

Invest NI Business Plan 2020/21

30 November 2020

*Deliver Strategic Priorities, Support Businesses through
COVID-19 and Prepare for EU Exit*



INVEST NI BUSINESS PLAN 2020-21

1. INTRODUCTION

Responding to Global Market Conditions

Shortly before the 2020/21 financial year, the global economy was rocked by the Coronavirus pandemic. To slow the spread of the virus, the UK Government initiated a national lockdown in March 2020. This was mirrored in national lockdowns across many of our trading partners, creating unprecedented economic challenges for Northern Ireland businesses.

The pandemic has exacerbated structural economic problems and introduced new ones. The solutions needed will span public bodies, departments and administrations; Invest NI has responded to aid and protect Northern Ireland business and adapted the 20/21 business plan through the year. Tailored emergency and recovery Covid measures have been deployed, with further initiatives under development.

In stepping up to provide new Covid programmes and to support the Department to deliver Executive-led schemes, we have developed a prioritised approach to the flexible deployment of our staff. Well over 100 staff were redeployed to setup and run the Hardship and Covid Restrictions Business Support schemes. We continue to review how we can most effectively mobilise our resource and business expertise to respond to current and future economic priorities. Our staff have risen to this challenge, showing outstanding determination and stamina to deliver for our business community.

In addition, we are reviewing our processes to ensure a flexible and responsive service to all businesses across Northern Ireland. We must continue to demonstrate value for money, and the safeguarding of public funds, but be proactive and quick to meet business needs. Therefore, it is critical that our governance processes are adequate and proportionate in balancing risk and stimulating economic growth.

The successful delivery of the aspiration to 'build back better' is the collective responsibility of many diverse public bodies, departments and administrations. Invest NI will continue to work with all relevant stakeholders / partners and across government departments. Collectively our efforts have the potential to increase long-term productivity, accelerate recovery, restore livelihoods, improve our global competitiveness and position businesses to take advantage of the opportunities that emerge, both during and after the pandemic.

Providing high quality up-to-date information is essential in a period of crisis. Over 3m users have accessed advice and guidance via nibusinessinfo.co.uk, and more than 12,000 direct enquiries were addressed through our dedicated online, telephone and chat services.

One key requirement for many businesses to weather the immediate economic impact of the Covid-19 pandemic was urgent access to funding. Invest NI pivoted to deliver the **NI Microbusiness Hardship Fund** and the **Covid Restrictions Business Support Scheme** on behalf of the Department for the Economy. Significant resources were deployed over an accelerated, intensive period to design and build effective systems and support networks for both schemes. To date:

- **4,300** payments totalling **£23m** have been made through the NI Micro-Business Hardship Fund. The Fund closed on Friday 12th June.
- The Covid Restrictions Business Support Scheme remains open. Within **Part A** of the Scheme approximately **1,700** applicants have received **c£5.9m** to help them deal with local COVID restrictions. This will increase applications for support are received, assessed and validated for payment.
- Within **Part B**, for companies within the supply chain of affected businesses, over **500** applications have been started with approximately **250** submitted.
- **Part D** is being developed to deliver support to the newly self-employed and sole company directors of Limited Companies.

Subsequent to emergency response, outputs of our direct Covid-related recovery interventions are detailed on page 32. Both emergency and recovery Covid response activities have assisted us to broaden our reach across NI businesses.

When planning and implementing this response, we ensured that the solutions would also help business prepare for the conclusion of the EU Exit process following our exit from the European Union on the 31st January 2020. With the temporary framework governing UK / EU Trade in place until the end of the 2020 calendar year, it was important that solutions be flexible enough to adjust to any unique challenges emerging during the year as details of new UK / EU Trading arrangements are finalised.

In the budget for 2020/21, Invest NI will also record £98.2m of spend for DfE Covid schemes which are delivered by other bodies but recorded through our budget administration. This includes the Small Business Grant Scheme and the Tourism and Retail Scheme.

Driving the Recovery

As central and local Governments create market interventions of unprecedented scope and scale, in support Invest NI has worked through high-level recovery strategies to identify the key principles that will stimulate recovery, create jobs, drive productivity (or competitiveness), seize opportunity to create an economy that works for all in NI:

1. Growing external sales ambitiously;
2. Building obsession for innovation across the economy;
3. Placing innovation to work through first-to-market commercialisation;
4. Building the skills businesses need tomorrow and employees need today;
5. Attracting and stimulating investment in NI building sustainable investment ecosystem;
6. Maximising zero-carbon opportunities better and faster than our neighbours;
7. Seizing “now and new” global manufacturing opportunities to drive competitiveness; and,
8. Targeting real life levelling up programmes to unlock business potential across NI; including the City & Growth Deal investments.

These core priorities have been developed following extensive and intensive interaction with businesses and designed to align with DfE's medium-term recovery plan 'Rebuilding a Stronger Economy'. We will continue to engage with the Department and Northern Ireland Executive to refine and adapt these priorities to deliver the strongest possible short and long-term recovery for Northern Ireland. Invest NI will optimally utilise its staffing complement to ensure focus on the strategic priority areas identified by our Board, the Department for the Economy and the NI Executive. This will require us to increase our in-year flexibility to adopt and meet the constantly changing needs of businesses.

Our focus this year will be multi-pronged. We will continue to drive through established strategic priorities that have been demonstrated to build economic growth. Our focus will also target the specific Covid interventions designed to address Covid challenges, both building an emergency response to businesses and leading a pathway towards recovery. Finally, a key focus will remain on preparing for post-European Union exit.

Invest NI's 2020/21 Business Plan reflects a focus on immediate Covid-19 response and preparation for a successful Recovery Plan, whilst also continuing to assist NI's companies to trade within new UK / EU arrangements following our exit from the EU earlier this year. Invest NI will increase its communications programme, particularly utilising the invaluable NIbusinessinfo.co.uk website and dedicated Business Support helpline (0800 181 4422), to ensure that business has readily available access to up-to-date advice and support from all requisite stakeholders. Driving through our strategic priorities will offer the support needed to deal with the key challenges of maintaining, and then growing, competitiveness, productivity, profitability, sustainability, capacity and capability.

Challenging Budgetary Environment

Invest NI faces a number of budgetary challenges that we will have to navigate, in partnership with DfE, to ensure we can supply the requisite funding now and in future to support the growth and development of Northern Ireland's businesses. These challenges are set out the Financial Resources section of the plan.

2. STRATEGIC CONTEXT

Progress against 4 Year Strategic Objectives (Pre-Covid-19)

Now in the fourth year of our 4 Year Business Strategy 2017/21, it is appropriate to review our progress to date against the strategic objectives identified within it. Key Performance Indicators (KPIs) gathered and reported upon from a portfolio of businesses with whom we have an intensive relationship (as at the end of 2019) indicate that Invest NI had made good progress against the majority of our outcome targets:



With the impact of Covid-19, however, it is likely that some of the gains we have made above will be lost. The Ulster University Economic Policy Centre (UUEPC)¹ estimates that 230,000 jobs in NI are vulnerable, even with a 1m social distancing policy. All sectors are exposed, with the biggest vulnerabilities in terms of job numbers identified in the wholesale / retail, accommodation / food, manufacturing and construction sectors. For as long as workplace Covid mitigations remain necessary, productivity and efficiency will be affected as businesses will simply not be able to use their office and factory space optimally.

At a macro level, much debate continues about the shape and timing of the economic recovery, with the path to a full recovery likely to be volatile. Early hopes for a sharp V-shaped recovery may prove optimistic and estimates vary regarding the size of the economic contraction according to influences such as the length of the lockdown, businesses mitigation measures and on a resurgence of Covid-19. The latest UUEPC forecast² is for a contraction in Gross Value Added (GVA) of more than 12% in 2020. Danske Bank's latest quarterly sectoral forecast anticipates an 11% fall in GVA this year, followed by a 7% increase in 2021³. A stark sectoral divide is evident with professional, scientific & technical services and the information & communication sectors expected to rebound much more quickly and return to their positions as the fastest growing sectors in NI.

And yet, despite this, there is cause for optimism in how Northern Ireland's businesses have responded to this crisis. Following the UK Government's call for assistance to produce medical and Personal Protection Equipment (PPE) for the NHS and frontline support agencies, Invest NI worked with government colleagues to match NI companies with these supply requirements. Over 400 NI businesses expressed interest in supporting the fight against Covid-19, in areas such as PPE, ventilators, testing services and sanitisers.

¹ https://www.ulster.ac.uk/_data/assets/pdf_file/0020/603074/COVID-19-and-the-NI-Economy_Report.pdf.

² Based on the OECD single hit scenario of Covid19 i.e. avoiding a second nationwide lockdown.

³ <https://danskebank.co.uk/business/economic-analysis/quarterly-sectoral-forecasts/northern-ireland-quarterly-sectoral-forecasts-2020-q2>.

On a balanced view, 2020/21 performance will be very challenging. It is, therefore, vitally important that Invest NI aims to ensure that Northern Ireland's businesses have access to the right interventions, advice and finance to support their recovery, growth and development.

Driving Strategic Objectives through Targeted Operational Activities

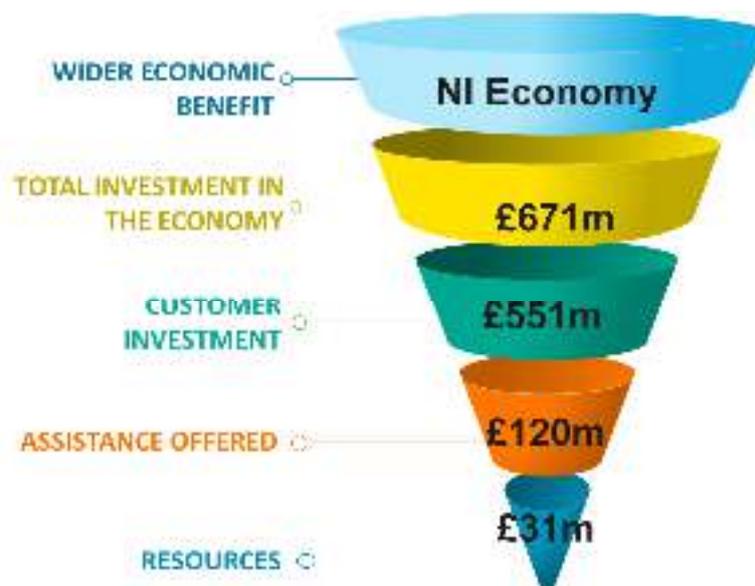
Invest NI utilises annually generated outcome performance data by which to measure progress against our strategic priorities identified within the Business Strategy. To drive our activity on a day-to-day basis, Invest NI focuses on a clearly defined set of key operational activity targets within our annual Business Plan, against which progress can be readily monitored and reported. Through the monthly tracking of performance of these activities, Invest NI aims to drive the outputs required to generate the requisite outcomes. Invest NI deploys a suite of tailored operational interventions to meet its strategic priorities, with approximately 10,000 business interventions in place in any one year across a suite of actions to drive economic development. A wide range of interventions is available for all businesses across Northern Ireland. The key priorities of our recovery plan also align closely with these operational activity targets, specifically in the areas of External Sales, Research and Development, Innovation, Funding businesses to grow, Skills Development and the safeguarding and creation of new jobs.

Tracking progress against our operational targets provides an early indication of the achievement of the core strategic milestones in our Business Strategy 2017-2021 and Recovery Plan, allowing us to redirect resources to drive required activity, outputs and, ultimately, outcomes. Similarly to how many of Invest NI's activities are uniquely aligned with the post-pandemic needs of business, the key economic focus of the PfG and the Industrial Strategy (on driving increased competitiveness, external sales, productivity, Innovation, R&D, Skills and high-value jobs) sets a policy and strategic framework that will enable us to fully meet business needs.

Driving Outcomes through Activities and Outputs



When considering outputs from Invest NI's activities, wider benefits are leveraged across the Northern Ireland economy. Invest NI provides a key part of the support network to 600,000 private sector employees with the impact of the investment to the wider economy demonstrated below:



3. 2020/21 OPERATIONAL PRIORITIES

2020/21 Operational Focus

Adjusting to the New Environment

The impact of Covid-19 will substantially affect all areas of the 2020/21 Invest NI Business Plan. This impact will also be felt at a cumulative 4 Year Target level, as this is the final year of our four-year Business Strategy period and there will be no opportunity to retrieve any shortfall in future years. In relation to the medium to longer-term economic impact of the pandemic, as noted above, it is difficult to predict the extent and speed of economic recovery and clearly today's economic actions will influence its shape.

Given the immediate pressures and challenges, following extensive and intensive interaction and consultation with business and stakeholders, Invest NI has identified a number of new initiatives designed to supplement Invest NI's mainstream programmes and support Recovery. These proposed support mechanisms include initiatives available extensively to companies across the Northern Ireland economy, with the significant delivery transformation implemented through this business plan expanding the support available to a broad base of companies across all of NI. Our role as a guide and signpost for business needs, and as a facilitator and convenor of collaborations between businesses, stakeholders, partners and departments, will be targeted to maximise the impact from Government funding.

Whilst each of these new interventions are unique and specifically tailored to deliver key outputs, our long-term strategic priorities and immediate Covid response share a number of key themes, notably:

- Designed to build business and support longer-term productivity, flexibility and sustain employment and growth.
- Focus on international strategy, specifically those sectors that will present the greatest opportunities for growth in an increasingly uncertain and competitive world and continuing to build on clustering strategies for key industries.

- Support the formation of culture of lifelong learning, including the advantages of reskilling and upskilling to provide the skills required by business.
- Explore and identify collaboration with other delivery partners, e.g. Councils, to maximise support and share the experiences of other economic development agencies.
- Support to strengthen supply chain flexibility, build resilience and encourage investment in digital technologies.

Through the year, the agency will manage the full delivery of the Northern Ireland Microbusiness Hardship Fund and the Covid Restrictions Business Support Scheme on behalf of DfE. This includes all aspects of the delivery process for thousands of applicants, from designing, building and managing the application process through to assessing the applications and arranging payment to successful applicants. As is likely to be the case across all Invest NI's activity this year, this will require us to work flexibly and reallocate resources quickly to ensure successful delivery of priorities.

Although Invest NI has received an initial 2020/21 budget allocation, multiple further monitoring exercises and recovery bidding opportunities are ongoing. Invest NI will continue to adapt and re-prioritise its operational priorities for 2020/21 in-year to reflect the final agreed Executive priorities and budgets for 2020/21. This may require additional activities to be included in the 2020/21 Business Plan or for activity to reduce in some areas as we move forward through the year.

Northern Ireland remains an attractive investment location for existing and potential new investors, Invest NI will work with DfE to secure budgetary support to realise the current strong pipeline of FDI projects and the balanced regional / sectoral split it contains. Historically, on average Invest NI will attract 24 companies to invest in NI for the first time, with on average 50 jobs created per project, generating around 1,200 jobs each year. Job promotion is a vital element of economic recovery in the post Covid environment.

Trade and Investment Focus

In the final year of our International Strategy 2017-21, and to secure our Covid-19 recovery, it will be important to build on the solid inward investment and trade performance delivered in recent years. The 2020 EY UK Attractiveness Survey reported that NI secured 28 new projects in 2019, with Belfast retaining fourth place in UK's 'Core Cities'. Increasingly, Northern Ireland is cited as the benchmark for attracting FDI with other regional development bodies seeking to apply the best practice they observe in our delivery model. Post-Covid however, the FDI landscape will be increasingly competitive and each region will have to reinforce efforts to attract investment. Domestic investment and follow-on investments from previous FDI companies remain strong contributors to the regional economy and Invest NI will continue to fund and support business plans to maintain this momentum where possible.

Invest NI will seek to accelerate the growth of commercial opportunities for NI businesses in new overseas markets and will reinforce our reputation as a leading global inward investment destination. Invest NI will utilise the combined talents of its expanded international office network, trade advisors and investment specialists, while evolving our structures to deepen and embed priority sector expertise. We will continue to leverage partnerships and strengthen our engagement with the Department for International Trade (DIT), including the concerted promotion of our sector strengths across its global network, to maximise trade and investment opportunities for Northern Ireland.

Our international team will support the needs of prospective international investors and NI exporters as they refocus and recover. Our international team based around the world will assist businesses to reach customers and develop export opportunities and provide an in-country commercial presence where global travel remains restricted. In a pivotal year, as global and local economies re-focus due to Covid-19, and as Northern Ireland responds to the outworking of the EU exit NI protocol, Invest NI will seek to maximise the opportunities and mitigate the challenges that these unique dynamics present. This will include adapting our entire international programme and resources to suit a mixed physical and virtual delivery model, in order to not just

maintain but accelerate activity in this area. Finally, Invest NI will continue to promote all of Northern Ireland as a location of choice for Foreign Direct Investment (FDI) to attract the next generation of investors and will intensify our focus on the trade agenda to rebuild exporter confidence, ambition and performance.

Research & Development and Innovation

Faced with significant challenges and uncertainty, in 2020/21 it will be vital that businesses innovate and that Invest NI continues to offer solutions for businesses to develop their Research & Development and Innovation (R&D&I) capability to drive increased competitiveness, productivity and, ultimately, profitability. Invest NI will encourage companies to embed and grow R&D&I throughout their business with an emphasis on improving their business models, processes, machinery and on developing enhanced products.

The closure of European Regional Development Fund Support (ERDF) will materially impact the critical support areas of R&D&I (c£25m per year for Innovation). It is vitally important that we continue to fully encourage and support businesses to invest in this area so that our companies can build the cutting-edge services, products and processes necessary to increase their global competitiveness.

In a constrained funding environment, R&D&I remains foundational to business and economic success. Invest NI will work with partners to build the wider landscape of available funding for R&D&I and support businesses to be successful in accessing it. As the UK moves towards its target of 2.4% of GDP on R+D, Invest NI will support initiatives to maximise deployment of new funds in this region and focus on achieving commercial outcomes from this investment.

Our Technology Executives, Operational Excellence and Technical Advisory teams will be critical in helping companies to identify manufacturing and system improvements to increase their global competitiveness in these challenging times. Work will also continue on building a suitable and sustainable innovation funding infrastructure to ensure companies can access the support they require to grow quickly and maximise early commercialisation advantages. This innovation support will play

a critical role in helping Invest NI to encourage balanced regional business growth in order to support the Government's levelling-up priorities. A strong pipeline of business innovation projects is currently in place.

Finally, Invest NI will continue to deliver the Innovate NI activities and administer the recognition certification process. The accreditation programme aims to increase the number of companies innovating and, for those innovating, to increase their success rates. Through recognising innovation successes, Invest NI aims to build an obsession for innovation, encouraging companies to embrace future technologies, systems and processes to build and retain competitive advantage.

Supporting Entrepreneurship

The promotion and support of entrepreneurship will remain a key priority for Invest NI in the 2020/21 Business Plan, building on the Entrepreneurship Action Plan which was published last year. Our approach will be twofold: firstly, by encouraging greater levels of new business start-up directly and through our key partners; and, secondly, encouraging and facilitating growth in early stage and established businesses. Through maximising entrepreneurial activity across Northern Ireland, we will aim to address regional imbalance and fully unlock business potential.

Northern Ireland already has a strong eco-system supporting entrepreneurship and this will be essential in capturing the value of new innovation. Our recently appointed Head of Entrepreneurship will work with the diverse group of local organisations currently providing support for start-ups (Councils, Enterprise NI, Catalyst Inc., Universities and Further Education Colleges) to encourage greater levels of entrepreneurship, within new ventures and existing businesses, across Northern Ireland. This will be further strengthened by the progression of Northern Ireland's City and Growth Deals, which have the potential to provide further impetus for technology-driven start-ups.

Within our Recovery Plan, Invest NI has placed a renewed focus on assisting entrepreneurs to accelerate 'First to Market' *commercialisation* of R&D&I activity. Covid-

19 will undoubtedly impact society and business; however, opportunity can arise through change and it is important that entrepreneurs are supported to provide the solutions needed to address society's needs at a local, national and international level.

Invest NI will place a renewed emphasis on partnership to develop regionally-focused action plans targeting key interventions of all partners, recognising that no one agency or partner can drive recovery. We will lead activities to drive and support the entrepreneurship ecosystem for all small and scaling businesses across NI and connecting small and larger businesses together to drive collaborative innovation. We will work with partners to support rapid roll-out and commercialisation, working to maintain the in-NI value from intellectual property and commercial know-how.

Developing Skills

Companies will also be encouraged to continue to invest and expand investment in skills development, including the key aspects of Leadership and Management Team Skills and international selling skills; areas that have been identified as critical to help companies to scale quickly and effectively.

Over the longer term, Invest NI will also liaise closely with DfE to ensure that a refreshed and integrated Skills Strategy meets the needs of Northern Ireland's businesses, including support to upskill and retrain in response to the pandemic. Invest NI will also play its part in embedding a culture of lifelong learning within NI businesses, to help reduce the skills imbalances in the workforce and create more higher-paying jobs. Although, Invest NI is not the prime owner of the skills agenda across Northern Ireland, we will seek to collaborate closely with other key agencies, in addition to DfE and responsible groups (DfE, DfC, local government and FE / HE institutions), to maximise outcomes for skills development in NI and to support the creation of a regional-wide, aligned system for skills. This focus can help business growth as well as enhance social and economic development.

Invest NI will seek to use its extensive business information and knowledge of upcoming business and industry development to provide insight into future skills needs.

City and Growth Deals

Invest NI welcomed the announcement, by the UK Government, of City and Growth Deal funding for Northern Ireland and the announcement of match funding from the Northern Ireland Executive. These large strategic investments have the potential to radically shift areas of the Northern Ireland economy and accelerate regeneration. By further boosting collaboration and partnership synergies with Deal promoters, we can fully realise the potential impact of digital and innovation pillars as we move beyond Covid.

The projects included in the four deals can contribute to Northern Ireland's recovery and position the region as a leader in Innovation and Digital technologies across a number of sectors. Invest NI will take a greater leadership role in the work with Councils, Universities, Northern Ireland Executive Departments and the private sector as these deals move forward from concepts to deliverable projects. We have appointed a new senior leader to take ownership of the development, advisory and appraisal process across DfE and Invest NI, with a responsibility to ensure that the deals progress in a timely manner and maintain a strong commercial focus. We have also redeployed team resource to progress the initiatives. We will work closely with NI Executive colleagues and wider stakeholders to integrate and align other major regional projects, in areas such as infrastructure, green energy and technology, into the City and Growth Deal projects in order to maximise economic outcomes for Northern Ireland.

Outside of City and Growth deals, we will support the identification and implementation of a pipeline of fundable NI projects that can help stimulate investment and build infrastructure that businesses need.

Future Trading Relationship with the European Union (EU)

We will not lose sight of the need to prepare for the upcoming changes to our trading relationship with the EU, and other countries, now the UK has left the EU. The present transition period ends on 31st December 2020, and with no replacement regime yet

agreed, Northern Ireland's businesses face uncertainty as to what arrangements will be in place to assist trade with our closest neighbours from 1st January 2021.

In recent times, Invest NI has been working to enhance its support mechanisms to ensure they provide sufficient flexibility to help companies to adapt to new arrangements quickly. Invest NI will continue to work with businesses to provide tailored solutions and advice to mitigate the potential impact of Covid-19 and embed increased levels of innovation to position business to take advantage of new market opportunities. We will continue to work closely with Councils, NI business bodies and UK Government, providing bespoke event support, briefings and participation in various working groups.

This may require Invest NI to further refine and evolve our product offering and reallocate financial and non-financial resources in-year to meet changing market needs in both the short, medium and longer-term.

It is important to note, that the macro-economic challenges outlined earlier are predicated on an orderly conclusion to the EU Exit process. A 'No Trade deal' outcome at the end of December would be hugely challenging for NI businesses to adjust and respond to. Invest NI stands ready to help as needed.

Continued Focus on Businesses and Stakeholders

Invest NI will continue to develop and implement engagement strategies with key partners regionally, nationally and globally to ensure businesses have access to the most appropriate support to drive Northern Ireland's recovery. Our Board and Executive remain focused on engagement and partnership with various stakeholders, for example delivering regionally-focused Partnership Plans with Councils and Further Education Colleges to ensure a joined up approach to economic development.

Our primary focus in 2020/21 will be on immediate initiatives targeting Covid-19 response and recovery and preparing for the completion of the EU Exit process at the end of the 2020 calendar year, which have been outlined by DfE as a priority. The following Business Plan Resources and Targets set out how we will increase business

investment, stimulate innovation, develop skills and drive export-focused growth across the wider NI economy.

4. FINANCIAL RESOURCES

Challenging Budgetary Environment

Invest NI continues to operate within a constrained public sector finance environment in which strong competition for decreasing resources prevails and Covid-19 has demanded a significant Government investment. In particular, there are a number of budgetary challenges, summarised below, that Invest NI will need to work closely with DfE to address, to ensure that sufficient resources are available to meet the requirements outlined within the Covid-19 Recovery Plan whilst delivering against the Northern Ireland Executive's [Programme for Government](#), associated [Industrial Strategy – Economy 2030](#), and our existing legal commitments.

- (i) **Loss of European Regional Development Fund Support (ERDF):** The forthcoming loss of ERDF support will materially impact critical support areas including:
 - (a) **Research & Development and Innovation (R&D&I);** the commercialisation of which is a key building block for economic recovery identified in DfE's Covid-19 Recovery Plan.
 - (b) **Local Economic Development;** Sub-regional entrepreneurship and enterprise initiatives with Councils, funded through ERDF, have played a key role in helping small and micro businesses to take those first steps towards competing nationally and globally.
 - (c) **Financial Instruments;** access to European funding has enabled Invest NI to address many of the gaps SMEs face in Northern Ireland in terms of access to traditional equity and loan funding.

- (ii) **2020/21 Budget Availability:** Invest NI offered a budget surrender at the outset of this financial year, on the basis of severe changes in economic activity and an anticipated softening in future business activity, to enable additional resource to be targeted at immediate Covid-19 response. Subsequently, many businesses have adapted their business models to Covid and also managed cashflow on existing projects; such as, maximising claim drawdown against existing Letters of Offer and undertaking capability development activity to

strategically redeploy their workforce in a time of low market demand. This is generating pressure against a reduced core budget. It is imperative that Invest NI has sufficient in-year funding to support existing legal commitments to businesses, specific Covid-19 interventions and wider economic development activity, which are all critical to helping business weather the present difficulties and position themselves to take advantage of the future economic upturn. There will be a significant flow of new projects from businesses seeking to survive and adapt to the new market environment and these projects can contribute to economic recovery.

- (iii) **Multi-Year Budget Requirements:** Invest NI support is structured to maximise economic benefit whilst protecting good use of public funds. As such, funding is released to businesses over multiple years (typically 3 to 5 years) against the successful delivery of set project milestones. Invest NI offers of support in any one year create legally binding commitments in future years. Annual budget allocations, therefore, present challenges and can constrain Invest NI's ability to maximise economic benefit in the absence of certainty on future years' budgets.

The ERDF funds have been significant drivers of the NI economy over the present strategic plan period. Invest Northern Ireland has been able to secure and deploy **£227m** of ERDF funds and leverage this into a total investment of over **£810m** in the region. In particular, driving a significant amount of R&D. In the current volatile and uncertain economic climate, the ability of businesses to innovate and adapt becomes ever more important and it is critical that alternative funds are identified to maintain these programs and the returns they generate; whether through a potential Shared Prosperity Fund or other vehicle.

The targets within this Business Plan have, therefore, been set on the basis that the challenges outlined above can be addressed in partnership with DfE and that access to the necessary resources to deliver these outturns, in this year and future years, can be secured in order to maximise Invest NI's contribution to the local economy.

Invest NI 2020/21 Budget Allocation

The Invest NI Budget Allocation, outlined in the table below, summarises the 2020/21 Budget allocation in June with the bids and surrenders submitted as part of the October monitoring exercise, which at the time of writing remain to be formally confirmed. These are consolidated figures for both Invest NI and the BSDL Group. (During 2013/14 Invest NI acquired the BSDL Group to take ownership of the agency's Bedford Street HQ building). Within the core budget and recognising the constraints on government funding, Invest NI is actively working to optimise Value for Money across our programmes and evaluate and deliver optimal outcomes for the funding we deploy. Indeed, we aim to build on and increase the strong £1 to £5 assistance to investment return we currently secure, on average, across our various interventions.

As Invest NI is supporting the Department for the Economy in the delivery of a number of the NI Executive's Covid Response schemes, under Ministerial Direction, the agency's budget has been significantly inflated for both years 2019/20 and 2020/21 to meet the needs of these three specific novel schemes. At present, some £137m of funding is allocated against the various DfE Covid schemes.

It is important to note that Invest NI's 2020-21 Budget will be subject to further change as final budgets, Covid bids and monitoring rounds are agreed and allocated by the Department for the Economy. The present organisational and divisional budget allocations below are, therefore, provided for indicative purposes only.

Invest NI Budget Allocation 2020/21

Budget Area	Budget Category	19/20 Outturn £'000s	June Allocation 20/21 £'000s	October Monitoring 20/21 £'000s
Resource Expenditure	Programme Resource	70,717	52,893	66,915
	EU Resource	37,463	20,833	26,885
	COVID Resource	-	9,104	6,200
Capital Expenditure	Programme Capital	20,213	17,680	18,892
	EU Capital	12,630	23,621	19,395
	COVID Capital	-	13,000	4,500
Total Resource and Capital expenditure		141,023	137,131	142,787
Salaries and Admin	Programme Salaries	31,061	31,678	32,378
	Administration	4,621	4,960	4,560
Total programme expenditure		176,705	173,769	179,725
Other	Receipts	(22,783)	(13,678)	(13,678)
	EU Income	(48,093)	(44,454)	(46,280)
	ECL Cover*	932	-	9,000
	Non-Cash**	2,105	2,610	2,610
Total DEL budget (excl. DfE schemes)		108,866	118,247	131,377
DfE COVID Schemes	Small Business Grant Scheme	220,000	24,000	25,000
	Tourism and Retail Sectors Grant	-	80,000	73,200
	Microbusiness Hardship Fund	-	33,000	23,700
Total DEL budget		328,866	255,247	253,277
AME	AME	13,372	50,700	50,700
Total budget		342,238	305,947	303,977

* Expected Credit Loss (ECL) cover applies to the impairment of financial instruments (e.g. loans and trade receivables) under IFRS 9.

** Non-Cash costs relate to the budget assigned for depreciation and impairment.

*** Net reduction of DEL budget by £1.97m in October monitoring is comprised of reductions to Covid schemes of £26.5m, net resource bids of £14.4m, net capital bids of £1.2m and ECL bid of £9m.

Invest NI Divisional Budget Allocations

The initial budget allocations by Division within Invest NI reflects a forecast of the financial resources required to deliver the activity measures outlined within the Invest NI Business Plan for 2020-21.

Programme Budgets by Division 2020/21

Division	2020/21 Total Budget (£'000)				
	Resource	Capital Grant	Direct Capital	FTC	Total Allocated
Food & Drink	1,784	4,829	-	-	6,613
Multi-Sector Team	2,136	96	-	-	2,232
Advanced Manufacturing & Engineering	3,199	1,934	-	-	5,133
Technology & Services	4,511	-	-	-	4,511
Life Sciences & Scaling	2,121	1,469	-	-	3,590
Business & Sector Development Group	13,751	8,328	-	-	22,079
International Business	13,078	-	699	-	13,777
Trade	2,329	-	-	-	2,329
NI Connections	60	-	-	-	60
International Business Group	15,467	-	699	-	16,166
Innovation Research and Development	41,018	12	-	-	41,030
Skills & Competitiveness	6,731	-	-	-	6,731
Technology Solutions, Compliance & NPD	3,154	4,130	240	-	7,524
Corporate Finance	4,340	-	16,324	10,468	31,132
Property Solutions Division	2,021	132	604	-	2,757
Business Solutions Group	57,264	4,274	17,168	10,468	89,174
Internal Operations	615	-	1,637	-	2,252
Business Appraisal, Offers & Claims	460	-	-	-	460
Financial Management	984	-	-	-	984
Business Performance, EU & Risk Management	483	-	-	-	483
Legal Services	402	-	-	-	402
Finance & Operations Group	2,944	-	1,637	-	4,581
Regional Business Group	8,140	18	-	-	8,158
Communications	5,168	-	174	-	5,342
Human Resources	5,104	-	-	-	5,104
Strategy	908	66	-	-	974
Board & CEO	40	-	-	-	40
BSDL	- 3,939	-	145	-	- 3,794
Grand Total	104,847	12,686	19,823	10,468	147,824

* Divisional demand is based on all resource and capital expenditure and assumes all October monitoring bids will be met. It excludes salaries, admin, receipts, ECL cover and non-cash items. If all bids are met the divisional demand will still show a pressure (£142,787k: Oct monitoring vs £147,824k: Divisional demand).

** In addition to the budget outlined above Invest NI is also responsible for delivering the Microbusiness Hardship Fund Scheme on behalf of DfE, totalling £23.7m.

*** Included in the above figures are specific Covid allocations of £6.2m Revenue, £1.5m Capital and £3m FTC.

5. OPERATIONAL TARGETS AND INTERVENTIONS

(a) Covid-19 Response and Recovery Plan

Initially a public health emergency, Covid-19 quickly evolved into the most extraordinary economic crisis of our time. Both the UK Government and NI Executive acted swiftly and imaginatively to put in place a suite of macro-economic support programmes to protect the economy, such as the Coronavirus Jobs Retention Scheme, Small Business Grant Scheme, Hospitality, Tourism & Retail Sectors Grant Scheme, NI Microbusiness Hardship Fund and the Covid Restrictions Business Support Scheme.

Every aspect of our economy has been deeply affected by the pandemic and the measures to protect people's health. The impact and pace of potential economic recovery now depends on many uncertain factors. Different markets and sectors will re-open at different times, at a different pace and to a different scale and it will be important that Invest NI has the right solutions in place for business, not just in the short term, but over the medium to longer term.

Invest NI has undertaken extensive engagement and discussion with companies, business organisations, foreign investors and our Board to identify the most pressing issues and greatest opportunities that our local business base face. In response, Invest NI has developed a strategic Recovery Plan to inform our response to the pandemic and also an additional range of specific new programmes and solutions to address gaps in our current mainstream support programmes and to broaden our support across all businesses. Our proposed new programmes of support and stimulus packages, outlined at (iii) below, provide steps to an economic recovery pathway to help companies transition to the new environment.

(i) Immediate Covid-19 Response Plan – Business Continuity

With the emergence of the pandemic, initial lockdown in March 2020 and subsequent re-introduction of restrictions in October, Invest NI's immediate focus was to maintain and then expand, our ability to ensure that we could meet the changing needs of Northern Ireland's businesses. Emergency funding response was implemented by delivering the NI Microbusiness Hardship Fund and the Covid Restrictions Business Support Scheme on behalf of DfE.

4,300 payments totalling £23m have been made through the NI Micro-Business Hardship Fund. Providing lifeline funding to NI's micro-businesses and qualifying social enterprises facing immediate cash flow difficulties due to the impact of Covid-19.

The Covid Restrictions Business Support Scheme remains open but to date approximately 1,700 businesses have received payments from Invest NI to a value of £5m in relation to Part A of the scheme. Applications continue to be received under Part B of the scheme with approximately 250 submitted to date and presently being processed. In delivering these schemes, Invest NI has revolutionised its delivery and communication processes and significantly reprioritised its physical and financial resources to facilitate thousands of enquiries, applications and payments across a restricted timeframe.

The key short-term Business Continuity initiatives in 2020/21 include:

Covid Response				
Priority	Initiative	Milestone	Outturn	
 Maintain Northern Ireland Business Continuity	1. Develop PPE Networks amongst Invest NI customers to meet local PPE needs.	Put in place process to facilitate Government and business interaction to address immediate PPE needs.	Completed.	
	2. Manage the development and Implementation of the NI Microbusiness Hardship Fund.	Launch NI Microbusiness Hardship Fund by 20 th May 2020.	Completed.	<i>Scheme successfully launched and administered. Work continues with DfE to close out a small number of applications.</i>
	3. Build a structured and reliable evidence base to inform Governmental and Invest NI Covid-19 Response.	Develop and complete a Covid-19 focused business survey with NI businesses to inform Government's Covid Response and Recovery Plan by 31 st May 2020.	Completed.	<i>Invest NI will continue to liaise closely with businesses and stakeholders to ensure Government response reflects the NI economy's needs.</i>
	4. Work with DfE to ensure sufficient funds are made available to address immediate Covid-19 Priorities.	Submit additional Covid-19 Response bids to DfE in line with deadlines.	Completed.	<i>Invest NI continues to liaise with DfE to ensure that sufficient funds are available to support NI business.</i>
	5. Manage the development and Implementation of the Covid Restrictions Business Support Scheme	Launch Part A of the Covid Restrictions Business Support Scheme by 28 October. Launch Part B of the Covid Restrictions Business Support Scheme by 19 November. Launch Part D of the Covid Restrictions Business Support Scheme in line with DfE timescales.	Ongoing	Parts A & B successfully launched and being administered. Part A closes on 16 December, work continues on processing applications. Work continues with DfE with regards to launching and managing Part D of the scheme.
 Provide clear official information and decision making.	6. Utilise nibusinessinfo.co.uk to provide one source for all Business Related Covid-19 Communications.	Liaise with Government contacts to ensure that nibusinessinfo.co.uk has access to the latest requisite Covid-	Completed.	Invest NI continues to update the info online and staffs the support phone line.

Covid Response				
Priority		Initiative	Milestone	Outturn
			19 related Business advice from 1 st April 2020.	
		7. Strengthen and resource an improved Business Support Team helpline.	Business Support Team helpline in place and operational from 1 st April 2020.	Completed.
		8. Put in place a series of business and stakeholder engagement events to aid clear communication.	Series of Covid-19 focused webinars to be rolled out through Q1 2020/21.	Completed. <i>Webinars to continue as needed for key topics through the remainder of the year.</i>
	Protect the safety and welfare of our team	9. Rapid move to 100% home working.	All staff to be fully operational from home by 1 st April 2020.	Completed.
		10. Implement a series of Leadership communications and continuity.	Introduce regular Covid-19 related communications to ease the transition to smart working by ensuring staff are kept fully up to date with developments and decisions.	Completed.
		11. Undertake a Pulse Survey to address any Issues with new Work Approach.	Staff survey to be undertaken by 30 th June 2020 to gauge staff views on new work approach.	Completed.
	Maintain Invest NI Business Continuity	12. Facilitate 2019/20 Year-end Financial Close.	Complete year-end Accounts closure in line with NIAO deadlines.	Completed.
		13. Adopt Customer Process to ensure Continuity.	Review and evolve customer process to adopt to new working normal.	Completed.
		14. Ensure IT / Office Continuity.	Maintain Invest NI system and server integrity to facilitate smooth smart working.	Completed. <i>This will continue to monitored and maintained as smart working continues.</i>

(ii) Building Back Better – NI Economic Recovery

Following Invest NI’s extensive engagement and collaboration with business and stakeholders we identified the following multi-year strategic priorities and initiatives as key to ensuring a sustainable and successful economic recovery:

Priority	Initiative	Actions
	1. Grow External Sales ambitiously since the future of Northern Ireland depends on it	<ul style="list-style-type: none"> (i) Analyse export gaps / opportunities for sectors of strength and develop new markets. (ii) Identify requirements for support in International sales & marketing capability / development needs. (iii) Identify gaps & inform solution development. (iv) Review global office network to align with opportunities. (v) Develop and agree external growth plans by sector and geography.
	<ul style="list-style-type: none"> (i) Identify the next £5bn External Sales outside NI. (ii) Build aspiration for 25% of NI businesses generating 25% of new external business to recover economic losses from Covid-19. 	
<p style="text-align: center;">Innovation</p> 	2. Build obsession for innovation across the Economy	<ul style="list-style-type: none"> (i) Raise profile and ambition of innovation. Articulate NI’s innovation ambition. (ii) Ensure key stakeholders coherence to deliver ambition. (iii) Identify funding sources to influence / exploit opportunities (iv) Identify NI’s top 10 must-win tech projects.
	<ul style="list-style-type: none"> (i) Proactively identify and seize new cross-sectoral and cross-cutting technology and growth opportunities in emerging end-user markets including Life Sciences, Connected Health, Data Analytics, Cyber and AI. (ii) Build the NI top 10 tech project will-win list from wider project landscape. 	
<p style="text-align: center;">Commercialisation</p> 	3. Put ‘Innovation to Work’ through First-To-Market commercialisation and building world-class entrepreneurship	<ul style="list-style-type: none"> (i) Inform Entrepreneurship action plan / policy. (ii) Facilitate participation on MIT’s Regional Entrepreneurship Action Programme. (iii) Refresh / relaunch Entrepreneurship Forum. (iv) Explore additional / alternative funding. (v) Appoint Entrepreneurship Executive. (vi) Review student entrepreneurship to enhance effectiveness / efficiency. (vii) Review Entrepreneurship activities solutions.
	<ul style="list-style-type: none"> (i) Work closely with local economic partners to enhance the strong ecosystem for start-up, early stage, innovative and growth businesses with potential to scale, in particular in emerging technologies, life sciences and tech with high-growth markets. (ii) Build NI skills in Entrepreneurship, Commercialisation of Creativity, building Early-stage businesses and 	

Priority	Initiative	Actions	
		technology transfer from new technology.	
	<p>4. Build the skills businesses need tomorrow and employees need today</p>	<p>(i) Invest NI will collaborate and connect with DfE, and all stakeholders across NI, to prepare and execute a new Skills Strategy to drive economic growth.</p> <p>(ii) Support the creation of a NI wide employee culture of lifelong learning, upskilling and reskilling, reducing the skills imbalances in the workforce and creating more higher-paying jobs.</p>	
<p>Investment</p> 	<p>5. Attract and stimulate investment across NI building a sustainable investment ecosystem</p>	<p>(i) Increase investment from domestic expansion, high quality new Foreign Direct Investment and follow-on in-country expansions.</p> <p>(ii) Focus on post-Covid-19 global opportunities to secure investment where NI has key capability in digital technologies and services, advanced manufacturing and green economy.</p>	
 <p>GREEN ECONOMY</p>	<p>6. Maximise zero carbon opportunities better and faster than our neighbours</p>	<p>(i) Accelerate progress by industry towards net zero by stimulating investment in a green sustainable recovery.</p> <p>(ii) Exploit new Green Economy market opportunities linked to NI capability, initially exploring opportunities where Green technology can come to market in <3 years and commercial opportunity is >£1bn.</p>	
	<p>7. Seize “Now and New” opportunities to drive competitiveness and</p>	<p>(i) Identify and exploit new emerging sectoral and collaborative supply chain opportunities including re-</p>	
<p>(i) Work with stakeholders to contribute to NI Skills Strategy.</p> <p>(ii) Engage with Skills Programme Board and Skills Advisory Group.</p> <p>(iii) Ensure support improves productivity and meets industry needs.</p> <p>(iv) Develop specific support / solutions to improve digital capability.</p> <p>(v) Capture / address sub-regional skills needs.</p> <p>(vi) Establish ‘Attract In/Attract Back’ model.</p> <p>(vii) Ensure Leadership skills programmes address challenges and opportunities.</p> <p>(viii) Promote apprenticeships to increase uptake.</p>	<p>(i) Maximise FDI message of operational resilience.</p> <p>(ii) Leverage maximum medium-term growth through strategic R&D investment in sectors to match NI capability.</p> <p>(iii) Identify sectors with key inward / outward opportunities.</p>	<p>(i) Engage on development of Energy Strategy.</p> <p>(ii) Deliver Energy Efficiency Capital Grant.</p> <p>(iii) Deliver existing energy and resource efficiency services.</p> <p>(iv) Appoint Invest NI Clean Tech champion.</p> <p>(v) Map NI’s capabilities in the clean tech sector.</p>	<p>(i) Maximise opportunities for PPE / Medical related supply contracts.</p>

Priority		Initiative	Actions
	embed Northern Ireland manufacturing in global supply chains	shoring, near-shoring and local sourcing. (ii) Develop support across business to enhance digital capability in all industry sectors and improve competitiveness through digital transformation.	(ii) Identify opportunities in precision engineering to pivot to other growth opportunity sectors. (iii) Establish if supply chain issues could present new opportunities for NI firms. (iv) Support companies to adopt and invest in Industry 4 technologies to drive productivity improvement.
<p data-bbox="304 501 461 528">Levelling-up</p> 	8. Target levelling-up programs to unlock business potential across NI	(i) Rebuild a stronger regionally balanced economy with inclusive growth for our cities and towns across NI and opportunities for whole of society through real and meaningful partnership. (ii) Collaborate across regional and national economic partners to play a key role in the delivery of City & Growth Deal projects and sub-regional propositions.	(i) Ensure industry needs are reflected in the 4 BRCD Innovation investment projects. (ii) Support Derry & Strabane City Deal to completion. (iii) Leverage BRCD Innovation projects to attract international investment opportunities. (iv) Reconvene the Invest NI Sub Regional Board. (v) Facilitate establishment of a Manufacturing Alliance for NI.

It is envisaged that the Recovery Plan will inform and drive Invest NI’s response to the impact of the Covid-19 pandemic over many years. As such, Invest NI will work through 2020/21 to develop a series of tangible multi-year SMART targets and milestones that will allow us to deliver against the strategic objectives identified above over the medium to long term.

Some of the 8 recovery theme actions have already been progressed, for example: -

- Invest NI has established an NI Advanced Manufacturing Panel to accelerate the digitisation of manufacturing businesses and Industry 4.0 business networks in key manufacturing hotspots of Mid-Ulster and Mid-East Antrim. We are currently

piloting the process with 19 members of the NI Advanced Manufacturing Makers panel, and with a number of companies within the MEGA network. The pilot will be used to refine our approach and identify the best and most useful enabling technologies to make the sector more competitive.

- Business engagement to develop a prioritised action plan to inform future R&D, continuous improvement opportunities, upskilling requirements and areas for development.
- Maximised commercial opportunities for companies in producing PPE.
- Invest NI is actively working with the promoters of the City and Growth Deals, and has participated on the Belfast Deal – Digital Pillar Task & Finish Group, the Derry Deal – CARL and CIDRA projects, and the Mid South West Deal, offering ideas and suggestions on potential focus areas.

(iii) Covid-19 Recovery Interventions

Whilst the nature of the majority of Invest NI's programmes allow us to deal with many of the challenges that Covid-19 presents to Northern Ireland's businesses, we have reviewed our offering and designed the following programmes to address specific Covid-19 related issues. Additional new measures and schemes are underdevelopment to meet the evolving needs of business.

COVID 19 Intervention*	High Level Aims	2020/2021 Budget Allocation (000s)	Launch	Operational Timeframe
1 Aerospace Customer Diversification	Identify new market opportunities, options to lessen dependency on single sector customers in the NI engineering supply chain and contribute to safeguarding current and future production base in these key advanced engineering sectors. Particular focus on green aviation and de-carbonisation.	165 (RDEL)	Launched 04 Jan 21	2020/21 to 2021/22
2 Business & Financial Planning Grant	Help businesses to develop robust financial plans by working with a consultant to assess the impact of COVID-19 and develop a strategic recovery plan with financial forecasts.	750 (RDEL)	Launched 06 Oct 20	2020/21 only
3 Digital Selling Capability Grant	Improve established businesses online sales by enhancing their website and / or digital marketing strategy to drive online sales.	3,550 (RDEL)	1 st call launched 8 Sept 20 2 nd call 2 Feb 21	2020/21 to 2021/22
5 Communications Campaign	Planning, scheduling communications strategy in local / international markets to rebuild confidence and aspiration of local businesses, raise and support global ambitions, and position NI as a resilient, attractive location to invest in and trade with.	3,000 (RDEL)	Ongoing	2020/21 only
7 Equity Investment Fund	For all businesses with scalable opportunities to help fill gaps in equity funding rounds caused by private investors stepping back from transactions in early stage businesses because of COVID-19.	2,500 (FTC)	Launched 08 Sept 20	2020/21 only
8 Productive Investment Capital Grant	Incentivise NI manufacturing companies experiencing liquidity challenges to bring forward productive investments. Emphasis on automation and adoption of digital manufacturing technologies.	500 (CDEL)	Launched 01 Feb 21	2020/21 to 2021/22
9 Energy Efficiency Capital Grant	Capital grant support for investment in energy efficiency equipment. Projects must achieve a simple payback of between 1 and 6 years in energy cost savings achieved and must also demonstrate carbon emissions savings of at least 10% on baseline carbon emissions.	500 (CDEL)	Launched 23 Nov 20	2020/21 to 2021/22
GRAND TOTALS		11,365		

*Position at 23 February 2021

(iv) Invest NI Support Programmes

Invest NI provides an extensive portfolio of financial support, and non-financial advice to all businesses across NI.

The programmes offering financial support can help with job creation, productivity improvement, management skills, R&D and Innovation, technical capability and exporting. Non-financial support includes advisory assistance, support for exporters, best-practice guidance, workshops and business advice through the on-line NI Business Information channel.

Further information on the range of support provided by Invest NI can be found at www.investni.com or by contacting our Business Support Team (Email: enquiry@investni.com or Tel: 0800 181 4422)

(v) Invest NI Operational Scorecard 2020-21

Customer Quadrant	Performance Quadrant (Approved Offers)
<p>1. Maintain a minimum quarterly customer satisfaction rating amongst customers of at least 90%.</p>	<p>8. Secure 4,000 - 6,000 Total New Assisted Jobs through our interventions with companies.</p>
<p>2. Maintain a minimum quarterly customer satisfaction as a result of our key wider business base engagements of at least 85%.</p>	<p>9. Secure 2,050 - 3,200 New Assisted Jobs through our interventions with Locally-owned companies;</p>
<p>3. Demonstrate continued positive engagement with our customers by maintaining our 'Net Promoter Score' at, at least, a minimum of 63.</p>	<p>(a) Of which a minimum of 1,230 New Jobs will pay salaries above the NI PSM.</p>
<h3>People and Culture Quadrant</h3>	<p>10. Secure 1,950 - 2,800 New Assisted Jobs through our interventions with Externally-owned companies;</p>
<p>4. Manage staff absenteeism levels at a maximum of 3.50% (12 month rolling average).</p>	<p>(a) Of which a minimum of 1,170 New Jobs will pay salaries above the NI PSM.</p>
<p>5. Share a revised Invest NI People Strategy, focusing on next 12-18 months, with Staff by 31st October 2020. (Final strategy to be used to define key People deliverables to be adopted for future Business Strategy period).</p>	<p>11. Secure 1,540 - 2,100 New Assisted Jobs through our interventions with Externally-owned companies that are 'New to NI';</p>
	<p>(a) Of which a minimum of 924 New Jobs will pay salaries above the NI PSM.</p>
	<p>12. Secure £50m - £125m of Total Investment through 'R&D' related projects (£m).</p>
<h3>Processes Quadrant</h3>	<p>13. Secure £15m - £20m of Total Investment through 'Innovation' related projects (£m).</p>
<p>6. Maintain median controllable casework processing at 15 days.</p>	<p>14. Secure £34m - £44m of Total Investment through 'Skills Development' projects (£m).</p>
<p>7. Manage programme budget to within agreed tolerances (1% Revenue / 1% Capital) and within 10% of profile on a quarterly basis.</p>	<p>15. Support 200 - 250 companies to enter a 'New Market' to exploit Trade Opportunities.</p>
	<p>16. Support 75 - 125 companies to engage in 'Selling outside of Northern Ireland' for the 'First Time'.</p>

Despite the volatile market challenges that Northern Ireland faces in the 2020/21 financial year, Invest NI has decided to retain our original Year 4, 2020/21 Operational targets; set at the beginning of the current 4 Year Business Strategy. This is across both the organisation's Operational Scorecard (above) and Business Plan (below). It is recognised that with resources reprioritised and reallocated against emerging Covid-19 and EU Exit related priorities, this may result in Invest NI not achieving some of these targets.

As we progress through the year, we may further pause or stop some planned activity to allow sufficient flexibility to meet the changing needs of businesses. For example, with the need to liaise closely with companies to gauge their feedback and survey on the impact of Covid-19 to inform Government's and Invest NI's response, Invest NI will need to scale back, or stop, our regular customer survey activity. This would prevent the organisation reporting on progress against Targets 1, 2 and 3 above. Invest NI will monitor activity through the year and take action as required to ensure maximum support can be provided against areas of greatest need. In addition, metrics and milestones will be implemented for new Covid-19 specific activities.

(vi) Invest NI Business Plan Activity Targets 2020/21

NIIS Theme	Activity	4 Year Target - 2017/21		Year 1 - 2017/18			Year 2 - 2018/19			Year 3 - 2019/20			Year 4 - 2020/21		Lead Official
		Target	Target Range	Target	Target Range	Outturn	Target	Target Range	Outturn	Target	Target Range	Outturn	Target	Target Range	
Cumulative Targets	1. Secure new Total Assisted Jobs through our interventions with companies; (Target 8 + Target 14).	16,000	16,000 - 24,000	4,000	4,000 - 6,000	4,467	4,000	4,000 - 6,000	5,728	4,000	4,000 - 6,000	6,254	4,000	4,000 - 6,000	Ad Eng & Man Derek Andrews Grainne McVeigh George McKinney John Hood Mary Gormley
	2. Of which a minimum will pay salaries above the NI PSM.	9,600		2,400		3,051	2,400		3,544	2,400		4,788	2,400		
	3. Secure Total Investment in 'Research & Development & Innovation' (£m) (Target 4 + Target 5).	464	464 - 780	136	136 - 265	150	210	210 - 280	275	96	96 - 140	96	65	65 - 145	Vicky Kell Stephen Wightman
1. Accelerating Innovation and Research	4. Secure Total Investment through 'R&D' related projects (£m).	400	400 - 700	120	120 - 245	131	195	195 - 260	255	80	80 - 120	79	50	50 - 125	Vicky Kell
	5. Secure Total Investment through 'Innovation' related Projects (£m).	64	64 - 80	16	16 - 20	20	15	15 - 20	20	16	16 - 20	17	15	15 - 20	Vicky Kell Stephen Wightman
	6. Support companies to engage in Innovation activities for the 'First-Time'. (No. of companies)	1,225	1,225 - 1,625	325	325 - 425	341	250	250 - 400	327	280	280 - 400	281	200	200 - 300	Vicky Kell Stephen Wightman
2. Enhancing Education, Skills and Employability	7. Secure Total Investment through 'Skills Development' projects (£m).	130	130 - 170	32	32 - 42	24	32	32 - 42	47	34	34 - 44	46	34	34 - 44	Niall Casey
3. Driving Inclusive Sustainable Growth	8. Secure new Assisted jobs through our interventions with 'Locally-Owned' Companies;	8,800	8,800 - 13,400	2,300	2,300 - 3,450	2,777	2,250	2,250 - 3,400	3,138	2,200	2,200 - 3,300	3,667	2,050	2,050 - 3,200	Ad Eng & Man Grainne McVeigh George McKinney John Hood Mary Gormley
	9. Of which a minimum will pay salaries above the NI PSM.	5,280		1,380		1,825	1,350		1,694	1,320		2,684	1,230		
	10. Support High Potential Start-up (HPSU) companies with the potential to grow significant sales in global markets.	40	40 - 48	10	10 - 12	16	10	10 - 15	13	10	10 - 15	13	10	10 - 15	Mary Gormley
	11. Identify and work with 'Scaling' companies to accelerate their Development. (No. of companies)	18	18 - 24	4	4 - 6	4	4	4 - 6	6	5	5 - 6	4	4	4 - 6	Grainne McVeigh
	12. Identify and work with 'Pre-Scaling' companies to accelerate their Development. (No. of companies)	40	40 - 48	10	10 - 12	11	10	10 - 15	16	10	10 - 15	10	10	10 - 12	Grainne McVeigh
	13. Secure investment by SMEs through funding provided by Invest NI Funds.(£m including leverage)						25	25 - 35	52	33	33 - 60	60	40	40 - 60	William McCulla

 Target included in Invest NI Operational Scorecard

NIIS Theme	Activity	4 Year Target - 2017/21		Year 1 - 2017/18			Year 2 - 2018/19			Year 3 - 2019/20			Year 4 - 2020/21		Lead Official
		Target	Target Range	Target	Target Range	Outturn	Target	Target Range	Outturn	Target	Target Range	Outturn	Target	Target Range	
4. Succeeding in Global Markets	14. Secure new Assisted jobs through our interventions with ' Externally-Owned ' Companies;	7,200	7,200 - 10,600	1,700	1,700 - 2,550	1,690	1,750	1,750 - 2,600	2,590	1,800	1,800 - 2,700	2,587	1,950	1,950 - 2,800	Ad Eng & Man Derek Andrews Grainne McVeigh George McKinney John Hood
	15. Of which a minimum will pay salaries above the NI PSM .	4,320		1,020		1,226	1,050		1,850	1,080		2,104	1,170		
	16. Support Externally-Owned Companies that are ' New to NI ' to invest in Northern Ireland for the ' first time '. (No. of companies)	75	75 - 100	16	16 - 20	22	17	17 - 25	17	20	20 - 27	30	25	25 - 30	Derek Andrews
	17. Secure new Assisted jobs through our interventions from Externally-Owned Companies that are ' New to NI ';	5,340	5,340 - 7,700	1,200	1,200 - 1,800	820	1,250	1,250 - 1,800	1,120	1,350	1,350 - 2,000	1,386	1,540	1,540 - 2,100	Derek Andrews
	18. Of which a minimum will pay salaries above the NI PSM .	2,880		720		713	750		829	810		1091	924		Derek Andrews
	19. Support companies to enter a ' New Market ' to exploit Trade opportunities. (No. of companies)	600	600 - 800	150	150 - 200	260	150	150 - 200	335	200	200 - 250	300	200	200 - 250	Alan Wilson
	20. Support companies to engage in ' Selling outside of Northern Ireland ' for the ' First Time '. (No. of companies)	300	300 - 400	75	75 - 100	107	75	75 - 100	175	75	75 - 125	135	75	75 - 125	Alan Wilson

 Target included in Invest NI Operational Scorecard

6. RISK MANAGEMENT

The Covid-19 pandemic has introduced a huge amount of uncertainty that could have an impact on the successful delivery of the 2020-21 Business Plan. In line with our Risk Management Strategy and Policy, Invest NI has taken a systematic and proactive approach to identifying and articulating the risks associated with the pandemic, and has developed a specific Covid-19 risk register.

The most significant of those Covid-19 related risks, along with a number of other risks that will continue to have the potential to impact on our ability to deliver against the 2020/21 Business Plan, are detailed in the table below. These risks are regularly reviewed and assessed by our Executive Leadership Team and Board as part of our ongoing risk management arrangements.

Risk	Potential Impact	Mitigating Actions
Threat of severe economic downturn as a result of Covid-19 pandemic.	Potential for significant economic development downturn with major job losses.	Immediate mitigation measures have comprised several rounds of emergency funding directed at different businesses to ensure short term survival. Longer term mitigation requires the successful implementation of our tailored support mechanisms to address business opportunity and selectively assess sectors with pathway to commercial viability and success.
Lack of agility in adjusting Invest NI strategy and solutions to address the impact of Covid-19.	If Invest NI is not sufficiently agile and fails to demonstrate thought leadership, it could fail to contribute to the economic recovery.	Invest NI has developed a Covid19 Recovery Plan and associated actions in direct response to the changing economic environment and in active consultation with businesses and stakeholders. The agency has demonstrated its ability to adjust quickly to meet the needs of business. An Implementation plan has been developed to facilitate ongoing monitoring and reporting and to ensure the Plan is effective in facilitating economic recovery. This will be reviewed by ELT on a monthly basis and remedial actions taken as required.
Detriment to the health and wellbeing of Invest NI staff and their families.	Staff could become ill with coronavirus or suffer from mental health issues as a result of being isolated.	Covid-19 related health issues are monitored and reported to senior management. Absence levels, and reasons for those absences, are monitored and reviewed. Various mental health awareness support mechanisms are available, including counselling and welfare support services. A survey has been carried out to assess impact of staff working from home.
Failure to identify and maximise opportunities arising from the current crisis.	Potential for Invest NI to fail to assist in addressing public health and economic emergencies if it is unable to identify and maximise opportunities from the Covid-19 pandemic (matching companies to current needs, developing new solutions to address gaps in government provision).	Work has been carried out to identify the most significant issues facing companies. New programmes have been developed, and existing programmes adapted, to meet those needs.

Risk	Potential Impact	Mitigating Actions
Impact of protectionist policies on Foreign Direct Investment as a result of Covid-19 pandemic.	Global economic impact of Covid-19 could result in new protectionist policies overseas, leading to a fall in FDI for Northern Ireland.	Invest NI teams in key FDI source markets are monitoring relevant policy developments. Both in-market and investment teams are engaging closely with prospective investors in our pipeline to monitor investor sentiment. From a proposition perspective, narrative focussed on resilience (workforce & infrastructure) is in development. Opportunities to leverage the reshoring trend in new FDI sectors is also being explored.
As the UK has now left the EU, there is considerable uncertainty over trade, EU funding, migration and business regulation. There is a risk of an adverse impact on NI levels of export and Foreign Direct Investment.	The uncertainty over the UK's future relationship with the EU, following formally leaving the union on 31 st January 2020, has the potential to impact on business confidence particularly in terms of investment and exporting. There is a need to ensure that the requirements of NI businesses are represented in the exit negotiations to ensure that NI is not disproportionately affected.	<p>A detailed EU Exit Action Plan is in place, which is being updated on a monthly basis. Dedicated EU Exit team established. Extensive business engagement collating information on EU exit issues and implications. These business insights are being shared with DfE to feed into NI Executive Inter-Departmental Co-Ordinating Group.</p> <p>We will continue to monitor ongoing policy development by the UK Government and continue to maintain close contact with colleagues in DfE. As greater certainty emerges, we will consider how these will impact on the delivery of economic policy. Where opportunities exist, these will be maximised to benefit our local economy. We stand ready to roll out a range of advisory support to all NI businesses, once the out-workings of the NI Protocol become clear.</p>
Risk of insufficient skills availability to meet demands of local companies. Potentially exacerbated by failure to recognise changes in skills and employment landscape as a result of Covid-19.	Insufficient skills availability to meet demand of local companies will (1) impact on productivity of indigenous and established companies; (2) impact on ability to attract new inward investment to NI; (3) restrict growth of indigenous and established companies. Failure to recognise changes to the skills and employment landscape will hinder Invest NI's ability to contribute to economic growth.	<p>Ongoing engagement with extensive and intensive businesses, potential new investors, Universities and DfE. Supply information to Skills Barometer for articulation of demand and collaborative approach with DfE on the Assured Skills Program to create pipeline of available skills. Collaborative Network planned for each priority sector.</p> <p>Review the impact of Covid-19 on work by other bodies in relation to engaging with the economically inactive.</p> <p>Overall, a consequence of Covid-19 will be a significantly changed labour market, with higher unemployment against lower economic activity, in the short to medium term. It will be necessary to review this risk when the impact of Covid-19 is clearer.</p>
Uncertainty over budget allocation. This is exacerbated by the current period of economic uncertainty that makes planning and prioritising our resources more difficult.	As a result of the previous absence of the Executive, a multi-year budget exercise has not been completed. Budgets have therefore been allocated to Invest NI for the 2020-21 financial year but not beyond. This impacts negatively on our ability to plan going forward. The programme budget includes ERDF funds, which will be impacted as we have now left the EU. The Covid-19 crisis has resulted in significant additional budget uncertainty as clients re-think their plans in light of the business impacts of the pandemic.	<p>Budgets were allocated for 2020/21 in April 2020, but uncertainty remains for both resource and capital beyond this financial year. While the material uncertainty around the budget allocation for 2020/21 has reduced as a result of the allocation being made, the Covid-19 crisis has brought additional uncertainty to the situation. We continue to work with DfE on the economic response and will align our budget requirements behind this as quickly as possible.</p> <p>Continue to engage with DfE in submitting bids and supporting information to the Department of Finance (DoF). Continue to explore best use of other funds including FTC and residual EU funds. Work with DfE to develop an economic response to the Covid-19 crisis and align our schemes and interventions as well as our budget allocations behind these.</p>

Risk	Potential Impact	Mitigating Actions
<p>Failure to identify, work to and deliver against objectives that appropriately reflect PfG targets</p>	<p>To ensure that progress is made against known, specified objectives and targets to deliver the PfG goals</p>	<p>ELT monitors monthly progress against all key targets and can implement remedial actions quickly as appropriate. Quarterly Oversight & Liaison meeting with DfE includes Invest NI performance as a key agenda item. Quarterly performance reporting to TEO on progress against PfG targets. Full ELT liaison with the Executive, TEO, DfE and all other relevant stakeholders in the creation of NI Assembly's new PfG.</p> <p>The Covid-19 pandemic emerged during March 2020, leading to unprecedented intervention by governments across the world to limit economic activity and minimise the impact on public health. At this point, the focus is on shielding businesses, workers and individuals to avoid an economic crisis becoming a deep recession.</p> <p>The outworkings of Covid 19 on the wider economic context will emerge in the months ahead, the implications of which can be reflected in a new Invest NI Business Strategy and NI Industrial Strategy/PfG.</p>
<p>Potential for staff resourcing to be insufficient to execute Corporate Plan and meet Business Strategy objectives</p>	<p>If the number of priority vacancies is not reduced to an acceptable level then staffing levels in critical areas will be insufficient resulting in a negative impact on our ability to execute against Corporate Plan and Business Strategy objectives.</p>	<p>ELT to identify and agree priority resourcing for critical areas on a quarterly basis. HR team to work with ELT to continue to progress and monitor the recruitment plan and flag up any need for re-setting of priorities.</p> <p>Covid-19 crisis has further materialised since the end of March and will impact on vacancy list.</p>
<p>Failure to focus on changing company needs in the face of changes in the global or national economic climate</p>	<p>An inappropriate product offering could result in the failure to meet corporate objectives, poor delivery of services to companies, confusion and inconsistency of approach. It could also have a negative impact on Invest NI's reputation through adverse publicity</p>	<p>Invest NI continues to work closely with DfE on a combined emergency response to the impact of the Covid-19 pandemic on the economy. This has included the Small Business Grant Scheme the Hospitality, Tourism and Retail Sectors Grant Scheme and the Hardship Fund Scheme. To reflect our expectation that companies will rethink their plans in 2020/21, we have adjusted our budget focus and submitted a range of bids to the Covid-19 response intervention funds.</p>

7. PROGRAMME FOR GOVERNMENT ALIGNMENT

A thriving and prosperous economy is at the centre of Northern Ireland's [Programme for Government](#) and the associated [Industrial Strategy – Economy 2030](#). Both have been developed using the Outcomes Based Accountability (OBA) methodology. Accordingly, our [Business Strategy 2017-2021](#), [International Strategy 2017-21](#) and our Business Plan for 2020/21 have adopted this methodology. OBA places outcomes at the core of our thinking and actions. Starting with desired outcomes, we work backwards to develop plans to achieve them by asking questions like:

- What do we want?
- How will we recognise it?
- What will it take to get there?

Report Cards are separated into the following performance measure categories so that they can provide easily digestible performance information on progress towards these outcomes:

- How much did we do?
- How well did we do it?
- Is anyone better off?

Invest NI's Report Cards are aligned to the relevant pillars of DfE's Industrial Strategy – Economy 2030 and the PfG Outcomes and are published regularly in line with Executive Office requirements.