Strategy for Northern Ireland	NI Government: DRD
Regional Transportation Strategy	NI Government: DRD
Investment Strategy for Northern Ireland	NI Government: SIB
Regional Innovation Strategy	NI Government: DETI
Success Through Skills	NI Government: DEL
Rural Strategy	NI Government: DARD
Invest NI Corporate Plan	Invest NI
Accelerating Entrepreneurship	Invest NI
Tourism in Northern Ireland: A Strategic Framework	Northern Ireland Tourist Board
<b>CROSS BORDER</b>	
Republic of Ireland Development Plan	Irish Government
InterTradeIreland Corporate Plan	Irish Government
International Fund for Ireland	Irish Government
<b>REGIONAL</b>	
West Economic Scoping Study (Draft) 2007	Western Economic Strategy Team
North West Economic Plan 2007	
West Tyrone Area Plan 2019	Planning Services
<b>LOCAL</b>	
Strabane DC Corporate Plan 2007-12	Strabane District Council
Strabane Community Plan 2000-06	Strabane DC/LSP/partners
Strabane Vital Statistics 2007	Strabane DC
Strabane LSP Vision and Action Plan 2007-10	Strabane LSP
Strabane LSP Employability research 2007	Strabane LSP
Strabane Developing for Tomorrow 2007	Strabane DC / Regional Forecasts
Strabane 2000: 2000-2004 Reviews	Strabane 2000
Strabane 2000: International Bridge Competition	Strabane 2000
Strabane 2000: Environmental Improvement Scheme	Strabane 2000
Strabane 2000: Town Centre Living Initiative	Strabane 2000
HEART: Interim Evaluation	HEART
Sion Mills Masterplan	Sion Mills BPT
<b>OTHER</b>	
'Living in Strabane'	Donegal Democrat 2007
'Strabane – a very special place'	Strabane DC
'Summary of Targeted Initiatives'	DEL

### **The Lisbon Agreement**

The Lisbon Agenda sets the European Union the goal of becoming "the most dynamic and competitive knowledge-based economy in the world" by 2010. A target of achieving 3% average economic growth and the creation of 20 million jobs by 2010 was also set in the agenda. The Gothenburg Council in 2001 completed the Lisbon Agenda by adding an environmental dimension setting out key environmental objectives and target dates at strategic, political and legislative levels, taking account of international agreements.

To achieve its aims, the agenda sets out a series of goals in areas such as employment, innovation, enterprise, liberalisation and the environment. The EU budget agreement reached under the UK presidency in December 2005 recognised the need to extend EU cohesion policy across an enlarged EU. With this has come a re-direction of EU structural funds towards the new member states. As a result, Northern Ireland will have £325 million EU funding for competitiveness and employment for 2007 to 2013.

### **European Social Fund (ESF) Employment Programme**

The overall objective of the draft ESF Programme is to contribute to meeting the challenges in Northern Ireland to increase the employment rate for all groups in the labour market, reduce the high numbers of economically inactive and improve the skill and qualifications levels of existing employees. Northern Ireland has approximately £114m of ESF funding available. This is allocated across four priority areas:

- Priority 1: Helping people into sustained employment;
- Priority 2: Improving workforce skills and adaptability;
- Priority 3: Technical assistance; and
- Priority 4: Promoting partnership for reform in the fields of employment and inclusion.

### **ERDF Competitiveness Programme**

The overall objective of the draft ERDF Competitiveness Programme is to help create a more competitive and sustainable Northern Ireland and specifically, to contribute to closing the productivity gap with the UK. Northern Ireland has approximately £211m of ERDF funding available. This is allocated across three priority areas:

- Priority 1: Increasing investment in R&D and innovation;
- Priority 2: Promoting enterprise & entrepreneurship; and
- Priority 3: Improving accessibility and protecting and enhancing the environment.

### **Rural Development Programme**

The overall theme of the Rural Development Programme is to diversify the rural economy, protect the rural environment and sustain rural communities. Co financed by DARD and the EU, the budget for this programme is yet to be finalised. Priorities have been identified as:

- Axis 1: improving the competitiveness of the agricultural and forestry sector;
- Axis 2: improving the environment and the countryside; and
- Axis 3: the quality of life in rural areas and diversification of the rural economy.

### **EU Programme for Peace and Reconciliation (Peace III) 2007-2013**

The Peace III Programme is a distinctive European Union structural funds programme aimed at reinforcing progress towards a peaceful and stable society and promoting reconciliation. It will assist NI and the border regions and specifically focus on reconciling communities and contributing towards a shared society. The budget for this programme is £300m. The following priorities have been set:

- Priority 1: Reconciling communities;
- Priority 2: Contributing to a shared society; and
- Priority 3: Technical assistance.

#### **EU Programme for Cross Border Territorial Co-Operation 2007-2013**

##### **Interreg IVA**

This programme is a European Union supported structural funds programme which seeks to address the economic and social problems which result from the existence of borders. In particular, the programme will focus on developing a dynamic economy, supporting infrastructure and promoting innovative ways of addressing specific cross-border problems. The budget for this programme is approximately £200m. The following priorities have been set:

- Priority 1: Co-operation for a more prosperous cross border region; and
- Priority 2: Co-operation for a sustainable cross border region.

##### **Interreg IVB NW Transnational Co-operation**

This programme aims to achieve an integrated approach to territorial development both horizontally (among different policy sectors) and vertically (among different levels of government). Approximately £250m is available for the whole programme. The following priorities have been set for the programmes:

- Priority 1: Promoting innovation and competitiveness;
- Priority 2: Sustainable management of natural resources;
- Priority 3: Improving connectivity/accessibility; and
- Priority 4: Promoting strong and prosperous communities at transnational level.

##### **Interreg IVC Interregional Co-operation**

This programme aims to improve the effectiveness of regional development policies and to contribute to economic modernisation and increased competitiveness in Europe in the areas of innovation, knowledge economy, environment and risk prevention by means of interregional cooperation. The budget for this programme has yet to be finalised but the following priorities have been set:

- Priority 1: Innovation and knowledge; and
- Priority 2: Environment and risk prevention

#### **Economic Vision for Northern Ireland**

The economic vision sets the direction for economic policy in NI over the next 10 years and aims to tackle serious economic weaknesses such as relatively low productivity and high inactivity rates. For the economic vision to be achieved the areas located in the North-West and West of Northern Ireland have a vital role to play.

#### **Regional Economic Strategy (RES) for NI**

The RES will shape future economic development in NI by driving forward the economic vision. It is a more operational layer of policy underneath the vision. Local areas will have to ensure improvements within the four drivers of productivity are made.

#### **Review of Public Administration (RPA)**

The RPA proposes major reform of public administration in which there will be only 7 districts within NI which will possess increased powers. The RPA proposals present significant challenges and opportunities for Strabane. Current proposals (launched in March 2006) suggest that the council areas of Cookstown, Dungannon and South Tyrone Borough, Fermanagh and Omagh will become the West Local Government District whilst Strabane will form a part of the proposed North West Local Government District.

However, specific issues do exist within each council group and the individual characteristics of each area must be recognised under RPA. It should be noted that some uncertainty exists around the RPA since the re-establishment of the NI Assembly. This uncertainty revolves both around the timing for implementation of RPA and the number of Councils there will be. The picture should become clearer by Autumn 2007.

#### **Regional Development Strategy (RDS) for NI**

The RDS presents a strategic and long-term perspective on the future development of NI. Strabane is identified as main hubs in the Strategy. In addition, Strabane is located on a Key Transport Corridor so should benefit from improvements in infrastructure and connectivity over the next 20 years.

#### **Regional Transportation Strategy**

The regional transportation strategy supports the regional development strategy and makes a significant contribution towards achieving the longer-term vision for transportation contained within the regional development strategy.

#### **Investment Strategy for Northern Ireland**

The Investment Strategy for Northern Ireland will put in place the infrastructure that is needed to enable Government to deliver public services throughout NI fit for the 21st century. Investment is planned in Schools, Hospitals, Transport and Water and Waste.

#### **Regional Innovation Strategy**

The RIS has the vision to create a culture and environment within which NI will prosper by using its knowledge, skills and capacity to innovate. Strabane must encourage its young people to continue onto further and higher education and adults to go back to school to equip its people with the right knowledge and skills.

#### **Success through Skills, Skills Strategy**

The skills strategy for Northern Ireland provides an overarching framework for the development of skills. It focuses on raising the skills of the current workforce, enhancing the quality of those entering the workforce and addressing the employability skills of those not in employment. Government recognises that delivering the Skills Strategy requires partnership and collaboration to achieve its aim of raising NI skills levels. The Skills strategy also recognises the need to adapt to local and regional skills needs. Also, Further Education means business states the primary objective of the sector is to support economic development. Councils should therefore ensure seek to ensure maximum engagement with FE providers in the region to maximise economic activity.

#### **Rural Strategy 2007-2013**

DARD's Rural Strategy 2007-2013 recognises that Rural areas face particular challenges as regards growth, jobs, infrastructure provision and access to services in the coming years. To ensure that Rural areas offer real opportunities in terms of their potential for growth in new sectors, the provision of rural recreation and tourism etc DARD's Rural Development Strategy outlines 4 key aims. These are:

- Creating a Rural Champion;
- Improving Performance in the Marketplace;
- Conserving and Investing in the Rural Environment; and
- Strengthening the Social and Economic Infrastructure of Rural Areas.

This Strategy will have an important impact on the Strabane as it has a large rural population.

### **Invest NI Corporate Plan, 2005-2008**

Invest NI's focus is on three key economic priorities:

- Being Entrepreneurial;
- Being Innovative; and
- Being International.

Strabane Council must ensure that INI's activities bring economic benefits to the region.

### **Invest NI, Accelerating Entrepreneurship Strategy**

This strategy is a response by Invest NI to address the low level of entrepreneurial activity. The vision of the strategy is: "to make NI an exemplar location for starting and growing a successful business". Strabane must continue to ensure that business creation is maintained.

### **Tourism in Northern Ireland: A Strategic Framework**

The tourism sector in Northern Ireland represents about 2% of GDP and support 20,000 jobs. The challenge set is to attract more visitors and repeat visits. Over the period 2004-07 the objective is to increase tourism revenue by 9% pa and visitor numbers by 7% pa.

### **The Republic of Ireland National Development Plan 2007-2013**

The National Development Plan contains proposals for significant Irish government investment in north/south projects and initiatives for mutual benefit (such as roads infrastructure). Strabane will have to contribute to determining of north/south border linkages.

### **InterTradeIreland's Corporate Plan**

The InterTradeIreland Board's vision is one of a globally competitive all-island economy characterised by the optimal utilisation of the island's resources, to drive competitiveness, growth and wealth creation across the island. InterTradeIreland's key strategic objective for the period 2005-2007 is to increase the number, effectiveness and value of all-island trade and business development networks. These aims have obvious implications for companies in the border councils.

### **International Fund for Ireland**

The mission of the International Fund for Ireland is to underpin efforts towards peace by promoting economic and social advance and encouraging contact, dialogue and reconciliation between nationalists and unionists throughout Ireland. Programmes will cluster around 4 key areas of activity:

- building foundations
- building bridges
- integrating
- leaving a legacy.

### **Western Economic Strategy Team – West Strategy and Action Plan**

The Western Economic team comprises the Councils of Cookstown, Dungannon and South Tyrone, Fermanagh, Omagh and Strabane, along with partners from invest in Northern Ireland, DARD, DEL and private sector representation. The 4 key productivity drivers identified in the West Strategy include:

- Ensure a modern infrastructure is in place to support business and consumers
- Increase investment in R&D
- Promote and encourage enterprise
- Ensure people have the right skills for future employment opportunities

### **North West Development Framework**

Commissioned by Derry Council in the context of the RPA proposals and the proposals for a North West Council embracing Derry, Limavady, Magherafelt and Strabane Councils. The emerging strategic priorities set include:

- Improvement of access infrastructure to the region
- Education and skills, both as a problem to be tackled at present but also as a major opportunity for the future
- Development of knowledge-based industries
- Development of culture and tourism
- Being an inclusive and integrated region

### **West Tyrone Area Plan 2019: Issues Paper**

A consultative issues paper completed for Omagh and Strabane Districts in 2006. The aim is to feed into and prepare a Planning Framework in general conformity with the RDS which facilitates growth and development in West Tyrone, whilst protecting the natural and built environment. Key proposals set out within the paper include:

- promotion of Strabane as a hub within Northern Ireland and strengthen their roles as the principle administrative, trade, employment and residential centres
- consolidate the role of Castleterragh, Newtown Stewart and Sion Mills as service centres for their hinterlands
- concentrate large scale land use zones in Omagh and Strabane
- protect and extend existing industrial areas where they are in easy reach of urban population
- maintain and consolidate the role of villages
- provide opportunities within small settlements for small scale rural businesses

#### *Housing*

Housing Growth Indicators (HGIs) suggest up to 5,300 new households could be built within Strabane District in the period up to 2019.

#### *Industry & Business*

The RDS aims to create around 100,000 jobs across NI by 2015, the West Tyrone portion could be in the region of 5,000 – 6,000.

#### *Retailing*

Although Omagh is performing well in this area, Strabane currently suffers from high vacancies and dereliction. However, an ASDA superstore has brought additional footfall to the town, in conjunction with new library and arts centre.

#### *Health, Education & Community*

Key local players include, Western Education and Library Board, Council for Catholic Maintained Schools, Sperrin Lakeland Health and Social Services Trust and Foyle Health and Social Services Trust.

#### *Public Utilities*

New and improved wastewater treatment plants are to be provided across the key towns and villages. There are continuing local concerns about the scale of wind farm growth in the Strabane area. Areas of Strabane suffer from flooding. New civic amenity sites are to be developed in Strabane.

#### *Transportation*

Transport studies have commenced in Strabane. Strabane lies on a Key Transport Corridor, the A5 which provides links to Londonderry, Belfast and Dublin and is also linked to the Republic of Ireland via the N14/N15. The RDS promotes Strabane as a gateway to Donegal.

#### *Leisure & Recreation*

Strabane Council notes the need for a new town park and zoned recreational land in Strabane, Newtonstewart and Douglas Bridge. Strabane has the potential to act as gateways to the Sperrins and Donegal.

#### *Conservation, Minerals and the Countryside*

Sion Mills and Newtonstewart are designated conservation areas. The Strabane area has an Area of Constraint on Mineral Workings in the Glenelly Valley. Farming is the dominant land use and the rural environment is undergoing great change in response to the restructuring of agriculture. Green Belt surrounds both Strabane and Sion Mills.

#### **Strabane DC Corporate Plan 2007-12**

Recently published Corporate Plan for Strabane District Council covering the period 2007-2011 and focusing on 4 key themes:

- Providing better, high-quality services
- Promoting sustainable development (incl., regen & renewal and tourism)
- Positioning, protecting and promoting the interests of the people
- Acknowledging and enhancing the legacy of Strabane District Council (economic development and enhance physical image)

The mission set is: 'Strabane District Council will provide high-quality services and strong civic leadership, and will work with others to strenuously promote Strabane District as an excellent place to live, work, invest and visit.'

#### **Strabane Community Plan 2000-06**

Currently, Strabane is working to a community plan which covers the following themes:

- Image;
- Strabane framework;
- Business Growth and Development;
- Education and Training;
- Tourism;
- Agriculture and Rural Development;
- Social Inclusion and Community Development;
- Public Services; and
- Planning for the District

### **Strabane Vital Statistics 2007**

A key baselining document which presents an update the first Strabane statistical review, which was carried out in 2002 and covers:

- Population
- Labour Market / Earnings
- Education / Training
- Enterprise
- Transport / Telecommunications
- Housing
- Tourism
- Agriculture
- Deprivation

### **Strabane LSP Vision and Action Plan 2007-10**

Strabane Neighbourhood Renewal Area includes four main housing areas and part of the town centre. There are almost 7,000 persons residing within the NRA, and unemployment is double in the NRA than the Strabane District average and more than 60% of people have no qualifications. A Neighbourhood Partnership has been formed to drive the delivery of the Neighbourhood Renewal Strategy in an area which broadly covers the town. The NP has been supported by the Strabane LSP to develop a vision and action plan for the period 2007-10.

The vision for Strabane in 10 years time is: 'Strabane will be physically attractive and economically prosperous, with strong, well led communities that will work together for lasting change. Public services will be accessible and responsive to need. Local neighbourhoods will be safe, attractive places where people want to live. Opportunities will be available to build healthier community and a positive future for our children and young people.'

The key strategic priorities lie in:

- Community renewal
- Economic renewal
- Social renewal
- Physical renewal

The action plan takes into account the range of other initiatives being completed and proposed within the town and district and action teams have been established within each of the 4 key strategic priorities.

### **Strabane LSP Employability research 2007**

Recent research commissioned by the LSP and funded by the PEACE III monies to look at:

- 1 – enhancing local community capacity to develop/manage social economy projects
- 2 – identifying and delivery of a human resource development plan
- 3 – enabling individuals and communities to participate in training and development activity that will support their (re)integration into the labour market

The research employed both primary and secondary research techniques and stakeholder consultation to produce a key issues and strengths matrix and backed-up with some key recommendations.

Some **key issues** included:

- Strabane still classed as most deprived council area in NI
- Unemployment twice the national average
- After agriculture, construction is the next largest sector which is a low value added sector and largely involves travel out of the district
- Reliance on traditional industries
- Has fewer public sector jobs
- Strabane has only 3% of businesses operating under 'property & business' compared to 11% at the national level
- Lower educational achievement than nationally
- Government training schemes are full time, which do not address those unable to commit to full time education/training
- Essential skills been seen as significant weakness by local employers
- Small business sector do not undertake ongoing training and development
- Limited child care options

Some **key opportunities** included:

- Growing population, increased by 6% in past 20 years
- Up and coming young workforce
- Economy is moving away from traditional industries
- Has a growing retail sector
- Good proximity to Republic of Ireland
- Good proximity to Derry
- Growth sectors identified at national level are consistent with Strabane area
- Forthcoming LEMIS programme will place greater emphasis on individual training and development plans
- Opportunity to match individual training plans with growth sectors
- Involvement of employers and inward investors in the strategic decision making of initiatives to support training

A range of recommendations to tackle the issues and address the opportunities were noted.

### **Strabane Developing for Tomorrow 2007**

A short regional forecasting exercise was conducted in 2007 and covered:

- The economic outlook for Strabane
- Developing Strabane
- SWOT
- Summary

#### ***Economic Outlook***

- Very little change in total employee job levels between 1995 and 2005
- Major reduction in manufacturing and agricultural sectors
- Strong growth in construction, distribution and business services
- Looking forward service sector is key employment sector
- Employment rate below 50%, well below NI average (64%)
- Out migration a feature of local employment market
- Strong construction related employment fuelled by residential housing developments, regeneration and demolition
- ASDA and Northbrook key local employers
- Low public sector jobs, no major hospital, no FE/HE and no HQs.

### ***Developing Strabane***

- 3,800 below NI average (64% employment rate)
- Equates to £100m of output, more likely to be in region of £320m
- Closing gap is key
- 'Sick' and 'looking after home' are key areas where change can occur
- Wage rates are very low (only Moye is lower)
- House prices are quite high, fuelling possible issues for individuals entering housing market – acts as a 'brake' to people participation in housing market
- Key growth sectors (at national level) are business services, retailing and construction
- Hotels, finance and business services are the optimal area for new employment growth
- New economy is heavily skills dependent
- Low skills/education in Strabane unemployed
- Clear mis-match of the skills required in key industries and the qualification attainment of those out of work in Strabane

### ***SWOT***

#### **Strengths**

- Living Environment
- Recent Success
- Costs base
- Proximity to growing markets
- Acceptance of the problem

#### **Weaknesses**

- Skills levels
- Unfavourable sectoral balance
- Under-developed urban centre
- Public sector employment limited
- High levels of disengagement
- Legacy & image
- Limited suitable space
- Disconnected communities

#### **Opportunities**

- Private services
- Living environment attractive
- North West Gateway
- Sectoral growth

#### **Threats**

- Left behind the private sector revolution
- Skills mis-matches
- Urban/ village / rural all facing threats
- Market forces
- Lack of suitable space
- Rising costs increasing the benefit trap

### **Strabane 2000: 2000-2004 Reviews**

Strabane 2000, formed in 1997, is an economic and social regeneration initiative to promote development in the town of Strabane, with the aim of generating investment and employment for the benefit of residents and investors.

A range of initiatives were launched at the outset of the initiative including, a new library and community arts facility, pedestrian linkages, waterfront developments and waterwall planting and lighting. Future schemes, identified in 2000, included new pedestrian bridges, communications study and a planning strategy.

Further annual reviews (2003 & 04) noted progress in the following initiatives, town centre reinvigoration programme, shop front improvement scheme, pedestrian linkages at John Wesley Street/Castle Street, completion of a transportation study and the lighting of Strabane Bridge. The new library was opened in 2003. Future plans in 2003 included a new arts centre, traffic management, development of the cattle market site and score site and new pedestrian bridges.

### **Strabane 2000: International Bridge Competition**

The Strabane 2000 initiative and community consultation outlined the need for two new pedestrian bridges to cross the river Mourne. Driven by safety concerns at existing bridges and the high flood defence walls two sites and design have been identified and costs at around £1m per bridge. The two bridges are part of the SUSTRANS2 bid currently being assessed under the 'Living Landmarks' programme of the Big Lottery Fund.

### **Strabane 2000: Environmental Improvement Scheme**

Since formation Strabane 2000 has completed numerous phases of physical regeneration within Strabane town centre. Key outputs have been the Main Street and the pedestrian walkway between John Wesley Street and Castle Street (Post Office Lane), these benefited from a £580k scheme.

### **Strabane 2000: Town Centre Living Initiative**

A Town Centre Living Initiative (LOTs) was launched to provide housing in vacant floorspace above town centre shops. The aim is to promote the town centre as a place to live in doing so providing greater vitality especially at night, a safer environment, increased custom for local shops and services, a more positive image and the enhanced preservation of Strabane's heritage.

### **HEART: Interim Evaluation**

HEART (Heritage Environmental Arts Rural Tourism) is a cross border initiative, which aims to regenerate at least 10 rural towns and villages on both sides of the Strabane Donegal border. The project has 3 key elements and each participating town benefits from:

- An environmental improvement scheme and signage
- Shop front improvement scheme
- Public art scheme

A heritage trail will also be developed across the participating towns, with an emphasis on public art and local heritage. The main aims of HEART include:

- To regenerate rural towns and villages in County Donegal and Strabane District
- To identify and develop economic, social and cultural resources in a cross border context
- To foster shared learning and development between communities in Strabane and Donegal
- To enhance the environment and quality of life in the rural towns and villages

The interim evaluation suggests the HEART programme is well performing and on course to meet the aims and objectives of the overall study, although there have been some time delays, resourcing and financial issues.

#### **Sion Mills Masterplan & Business Plan**

Sion Mills Building Preservation Trust (SMBPT) was formed in 1999, specifically to restore and regenerate the Herdmans Flax Spinning Mill in Sion Mills, redundant and derelict since 1989. The modern mill which closed in 2004, with the loss of 250 jobs, was the last flax spinning mill in Northern Ireland.

The SMBPT proposed to conserve the historic elements of the mill and enabling the site to be used for new uses, including:

- Apartment development
- Restaurant
- Conference facilities
- Visitor centre, coffee shop and gift shop
- Office accommodation
- Fishing lodge
- Centre for Curiosity and Imagination
- Overnight accommodation
- Gym
- Sport activities
- Riverside walks

The total capital cost was in the region of £18m, of which £10m (52%) was sought from the HLF. The HLF application was unsuccessful and the scheme has been mothballed.

## **Appendix B: Workshop SWOT Analyses**

- 1 Councillors and Council Officers
- 2 Stakeholder Group
- 3 Local Businesses
- 4 Voluntary and Community Groups
- 5 School and Education Groups

**STRENGTHS: Councillors & Officers**

1. Attractive/High quality environment
2. Location
3. Comparatively affordable housing
4. Skilled workforce but limited opportunities
5. Physical capacity
6. A willingness to work
7. Leisure facilities/evening/night time economy
8. Track record in regeneration
9. Physical signs of improvement, investment
10. Precedents for collaboration between districts
11. New development
12. Sector growth
13. Competitive Cost base
14. Distinctive retail offer not an “anywhere” town

**WEAKNESSES: Councillors & Officers**

1. Unemployment
2. Industrial/economic restructuring (loss of textile industry)
3. Declining sectors
4. Limited job opportunities for higher skilled people
5. Immigration
6. Loss of training capacity
7. Incapacity/disability claimants
8. Lack of suitable premises for the economic opportunities that arise (e.g. Call Centres)
9. ICT infrastructure – no coverage in some areas
10. Clearer “voice” to communicate Strabane’s needs to Government
11. Visitor facilities
12. Support for developing the tourism sector
13. External Image of Strabane and marketing what the District is about
14. Some negative local media
15. Anti social behaviour
16. Social deprivation at root cause of problem
17. Strabane – “boring”

**OPPORTUNITIES: Councillors & Officers**

1. Construction sector
2. Local labour agreements
3. Lobbying Governments to make investments in Strabane
4. Investment in the A5
5. Tourism
6. Young people
7. Retaining higher skilled individuals
8. Cross border collaboration & trade
9. Growth sectors
10. Public funding
11. Review of Public Administration (RPA)
12. Collaboration
13. Inward investment
14. Image & branding
15. Iconic development /Anchor tenant / something to attract people

**THREATS: Councillors & Officers**

1. Centralisation of public sector
2. Cross border taxation issues
3. Planning policies working against diversification
4. Economic slowdown
5. Increasing competition from other EU countries
6. RPA uncertainty

**STRENGTHS: Stakeholder GROUP**

- 1 Border location
- 2 Local people
- 3 ASDA investment and other visible signs of investment
- 4 Organisations and collaboration
- 5 Support to agriculture
- 6 Good quality of life
- 7 Cross border work/Existing relationships with South
- 8 Start up activity (however skewed toward lower value added sectors/sub-sectors)
- 9 Willingness to work?? (evidence & other opinion suggests this is not the case)
- 10 Population skewed toward younger age groups – future potential
- 11 Environmental quality
- 12 Leisure opportunities

**WEAKNESSES: Stakeholder GROUP**

- 1 Peripheral/border location
- 2 Access & infrastructure – links to motorway network/gas
- 3 Different legislative frameworks North/South – working against each other
- 4 Poor external image
- 5 Economic inactivity/unemployment/social problems
- 6 Insular
- 7 Reliance on agriculture – effect on level of innovation
- 8 Skills mismatch
- 9 Lack of HE provision (although this was a point that was contested)
- 10 Limited speculative development
- 11 Loss of higher level skilled individuals
- 12 Skills and qualification issues across the existing workforce

**OPPORTUNITIES: Stakeholder GROUP**

- 1 Cross border work
- 2 Co-operation with other authorities
- 3 EU funding opportunities
- 4 Development of a logical and targeted approach to identifying companies looking to invest in N Ireland/Strabane
- 5 RPA and links to Economic development strategy
- 6 Investment in the road network (A5)
- 7 Agri- food businesses – development of higher value added products and diversification of agricultural base
- 8 Maximising and working with the City region- links to Derry
- 9 Providing the opportunities for people to improve their skills at different levels and ages
- 10 Enhancing the tourism product – central strategy covering accommodation, other physical assets, activities, events, marketing
- 11 To encourage a more open/external facing private and public sector
- 12 A flagship project – bridge developments/high profile building/public art to help give the district an identity and bolster its external image
- 13 An anchor employer to act as a catalyst for further investment (in line with thinking in previous bullet)

**THREATS: Stakeholder GROUP**

- 1 Competition and performance of surrounding areas
- 2 RPA – uncertainty
- 3 Housing slowdown
- 4 Increasing competition from other economies (local neighbours through to eastern European countries)
- 5 Further structural economic change - loss of manufacturing employment

**STRENGTHS: BUSINESSES**

- 1 Availability of workforce
- 2 Well educated workforce – positive ambitions
- 3 Loyalty of workforce
- 4 Physical capacity for development
- 5 Developers willing to bring forward new property
- 6 Location on the border
- 7 Good quality environment
- 8 Construction sector potential but dependent on strength of wider housing market
- 9 Signs of investment and “anchors” on which to build

**WEAKNESSES: BUSINESSES**

- 1 Retention of higher skilled individuals
- 2 Labour turnover at different skill/occupational levels
- 3 Some mismatch between supply of and demand for skills
- 4 Lack of restaurants
- 5 Not an obvious entrepreneurial culture
- 6 Availability of workspace
- 7 Land banking/housing speculation
- 8 Derelict industrial land & premises
- 9 Planning restrictions
- 10 Unemployment
- 11 Low wage economy
- 12 Lack of scale in terms of higher level jobs
- 13 Lack of suitable skills
- 14 Housing affordability
- 15 Commuting function
- 16 Taxation issues – border location
- 17 Image and internal perception of what Strabane has to offer
- 18 Physical connectivity and capacity between ASDA/customer base and rest of town
- 19 Work ethic

**OPPORTUNITIES: BUSINESSES**

- 1 Attracting talent originally from Strabane to come back to work/live
- 2 “Traffic” passing through but expenditure & economic benefits not being captured
- 3 Influencing current planning policy
- 4 Potential and interest in development of further hotel/leisure investment
- 5 Better communication of the positive elements/signs of improvement within the Strabane economy/environment
- 6 Increasing catchment area – drawing in larger numbers of consumers on the back of investment e.g. ASDA
- 7 Improving physical linkages and spatial development of the town centre
- 8 Development of Higher education facility – specialist vocational college?

**THREATS: BUSINESSES**

- 1 Ongoing planning restrictions holding back future development
- 2 Wider economic slowdown – interest rate rises – housing market slowdown

**STRENGTHS: COMMUNITY GROUPS**

- 1 Voluntary and community sector have a track record of successfully delivering services
- 2 Good environment
- 3 Geographic location – close to border
- 4 Attractive location for retirement
- 5 Low levels of crime
- 6 Tenacity, durability & adaptability of the people
- 7 History
- 8 Signs of investment and improvement
- 9 Rich cultural heritage
- 10 Good examples of farm/agricultural diversification

**WEAKNESSES: COMMUNITY GROUPS**

- 1 Hasn't received the share of public investment that it might
- 2 Accessibility
- 3 Infrastructure
- 4 Not on the "tourist map"
- 5 Border location can add to isolation/accessibility
- 6 Public transport provision
- 7 Sectarianism – duplication - providing two sets of services
- 8 Planning policy
- 9 Housing availability & affordability to help retain rural population
- 10 Limited sharing of facilities in rural areas

**OPPORTUNITIES: COMMUNITY GROUPS**

- 1 Tourism sector development
- 2 Natural resources/environment
- 3 Capturing a fairer share of EU funding
- 4 Building the capacity of the voluntary sector to maximise the delivery of services
- 5 Lobbying for changes to policies/strategies to allocate EU monies
- 6 Sectarianism – Peace III demonstrating how to work across the "divide"
- 7 Cross border work and collaboration
- 8 Community planning
- 9 Having more "intelligent" rural planning policies
- 10 Investigation of new markets – biofuels, higher value products

**THREATS: COMMUNITY GROUPS**

- 1 Re-organisation of public authority boundaries
- 2 Additional pressures on agriculture from legislation and bureaucracy
- 3 Planning policy restrictions on rural development –PPS 14
- 4 Speculative land banking

## **Appendix C: EU Funding Overview**

- 1 EU Sustainable Competitive Programme**
- 2 EU Employment and Learning Programme**
- 3 EU Fund for Peace and Reconciliation**
- 4 EU Rural Development Programme**
- 5 EU INTEREG Fund**

## **European Sustainable Competitive Programme for NI 2007-13 (Summary)**

### **Context**

The Northern Ireland Competitive Programme 2007-2013 is about growth and jobs. It is co-financed by ERDF to support the regional strategy by promoting investment in research and technology development and encouraging enterprise and entrepreneurship in context of sustainable development.

Northern Ireland is entitled to receive £472 million from EU funding for competitive and employment for 2007-2013 (€307million co-financed by ERDF and €165million by ESF). The ERDF will focus on provision of essential environment for businesses while ESF will focus on building the skills in workforce.

The UK National Strategy Reference Framework (NSRF) published in October 2006, included a chapter on Northern Ireland and identified three key overarching themes which are fully consistent with EU priorities. These are:

- Enterprise and Innovation
- Skills and Employment
- Environmental and Community Sustainability.

The programme will help to overcome poverty, disadvantage and multiple deprivations in urban and rural areas of Northern Ireland.

### **Socio-Economic situation**

The current Northern Ireland's population is estimated at 1.7million with 35% and 65% of the population in rural and urban areas respectively. An increase of 2.3% (40,000 people) is projected for 2013. NI has the highest percentage (20.6%) of youth under age 15 compared to EU.

The GVA of NI has grown faster than any other region of UK, but the productivity measured by GVA per worked hour is lower than the UK average; making NI the least productive region in UK.

In 2004, £272.7 million were spent in R&D: 49.9% and 45.6% of the total expenditure spent by higher educational sector and by business respectively. There has been an increase in entrepreneurial activity but still this is lower than in the remaining UK.

NI is the best in terms of educational performance at GCSE and A-level in UK however it has a high level of working age persons with no qualifications. NI also has 100% broadband availability which is unique in Europe but there is less use of the public transport in terms of infrastructure.

NI has small business economy with micro businesses and there has been an increase of 30.6% of employment between March 1990 and March 2006 but NI has much higher long-term unemployment rates in UK over the period of 2000-2004.

### Spending priorities

Following table shows the three main spending priorities and their proposed funds allocation by the ERDF. In addition, a fourth small priority: technical assistance was added.

	<b>Priorities</b>	<b>Proposed allocation</b>	<b>%</b>
<b>1</b>	Sustainable Competitiveness and Innovation	€60 million	52.15
<b>2</b>	Sustainable Enterprise and Entrepreneurship	€105 million	34.22
<b>3</b>	Improving Accessibility and Protecting and Enhancing the Environment	€38 million	12.38
<b>4</b>	Technical assistance (management, implementation, evaluation and monitoring)	€3.83 million	1.25
<b>Total</b>		<b>€306.83 million</b>	<b>100</b>

Key areas for these priorities are illustrated in table below:

<b>Priority</b>	<b>Key areas</b>
1. Sustainable Competitiveness and Innovation	<ul style="list-style-type: none"> <li>• Increasing the level and quality of R&amp;TD,</li> <li>• Exploiting the commercial opportunity of the R&amp;TD, and</li> <li>• Promotion and mainstreaming of innovation.</li> </ul>
2. Sustainable Enterprise and Entrepreneurship	<ul style="list-style-type: none"> <li>• Expanding the private sector, and</li> <li>• Creating a world class business climate in Northern Ireland.</li> </ul>
3. Improving Accessibility and Protecting and Enhancing the Environment	<ul style="list-style-type: none"> <li>• Protecting and enhancing the natural environment, and</li> <li>• Promoting sustainable development and creating sustainable communities.</li> </ul>

### Management and implementation

The Department of Finance and Personnel (DPF) will be the Accountable Authority responsible for the expenditure allocated to them for delivery. The Department of Enterprise, Trade and Investment (DETI) will be the Managing Authority as well as the Certifying Authority, while the Programme Audit Authority will be exerted by the Internal Audit Authority of the DETI.

The quality of implementation of the programme will be ensured by the Managing Authority and the Monitoring Committee.

## **Northern Ireland European Social Fund Programme: Employment and Learning**

### **Context**

The NI ESF programme is to support the NI Government in creating a knowledge based, innovation and business friendly region with higher skilled, flexible workforce generating high quality of living, sustainable communities and opportunities for all in the region. The total ESF programme for the NI is €114,443,250 out of which the ESF contribution is €65,777,300.

The strategic aim of the programme is to reduce economic inactivity and increase the workforce skills in support of relevant E, UK national, NI regional employment and skills policies.

### **Labour market analysis**

Considering the NI demography, the dependency ratio is expected to decline by 2011 as youthful population moves into working age population. The recent employment growth has been primarily in low value added sectors. The private economy in NI consists of a large number of small and very small businesses with no funds for innovation (R&D).

The entrepreneurial activity in NI is lower compared to the whole UK. Tourism is an important economic sector for NI however NI has lower skills levels resulting from lower levels of on-job training.

From March 1990 to March 2006, the employee jobs have increased by 30.6%. Service and construction sectors had increased by 48% and 35% respectively. The latest working age employment rate of NI is 69.9% which ranks NI as the second lowest amongst the UK regions; 4.5% below the UK average of 74.4%. The male working age employment rate is 10% points higher than that of female. In international context, NI employment rate is 2.9% points higher than the average EU25 employment rate (63.7%) and 1.5% points above the EU15 employment rate (65.1%).

There has been a decrease in unemployment from spring 1995 to spring 2005, from 77,000 to 36,000. The total unemployment rate for NI is estimated to 4.3% which is significantly below EU25 average rate of 8.0% and EU15 average rate of 7.4%.

NI has the lowest economically rate (73.1%) of all UK regions. The following table shows employment rate and gaps in NI with respect to various criteria.

	<b>Criterion</b>	<b>Employment rate</b>	<b>Gap or comparison</b>
1	Disabilities or health condition	112,500 people on incapacity benefit	10.5% of Working age population
2	Lone parents	43.5% (2007)	47% (2000)
3	Older workers (50 years-pension age)	60.6%	
4	Young people (16-19 years)	55% for those not in full time education/training	
5	Women		14% lower than male employment rate
6	People with low qualifications	47% (spring 2005)	
7	Geographic area of worklessness <ul style="list-style-type: none"> <li>• East NI &amp; Outer Belfast</li> <li>• North, West, South &amp; Belfast</li> </ul>	60.2% 56.6%	

NI has 13% of proportion of employees with skills gap both in private and public sector

### **Spending priorities**

The following table shows the spending priorities, priorities' themes and allocated ESF funds.

<b>Priority</b>	<b>Priority theme</b>	<b>Allocated fund</b>	<b>%</b>
1. Helping people into sustained employment	Implementing active and preventative measures on the labour market.	€5,597,174	56
2. Improving workforce skills	Development of life-long learning systems and strategies in firms; training and services for employers to step up their adaptability to change; promoting entrepreneurship and innovation.	€7,280,121	40
3. Technical assistance	Finance preparatory, management, monitoring and evaluation	€7,000,000	4

### **Management and Implementation**

The Department for Employment and Learning is the Managing Authority and Certifying Authority for the NI ESF Programme. Internal Audit Service for the Department of Enterprise, Trade and Investment is designated Auditing Authority of the programme while the Monitoring will be ensured by the Managing Authority under the supervision of the Programme Monitoring Committee.

Every year, the annual implementation report is submitted and reviewed by the Commission and Managing Authority

## **Northern Ireland Rural Development Programme 2007-2013**

### **Context**

Agriculture plays a major role in the Northern Ireland economy than is the case in the UK as a whole. However the agriculture contribution to NI economy has halved during the last 15 years. Approximately 80% of the total NI area is in agricultural use and the number of farms has fallen from 42,000 since 1980 to 27,000 in 2005 with the number of people working in farms falling by 25%. The average farms size in NI is 38.5ha which is small that the UK average of 55.4ha. In NI, 90% of farms are categorised as small or very small. Dairy farms are relatively larger compared to sheep and cattle farms in less favoured areas.

Agriculture is predominantly grass-based, with dairy, beef, sheep production accounting 75% of the NI aggregate gross margin. In 2005, 51% of farmers were aged 55 or over, with only 25% under 45 years age.

Less Favoured Areas account 70% of the farmed land in NI (there were 19,000 farm businesses in 2005 in LFA).

The agriculture has a profound influence on flora and fauna of the rural environment hence rural landscape reflects centuries of agricultural activities. At the end of 2005, 27% of farmland was registered in an agri-environmental scheme in NI. Land under organic management in Northern Ireland represented only 0.62% of the utilised agricultural area (UAA) in 2004. Only 6% of NI area is covered by woodland compared to 12% of the whole UK. The area of state forestry has remained constant since 1995 (62,000ha) while the private forestry has increased by 26%.

Agriculture can to play a key role to achieve creation of renewable energy from non-wind technology.

There has been a change in the rural society over the last 20 years, with people preferring to live in the countryside and travel long distances to work in urban centres. This influenced the improvement of transport network and created retail outlets.

Latest change in agriculture includes the radical Common Agriculture Policy (CAP) reform which opened a way for new future for farming. However NI will have to face challenges in agri-food industry and wider rural economy during the period of 2007-13, such as a possible WTO agreement on further liberalisation of agricultural support and trade, EU enlargement, prospect of further CAP reform, job creation and balancing need for competitive agri-food with the need for environment and animal welfare

### Priorities and Funding

The NI Rural Development Programme is centred on three axes:

- Axis1: Improving the competitiveness of agriculture and forestry by supporting, restructuring, development and innovation,
- Axis2: Improving the environment and countryside by supporting land management, and
- Axis3: Improving the quality of life in rural areas and encouraging diversification of economic activity.

The following table shows each axis with measures designed to meet it:

Axis	Measures	Funds allocated from EAFRD
Axis1	<ul style="list-style-type: none"> <li>• Vocational Training and Information Actions</li> <li>• Adding Value to Agricultural and Forestry Products and Improving Marketing Capability</li> <li>• Modernisation of Agriculture Holdings</li> <li>• Supply Chain Development Programme</li> </ul>	€17,737,935
Axis 2	<ul style="list-style-type: none"> <li>• Less Favoured Areas Compensatory Allowances Scheme</li> <li>• Agri-Environment Programme</li> <li>• First Afforestation (Forest expansion)</li> <li>• Forest Environments</li> </ul>	€103,125,634
Axis 3	<ul style="list-style-type: none"> <li>• Diversification into non-agricultural activities</li> <li>• Business creation and development</li> <li>• Encouragement of tourism activities</li> <li>• Basic services for the economy and rural population</li> <li>• Village renewal and development</li> <li>• Conservation and upgrading of the rural heritage.</li> </ul>	€19,960,491 delivered through an Axis 4 LEADER-type approach
<b>Total</b>		<b>€170,824,060</b> which is 53% of the total €323 million financial aid required

### Management and Implementation

The Department of Agriculture and Rural Development is the Managing Authority of the Programme responsible for effective and efficient management and implementation of the Programme. It has also been accredited as a Paying Agent while the NI Audit Office will be the Certifying Authority for the Programme

## EU Programme for Peace and Reconciliation 2007-2013

### Context

The European Union Programme for Peace and Reconciliation (PEACE III) in Northern Ireland and the Border Region of Ireland for 2007-2013 aims at achieving more peaceful and stable society and promoting reconciliation in the Northern Ireland and the Border Region of Ireland. The programme is to carry forward the previous PEACE programme and will continue and renew emphasis on reconciliation.

### Priorities and funding

The Following table shows PEACE III priorities and their objectives

Priority	Objectives
Priority 1: Reconciling communities	<ul style="list-style-type: none"><li>• To build a positive relationship at the local level.</li><li>• To acknowledge the past.</li></ul>
Priority 2: Contributing to a shared society	<ul style="list-style-type: none"><li>• To create shared public spaces</li><li>• To develop key institutional capabilities to create a shared society</li></ul>
Priority 3: Technical Assistance	<ul style="list-style-type: none"><li>• Programme information and publicity;</li><li>• Management, monitoring and evaluation of the programme.</li></ul>

The EU budget agreement of 2005 allocated **€200 million** to PEACE Programme from 2007-2013.

### Management and Implementation

The Social Europe Union Programmes Body (SEUPB) will be the Managing as well as Certifying Authority for the programme. Its responsibility includes:

- Monitoring and evaluation;
- Financial management;
- Implementation arrangements;
- Information and publicity;
- Adherence to EU policies (competition, sustainable development and equality).

## **INTERREG FUND 2007-2013 FOR NORTHERN IRELAND**

### **Context**

INTERREG Programmes aim to support European regions that to develop joint innovative solution to trans-national and common issues by sharing expertise and development costs. INTERREG consists of three stands:

- Cross border,
- Trans-national, and
- Inter-regional

This programme is the Cross-Border Territorial Cooperation Programme for Northern Ireland, the Border Region of Ireland and Western Scotland 2007-2013. The previous INTERREG programme operated in Northern Ireland and Ireland cross border. Western Scotland was included due to the redefinition of the maritime borders by EU. The inclusion of Western Scotland is an innovative aspect to give opportunity to develop the traditional culture, economic and social link between the Ireland, Northern Ireland and Scotland.

The INTERREG Northern Ireland / Ireland / Scotland 2007-2013 is included under the European Territorial Co-operative objective which is funded by ERDF and funding for this INTERREG will be additional to national spending.

The eligible areas in the NI for the INTERREG are the North, East, West, South and additional areas of Belfast and outer Belfast.

### **Priorities and funding**

All priorities for INTERREG Programme focus on the support of strategic cross-borders co-operation for a more prosperous and sustainable region. Two priorities fall under this programme:

The following table shows the priorities for the INTERREG 2007-2013 for Northern Ireland, Ireland and Western Scotland, their key areas and funding

<b>Priority</b>	<b>Key areas</b>	<b>Funding (ERDF)</b>
Priority 1: Cooperation for a more prosperous cross-border region	<ul style="list-style-type: none"><li>• Enterprise</li><li>• Tourism</li></ul>	€75.5 million
Priority 2: Cooperation for a sustainable cross-border region	<ul style="list-style-type: none"><li>• Collaboration,</li><li>• Infrastructure</li></ul>	€105million
Priority 3: The Technical Assistance	Management, monitoring and evaluation	€1.5million

### **Management and implementation**

The special European Union Programme Body (SEUPB) is the Managing Authority and Certifying Authority of the Programme as well. The Internal Auditor of the SEUPB will be the Auditing Authority of the Programme while the Monitoring will be conducted by the Managing Authority under supervision of the Programme Monitoring Committee.