

## Appendix 2.7 -

### Economic Review of the County

Members of the Tipperary (South Riding) County Development Board brainstormed economic issues and opportunities for consideration by the Economic Working Group. The key points raised included the following.

**Need to access up to date economic data:** The 1996 census data on the workforce in South Tipperary is too old to be useful in developing a County Economic Strategy for 2000-2010 period.

No county or sub-county data is possible from the Labour Force Survey. However, it does show that the South East is performing poorly when compared with other regions in Ireland in terms of employment growth and the fall in unemployment.

Sub-county data can be obtained from the Live Register. However, the Live Register includes sectors of the population who are not available for work. The labour force participation rate is not picked up in the Live Register.

It is possible to quantify specific social welfare benefits paid to sub-county areas. Tracking that data over time and comparing it against other counties and the rest of South Tipperary may be useful in addressing strategic questions such as: why are relatively high social welfare benefits going to a specific area or part of a town in the county?

**Need to review current strategies:** There is a need to review current economic development strategies being pursued by the various interests within the county. It is also important to focus on population trends and to carry out projections on changes to the population structure and also to the occupational structure in the county.

**A regional dimension can enhance the County Economic Strategy:** South Tipperary is a relatively small area in European terms on which to base economic strategy. There is an advantage in having synergy with neighbouring counties. Two examples were provided at the County Development Board meeting:

- A 'centre of excellence' strategy - the Greenhouse Plan - developed by the County/City Enterprise Boards in the South East which identified nine economic activities where the region had strengths that had not been fully capitalised upon - equine, crafts, engineering, food, information technology, tourism, telecommunications, arts and culture and the Environment.
- A second example was the TRBDI - Tipp Net - aimed at optimising the potential of information technology in Co Tipperary.

**International dimension:** South Tipperary (or the South East Region or Co Tipperary if relevant) needs to be benchmarked against the best international regions. There is a wealth of experience in economic development and the Economic Working Group should ensure that it accesses relevant international experience.

**Need for balance in economic development:** Some areas in the county are doing better than others. The aim of balanced development is difficult to attain. Larger inward enterprises are attracted to larger population centres and this will be difficult to change. Indigenous industry is more likely to stay in the smaller centres as it grows.

The strategy of micro-enterprise development in the smaller towns and the rural areas needs to be maintained and further supported. These enterprises may well become the larger enterprises of the future.

**Tourism:** The two major issues facing tourism development in South Tipperary are the expansion of the tourism accommodation base in the county and the decrease in commuting time to the main air-entry points at Dublin, Cork and Shannon. There is a noticeable trend in tourists accessing Ireland by air rather than by sea.

**Social Inclusion Perspective:** There is a link between economic development and social inclusion. Economic strategy needs to be poverty proofed and to avoid promoting economic development that increases inequalities. Those who are long term unemployed often lack the confidence to move out of their home area. The socially excluded also have the potential to be entrepreneurs and partners at the County Development board table have combined well to enable unemployed people establish micro enterprises. There is also a link between educational disadvantage and social exclusion. It is important that a quality primary education infrastructure is maintained in rural areas.

**Lifelong learning:** Training, retraining, access to further education are important dimensions in enabling the South Tipperary workforce to remain competitive for employment. It is also important to demystify information and communications technology in order to avoid creating further social and economic exclusion.

**Other Opportunities:** Cluster of pharmaceutical industries; renewable energy; Co Tipperary food strategy; mushroom industry; building further enterprise centres in rural areas.

# TIPPERARY (SOUTH RIDING) COUNTY DEVELOPMENT BOARD

Meeting report - Economic Working Group - September 5, 2000

Present: Len Bell, Cllr Niall Dennehy, Ricky Fitzgerald (for Martin Collier), Anne Ryan (for Toss Hayes), Tim Shanahan, Michael Hanly, John Quinn

Apologies: Toss Hayes, Donal Mullane, Phil Shanahan, Martin Collier

## **Summary:**

The Chief Executive of the Co Enterprise Board, Toss Hayes, has been nominated chair of the Economic Working Group.

A variant on the model proposed for Co Waterford is proposed to generate base line data and to prepare for the SWOT analysis at the next meeting. This involves nominated organisations providing key data to the working group on companies/businesses, jobs, sectoral breakdown and a geographic breakdown.

Issues debated included:

- The future is in 'intelligence based' industries. Is there a match with the South Tipperary labour supply. Can skills gaps be solved given the current opportunity of companies seeking to move away from Dublin.
- Economic strategy must also focus on population growth and address housing supply issues. Planning strategy in relation to the location of services is also important.
- The focus on traditional industries is to improve efficiencies so that some labour is retained and to generate alternative economic activity for the majority of existing labour. For instance the workforce in building and construction has almost doubled in the past five years.
- There are two main issues in getting women back to work - childcare and confidence in tax measures that the effort is worthwhile.
- It is important to have detailed specifications of the economic, social and cultural infrastructure available to support the promotion of the county for jobs, decentralisation of services, etc.
- Access to ISDN lines and broadband communications are likely to be critical to the economic development of the county in the coming decade.
- Benchmarks are needed in order to assess progress - new companies, per capita income, level of IT awareness and use.

## **1. Review of the draft work programme**

Len outlined the model being followed by the Economic Working group in Co Waterford.

It was agreed to follow a similar model in South Tipperary and to devolve the tasks of gathering relevant information under the following classification:

- ❖ Indigenous Manufacturing - Enterprise Ireland
- ❖ Overseas Investment - IDA Ireland
- ❖ Micro enterprises - Tipperary (South Riding) County Enterprise Board
- ❖ Professional Services - Business Pillar
- ❖ Public Services - Tipperary (South Riding) County Council

- ❖ Retail Services - Business Pillar
- ❖ Personal Services - Business
- ❖ Tourism - South East Tourism
- ❖ Agriculture - Teagasc

The initial information required by sector is:

- ✓ Number of companies/businesses
- ✓ Number of jobs

The sectors can be broken down as:

- ✓ Food and consumer products
- ✓ Industrial products
- ✓ Domestic traded services
- ✓ Internationally traded services

A sub-county map is being prepared in order to look at the geographical spread of economic activity in the County. There are 15 sub-county clusters - but from an economic perspective 5-7 clusters might be appropriate.

It was also agreed to accept the mission statement and short term objective as developed in Co Waterford as a working definition:

- ◆ To help create the business environment in South Tipperary that will lead to sustainable competitive advantage for existing Industry & Services, Tourism and Agriculture and to foster an economic climate that will encourage new high potential start-up enterprises and attract new business from overseas and other parts of Ireland.
- ◆ To produce a position paper for the Board by February 2001, that will benchmark the county in relation to our constituents in comparison with other counties in the South East Region and to identify the strengths, weaknesses, opportunities and threats facing them.

#### **Action Items:**

- ✓ John to request the Co Tourism Committee to nominate a member onto the Economic Working Group.
- ✓ John to formally request the information listed above from the nominated bodies.
- ✓ Anne to check with Toss if an NGM study can be made available to the Business pillar.
- Nominated bodies to supply base line information at the next meeting of the Economic Working Group in November.

## **2. Issues raised/comments made in relation to the development of a County Economic strategy**

The future is in 'intelligence based' industries. The challenge is to educate people to a level of where they can work in these industries. It is necessary to audit the levels of education and training provision and ascertain if sufficient graduates are being generated and if there is adequate upskilling activity of the workforce.

The economic strategy needs to accept that traditional industries will continue to decline. For instance, Michael commented that a 30,000 gallons quota is currently the equivalent of an average industrial wage. But in ten years time, he predicted that a 70,000 gallon quota will equal the average industrial wage. The focus in relation to agriculture and other traditional industries is to improve efficiencies so that some

labour is retained and to generate alternative economic activity for the majority of existing labour. Anne indicated that the Tipperary LEADER Group has conducted research on the farming sector.

A more positive trend is that larger businesses based in Dublin are considering expanding away from Dublin because of its social and economic infrastructural bottlenecks. There is an opportunity in this trend for South Tipperary.

Skills shortages are a current feature. Partners around the table are focusing on attracting back graduates who have emigrated from Ireland and addressing the gap in knowledge of what graduates have qualified from different parts of the county; of where these graduates are now; and of how many would be willing to return.

A second target group is women working in the home. There are two main issues in getting them back to work - childcare and confidence in tax measures that the effort is worthwhile. At a minimum there should be a childcare unit in major public and private enterprises - similar to the canteen which can be contracted to a child care provider.

The Household Budget Survey has estimated that building and construction employment in the South East is now 18,000 (almost double what it was five years ago). Numbers in agriculture have declined from 24,000 to 21,000 in the same period.

A complementary economic strategy is to encourage entrepreneurship among students. CDB partners are engaged in initiatives at primary, secondary and tertiary levels.

Economic development and population growth interweave. Housing supply is likely to be a major issue to be addressed if economic development is to be realised. If the population is to be increased, where will it be housed? And is there infrastructural capacity to service additional housing? Also if the cost of housing, requires both parents to work, the parents may delay having children. The latter can impact negatively on population growth.

Economic development and planning are also closely related. Economic strategy must also encompass planning strategy - the location of services, the siting of civic centres.

Promotion of the county for enterprise is another important element. It is important to have detailed specifications of the economic, social and cultural infrastructure available to support the promotion of the county for jobs, decentralisation of services, etc. Ideally this information needs to be available on an electronic format so that it can be updated regularly.

Access to ISDN lines and broadband communications are likely to be critical to the economic development of the county in the coming decade.

Benchmarks are needed in order to assess progress. The Group reviewed the Oregon Material. Oregon simply counts the number of new registrations for tax numbers as the count of new businesses. That benchmark would be relatively easy to track in Ireland. Per capita income is another indicator that can measure economic progress.

A benchmark that may also be considered is the level of IT awareness and use. The South East Region Authority is currently engaged in an IT benchmarking exercise as part of the preparation of Regional Information Society Strategy.

### **3. Audit of Strategies**

It was agreed to get a summary of strategies at the next meeting under the following headings:

Key activities/actions and who is responsible

Targets

Resources available

Time scale

### **4. Consultation with client groups**

It was agreed to have formal consultations once a position paper was prepared. The Director of Community and Enterprise is to circulate the meeting report to the economic stakeholders at the CDB table.

### **5. Next meeting**

It was agreed to have the next meeting at 3.30 pm on Monday November 6.

# TIPPERARY (SOUTH RIDING) COUNTY DEVELOPMENT BOARD

Meeting report - **Economic Working Group** - November 20, 2000

Present: Len Bell, Cllr Niall Dennehy, John Higgins, Toss Hayes, Tim Shanahan, Michael Hanly, Donal Mullane, Eileen Horgan

Apologies: Robert Grealis, Phil Shanahan

## **Summary:**

- Toss Hayes, Chief Executive of the Co Enterprise Board, took the Chair.
- The process of collecting baseline data is still ongoing. A number of gaps – tourism providers and differences between the Kompass and NGM business databases - were identified. Steps to attempt to fill these gaps were agreed.
- Decided to initiate an exercise to link existing strategies through common topics or issues. Most strategies, particularly of agencies who are project led do not contain data that identifies the financial and human resources that will be allocated to South Tipperary.
- Toss Hayes made a presentation of the County Enterprise Board's SWOT analysis carried out in 1996. He updated some of the statistics to illustrate some of the changes that have taken place since the original exercise was carried out.
- A two-tier approach to the consultation process was agreed. 1. Small informal focussed meetings with the key players in each economic strand, to include Ministers, MEPs, key experts in business, tourism, education and agriculture. 2. Consultation with rank and file members of each sector. This consultation will take place during the week of 15 – 19 January 2001.
- Issues discussed included:
  - The need to ensure that Clonmel is included in the Government's Spatial Strategy as a 'Gateway'.
  - The useful role of the CEB SWOT analysis as a basis for the County Development Board's SWOT analysis.
  - The changes that have taken place since the original groundwork done for the SWOT analysis in 1996 including: population distribution, the effect of company closures, new company openings, the potential of IT initiatives, the potential role of the educated youth of the county who have historically moved elsewhere for work.

## **6. Draft Agenda was approved.**

### **Action Items:**

- List with Economic Working Group member names and the organisations they represent to be circulated with next agenda.

## **7. Baseline Data from agencies**

- Len circulated a Profile of Medium and Large Indigenous Industry in County Tipperary SR (Enterprise Ireland Clients)
- Farming statistics received from Teagasc
- List of members of South East Tourism received
- IDA to forward list of assisted companies
- NGM database of businesses to be made available by Toss Hayes

**Action Items:**

- Need to identify tourism businesses not registered with South East Tourism. Consultation with local community groups may give a fuller picture.
- Request the Co Tourism Committee to nominate a member onto the Economic Working Group.
- Identify a person to represent the Education sector on the Economic Working Group

**8. Kompass geoDirectory – business directory database**

A document summarising the Employment by Sector in Tipperary South extracted from the Kompass geoDirectory was circulated.

Kompass is the database now being used by Tipperary South County Council for mapping purposes. It is anticipated that it will be updated on at least an annual basis.

**Discussion:**

- Kompass identifies 1402 companies, which is about 800 less than the NGM database. This figure was considered too big to ignore. Need to check if NACE codes were used in both databases.
- The Kompass data breakdown could be very useful in a SWOT analysis situation, but really needs similar data from other areas for comparison before it is of any real use.
- Discussion clarified the objectives in the collection of this data. This included the need to know what the county has in terms of businesses and employment. Also the breakdown of companies by Grant Aided Industries.
- Need to add Tourism and Agriculture/Forestry to the sectors already agreed. These were -
  - Food and Consumer Products
  - Industrial Products
  - Domestic Traded Services
  - Internationally Traded Services
- Some sectors in Kompass identify no employees e.g. Forestry, Electricity, Gas and Water. These omissions would have to be remedied.
- The identification of NACE codes may assist in more accurate division of companies into sectors.
- Discussion on the mapping of geographical spread of economic activity in the county. Agreed that the map being used for the Social Inclusion group – based on the DED template - would be the best one to use. It was critical that we would get a holistic view of activity when the three strands of Economic, Cultural and Social Inclusion were superimposed on each other.

**Action Items:**

- Access the NGM database and see what comparison can be made between the two databases.
- Identify what data the IBIS consultants are collecting – are we duplicating effort or will data being collected here be incorporated into the IBIS data.

- Liaise with County Council to identify what progress has been made in mapping businesses in the county.

## **9. Audit of Strategies**

At the last meeting it was agreed to get a summary of strategies, under the headings: Key activities/actions and who is responsible: Targets: Resources available: Time scale

Eileen summarised the attempt:

List of available strategies was presented for additions to be made. Spatial Strategy needs to be added.

- The only current strategy that fulfils all the criteria on a countywide basis is the County Enterprise Board Plan.
- LEADER and ADM plans and other Operational Plans may also fit the headings when the funding levels are announced.
- Most agency and national Strategies do not identify the resources they intend to allocate at a county level.
- Other strategies, such as the Regional Tourism Plan identify funding required, but do not indicate where the funding will sources.

Suggested a number of options

- Look at topic/issue approach? Identify the strategies that have common issues.
- Look at each plan and look at the Strengths and Weaknesses of the plan?
- Do a summary of each plan.

Agreed that it would be useful to link Strategies through common topics or issues.

### **Discussion**

- Agencies who are project oriented would not identify funding and resources on a countywide basis in the strategic planning. If a good project arose in an area the required funds would be forthcoming. If no project arose there would be no funding in an area. Suggested that one way would be to look at past trends/figures. This approach should be included in the IRIS consultants data collection exercise where the same exercise can be carried out for all CDB's rather than each working group seeking the information separately.
- The Economic Working group should bring the issue of the necessity of the promotion of Clonmel as a Gateway in the National Spatial Strategy. The discussion arose in relation to current IFA documents and current media discussion on the identification of a number of 'Gateways' in the National Spatial Strategy. All agencies represented on the working group and the CDB and the CDB itself need to become totally involved in ensuring that Clonmel is designated as a gateway. Other towns, Carrick-on-Suir, Tipperary and Cashel are also under severe pressure to get industry. Unlikely however that there will be multiple gateways in a County) This is an economic strategy that must be pursued even before the economic strategy is completed.

### **Actions**

- Bring the issues of the necessity of Clonmel's promotion as a Gateway to the County Development Board.

- Ensure that the question of breakdown of global resources to a county level is included in the questionnaire being prepared by IRIS for the agencies. This is to include financial, human and other resources.
- Begin work of linking strategies through common topics.

## 5. Swot Analysis

Toss Hayes made a presentation on the County Enterprise Board's SWOT analysis carried out in 1996.

In addition to working through the document he identified a number of trends that existed at the time the analysis was carried out.

South Tipperary was not such a healthy county:

Dependence on Agriculture was high

Unemployment was high 19% at the time. It is still relatively high 6-7% as opposed to 4% nationally. Need a profile of current unemployment.

Toss identified key elements of an initiative in Tipperary town aimed at bringing women back into the workplace through giving training in IT and then identifying jobs that the trainees can move into. A survey of 223 companies in the southeast identified 29 who would consider IT work that can be farmed out. This holistic approach to training and matching with relevant jobs looks to have real potential.

### Discussion

- The County Enterprise Board's SWOT analysis would provide a good basis to begin the work for the County Development Board's SWOT analysis.
- Toss identified some significant changes that would have to be considered with the new SWOT and subsequent strategy development. This included the projected increase in Clonmel population; the setting up of TRBDI; Change in unemployment levels; the identification of other sectors of the population that can be freed up for employment; Need for IT infrastructure – IT nodes in Thurles and Clonmel and the need to know more about this area; the highly skilled workforce – of the 1260 places offered to leaving cert students in South Tipperary, only 790 took up places; - where did the others go? Did they leave the county or take up jobs in the trades – could this information be found?
- Toss identified the success of counties that were considered a Centre for Excellence in some arena and proposed the South Tipperary could look at developing the Equine industry.
- There are new market opportunities: Access is a problem and there is a need to convince existing businesses to look beyond their current boundaries. Need a large hotel to really cash in on the tourism assets of the county.
- The working group did not feel that they were in a position to undertake a SWOT analysis at this stage. The SWOT analysis and the subsequent strategy were too important to undertake the work without first consulting with experts and key figures in each area. The strategy is long term and it essential that thorough groundwork is undertaken before it is finalised

## 6. Consultation with client groups

A proposal to have a consultation week from Monday 15 January 2001 to Friday 19 January 2001 was discussed. The key outcomes were:

- Economic Working group will adopt a two-tier approach to the SWOT analysis.

1. Each sector will consult with the key people in their sector to include Ministers, MEPs, key business people, prominent agricultural experts.
  2. Consultation / SWOT analysis with rank and file members.
- Agreed that the consultation should be on a countywide basis, not a segmented approach. Felt that the approach suggested would be divisive.

#### **Actions**

- Eileen to contact each group member for a list of those who should be consulted.
- Initiate meetings with key people. These meetings will most likely be dictated by the availability of people rather than the CDB. Informal type meeting proposed.

#### **7. NextMeeting**

The next meeting will be held in the Conference Room, County Council Buildings, Clonmel, at 3.30 pm on Monday, February 5, 2001



