



Comhairle Chontae na Gaillimhe
Galway County Council

Economic Development & Enterprise Strategic Policy Committee (SPC)

Online via Microsoft Teams

Dé Céadaoin 23ú Samhain 2022 @ 10:00am

Wednesday 23rd November @ 10:00am

Members Present:

Cllr. Karey McHugh	Galway County Council (Chair)
Cllr. Mary Hoade	Galway County Council
Dan Dowling	Community Representative
Paul Carey	Construction/Business Representative
Cllr. Gerry Finnerty	Galway County Council
Dave Hickey	Business Representative
Cllr Tim Broderick	Galway County Council
Cllr Declan Geraghty	Galway County Council
Cllr David Collins	Galway County Council

Apologies:

Marian Spellman	Trade Union Representative
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Present:

Kieran Coyne	Galway County Council
Alan Farrell	Galway County Council
Breda Fox	Galway County Council
Ricky Conneely	IDA West Region

Minutes of the meeting of the Economic Development & Enterprise SPC held on 14th September 2022.

The minutes of the meeting held on the 14th September 2022 were approved on the proposal of Cllr. Mary Hoade and seconded by Cllr Declan Geraghty.

Matters Arising:

Cllr Declan Geraghty queried the recent advertisement for a Tourism Officer with Galway County Council.

Alan Farrell advised that the Tourism Officers current contract was for 3-years and that the role is now being made permanent. He advised that the normal recruitment procedures would be followed.

As there were no other matters arising, Cllr McHugh introduced Breda Fox, Head of Enterprise to give a presentation on the work of the Local Enterprise Office.

Local Enterprise Office Presentation – Breda Fox, Head of Enterprise

Breda Fox gave a comprehensive overview of the work of the Local Enterprise Office and the most recent metrics.

Ms Fox began her presentation by advising the members that the Local Enterprise Team is now at full capacity with the recently filled permanent role of a Business Advisor. Ms Fox advised that the Local Enterprise Office had exceeded all their targets to date in 2022 apart from Microfinance applications. The shortage in applications for Microfinance applications is due to the high risk associated with MFI loans.

Ms Fox advised the members that they are currently in the process of carrying out the annual employment survey and hope to have figures by the end of the year.

Ms Fox gave an overview of the recently announced energy support schemes for businesses as introduced in the budget.

1. Revenue will deliver the Temporary Business Energy Support Scheme (TBESS) to assist businesses with their electricity or natural gas (energy) costs during the winter months. Tax compliant businesses who can demonstrate a 50% increase in gas and/or electricity costs in the period September to December 2022 when compared to the same costs in 2021. The support can be claimed up to 4 months after the relevant period – so September 2022 must be claimed by the end January 2023 and so on. Claims directly to revenue on ROS service site – opens by end November
2. Enterprise Ireland have a new funding intervention aimed at manufacturing and Internationally Traded Services companies experiencing significant difficulty as a result of increased energy costs. The vast majority of LEO fully grant aided clients will fall within parameters of Stream 1 if they meet the criteria.
 - Stream 1 is a liquidity measure that will help viable manufacturing and Internationally Traded Services companies experiencing trading difficulties to access funding up to a minimum of €20,000 if you meet the criteria (15% decline in EBITDA).

- Stream 2 is a state aid support for eligible energy intensive companies who are experiencing severe increases in energy costs in 2022. Energy intensive businesses are businesses where at least 3% of turnover in 2021 was expended on energy costs.

2022 Support Overview and 2023 Focus.

- Site visits by Local Enterprise staff to clients resumed in 2022.
- Face to face client events returned: National Enterprise Awards, Showcase, Ploughing,
- Training remains online apart for management development programmes
- Staffing complete with second Business Advisor appointed
- Local Food and Craft Fair returning to Black Box this December.
- Priority to projects in Manufacturing, Food or IT sector, with capacity to create jobs / Employment <10 employees and the ability to demonstrate market potential for product/internationally traded service
- Regional and Galway based initiative to develop exports (13 clients on pilot) Quarter 4 2022
- 2023 focus – staff development & technical training to deliver new supports.

Cllr McHugh thanked Breda Fox for her presentation and for the significant amount of work that has been carried out by the Local Enterprise Office.

Cllr McHugh invited questions/observations from the floor.

Cllr Declan Geraghty queried the new export scheme and asked if it would include the UK and Northern Ireland.

Ms. Fox advised that the scheme is open to Northern Ireland and the UK.

Cllr Geraghty stated that energy costs were not the obstacle facing businesses at present and that the competition between businesses in hiring staff is also a big issue. People in the construction industry in particular are getting offered higher wages to work in Dublin, making recruitment for construction businesses in other areas of the Country difficult.

Cllr Gerry Finnerty queried whether the energy cost schemes are open to businesses that don't fall under the manufacturing sector such as butcher shops.

Ms. Fox confirmed that the energy cost schemes are open to businesses in all sectors.

Dave Hickey thanked Breda for her presentation and queried if businesses are eligible to apply for a second Trading Online Voucher.

Ms. Fox confirmed that business can apply for a second Trading Online Voucher.

Cllr Mary Hoade thanked Breda for her presentation and stated that she was glad to hear that there was now a full compliment of staff in the Local Enterprise Officer. Cllr Hoade concurred with Cllr Geraghty in relation to the difficulties businesses are facing in recruiting staff. Cllr Hoade asked if there are any supports available through the Local Enterprise Office for businesses not eligible for the energy cost schemes.

Ms. Fox stated that larger employers have always been better positioned to offer better wages to employees and that the issue in competition in relation to staff recruitment has always been there. Ms. Fox stated that lifestyle choices since Covid have also had an impact on where people are relocating to and living, this has also had a knock-on effect on recruitment in certain areas.

Ms. Fox advised that the energy cost schemes are open to all businesses that are tax compliant. Ms. Fox advised that emails will be sent out to LEO clients advising them of these schemes once finalised.

Cllr Tim Broderick thanked Breda for her presentation and concurred with Cllr Geraghty in relation to recruitment for businesses.

Paul Carey advised the members that wages for the construction industry are agreed at National level by the Construction Federation Ireland and that people willing to relocate and work in the likes of Dublin will be offered better wages than in other areas around the Country.

Cllr Geraghty thanked Breda Fox and all the Local Enterprise Office team for their work.

Cllr McHugh thanked Breda for all the work that the Local Enterprise office do to help and guide businesses in Galway.

This concluded the Local Enterprise Office presentation.

IDA

Cllr McHugh introduced Ricky Conneely, IDA West Regional Manager to give an overview of the work carried out the IDA Western Region.

Ricky Conneely introduced himself to the members and gave an overview of the work carried out by the IDA in the West of Ireland.

Mr. Conneely advised that the IDA Ireland is Ireland's inward investment promotion agency. Attracting new foreign investment to Ireland and working with existing investors to scale and develop their investments

Foreign Direct Investment Agency for Ireland - 100% funded by the Irish Government

Total annual budget of approx. €175 million

The objective of the IDA is to attract new investment from around the world for Ireland and to provide assistance to existing clients to expand and develop their business from Ireland Create valuable & sustainable employment. The IDA support 250,000+ jobs in target industries

The IDA have a global office footprint in Mountain View – Irvine – Austin – Atlanta – Chicago – Boston – Chicago – New York – Sao Paolo - London – Paris – Frankfurt.

IDA Irelands Business Focus:

Information & Communication Technologies (Tech)

Life Sciences & Food (Medtech & Pharma)

Engineering, Industrial and Clean Industries.

Content, Consumer & Business Services

International Financial Services.

Mr. Conneely advised that the IDA work with many leading global companies across multiple business sectors.

120 IDA client companies in the region

29,419 Employed in IDA Client Companies

- + Galway – 94 IDA client companies (22,801)
- + Mayo – 16 IDA client companies (5,145)
- + Roscommon – 10 IDA client companies (1,473)

FDI related Employment

- + Direct: 29,419
- + Indirect: 23,535
- + Combined: 52,954

Estimated annual economic Impact of FDI in the region

- + Payroll: €1,521 million
- + Spend on Irish Services & Materials: €833 million
- + In-house spend on R&D: €349 million

IDA Ireland Building Programme 2021-2024

3 Buildings planned in the West Region including 2 in Galway. IDA Ireland continues to keep its land holding under review and when purchasing additional lands, engages closely with relevant stakeholders.

Mr. Conneely advised that there are currently buildings under construction in Parkmore and that there are sites located in various areas around the County that have been developed and are ready for immediate occupation.

Mr. Conneely stated IDA Ireland is cautiously optimistic for Foreign Direct Investment and that the IDA Ireland works in partnership with Galway County Council along with wider regional stakeholders in the region to encourage further investment in the region.

Cllr McHugh thanked Mr Conneely for his presentation and opened the floor to questions/observations.

Cllr Tim Broderick thanked Mr Conneely for his presentation and for all the work that the IDA do with local people. Cllr Geraghty queried if Mr Conneely had any update on the situation with the Arrabawn building in Ballinasloe. Cllr Geraghty stated that future proofing of transport needs to be considered for Ballinasloe as the traffic situation is off putting for potential investors.

Mr. Conneely advised that Arrabawn was an Enterprise Ireland client and therefore remain under the Enterprise Ireland remit and not the IDA, but that the IDA were engaging with Enterprise Ireland in relation to this issue. In relation to the traffic issue in Ballinasloe Mr Conneely stated that he is happy to get the property team in the IDA to liaise with Galway County Council on this matter.

Dan Dowling queried if the IDA had any remit in West Galway.

Mr. Conneely advised that Gaeltacht areas were covered by Údaras na Gaeltachta but that the IDA dealt with non-Gaeltacht areas in West Galway.

Alan Farrell acknowledged the work of both the Local Enterprise Office and the IDA. Mr Farrell stated that the IDA meet regularly with Galway County Council, which ensures that any potential opportunities are taken by Galway County Council. Mr Farrell advised that the IDA are one of the stakeholders with regard to the potential for the development of the former Galway Airport site and that the Council have engaged with them and Enterprise Ireland in terms of opportunities for the site as a follow on from the objective in the County Development Plan. Mr Farrell stated that there would be engagement with Mr Conneely and the IDA on the next stage of the Local Economic Community Plan, stating that the potential for the sites within the economic corridor and key towns would be a focus for the plan.

Mr. Conneely stated that there is recruitment opportunity in the West due to the large number of graduates coming from third level institutions in the West. There is an opportunity to create job opportunities for graduates.

Cllr McHugh stated that a lot of smaller businesses are on the cusp of expansion but run in to trouble when trying to find a space to expand to.

Cllr Geraghty asked Mr Conneely is there as anything that the IDA envision doing to encourage young people to stay in Ireland and to entice emigrants back to Ireland.

Mr Conneely stated that a lot of emigrants come back to Ireland with a wealth of experience and that this needs to be seen as one positive. Mr. Conneely advised that there are campaigns run by the Western Development Commission and Intreo to actively encourage emigrants back to Ireland and to entice graduates to remain in Ireland after graduation.

Cllr McHugh stated that the current housing crisis is also having a negative impact on businesses as some areas of the Country are now too expensive for people to live in.

This concluded the IDA presentation.

AOB

Cllr McHugh asked the members if there was any other business.

Alan Farrell advised the committee that there will be an SPC update on the Tourism Strategy in December. Mr Farrell advised that the Local Economic Community Plan work is ongoing and that he is hoping to bring the advisory steering group together once the initial stage of the work had advanced adequately. Mr Farrell also informed the members that expressions of interest for the LEADER programme were now open.

Cllr Geraghty raised his concern about the communication between the Planning Department and the elected members and said that there were concerns in relation to economic and enterprise opportunities as planning was an obstacle. Mr Farrell advised that the Council had just been through an extensive process for the County Development Plan and that this set the policy and advised that there was a planning SPC. It was agreed that Cllr McHugh and Cllr Geraghty formulate a proposal to be brought before the Corporate Policy Group in relation to this matter.

Cllr Broderick raised concerns about the reduction in funding being allocated to Galway under the LEADER programme this year.

Cllr Hoade concurred with Cllr Broderick and expressed her disappointment at the announcement of the amount of LEADER funding for Galway.

Mr. Farrell concurred with comments made in relation to the LEADER funding stating that any reduction in funding would be negative. Mr Farrell advised that a letter is currently being prepared by the LCDC and other partners to be presented to the Minister in relation to this matter.

It was agreed that the next SPC take place in December to facilitate the finalisation of the draft Tourism Strategy.

As there was no other business to be discussed Cllr. McHugh thanked all for attending the meeting and the officials that presented. The meeting then concluded.

