

THE NEWRY & MOURNE TERRITORIAL EMPLOYMENT PACT

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EXECUTIVE SUMMARY

In 1996 the European Commission adopted a strategy for actions for employment in Europe. This strategy is known as the **Territorial Employment Pact Initiative** and seeks to make the fight against unemployment in Europe a priority.

As will be explained later in this submission, rather than setting up another grouping/action team/quango, it was agreed to implement the Territorial Employment Pact in Newry & Mourne through the established and broadly representative Newry & Mourne Economic Forum. The Forum has been seeking, with some success, to cross-reference and where possible to pull together the “activities of the existing organisations, agencies and bodies who have been operating in the Newry area for years”.

The Economic Forum is a strategic partnership of private, public, voluntary and community sector agencies. Under the auspices of the Forum a TEP working group was set up to assist with the preparation of this Action Plan to ensure unity of purpose and clarity of focus in relation to the Pact's objectives. The group met on several occasions to actively identify innovative projects and programmes which could be delivered directly through or initiated by the Territorial Employment Pact. The TEP Programme Manager appointed also undertook a comprehensive consultation exercise with a wide range of local bodies not represented on the Forum.

The actions outlined in this Plan were thus the product of active consultation. They were finally recommended for approval by the full Newry & Mourne Economic Forum on 14 December 1998 (the full Forum meets twice per annum).

This Action Plan is intended to be a flexible plan which can be developed beyond 1999. The Newry & Mourne Pact Working Group will maintain a continuous dialogue with external organisations, the private & public sector and in particular the various groupings established to deliver other economic development programmes in order to foster greater coordination of activities.

The Pact will provide a framework for the development of the local District Council's forthcoming 2000-2003 Economic Action Plan.

The Pact will provide opportunities not available in other programmes to:

- Assess the impact of current programmes;
- Identify gaps in provision and barriers to labour market access;
- Design and develop innovative pilot projects;
- Establish a strong partnership between Private, Statutory and local Government representatives for development of strategies to combat unemployment.

Private Sector Involvement:

Local industry and Commerce increasingly realises the benefits of participating in partnerships such as the Pact. Businesses are affected by the local environment in which they operate and are becoming aware of the benefits of helping to direct and manage policies which promote a vibrant local economy with appropriately skilled labour force and well targeted business support activities.



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The **challenge** has been how to build on this growing awareness and to truly integrate the private sector into the Pact. The approach adopted by the Newry & Mourne Pact has been to recruit the support of Chambers of Commerce and Trade and large stakeholder employers who in our community have enormous credibility with the business sector

Resources:

The Pact aims to target & co-ordinate *existing* resources with the primary objective of avoiding spending overlaps. The TEP also hopes to be an effective means of attracting match funding to the network of pre-existing economic development programmes thereby helping to create new synergies.

The TEP can only be effective if resources are allocated to it as a co-ordination framework on a long-term basis. During 1999 the N&M Pact will seek to pilot a series of innovative projects some of which may be mainstreamed through the District Council's Economic Action Plan or other Central Government economic development programmes.

It was agreed by the TEP working group that the proposed Pact projects should be prioritised and implemented in phases:

- **Phase 1 projects to be implemented early in 1999 following approval of the Pact Action Plan;**
- **Phase 2 projects are not fully developed and further research needs to be carried out by the Pact before implementation – towards the end of 1999;**
- **Phase 3 projects which will be introduced to other economic development programme teams for consideration with a view to inclusion in their 2000 + strategies.**

The proposed programmes and projects, by theme and timescale for delivery, are set out in the table below:

FRAMEWORK OF PROPOSALS

TIMESCALE	SOCIETY & THE LABOUR MARKET	COMMERCE & TRADE / NEEDS OF BUSINESS
<u>PHASE 1</u>	A1 - Transit A2 - Recruitment Fair A3 - Bringing I.T to Industry A4 Youthreach Taster Programme	A11 - Cross-Border TEP Working Group
<u>PHASE 2</u>	A5 - Attitude survey of LTU A6 – Pathways to a New Life A7 Study of deprivation at small area level in N&M	A12 - Best Practice in the community business sector A13 - How to win new supply contracts
<u>PHASE 3</u>	A8 - Survey of Employers IT needs A9 Job Search Seminar Programme for Schools A10 - Business / Training provider working group	

The Newry & Mourne Territorial Employment Pact is seeking the approval of the European Commission to progress with its 1999 proposals.



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1. INTRODUCTION

1.1 Background:

On the 7th January 1998 the Training & Employment Agency submitted a document to DGXVI proposing to establish a Territorial Employment Pact in Newry & Mourne, Northern Ireland. On the 3 February 1998 the Training & Employment Agency wrote to a number of local bodies/firms to determine whether they would be interested in supporting the establishment of a Territorial Employment Pact. Following a series of meetings Newry & Mourne District Council and Newry & Mourne Enterprise Agency indicated their willingness to co-ordinate the implementation of the Pact under the auspices of the multi-sectoral **Newry & Mourne Economic Forum**.

1.1.2 Geographical coverage:

The Territorial Employment Pact will be located in the Newry & Mourne **District Council** area which has a population of 85,000.

1.1.3 Organisation and Partnership:

As will be explained later in this submission, rather than setting up another grouping/action team/quango, it was agreed to implement the Territorial Employment Pact through the established and broadly representative **Newry & Mourne Economic Forum**. The Forum has been seeking, with some success, to cross-reference and where possible to pull together the “activities of existing organisations, agencies and bodies who have been operating in the Newry area for years”.

1.1.4 Organising work:

In the interests of efficiency and value for money the Territorial Employment Pact Working Group appointed Newry & Mourne Enterprise Agency as the Programme **delivery agent** and Ms Sharon McGrath was appointed as Programme Manager in October 1998.

1.1.5 Co-ordination with the Northern Ireland Single Programming Document Programme Monitoring Committee:

The Newry & Mourne Territorial Employment Pact Working Group has within it's membership Mr Billy Boyd, Training & Employment Agency Southern Region Co-ordinator, who has been remitted by the Working Group to maintain effective liaison between it and the SPD Programme Monitoring Committee.

1.1.6 Action Plan:

As part of this document we identify a number of actions which the Forum TEP Working Group as a partnership of local interests, believe could have a positive effect on reducing unemployment and creating employment in Newry & Mourne. The rationale for these actions is based on our own development strategies and local knowledge, as well as a recently completed cross-border **skills survey** (produced by Newry & Mourne Enterprise Agency and the Dundalk Employment Partnership) appended and consultations with the private sector and organisations responsible for local community and economic development.



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1.1.7 Will the Territorial Employment Pact form part of an integrated strategy?

Housing the Territorial Employment Pact under the auspices of the Newry & Mourne Economic Forum ensures that it fits within the existing economic development strategies of the Peace & Reconciliation District Partnership, Newry & Mourne District Council Economic Action Plan, LEADER, Local Economic Development Unit (LEDU), and Department of Agriculture Northern Ireland (DANI), all of whom are represented within the Forum. The SME sector and rural development will be addressed through the representation of LEDU and DANI on the Working Group.

1.1.8 Innovation:

The actions proposed are innovative. They are based on detailed research and fill identified gaps in provision. Furthermore, the Territorial Employment Pact in Newry & Mourne is well placed to promote innovation, being established under the auspices of the broadly representative Economic Forum which advises the democratically accountable District Council on economic issues.

1.1.9 The Essen principles:

Our analysis gives emphasis to the importance of stimulating motivation amongst the unemployed (a key “immaterial factor of growth”)

While we do, collectively as part of our wider economic development strategy for the region, pursue the “creation of new kinds of activities”, the problem in Newry & Mourne is that the Long Term Unemployed represent a group which lacks self esteem, endures endemic social problems and is not sufficiently motivated to enter the labour market effectively, i.e. to fill vacancies and jobs which do in fact exist.

The role of SME creation and self-employment is addressed by the action plan.

The reduction of non-wage labour costs is being addressed as part of the UK Labour Government’s **New Deal** policy initiative.

Encouraging tailor-made pathways for the unemployed is part of the action plan, although in our view what is needed is fewer new initiatives and more effective co-ordination of existing employment creation programmes and those for the Long Term Unemployed to enable them to have access to and make use of the multiplicity of options which are available, by a combination of better promotion and hand holding.

Our *raison d’être* is to “create accessible and sustainable employment opportunities for communities which would otherwise endure high levels of unemployment.”

1.1.10 Quantified Objectives:

If these are to have any real meaning they have to be the result of full consultation with the representatives in the Working Group. It is worth stressing our view that the establishment of an effective working group is itself a key action of the Territorial Employment Pact. We do in this submission list the areas where targets will be established.



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1.1.11 Monitoring and Evaluation:

We propose to make a twice yearly monitoring report to DGXVI on the implementation of the PACT in Newry & Mourne.



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1.2 NEWRY AND MOURNE STRATEGIC ISSUES

1.2.1 Introduction

1.2.1.1 Unemployment is an economic inefficiency. But it is not the only economic inefficiency in an area like Newry & Mourne. There are also problems of inappropriate or inadequate labour supply, uncompetitive industries, difficulties in attracting outside investment, problems in sales planning in a currency border zone and so on. All of these factors affect the availability, quality and stability of employment. However these factors are themselves affected by social, cultural, political and technological trends and the problem for society and Government is that they in turn have human consequences which create further damaging social, cultural and political influences. The resultant cycle of disadvantage can be very difficult to reverse. To do so requires **co-ordinated strategic action** to tackle social problems, of structural weaknesses in the labour market and competitiveness issues in industry.

1.2.1.2 In our **action plan** we are attempting to acknowledge that for a Territorial Employment Pact to be effective it must take account of the complex range of factors which affect employment quality and sustainability in a local economy. We suggest how the Territorial Employment Pact could play a useful strategic role in promoting or advocating for change and where appropriate propose specific actions which may be able to effect a direct and positive impact on both employment creation and unemployment reduction.

1.2.1.3 We have drawn up a **strategic frame of reference** which focuses on the following issues:

- **Society and the Labour Market**
- **Commerce and Trade / Needs of business**

1.2.1.4 In each section we highlight specific **strategic** issues followed by an overview of the **current activities** of Government, local authorities and community sector bodies in attempting to address these issues. We then indicate how we feel the Territorial Employment Pact could play a useful **strategic role**, followed by specific outline **actions** where appropriate.



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2. STRATEGIC ANALYSIS AND RECOMMENDED ACTIONS

2.1 SOCIETY AND THE LABOUR MARKET



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SOCIETY & THE LABOUR MARKET

2.1.1 STRATEGIC ISSUES:

- Young population
- Educational standards
- Disadvantage
- Community Development
- The two Northern Irish Communities
- Skills mismatches
- Barriers to training
- Labour supply & demand – structural problems

Young Population

Newry (population 1991: 21,633) is the largest town and administrative centre of the Newry and Mourne Local Authority District. Newry and Mourne is the fourth largest District Council area in Northern Ireland (5.6% of the NI population) and covers 320 square miles. Newry & Mourne has the youngest population in Northern Ireland (28% are aged under 15). The Under 19 age group represents 36.8% of the population, compared to the N. Ireland average of 32.5%. The Over 65 age group represents 11% of the population as against a N. Ireland figure of 12.6%.

Educational Standards

The area educates young people to a very high standard, (for example, 25% of school leavers in Newry & Mourne have an 'A' Level education or above, and 19% are educated to third level standard, believed to be the highest in the UK). This is in part explained by an impressive educational infrastructure with no less than 15 post primary schools in Newry and Mourne (including the Further Education College). Ironically, however, Newry also has 38% of its economically active population with no qualifications at all, substantially higher than the Northern Ireland average.

Disadvantage

The polarisation of society referred to in 2.2.1.2 in Newry & Mourne into qualified "insiders" and unqualified low skill "outsiders" reflects a trend which has been observed in other advanced industrialised economies. It is manifest most notably in the development of an underclass, isolated from the market economy, benefit dependent and enduring multiple social problems. These groups are concentrated in a number of deprived housing estates in Newry and rural villages in South Down and South Armagh. Newry and Mourne District has been ranked by a Department of Finance and Personnel sponsored study of multiple deprivation in Northern Ireland as the fourth most deprived District Council area in Northern Ireland. The scourge of unemployment is deep-rooted in Newry and Mourne, particularly in Newry town where, in some areas, third generation unemployment is not uncommon. The problem for those working to regenerate the area's economy is that there are large numbers of young people who not only have no experience themselves of employment but who come from families and who live in areas where there is no tradition of regular employment.

Community Development

The lack of employment, and particularly the absence of a tradition of employment in large manufacturing firms, has led to the development of a self-help, community centred social economy ethic in Newry and Mourne. As a result, the community sector in the region is well developed and mature. Newry & Mourne Co-operative, ROSA, the Confederation of Community Groups, Clanrye Abbey Developments, the Newry Volunteer Bureau - all have been pioneers in Ireland of community business, advocacy on behalf of the disadvantaged and provision of support networks to mitigate the effects of social disadvantage.

The Two Northern Irish Communities

Newry and Mourne is a predominantly Catholic/Nationalist District with 85% of people in the 1991 census declaring themselves Catholic, 9% declaring themselves Protestant and 6% declaring no religious affiliation or



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registering as "don't know". The Protestant minority in the District is concentrated in three main areas: Kilkeel/Annalong, Bessbrook/Mountnorris and Shandon Park. The West of the district, incorporating Newry and South Armagh has been the focus of periods of intense political violence and civil unrest during the course of the last 25 years. The area remains relatively heavily militarised. One result of this situation has been that the Protestant community in Newry and Mourne has declined in number, most noticeably in Newry town. The **geographical concentration of the Protestant community in South East Down** has only served to heighten its sense of isolation within the District. While there has not been overt sectarian tension in the District on the scale of that elsewhere in Northern Ireland and while, in the main, relations between the two communities have been **workmanlike**, there remains much that could be done to encourage more active partnership and interaction between Catholics and Protestants in Newry and Mourne. That said Newry & Mourne District Council has led the way in Northern Ireland in fostering co-operation between the two communities, maintaining a power sharing arrangement in the Council in which the Chairmanship of Council and of key Committees is rotated annually between the majority nationalist and minority unionist parties. This proactive approach to community relations is reflected in the broad spectrum of opinions represented in the Newry & Mourne Economic Forum.

Unemployment

The total number of unemployed in Newry & Mourne is 3,415. This represents 9.9% of the economically active population compared to the Northern Ireland average of 7.1%.

Skills Mismatches

A Training and Employment Agency analysis of the skills of those who were unemployed in Newry & Mourne reveals that the reason most individuals were unemployed was because jobs were not available in the sectors for which they were qualified or skilled (i.e. a skills mismatch):

In 1993 the Training & Employment Agency produced a Skills Survey Report for the Newry & Mourne District. It found that:

- Those seeking work were more likely to have formal qualifications than elsewhere in Northern Ireland and the UK.
- A higher proportion of adults seeking work were educated to at least 'O' level or equivalent than in Northern Ireland as a whole.
- The level of participation on Government Training Schemes was higher and the reaction to them more positive than elsewhere in Northern Ireland.

The survey concluded that addressing the issue of unemployment involves tackling three challenges:

- (a) How to motivate the unemployed to consider activity options other than jobs based in their immediate locality.
- (b) How to build or re-establish the discipline of time management amongst the long term unemployed.
- (c) How to enable those who are long term unemployed to identify the full range of their capabilities and to more effectively promote these to employers.

There is the potential to reduce the numbers unemployed if training and education programmes are **amended** so that people are provided with the qualifications and skills which are in demand in the local labour market. There are however a number of barriers hindering people from participating in training. The barriers below were identified in the Newry & Mourne area:



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Newry and Mourne - Barriers to Training

Barriers	Unemployed (%)
No courses in area	12%
Don't have the time	9%
Never really thought about it	8%
No-one to look after the children	6%
Lack of qualifications	4%
No information on courses	4%
Courses too far away	2%
No transport	2%
Poor health	2%
No jobs - no point	1%
Not clever enough	1%

It would not be unreasonable to impute from this and other surveys that if the long-term unemployment issue is to be tackled a package which adequately addresses the barriers which conspire to exclude many people from training must be put in place, in particular:

- (a) the accessibility of training
- (b) the need to be sensitive to the personal circumstances of individuals.

Labour Supply and demand - structural problems

- (i) Government figures comparing unemployment since the beginning of 1990 against the level of unfilled vacancies show that the level of unfilled vacancies has doubled over this period whereas unemployment fell only a little. This indicates that the number of jobs available is rising but that they are not being filled.
- (ii) The benefit system in Northern Ireland is now putting the long term unemployed under pressure to seek employment, whatever their personal difficulties. Representatives of training organisations in Northern Ireland are now arguing that developing the **self esteem** of the long term unemployed, to guide them into making informed life decisions, must be part of the new mainstream solution to the unemployment problem. It is also our conclusion that such measures are essential to prevent further demoralisation of those who may already be deeply disaffected, to ensure that their transition into employment is a positive experience.
- (iii) There is also a problem of an "underclass" of poorly educated long term unemployed people living in deprived housing estates in Newry & Mourne. Amongst this group **motivation** is a problem. Educational attainment amongst young people in such areas is well below the Northern Ireland average. It has been the case that in certain sectors requiring labour with a significant degree of education and training the labour market has become quite tight and recruitment has become more difficult. By contrast the availability of manual/low skill employment has declined. **This education/training gap is cited by commentators as the single most important factor explaining skills shortages and mismatches within the labour market.** The problem for the training organisations is that those who remain unemployed and are the focus of their training efforts are, increasingly, groups who have attendant deep social and personal problems.
- (iv) Most of those who are unemployed in Newry & Mourne have found it difficult to make the transition from school into training or employment. The overall picture to emerge from research is of institutional structures which seem not to serve a minority of people in a very positive manner
- (v) The unemployed tend to come from households in which other members have had experience of unemployment or economic inactivity. For many who are unemployed, especially those who have been unemployed for some time, their self-motivation declines. **There is clearly a need to rebuild their confidence and to map out a route for them into productive economic activity.**



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- (vi) There is a considerable body of research on labour market supply which we have tried to summarise above. What is less clear is the **nature of demand for labour** and in particular the extent to which demand in some sectors is not being matched by supply. It is sometimes claimed that the mismatch is simply because the jobs on offer are poorly paid and menial. However, the Newry & Mourne/Louth survey which is detailed in appendix 1 shows that there are skills shortages in sectors which are not noted for very low pay or poor work conditions.
- (vii) What is significant in the Newry & Mourne / Louth survey is that employers seeking to recruit cite **“personal characteristics”** including motivation as a skills **weakness in the local labour market**. The most significant skills shortage cited by employers in Newry & Mourne was “core skills”, i.e. basic literacy and numeracy. This was followed by **lack of computer/IT skills**. Clearly therefore there are **significant supply side weaknesses** in the labour market in Newry & Mourne. These include specific skills shortages which can be addressed by proactive training programmes. However, they also include the more general and arguably more intractable “lack of core skills” and “weak personal characteristics”. These deficits are the result of more substantive long term structural difficulties within the education system and within especially deprived communities. Addressing these issues requires a macro level intervention by central government which 1) seeks to tackle the failure of the education system to nurture enough of the young people in society who have intellectual or behavioural weaknesses and 2) breaks the cycle of “inherited disadvantage” in socially excluded communities.
- The U.K Government’s **“New Deal”** Policy aspires to provide a coordinated training, counselling and job placement programme targetted particularly at LTU young people which is sensitive to the social disadvantages which can predispose people to be unemployed.



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2.1.2 CURRENT ACTIVITY

❖ FUNDING PROGRAMMES

The period up to the end of 1999 offers the prospect of an unprecedented level of public sector support for local economic development and employment creation programmes. The Special Support Programme for Peace and Reconciliation has provided a further £180 million for economic and social development in Northern Ireland over and above the £1 billion of EU aid provided to the Province under the 1995-99 Objective One Programme, as well as the additional resources provided by the International Fund for Ireland. One feature of these funding programmes is their emphasis on prioritising projects in areas of social need. (Targeting Social Need or TSN) and projects which take full account of gender, religious and cultural contexts (PAFT).

Allocations of funding to District Council areas under such programmes as LEADER and the Special Support Programme for Peace and Reconciliation have been based in part on the degree of disadvantage prevailing in each area. Newry and Mourne, the 4th most deprived District Council area in Northern Ireland, with 44% of its population living in TSN wards, has been allocated significant funding from a range of programmes up to 31 December 1999: £2.6m from the Special Support Programme, £1m from LEADER, the £2m PESCA Programme, £500,000 for Council led local economic development and £1m for the Department of Agriculture area based strategy in South Armagh.

Another area of activity being given priority is the promotion of **cross border co-operation**. As a border region with close links to the Southern border counties, Newry and Mourne also has the opportunity to tap into substantial resources for cross border development under INTERREG and under Special Support Programme measures being managed by Co-operation North and Combat Poverty/ADM.

❖ POLICY PARTNERSHIPS

The focus of local politicians has only recently concentrated on socio- economic issues. Because of the combined effect of a local government remit until recently confined to minor powers, and the major distraction represented by the troubles, the issue of how to navigate economic trends which have been so damaging to the economy of the region was given inadequate attention over the years by local politicians. However, a long standing fatalism about Newry's economic fortunes has been overcome in the 1990's with major initiatives such as the Newry Regeneration Trust and the extension of economic development powers to the District Council. Nevertheless local government officers and councillors have acknowledged the need to obtain quality advice to assist them in developing their competence in the field of economic development.

The District Council has established an **Economic Forum** to facilitate an exchange of views and information on economic issues between the Council and the wider community. One positive feature of the proliferation of quangos which filled the democratic vacuum in Northern Ireland during 25 years of direct rule from Westminster has been the establishment of a **partnership approach** to policy making, linking statutory agencies, local government, community groups and business representatives. The negative side to all of this, however, is the lack of a co-ordinating structure, of an overall view, of an ability to "see the wood for the trees". There is a demand in Newry & Mourne for leadership which the Newry & Mourne Economic Forum now sees the Pact as providing.

❖ LOCAL GOVERNMENT LED ECONOMIC DEVELOPMENT

The allocation of £863,127 to Newry and Mourne District Council for its 1997/99 Economic Action Plan was the catalyst for the formation by the District Council of the Newry and Mourne Economic Forum, the primary function of which has been to enable Council officials and members to seek advice on economic development issues from representatives of the statutory, business and voluntary sectors. The strategy which was subsequently drawn up by the District Council was the first strategic analysis of the economic strengths and weaknesses, the development needs and the actions to address them, ever drawn up for Newry and Mourne. This TEP Action Plan builds on that foundation and on the recent highly innovative work of the Peace and Reconciliation District Partnership established under the Special Support Programme for Peace and Reconciliation.



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- A number of community regeneration projects and tourism initiatives promoted by community groups have been supported in the 1997-99 Economic Action Plan.
- The Newry & Mourne Business Education Partnership, part-funded by Newry & Mourne District Council, aims to bring benefits to schools by facilitating greater involvement by business and commerce in the design and delivery of the curriculum.

❖ INTERNATIONAL FUND FOR IRELAND

The IFI is a source of assistance for Community Groups promoting capital regeneration projects in disadvantaged (TSN) areas. It also has helped to fund programmes which facilitate contact between disadvantaged young people and their peers across the border and overseas (the "Wider Horizons Programme").

❖ RURAL DEVELOPMENT PROGRAMME – DEPT. OF AGRICULTURE FOR NORTHERN IRELAND

- The Rural Development programme has provided significant levels of assistance for, in the main, large capital projects promoted by community groups in Newry and Mourne's rural areas, the aim being to enable groups to provide a service to their communities and to generate an income to sustain their activities. Increasingly the programme has been focusing on developing groups and assisting them in delivering programmes within their communities.
- The Area Based Strategy in South Armagh (ABSAG) has provided an additional £1m of aid to the disadvantaged South Armagh area. Within the programme resources have been targeted at promoting a positive image of the area.
- During 1998 the Rural Development Programme co-funded an innovative training programme to assist 'part-time' businesses to develop into legitimate full-time trading companies.

❖ SPECIAL SUPPORT PROGRAMME FOR PEACE AND RECONCILIATION

The Newry & Mourne Peace & Reconciliation District Partnership in its strategy for 1997-1999 prioritised:

- The long term unemployed;
- The disabled;
- Deprived communities – community development;
- The promotion of reconciliation between the two communities;
- Young people / schools;
- Productive Investment / Business expansion.

❖ CRAN

The Community Regeneration Agencies Network (CRAN) is a co-ordinating framework for the activities of ROSA (Regeneration of South Armagh), ROMAL (Regeneration of the Mournes Ltd), the Confederation of Community groups, and Newry and Mourne Co-operative/Enterprise Agency.

❖ NOW PROGRAMME

Newry & Mourne Enterprise Agency and Southern Group Enterprises are delivering a business administration programme which includes a personal development component for LTU women in Newry & Mourne in 1998 and 1999.

❖ THE TRAINING & EMPLOYMENT AGENCY

The Training & Employment Agency in Northern Ireland approve and sponsor a number of training organisations to deliver specialist training programmes which seek to provide skills which are in demand in the local labour market. These **Recognised Training Organisations (RTO's)** provide a wide variety of courses. All the RTO's offer National Vocational Qualifications (NVQ's). The NVQ approach is built on enabling trainees to develop the necessary skills within their vocational area through directed training and the practical



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application of such skills in a realistic working environment. The employers role in providing this latter component is therefore critical.

❖ RECOGNISED TRAINING ORGANISATIONS (RTO's)

The RTO's in Newry & Mourne:

- Southern Group Enterprises Ltd
- Link Training
- Southern Itec Ltd
- Clanrye Training and Employment Ltd
- Newry Training Centre
- Newry & Kilkeel Institute of Further and Higher Education.

❖ JOBSEEKERS ALLOWANCE

The UK Government has adopted a new scheme, JOBSEEKERS ALLOWANCE, to “encourage” the unemployed into employment. The thrust of the initiative is to maintain pressure on the unemployed to demonstrate that they have been actively seeking employment, and to link benefit payments to the fulfilment of a set of strict conditions.

The rationale which underpins this approach is that during every upturn in the economic cycle employers report difficulties in recruiting workers and complain about “skills shortages”. In Northern Ireland these reports have become increasingly frequent.

By applying active pressure on the unemployed through Jobseekers Allowance the aim is to reduce the unemployment level whilst simultaneously filling job vacancies.

❖ NEW DEAL

The New Deal Welfare to Work Scheme was introduced in April 1998 by the Labour Government in the UK to tackle the problem of young and long term unemployment. The New Deal consists of two schemes, the first targets 18-24 year olds who have been out of work for six months or more; the ‘alternative employment’ option targets people aged 25 plus who have been unemployed for at least two years. The scheme combines training for 1 day a week with 4 days in a work environment. This is intended to lead towards the achievement of an accredited NVQ, usually at Level II or Level III if appropriate.



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2.1.1.3 STRATEGIC ROLE FOR THE TERRITORIAL EMPLOYMENT PACT

- Develop programmes which:
 - 1.) In conjunction with partner community regeneration agencies give confidence to under achievers and help them to make the transition into training and skills development.
 - 2.) offer the regions young people the opportunity to use their talents and gain the experience which will enable them to make the transition into employment or running their own businesses.
- Consolidate the Territorial Employment Pact's role in advising the District Council. Encourage, through the Newry & Mourne Economic Forum, acceptance of a common set of strategic objectives.
- Through the influence which the Economic Forum can exert, assist other economic development programmes to focus their actions on agreed objectives – the creation of employment opportunity and the mitigation of the causes of unemployment.
- Develop more sensitive small area analysis of the nature of deprivation in Newry & Mourne. Make this available to policy makers to encourage a higher allocation of resources to the needs of disadvantaged groups and areas.
- Convene a core team of programme managers.
- Promote PAFT principles in all the Territorial Employment Pact's activities, internally and externally. This means in the Newry and Mourne context giving particular priority to equality of opportunity for the region's Protestant minority.
- Consider innovative ways of encouraging greater inter-community contact and co-operation, particularly amongst young people.
- Challenge at every opportunity negative media labelling of the region.
- Encourage the Training & Employment Agency/RTO's to cultivate a more **co-operative relationship** within the network of training providers. There is the potential for exchange of principles of **best practice** among training providers perhaps exploiting wider European transnational partnerships. However, first and foremost there is a need for active collaboration between the Training & Employment Agency and FAS in the border region. Where employers cannot recruit locally they should be helped to source labour across the border where there may be people available with the appropriate skills. It is clearly economically inefficient that in a transfrontier region like Newry & Mourne/Co. Louth, with three large centres of population and commerce only 25 miles apart, there are in effect two, quite separate support systems.
- Encourage the regular **exchange of information** on job vacancies between job centres on both sides of the border to open employment opportunities to the unemployed in both jurisdictions. The EURES initiative does offer a framework within which this co-operative relationship can be developed.
- Encourage **better promotion** of the services offered by the Training & Employment Agency/RTO's. There exists an information gap between employers and the training organisations. Employers need to be educated as to what qualifications are on offer in each jurisdiction. The Training & Employment Agency/RTO's should work together to ensure that employers in Newry & Mourne are aware of what skills training and qualifications are being offered by training organisations on both sides of the border.
- Assist Training and Employment Agency in assessing labour market supply and demand by providing **in-depth analysis of employer demand**. Make this information available to educators and trainers in the region who continue to turn out people with skills for which there is no local demand.
- Work in **partnership** with other Agencies to deliver a comprehensive package of personal skills and career development training to the long term unemployed in the region's most deprived areas.



THE NEWRY & MOURNE TERRITORIAL EMPLOYMENT PACT

SOCIETY & THE LABOUR MARKET

Proposed Actions Summary:

PHASE 1	PHASE 2	PHASE 3
Action 1 Transit Programme Action 2 Recruitment Fair Action 3 Bringing I.T. to Industry Action 4 Youthreach Taster Programme	Action 5 Attitude Survey of the LTU Action 6 Pathways to a New Life Action 7 Study of Deprivation at small area level in Newry & Mourne	Action 8 Survey of Employers I.T. needs Action 9 Job search seminar programme for schools Action 10 Establishment of business / training provider Working Group



THE NEWRY & MOURNE TERRITORIAL EMPLOYMENT PACT

SOCIETY & THE LABOUR MARKET

PHASE 1 – ACTION 1

PROJECT TITLE:

TRANSIT PROGRAMME

RATIONALE:

Unemployment in South Armagh has long been one of the most intractable social and economic problems which the area needs to address. Long term unemployment is particularly bad in the region.

Despite the relatively high rate of unemployment Programmes to encourage self employment and other initiatives aimed at resolving unemployment have found it difficult to recruit in the area. The TEP working group therefore considered that a special initiative was needed to:

- Raise awareness among a number of unemployed people of the self-employment option and of the supports which are available for those who pursue that route.
- Motivate a number of unemployed people to participate in a structured programme which will enhance their confidence, build their skills and provide them with a worthwhile qualification.
- Lead to an increase in the number of unemployed people from South Armagh who access resources such as LEDU, N&M Enterprise Agency, Princes Youth Business Trust, IFI Emerging Business Loan Fund, etc.

Participants who enrol for the programme will be able to retain their benefits for one year.

AIMS & OBJECTIVES:

Participants will be offered an extensive support programme which will include:

- Two full days training per month;
- Two individual counselling sessions per month
- Access to a telephone helpline on an ongoing basis
- Access to the Emerging Business Loan fund operated by IFI
- Access to LEDU business start finance
- Introduction to the wider business support network
- Free banking
- Support to obtain NVQ III in Owner Management & Business Planning.

BUDGET / TIMESCALE:

Total costs	£40,000	
TEP	£ 3,000	(4500 ECU)
LEDU	£15,000	(currently being negotiated)
ABSAG	£10,000	(currently being negotiated)
N&M District Council		(amount to be confirmed)
Mentor Consultants		(as above)

To be implemented as a phase 1 project i.e. 1999

DELIVERY MECHANISM:

Participants will be recruited locally by community organisations such as Regeneration of South Armagh (ROSA) who will use their local knowledge & contacts to identify potential participants.

The training will be co-ordinated by Mentor consultants, Newry.

OUTPUTS:

It is expected that at least 15 of the 20 participants will obtain the NVQ qualification and that a similar number would become self-employed or take up employment.



THE NEWRY & MOURNE TERRITORIAL EMPLOYMENT PACT

SOCIETY & THE LABOUR MARKET

PHASE 1 – ACTION 2

PROJECT TITLE:

RECRUITMENT FAIR

RATIONALE:

Consultations with local employers, schools and training organisations has led to the TEP initiating the first **cross-border recruitment fair**. As well as acting as a 'milk round' for potential recruits, the skills fair is an important means of communicating the needs of employers in terms of skills training, experience and qualifications needed.

Such an event would encourage cross-border movement within the labour market and promote partnership between the Newry & Mourne Territorial Employment Pact and Dundalk / Drogheda TEP who have expressed a keen interest in being involved in such an event.

AIMS & OBJECTIVES:

- To profile the area for prospective employers
- To offer advice to students and prospective employees
- To offer opportunities for job seekers

BUDGET / TIMESCALE:

Total costs	£12,000
N&M TEP	£ 2,000 (3,000 ECU)
N&M Business Education Partnership	£ 3,000
Newry / Dundalk Business Linkage Programme	£7,000

To be implemented as a phase 1 project i.e. 1999

DELIVERY MECHANISM:

Event to be organised by Newry & Mourne Territorial Employment Pact with support from Dundalk Territorial Employment Pact and the Newry & Mourne Business Education Partnership

OUTPUTS:

At least 50 companies to attend Fair
At least 750 young people to attend



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SOCIETY & THE LABOUR MARKET

PHASE 1 – ACTION 3

PROJECT TITLE:

BRINGING I.T. TO INDUSTRY

RATIONALE:

The aim of the project is to enhance the I.T skills of employees in the Newry & Mourne area and to assist employers in making more informed decisions in the acquisitions and operation of computer systems. It is proposed to encourage senior personnel of SMEs to start an advanced I.T programme such as the HNC in computing. This programme is designed to equip participants with the knowledge, understanding and skills required for success in their current employment. These transferable skills will enable employees to meet changing circumstances whether these arise from a shift in their own supervisory or management roles or from general changes in computing practices and the information technology environment.

AIMS & OBJECTIVES:

- Provide specialised studies directly relevant to individual vocations and professions in which the participants are employed;
- Enable participants to make an immediate contribution in their area of work;
- Develop participants' ability in computing through effective use and combination of the knowledge and skills gained in different elements of the programme;
- Develop a range of skills & techniques, personal qualities and attitudes essential for successful performance in working life.

BUDGET / TIMESCALE:

Total costs £16,885

To be implemented as a phase 1 project i.e. 1999 – TEP to fund as a pilot project

DELIVERY MECHANISM:

Newry / Kilkeel Institute of Further & Higher Education

OUTPUTS:

- Achievement of the HNC qualifications or accreditation for units of achievement
- Achievement of the European Computer Driving License or accreditation for modules completed
- A range of transferable skills that enable employees & employers to make more informed decisions in the acquisition & operation of computer systems



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SOCIETY & THE LABOUR MARKET

PHASE 1 – ACTION 4

PROJECT TITLE:

YOUTHREACH TASTER PROGRAMME

RATIONALE:

Youthreach Taster is an intensive sampling programme aimed at school leavers who may be considering vocational training. It is designed to provide opportunities for young people aged 15 or 16 to:

- Sample a range of vocational activities;
- Make informed choices about their future;
- Stay within the education or training system.

AIMS & OBJECTIVES:

Young people will be given a choice of several vocational areas and can then spend up to one week sampling various aspects of that occupation. The vocational areas on offer are:

- | | | |
|---------------------------|-------------------------|---|
| 1.) Painting & decorating | 2.) Brickwork | 3.) Motor Vehicle Repair |
| 4.) Plumbing | 5.) Carpentry & Joinery | 6.) Fabrication & Welding |
| 7.) Plastering | 8.) Multi Media | 9.) Catering 10.) Outdoor Activities |

There will be five groups with 15 young people in each group. Each group will sample 1 or 2 vocational areas in the week & will also have 1 day of personal development which will include team building & professional careers guidance.

Youthreach will be open to young people who are seeking to broaden their experience before making important decisions about further education & training. It provides a forum for young people from across the community to come together in pursuit of common goals and to ensure they have the chance to make informed decisions about their future.

BUDGET / TIMESCALE:

Total costs £11,100 (16,650 ECU)

To be implemented as a phase 1 project i.e. 1999 – TEP to fund as a pilot project

DELIVERY MECHANISM:

Newry & Kilkeel Institute of Further and Higher Education as delivery agent on behalf of the Newry & Mourne TEP

OUTPUTS:

A more informed group of 75 16 year olds who have sampled at least one occupational area while mixing with other young people from across the community.



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SOCIETY & THE LABOUR MARKET

PHASE 2 – ACTION 5

PROJECT TITLE:

ATTITUDE SURVEY OF THE LONG TERM UNEMPLOYED

RATIONALE:

The comprehensive skills survey summarised in Appendix 1 of this Action Plan provides a valuable insight into the difficulties being experienced by employers in recruiting people. This augments a number of other studies which have looked at the reasons why the LTU do not pursue training opportunities. In addition a number of employers contacted as part of the TEP consultation process have reported difficulties in attracting unemployed applicants of the right calibre for the jobs they are advertising.

Their perception is that there are serious problems of low motivation amongst the LTU. The TEP working group concluded that what is needed is to look in detail at why those now LTU are outside the labour market: What are their reasons, explanations and attitudes?

AIMS & OBJECTIVES:

Understanding what does and more importantly what doesn't motivate the LTU should assist the Newry & Mourne TEP to assist local bodies in the design of future actions more likely to yield success in encouraging the unemployed to enter the labour market.

BUDGET / TIMESCALE:

Total costs £9,200 (13,800 ECU)

To be implemented as a phase 2 project i.e. 1999 / 2000

DELIVERY MECHANISM:

Newry & Mourne Enterprise Agency

OUTPUTS:

Produce findings of practical use to local and Northern Ireland level policymakers.



THE NEWRY & MOURNE TERRITORIAL EMPLOYMENT PACT

SOCIETY & THE LABOUR MARKET

PHASE 2 – ACTION 6

PROJECT TITLE:

PATHWAYS TO A NEW LIFE

RATIONALE:

Use local community groups, assisted by social services, to recruit people living in designated disadvantaged areas who have successfully negotiated a pathway out of unemployment. These **exemplars** will be part of a structured role model programme. They will be encouraged to befriend people with problems and to work with them to kindle their motivation and hand hold them into entry points for assistance be it in training, education or self employment. The training of these exemplars will be a key feature of the programme.

The aim will be to establish a network of locals with well developed counselling skills working within a structured programme under the auspices of well established community associations.

AIMS & OBJECTIVES:

- Identify a group of peer educators or ‘exemplars’
- Provide close personalised support to a group of unemployed people and by ‘buddying’ to motivate each individual
- Demonstrate to policy makers the benefits of a personalised approach to instilling motivation to long term unemployed individuals.

BUDGET / TIMESCALE:

Total costs £20,000
N&M District Council 75%
N&M Peace and Reconciliation District Partnership 25%
TEP unlikely to make direct contribution

To be implemented as a phase 2 project i.e. 1999 / 2000

DELIVERY MECHANISM:

Negotiate with the Peace and Reconciliation District Partnership and District Council to encourage them to adopt and fund the Programme

OUTPUTS:

12 young people will make the transition from unemployment into training, full-time education or employment as a result of this programme.



THE NEWRY & MOURNE TERRITORIAL EMPLOYMENT PACT

SOCIETY & THE LABOUR MARKET

PHASE 2 – ACTION 7

PROJECT TITLE:

STUDY OF DEPRIVATION AT SMALL AREA (I.E. SUB WARD LEVEL) IN NEWRY & MOURNE

RATIONALE:

Th allocation of significant sums of public money in Northern Ireland to alleviate socio-economic disadvantage is determined by designations under Robson's *Study of deprivation in Northern Ireland*. This multi-variate analysis of deprivation was carried out at local government ward level. Wards falling below a set index have been designated TSN (Targeting Social Need). However, this system is widely accepted as being crude, in that the areas not designated as TSN can contain within them pockets of deprivation – areas which can be overlooked by Government economic development programmes.

AIMS & OBJECTIVES:

An analysis of deprivation at emuneration district level i.e. below ward level, will enable a more accurate targeting of resources at disadvantaged communities by the actions of local bodies including the TEP.

BUDGET / TIMESCALE:

Total costs £8,000

To be implemented as a phase 2 project i.e. 1999 / 2000 – LEADER or District Council to fund

DELIVERY MECHANISM:

Newry & Mourne Enterprise Agency on behalf of the TEP

OUTPUTS:

More accurate targeting of resources on the disadvantaged – i.e. findings of practical use in the design of more precisely framed economic development / employment creation programmes in Newry & Mourne.



THE NEWRY & MOURNE TERRITORIAL EMPLOYMENT PACT

SOCIETY & THE LABOUR MARKET

PHASE 3 – ACTION 8

PROJECT TITLE:

SURVEY OF EMPLOYERS IT NEEDS

RATIONALE:

Firms in Newry & Mourne and Co. Louth in the skills survey cited a significant shortage of people with **computer / I.T skills**. This is clearly an area that merits greater attention from the training organisations.

This is an area that could be addressed quite rapidly in that the training organisations do have the infrastructure of equipment and staff to tailor training in this field to suit the particular demands of industry and commerce.

AIMS & OBJECTIVES:

An in-depth study into the specific needs of industry is required

BUDGET / TIMESCALE:

Total costs £6,000

To be implemented as a phase 3 project i.e. in the long term – Newry & Mourne District Council / Local Economic Development Unit to fund.

DELIVERY MECHANISM:

Advertise for appropriate delivery agent

OUTPUTS:

Produce findings of practical use to policy makers



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SOCIETY & THE LABOUR MARKET

PHASE 3 – ACTION 9

PROJECT TITLE:

JOB SEARCH SEMINAR PROGRAMME FOR SCHOOLS

RATIONALE:

The relationship between training providers, schools, colleges and regional training colleges can be enhanced to provide students with the most up-to-date information on training opportunities. This would encourage students to examine vocational and career options more closely, in light of the identification of skills mismatches in Newry & Mourne and Co. Louth. This could be facilitated through a series of **mid-term seminars** to enable students and trainees to identify training which offers the greatest potential for job seekers and makes students aware of the areas of training for which future employment potential may be low.

AIMS & OBJECTIVES:

Provide training in **job search skills** for students, trainees and the unemployed which could be delivered by schools, colleges and training organisations to cover the practicalities of writing CVs, completing application forms and interview techniques.

BUDGET / TIMESCALE:

Total costs £3,000

To be implemented as a phase 3 project i.e. longer term – to be funded by Newry & Mourne Business Education Partnership

DELIVERY MECHANISM:

Newry & Mourne Business Education Partnership

OUTPUTS:

Pupils at all of Newry & Mourne's 15 post primary schools have access to a seminar



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SOCIETY & THE LABOUR MARKET

PHASE 3 – ACTION 10

PROJECT TITLE:

ESTABLISHMENT OF A BUSINESS / TRAINING PROVIDER WORKING GROUP

RATIONALE:

The business sector's contribution should be an integral part of the consultation process in identifying existing and potential skills mismatches and in recommending improvements in the content and delivery of training.

This could be facilitated through a **joint business / training provider working group** operating on a cross border basis.

AIMS & OBJECTIVES:

To provide direction for training organisations in the best use of resources, the most appropriate style and content of training courses to take account of the changing patterns of demand and the most effective combination of in-house and external training.

BUDGET / TIMESCALE:

Total costs £4,000

To be implemented as a phase 3 project i.e. longer term – to be funded by the Training & Employment Agency

DELIVERY MECHANISM:

Newry & Mourne Economic Forum to co-ordinate

OUTPUTS:

More effective co-ordination of training programmes in Newry & Mourne directed at the unemployed and at facilitating employment creation.



THE NEWRY & MOURNE TERRITORIAL EMPLOYMENT PACT

2.2 COMMERCE & TRADE / THE NEEDS OF BUSINESS



THE NEWRY & MOURNE TERRITORIAL EMPLOYMENT PACT

2.2 COMMERCE AND TRADE / THE NEEDS OF BUSINESS

2.2.1 STRATEGIC ISSUES

- Location
- Industrial Structure
- Exporting
- Shortage of Industrial Space
- Tourism
- Border Issues

2.2.1.1 Location

The location of Newry and Mourne is both an advantage, in terms of access to Ireland's east coast ports, airports and markets, and a disadvantage in that Dublin and Belfast are very strong competitors for mobile investment, retail business and the provision of professional services. Newry's location on the border makes it vulnerable to distortions in trade as a result of currency fluctuations and differential tax regimes North and South. Nevertheless Newry's position as a transport junction between Ireland's two great cities, with its own port at Warrenpoint, provides an opportunity for the development of a strong distribution support industry. The haulage sector is already a significant employer in the area.

2.2.1.2 Industrial Structure

The structure of industry and commerce in Newry and Mourne is notable for the concentration of service sector employers, accounting for 68% of employment in Newry & Mourne excluding agriculture.

Relative to other regions in Northern Ireland, the secondary sector (which is defined as including construction) is relatively small, accounting for 25% of employment in Newry and Mourne. The three largest firms in the area, however, are a pharmaceuticals company, a packaging company and an electrical appliances company.

The primary sector makes an important contribution to the Newry and Mourne economy accounting for 7% of all employment in the District. That figure is in part accounted for by the concentration of fishing in South Down (notably at Kilkeel and Annalong), the most fishing dependant region in the island of Ireland, as defined under the PESCA Community Initiative.

90% of those employed within the private sector work for businesses employing less than 50 people. Only 3 firms in Newry and Mourne employ more than 200 people and these are manufacturers (electrical, pharmaceuticals and packaging). The prevalence of micro-scale businesses emphasises the importance of the small business sector in the economy of Newry and Mourne District which has the highest concentration of small businesses per head of population of any District Council area in Northern Ireland. It is the reason that the focus of state and voluntary sector employment creation activity is in generating new small business start-ups.

Overall the region is characterised by an over representation of micro-scale businesses, most of which service only local markets, and a lack of good calibre (i.e. technology based) manufacturing companies. By comparison, nearby Dundalk has a more broadly based economic structure, with a strong engineering / information technology sector.

The lack of high calibre, well salaried employment is a major concern of policy makers in the District. The need for good quality manufacturing employment offering wages, which can attract heads of household off benefits, is a key theme central to local government in economic development programmes operating in the District. Without change there will be insufficient industrial skills in the District's labour force to attract inward investors.



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2.2.1.3 Exporting

In 1996/97 Newry & Mourne accounted for a remarkable 65% of LEDU's Export Starts in the Southern Region. This was undoubtedly a reflection of the region's position as an east coast border region in that the vast majority of these cases and most of the export activity ongoing in the District involves trade with the Irish Republic. Significant exporting contracts to continental Europe, North America and further afield are still uncommon.

2.2.1.4 Shortage of Industrial Space

Industrial units are at a premium in Newry and Mourne, particularly in the 2,000 - 10,000 square feet range. Demand is very high and supply unlikely to satisfy that demand in the short term.

2.2.1.5 Tourism

Since 1994 Newry & Mourne has averaged 5% of all trips to Northern Ireland per annum. 5% of all nights spent by visitors in Northern Ireland were spent in Newry & Mourne, worth some £9,700,000 to the local economy and accounting for 4% of visitor spend in Northern Ireland. With 5.26% of Northern Ireland's population, Newry and Mourne has thus received its pro-rata share of tourists visiting the Province (i.e. by population).

However given that the region contains two of Northern Ireland's 5 Areas of Outstanding Natural Beauty and is so accessible from the east coast population centres in the Irish Republic, tourism remains a sector with considerable growth potential. The lack of good quality accommodation options is a barrier to the development of the product.

However, overriding all other factors is the stigmatising impact of political instability. Significant long term growth in the industry will only result if a peace settlement in Northern Ireland is copper fastened in a long term political agreement.

2.2.1.6 Border Issues

The border has peripheralised Newry and Mourne within the Northern Ireland economy, neutering the natural evolution of trading links between the region and the contiguous Louth and Monaghan areas. As a result the economic performance of Newry and Mourne and counties Louth and Monaghan has been more akin to those areas which are geographically remote from rather than, as is the case, close to Belfast, Dublin and the east coast ports and airports.

Perceptual as well as economic/political/administrative barriers.

The troubles in Newry and Mourne is deeply entrenched and has created a negative perception of the region (particularly of South Armagh and Newry) in the Republic and beyond which needs to be addressed.

The greatest single barrier to economic development and effective cross border co-operation is the potential for political instability in Northern Ireland.

Entrepreneurship high - high level of business start ups

The border has had a beneficial impact in that the high rate of small business start-ups, particularly in Newry, can in part be attributed to a "dealing mentality" which has its roots in the cross border trade which has underpinned the local economy over the years.

Different currencies, banking systems, telephone networks (e.g. cellular phones)

There are macro-economic and structural factors which continue to hamper cross border trade. In addition, because of differential tax regimes and separate industrial promotion systems (which effectively compete with each other), the two geographically proximate regions of Newry and Mourne and County Louth, which together could form a single investment location, offering an attractive critical mass in terms of population and sub supply structure, instead are forced to compete against each other for sources of mobile investment.

Different support systems / not enough co-operation between agencies

Businesses seeking to develop joint venture projects on a cross-border basis have faced differences of emphasis from Government support agencies North and South significant enough to frustrate their efforts. This is now

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being addressed by both Governments assisted by the EU and IFI through INTERREG and Co-operation North who are now actively seeking to support cross border projects.

2.2.2 CURRENT ACTIVITY

❖ LEDU

LEDU offers a wide range of services to those starting up in business and those already in business. These include a business counselling service, business 'self-start', 'home-start' and 'export-start' programmes as well as a range of support services delivered through Newry & Mourne Enterprise Agency e.g. business start training, business premises and loan funding.

❖ Rural Development Programme

The Rural Development programme has provided significant levels of assistance for, in the main, large capital projects promoted by community groups in Newry and Mourne's rural areas, the aim being to enable groups to provide a service to their communities and to generate an income to sustain their activities. Increasingly the programme has been focusing on developing groups and assisting them in delivering programmes within their communities.

The **Area Based Strategy in South Armagh** has provided an additional £1m of aid to the disadvantaged South Armagh area. Within the programme resources have been targeted at promoting a positive image of the area.

❖ Fishing Villages Programme/PESCA:

The Fishing Villages and PESCA Programmes have provided between them £7m of aid for projects in East & South County Down which:

- 1) Facilitate the development of new sources of employment for people employed in the fishing industry.
- 2) Add value to fish products
- 3) Improve the tourism potential of communities dependent on fishing
- 4) Help to improve community facilities in fishing dependent areas.

❖ Self Start Programme

This programme provides assistance of up to £4,500 over the first year of self-employment. To be eligible applicants must complete the LEDU business start training course and invest at least £1,000 into the business.

❖ Newry & Mourne Enterprise Fund

Provides unsecured loans of up to £5,000 for start up or expanding micro businesses.

❖ Newry and Mourne District Council Local Economic Development Strategy

Newry & Mourne District Council has allocated £863,127 to economic development programmes throughout the Region for the period 1997-1999.

❖ Community Business Programme

The Community Business Programme aims to encourage local people to get involved in setting up local businesses which are owned and controlled by members of the local community. Newry & Mourne Enterprise Agency, the managing agent for the programme, is currently working with 26 Community groups from throughout the Southern Region. Co-ordination of the programme has necessitated a close working relationship with such bodies as DANI Rural Development Division, Rural Development Council, District Councils and sub-regional networks.



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❖ The provision of Managed Workspace.

Newry & Mourne Enterprise Agency has 68 businesses located within its Enterprise Centres at Newry and Warrenpoint. A separate Regional Development Centre in Newry caters for technology based companies. All of the agency's centres are 100% occupied. There is currently a serious shortage of workspace in the Newry area.

2.6.3 **CROSS BORDER PARTNERSHIPS AND ACTIVITIES**

There are a number of significant cross border initiatives with partner agencies in the Irish Republic, particularly in County Louth:

❖ PLATO

The PLATO programme provides owner managers of SME's with advice and expertise from locally based large "parent" companies. It is funded by the IFI, LEDU, the Dundalk Employment Partnership and the Louth County Enterprise Board.

❖ Newry/Dundalk Business Linkage Programme

The Forum is led by the Newry & Mourne Enterprise Agency and the Louth County Enterprise Board. Also represented are: LEDU, Forbairt, the Louth County Enterprise Board, IFI the Chambers of Commerce in Newry and Mourne and Chamberlink Dundalk. Its aim is to develop project proposals which fit with the strategic direction provided by the East Border Region Committee and the Newry/Dundalk Steering Group on which the Agency is also represented.

❖ Newry & Mourne/Louth Product Transfer Programme

Newry & Mourne Enterprise Agency and Louth County Enterprise Board, in partnership with International Business Initiatives Ltd offer companies in the Newry & Mourne / Louth region a unique opportunity to expand their business. The Product Transfer Programme facilitates the transfer of commercially proven North American products or technologies into the manufacturing base of the region. The process is built around the concept of acquiring the rights to manufacture under licence, joint venture or other forms of international partnership.

❖ Cross Border Regional Development Centre Consortium

As a result of a joint submission made by Newry & Mourne Enterprise Agency and partner organisations in Dundalk there are now two Regional Development Centres providing incubation space and support services for technology based new businesses, one in Newry and one in Dundalk. The centres actively support each others activities and exchange experience. The Newry centre is owned by Newry and Mourne Co-operative Ltd.

❖ Cross Border Community Enterprise Programme

In 1994/95 the Agency delivered a programme to develop community leadership skills in partnership with Dundalk Employment Partnership and Mentor Business Consultants and funded by the Ireland Fund.

❖ Cross Border Regional Technology Network

In partnership with the Regional Development Centre Dundalk, the Agency has received funding through the EC Sprint programme to assess the feasibility of a Border Technology Park and to develop a strategy for the development of a technology base in the Newry/Dundalk region. The Network Partnership has also set up a cross-border Euro Information Point within our Business Library.



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2.2.3 STRATEGIC ROLE FOR THE TERRITORIAL EMPLOYMENT PACT

- Encourage the development of viable indigenous businesses, especially manufacturing.
- Examine opportunities to gain employment and sub supply opportunities for Newry and Mourne from inward investment successes achieved by County Louth.
- In partnership with the TEP in the County Louth, plug information gaps and promote joint ventures and increased trade; Lobby for mutually beneficial change.
- Promote best practice in community business - i.e. expose the community sector to examples of successful viable community business in other parts of Ireland and the EU



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COMMERCE & TRADE / THE NEEDS OF BUSINESS

Proposed Actions Summary:

PHASE 1	PHASE 2	PHASE 3
Action 11 Cross-Border TEP Forum	Action 12 Best Practice in the community business sector Action 13 How to win new supply contracts	

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PHASE 1 – ACTION 11

PROJECT TITLE:

CROSS-BORDER TERRITORIAL EMPLOYMENT PACT FORUM

RATIONALE:

The establishment of the Dundalk TEP pre-dates that in Newry & Mourne. There is a good collaborative relationship between the TEP delivery agents in the two areas (Newry & Mourne Enterprise Agency and the Dundalk Partnership) and economic ties are strong between the two regions due to geographical proximity.

The experience of the Dundalk / Drogheda TEP and its analysis may offer some inspiration to the Newry & Mourne TEP. As we progress through the implementation phase, exchanging experience will help to inform the design of future strategies in both areas.

The cross-border TEP forum would meet quarterly. A working group drawn from that forum would meet monthly to discuss operational issues.

BUDGET / TIMESCALE:

Total costs £960 – (i.e. £80 per month – room hire and food)
 (1440 ECU)

To be implemented as a phase 1 project i.e. 1999

DELIVERY MECHANISM:

Representatives from N&MTEP working group and Dundalk / Drogheda TEP Steering Committee

OUTPUTS:

Qualitative improvement in the design of future strategies and actions.



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PHASE 2 – ACTION 12

PROJECT TITLE:

BEST PRACTICE IN THE COMMUNITY BUSINESS SECTOR – EXPERIENCE EXCHANGE

RATIONALE:

Community based businesses can bring jobs and income directly into often isolated and disadvantaged communities. They can provide services to those communities. However, too often in the past they have been set up too quickly around ill conceived and poorly researched concepts. There is a need to expose groups who may have the potential to establish and run a business to examples of **best practice**, particularly in the Irish Republic.

BUDGET / TIMESCALE:

Total costs £5,000 (2 exchange of experience visits to Irish Republic x £2,500)

To be implemented as a phase 2 project i.e. 1999 / 2000 – to be funded by LEADER / District Council / Local Economic Development Unit.

DELIVERY MECHANISM:

Newry & Mourne Community Business Team

OUTPUTS:

Each mission will involve 20 people representing 4 groups i.e. 40 people and at least 8 groups exposed to best practice and to new approaches.



THE NEWRY & MOURNE TERRITORIAL EMPLOYMENT PACT

PHASE 2 – ACTION 13

PROJECT TITLE:

HOW TO WIN NEW SUPPLY CONTRACTS – TRAINING PROGRAMME

RATIONALE:

Many of Newry & Mourne's small businesses, which account for 90% of all private sector employment, have the potential to acquire lucrative supply contracts for public and private sector clients elsewhere in Northern Ireland or the Republic of Ireland.

However they frequently lack a thorough understanding of the tendering process, in particular the need to accurately research customer needs, to demonstrate quality standards and to professionally present their Company.

They also do not know how to obtain information on companies who may be interested in sourcing new supplies.

AIMS & OBJECTIVES:

This programme would focus particularly on the micro enterprise sector & will provide companies with an understanding of the pre-requisites demanded by most buyers in terms of company bona fides and provide them with information on companies currently tendering for supplies.

The programme would also include a mentoring follow-up service to assist companies who wish to pursue new supply opportunities.

CP TO COMPLETE

BUDGET / TIMESCALE:

Total costs £6,000

To be implemented as a phase 2 project i.e. 1999 / 2000

DELIVERY MECHANISM:

Newry & Mourne Enterprise Agency in partnership with the Local Economic Development Unit, the Newry & Mourne / Louth PLATO Programme and the Newry / Dundalk Business Linkage Programme.

OUTPUTS:

10 companies trained and at least 3 companies to receive new supply contracts



3. DELIVERY: ORGANISATION & PARTNERSHIP



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3. DELIVERY: ORGANISATION AND PARTNERSHIP

3.1 Summary

In September 1998 a **Territorial Employment Pact Working Group** was formally **established under the auspices of the Newry & Mourne Economic Forum**. All payment decisions on financing and all payments will be authorised by the Clerk (Chief Executive) of Newry & Mourne District Council.

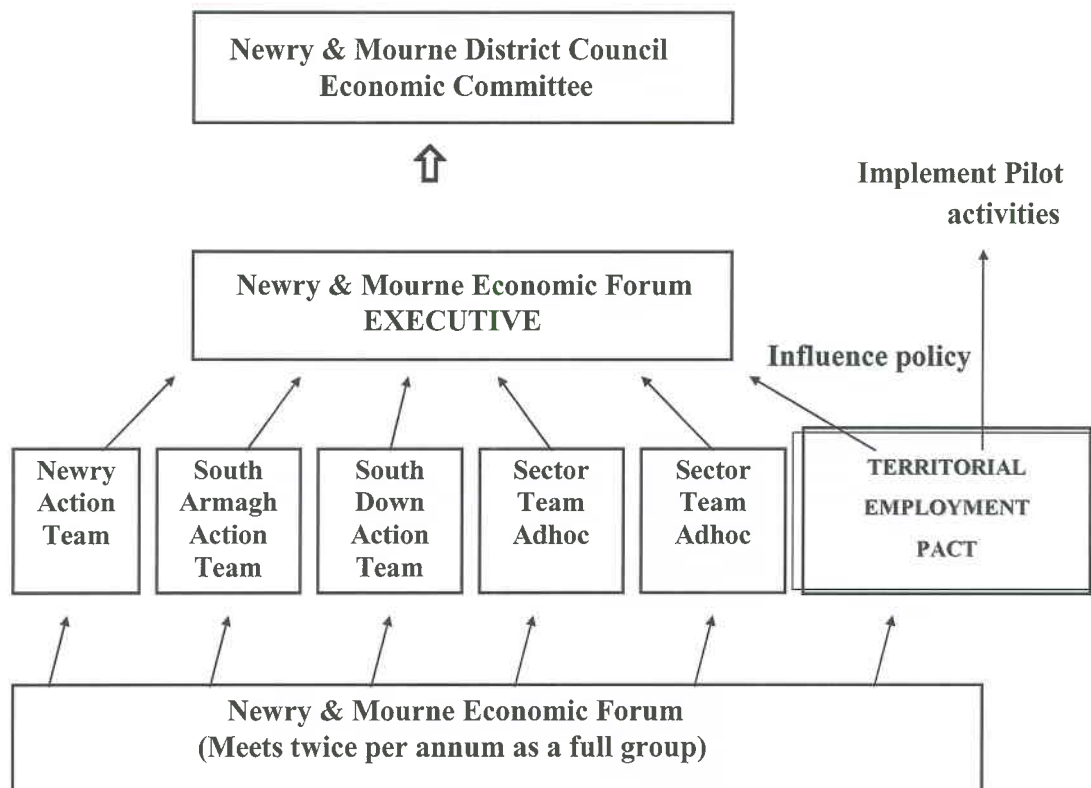
3.2 The Newry & Mourne Economic Forum

The Newry & Mourne Economic Forum was established in 1995 primarily to assist Newry & Mourne District Council to draw up an Economic Action Plan for the Newry & Mourne region under powers granted by then UK Prime Minister, John Major. The role of the Forum is to improve the quality of decision-making on socio-economic issues by Newry & Mourne District Council. Since 1995 the Forum has matured. It now comprises three area action teams which feed issues / concerns through to the Forum. Sectoral working groups can be established to consider specific issues. An Executive group, drawn from the membership of the Forum, evaluates proposals and distils the considerations of the Forum into formal representations to the District Council's Economic Committee. **It is this Committee of democratically elected, accountable Councillors which ultimately makes decisions.** The Forum has proven to be a useful vehicle for consultation between central government agencies and local interests in Newry & Mourne. With the experience of devising a 3 year Action Plan (1997 - 1999) under its belt, the Forum is now concentrating its attention on two objectives: **1)** facilitating co-ordination between the various EU Programme Teams (Peace & Reconciliation; LEADER; Rural Development Programme; District Council Action Plan and PESCA); **2)** drawing up a strategic plan for Newry & Mourne to exploit the potential of its geographical location and its human resource assets.

A full list of Forum members is attached as Appendix 1



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3.3 The Territorial Employment Pact Working Group

In June 1998 Newry & Mourne Enterprise agency and Newry & Mourne District Council consulted with stakeholder organisations in Newry & Mourne to seek advice on the composition of a Newry & Mourne TEP Working Group. Following consultation with individual members of the Newry & Mourne Economic Forum a meeting of the full Forum took place in September 1998 at which a TEP Working Group was formally established.

The following bodies were consulted during Summer 1998:

- ❖ Newry & Mourne District Council;
- ❖ Training & Employment Agency;
- ❖ Irish Congress of Trade Unions;
- ❖ Newry College of Further Education;
- ❖ Newry & Mourne Enterprise Agency;
- ❖ Local Economic Development Unit;
- ❖ Clanrye Employment & Training Services;
- ❖ Confederation of Community Groups;
- ❖ Norbrook Laboratories Limited;
- ❖ Glen Electric Limited;
- ❖ Haldane Fisher Limited;
- ❖ Gilbert-Ash Limited;

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- ❖ Northern Ireland Tourist Board.
- ❖ Newry Chamber of Commerce;
- ❖ Newry Chamber of Trade;
- ❖ Southern Group Enterprises;
- ❖ Business in the Community;
- ❖ SCA Packaging;
- ❖ Coulter Group Kilkeel (Toughglass);
- ❖ Newcoe;
- ❖ Newry & Mourne Peace and Reconciliation District Partnership;
- ❖ Dept. of Agriculture for Northern Ireland;
- ❖ PLATO (Newry & Mourne / Co. Louth);
- ❖ Dundalk / Drogheda TEP;
- ❖ Combat Poverty Agency;
- ❖ Enterprise Newry;
- ❖ Adria;
- ❖ Sainsbury's;
- ❖ International Fund for Ireland;
- ❖ ROMAL;
- ❖ ROSA;
- ❖ Dept. of Environment;
- ❖ Northern Ireland Business Education Partnership;
- ❖ Kilkeel Development Association.

The TEP Working Group established in September 1998 was given two functions:

- 1) To draw up and implement specific pilot activities.
- 2) To contribute to the development strategies of the District Council and other bodies represented on the Economic Forum.

A full list of the Territorial Employment Pact Working Group is attached as Appendix 2.



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4. BUDGET



THE NEWRY & MOURNE TERRITORIAL EMPLOYMENT PACT

4.1 NEWRY & MOURNE TEP - SUMMARY BUDGET

The tables below set out indicative costs over the twenty two month lifespan of the Pact, using an exchange rate of £1 = 1.5 ECU.

Type of Expenditure	Total Eligible Expenditure (ECU)	% of Total
1 Studies and Expert Reports	10,000	4%
2 Co-ordination costs including National Insurance	146,000	58%
3 Mission Expenses	9,000	4%
4 Equipment	7,000	3%
5 Pilot Projects	50,000	20%
6 Promotion/Publications	10,000	4%
7 Seminars/Conferences	6,000	2%
8 Evaluation	12,000	5%
Total	250,000	100%

THE NEWRY & MOURNE TERRITORIAL EMPLOYMENT PACT

Type of Expenditure	Total Eligible Expenditure (ECU)	% of Total
Development Phase	52,228	21%
Implementation Phase	197,772	79%
TOTAL	250,000	100%

Contributions to Total Eligible Expenditure

Contributor	Amount	% of Total
Training and Employment Agency	50,000	20%
Subvention requested from the European Commission	200,000	80%
Total	250,000	100%



THE NEWRY & MOURNE TERRITORIAL EMPLOYMENT PACT

NEWRY - TERRITORIAL EMPLOYMENT PACT

Indicative Budget: Exchange Rate £1 = 1.45 ECU

Type of Expenditure	Development Phase	Implementation Phase	Total	%
1 Studies/Expert Reports	10,000		10,000	4
2 Co-ordination Costs	26,500	119,500	146,000	58
3 Missions Costs	2,228	6,772	9,000	4
4 Equipment	7,000	-	7,000	3
5 Pilot Projects	-	50,000	50,000	20
6 Promotion/Publication	5,000	5,000	10,000	4
7 Seminars/Conferences	-	6,000	6,000	2
8 Evaluation	1,500	10,500	12,000	5
Total	52,228 (21%)	197,772 (79%)	250,000	100



THE NEWRY & MOURNE TERRITORIAL EMPLOYMENT PACT

4.2 NEWRY & MOURNE TERRITORIAL EMPLOYMENT PACT - BUDGET BREAKDOWN

All figures are in ECU's: Exchange Rate £1 = 1.5 ECU

Studies and Expert's Reports

The development plan will require a study of both current and planned economic development strategies, assessment of the SWOT analysis and the facilitation of at least 3 workshops which will enable the Steering Committee to develop clear objectives and a definite Action Plan.

45 days @ 500 ECU per day = 22,500 ECU

Co-Ordination

The Training & Employment Agency will provide secretarial support during the first 2 months of the development phase at no cost to the project. A Delivery Agent will be appointed at end of Month 1, to provide management, executive, research and administrative support. The economy of scale provided by a delivery agent with co-ordination, financial management, research and office resources will reduce the costs of administration and will enable the project to move quickly into the implementation phase.

	Cost per month (ECU)	22 months	TOTAL (ECU)
• Programme Manager	£26,000 x 22		47,666
• N&MEA Co-ordinator	33 days @ £300	9,900	
• Executive Support	3 @ £200 x 22	13,200	
• Administration	8 x 100 x 22	17,600	
• Office Costs	£110 x 22	2,400	
• Tel/Fax	2,200	2,200	
• Paper/Copying/Printing	200	4,400	
TOTAL COST		97,366	(146,000)



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Mission Expenses

Development Plan:	2 airfares @ 754 ECU	1,508 (1)	ECU
	6 days @ 120 ECU	<u>720</u>	ECU
		2,228	
Remainder of Year 1:	2 airfares @ 754 ECU	1,508	ECU
	6 days @ 120 ECU	<u>720</u>	ECU
		2,228	ECU
Year 2:	3 airfares @ 754 ECU	2,262	ECU
	9 days @ 120 ECU	<u>1,080</u>	ECU
		3,342	ECU
Sub Total		<u>7,798</u>	ECU

UK Missions

Year 1:	Road journeys	200	
	1 airfare to UK	281	
	1 UK hotel	100	
	1 day @ 120 ECU	<u>120</u>	
		701	ECU
Year 2:	1 airfare to UK	265	
	1 UK hotel	100	
	1 day @ 120	<u>120</u>	
		501	ECU

Total Missions

Development Phase:	2,228	
Implementation Phase:	<u>6,772</u>	
	9,000	ECU

- (1) Air fare based on average mid week flight to Brussels
- (2) Road journeys @ 43p per mile
- (3) Air fare based on average cost to London

Equipment

1 PC @ 2,250 ECU (includes fax/modem, printers and installation)	5,500
2 Desks and filing cabinets	<u>1,500</u>



THE NEWRY & MOURNE TERRITORIAL EMPLOYMENT PACT

	7,000	ECU
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Pilot Projects

At least 5 such projects	50,000	ECU
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Promotion and Publications

Design and maintain Internet page	1,200 (Development Phase)	ECU
Promotional Literature	3,800	
Produce 4 progress reports with a circulation of 350	2,000	
Produce evaluation reports (including design, graphics, photos and Dissemination of "best practice" dossiers x 3)	<u>3,000</u>	
	10,000	ECU

Seminars/Conferences

By these means the Pact will promulgate progress at regular stages and will exchange good practice experience. It is also expected that partnership members will participate in conferences and seminars being delivered in other parts of the UK and ROI.

4 local seminars @ 800	3,200	
Visits to other partnership events	<u>2,800</u>	
	6,000	ECU

Evaluation

An evaluation strategy is yet to be fully developed. It is envisaged that the process will require some form of benchmarking against which progress can be measured. This activity will take place during the Development Phase.

3 days @ 500	1,500	ECU
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A broad estimate would suggest that something of the order of 10,500 ECU will be required to complete this evaluation process.

Further refinement will produce a more accurate costing during the early stages of the Development Phase.

	<u>10,500</u>	ECU
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Total Evaluation	12,0 00	ECU
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5. MONITORING & EVALUATION

THE NEWRY & MOURNE TERRITORIAL EMPLOYMENT PACT

- 5.1 The identification of precise objectives will be necessary before targets can be established; a baseline will then need to be determined against which progress can be measured.

It is likely that the following outputs will form the core of the evaluation process:

5.2 Quantitative indicators:

- number of new jobs created, by sector;
- number of jobs protected, by sector;
- number of new business start-ups;
- number of NVQ's attained to meet new demands.

5.3 Qualitative indicators:

- assessment of better co-ordination of initiatives, reduced duplication, value added by partnership to existing actions.
- Level and type of jobs created / made accessible to the LTU
- Extent to which the private sector has been engaged in the process of reducing unemployment in N&M
- Assessment of how employers' attitudes to hiring the long-term unemployed have changed
- Assessment of how training programmes have been improved – more suitable for changing labour market and need – incorporate transferable skills.
- Assessment of implications for policy

It will be the responsibility of the Programme Manager to keep the working group apprised of the progress of the action plan and to present alternative suggested actions for their consideration where relevant.

The Pact will wish to appoint a suitable independent evaluator and will agree a schedule of reviews, probably on a quarterly basis, with an evaluation report at the end of each year.



THE NEWRY & MOURNE TERRITORIAL EMPLOYMENT PACT

APPENDIX 1: NEWRY & MOURNE ECONOMIC FORUM MEMBERS

Mr George Brown
N.I. Tourist Board

Ms Mary Young
Local Economic Development Unit

Ms Janet Liggett
Department of Agriculture

Mr Tom Moore
Irish Congress of Trade Unions

Mr Joe McNulty
International Fund for Ireland

Mr Patrick Kelly
Regeneration of Mournes Area Limited

Mr Feargal McCormack
Enterprise Newry

Mr Lawrence Bradley
Confederation of Community Groups

Mr Eamon Nugent / Mr Billy Boyd
Training & Employment Agency

Mr Raymond Mullan / Mr AJ McConville / Ms Frances Caherty
Newry & Kilkeel Institute of Further & Higher Education

Mr Brian Rowntree
Newry Chamber of Commerce

Mr Peter Murray
Buttercrane Shopping Centre

Mr Tony Donnelly
Department of the Environment

Mr Liam Hannaway
Area Based Strategy for South Armagh

Mr Kieran Shields
Regeneration of South Armagh

Councillor Jack Patterson
Newry & Mourne District Council

Councillor Andrew Moffett
Newry & Mourne District Council

Councillor Frank Feely
Newry & Mourne District Council
Councillor Pat McNamee
Newry & Mourne District Council

Councillor Brendan Lewis
Newry & Mourne District Council

Councillor Pat Toner
Newry & Mourne District Council

Councillor John Fee
Newry & Mourne District Council

Councillor Danny Kennedy
Newry & Mourne District Council

Councillor Mick Murphy
Newry & Mourne District Council

Councillor Jim McCart
Newry & Mourne District Council

Councillor Isaac Hanna
Newry & Mourne District Council

Councillor Josephine O' Hare
Newry & Mourne District Council

Councillor Brendan Curran
Newry & Mourne District Council

Councillor Pat McElroy
Newry & Mourne District Council

Councillor Davy Hyland
Newry & Mourne District Council

Councillor William McCaigue
Newry & Mourne District Council

Councillor Eugene Markey
Newry & Mourne District Council

Councillor M. Cunningham
Newry & Mourne District Council

Councillor H. Reilly
Newry & Mourne District Council

Councillor Anthony Williamson
Newry & Mourne District Council



THE NEWRY & MOURNE TERRITORIAL EMPLOYMENT PACT

APPENDIX 2: WORKING GROUP MEMBERS

Ms Mary Young
Local Economic Development Unit

Mr Patrick Kelly
Regeneration of Mourne Area Limited

Mr Liam Hannaway
Area Based Strategy for South Armagh

Mr Eamon Nugent
Training & Employment Agency

Mr Lawrence Bradley
Confederation of Community Groups

Mr Brian Rowntree
Chamber of Commerce

Ms Francis Caherty
Newry & Kilkeel Institute of Further & Higher Education

Cllr Tony Williamson
Newry & Mourne District Council

Cllr Brendan Lewis
Newry & Mourne District Council

Cllr John Fee
Newry & Mourne District Council

Cllr Frank Feely
Newry & Mourne District Council

Cllr Jim McCart
Newry & Mourne District Council

Cllr Joe McNulty
Newry & Mourne District Council

Mr Desy Henderson
Transport & General Workers Union

Mr Bob Brady
Irish Congress of Trade Unions

Mr Peter Fitzsimmons
SCA Packaging

Mr Peter McEvoy
Autoline Direct

Mr John MacMahon
John MacMahon & Co.



APPENDIX III:

**NEWRY & MOURNE / CO. LOUTH SKILLS
SURVEY**



THE NEWRY & MOURNE TERRITORIAL EMPLOYMENT PACT

NEWRY & MOURNE SKILLS SURVEY ANALYSIS

(PUBLISHED FEB. 1998)

(i) The sample

(a) In total, 118 firms responded from a sample of 252, a response rate of 47%. Of these 65% were more than 10 years old. By contrast just 13% had been trading for less than 2 years. Nearly half of the firms were limited companies, the rest being either sole traders or partnerships. 83% of employees in the sample were employed by "very small" companies, i.e. employing less than 15 people. Two companies from the sample employed more than 200 people.

Respondents were concentrated in the Engineering sector (17%); Food, Drink and Tobacco (16%); General Services (14%) and Financial Services (9%).

(b) The Newry & Mourne Skills Survey has succeeded in highlighting a number of issues concerning the relationship between employers and training providers. The survey has identified a clear mismatch in some sectors between labour demand and the skills on offer in the labour market. Employers in some sectors have been unable to fill vacancies because of a lack of appropriately trained labour. This is in the context of 3,820 registered unemployed people in Newry & Mourne.

(c) It seems that the problem is not a lack of employment opportunities per se but rather a shortage of jobs for which the unemployed have the appropriate skills. Several major employers stated that when they did recruit they tended to recruit those already in employment elsewhere in the labour market rather than the unemployed. They said that the lack of skills in general amongst those who were unemployed made it very difficult for them to compete for jobs with those who were switching employment.

(ii) Training

(a) The survey looked at the provision of training by industry sector. Asked whether they provided internal training, the majority of companies in the following sectors answered yes:

- Food, drink and tobacco
- Textiles
- Timber/furniture
- General services
- Schools
- Financial services
- Marketing
- Government agencies
- Community/statutory sector
- Medical
- Other manufacturing (incl. Pharmaceutical)

(b) However, in the following sectors a substantial number of companies did not provide in-house training:

- Transport equipment
- Electrical engineering

(c) The training on offer ranged from one to one instruction on machine operations through to financial support for courses at college/university and day release for engineering/building courses at Newry Training Centre and other Recognised Training Organisations.

(d) As to whether training was an integral aspect of employment with a company, there was a 50/50 split on its importance. Of those companies which said training was an integral aspect of employment, most stated that the training offered depended on the type of job being performed within their organisation. In some



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sectors, notably Financial Services and Electrical Engineering, there was a strong emphasis on training as an integral feature of employment.

However the majority (66%), of companies did **not** offer management training. For those that did, in almost all cases it was a pre-requisite for managers to undertake training, primarily in management skills and personal development. Fifty-eight percent companies who offered management training provided it in-house.

(e) The system of training provision in Northern Ireland and the Republic of Ireland is well developed, enabling access to new skills by unemployed people, in particular the young unemployed. However, the planning of future training provision at a local level does not systematically involve prospective employers. As a result employers continue to report either applicants who have completely inadequate skills or applicants who do not have an appropriate balance of skills.

(f) While the majority of companies in Newry & Mourne and Co. Louth offer some in-house training, which ranges from one-to-one machine based training to day release courses with local training providers, most expect that job applicants should have a degree of baseline competence when recruited.

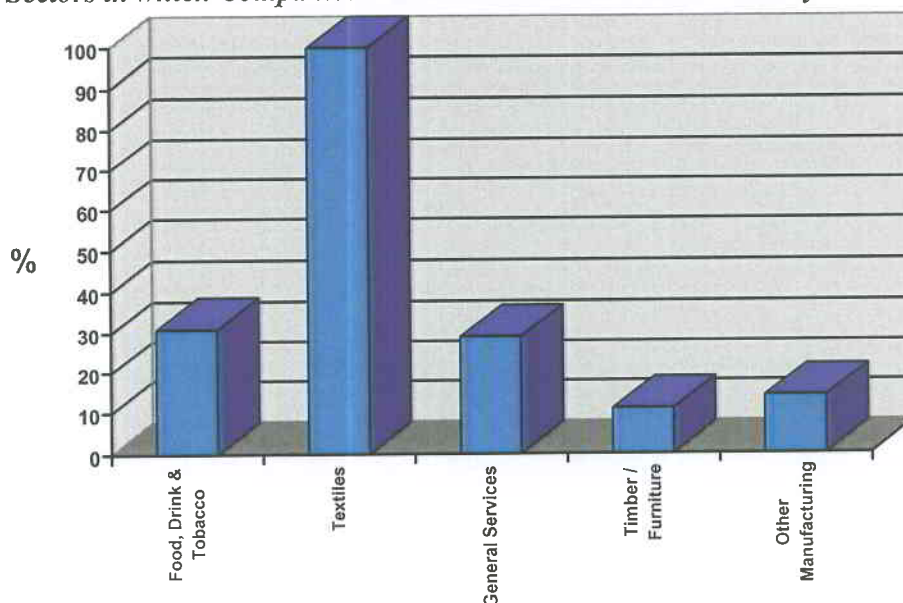
(g) A substantial number of employers cited the issue of inadequate skills (including “lack of personal characteristics”) as a major concern in job recruitment. This was the single most frequently cited skills weakness by employers in all three labour market districts.

(iii) Problems Recruiting Labour

(a) Fifty-nine percent of respondents stated that they had no problem recruiting labour in Newry and Mourne. However, 41% stated that sourcing people locally with the right skills was a problem. The sectors in which skills shortages were highlighted as an issue were:

- Food, drink and tobacco
- Electrical engineering
- Textiles
- General services
- Other manufacturing

(b) *Sectors in which Companies Failed to Fill an Advertised Vacancy*



Companies were asked whether they had ever advertised a vacancy which had remained unfilled. 31% of respondents in the Food/drink/tobacco sector stated that they had failed to fill an advertised vacancy at some time in the past. However every one (100%) of the respondents in the Textiles sector stated they had

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failed to fill advertised vacancies. 29% of General services companies, 11% of Timber/furniture companies and 14% of other manufacturing companies stated that they had failed to fill an advertised vacancy at some time in the past.

(c) The principal **reasons** cited for vacancies remaining unfilled were, in rank order:

Rank

- | | |
|---|------------------------------|
| 1 | Inappropriate skills |
| 1 | Lack of skills |
| 3 | Limited work experience |
| 4 | Inappropriate qualifications |
| 5 | Benefit trap |
| 6 | Childcare trap |

Of moderate or lesser significance were:

- Transport difficulties
- Work is unattractive
- Lack of personal characteristics
- Image of company/industry
- Pay is poor

(d) Asked about their employees knowledge of computer applications, e-mail and the internet, nearly 70% of those companies in sectors in which IT is used felt that their staff had an adequate knowledge of basic computer applications. However 65% of companies felt that their staff did not have an adequate knowledge of **e-mail**, and 74% that their staff **did not** understand the **internet**. Despite this, only half of the companies which stated that there was a lack of knowledge within their workforce had a view on the type of training which should be provided. For the majority this took the form of basic training on IT applications.

(iv) **Problems Recruiting Labour**

(a) The sectors most affected by recruitment problems are in Newry & Mourne: Food, Drink & Tobacco, Electrical Engineering, Textiles and General Services.

(b) The three main reasons that companies have been unable to fill a vacancy are Inappropriate Skills, Lack of Skills and Limited work Experience. Companies also cited the 'Benefit Trap' as a barrier to filling vacancies.

(c) There is a need for more effective co-operation between employers and training providers to determine which sectors are experiencing the most adverse effects due to skills mismatching. There is also a need to determine which sectors are most likely to experience growth and decline over the next five years as an indicator of future training needs.

(v) **Awareness of Training Services**

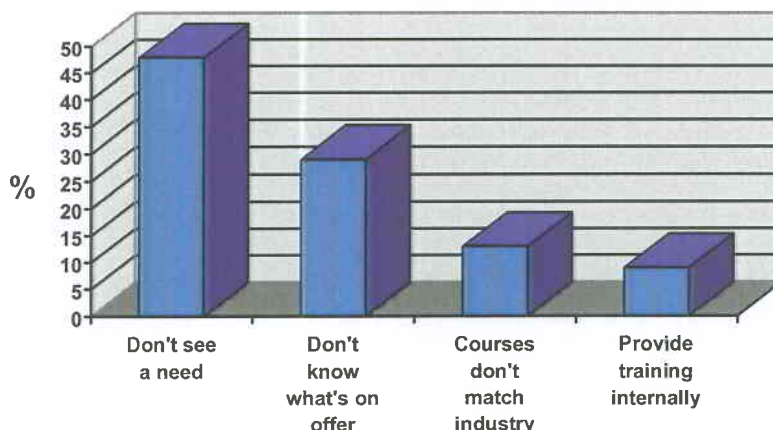
(a) 72% of respondents were aware of the training services provided by the Training and Employment Agency/Recognised Training Organisations. Companies who were not aware were concentrated in the Food/drink/tobacco sector and Engineering. Awareness was relatively high in the General services sector, the Financial services sector and the Timber/furniture sector. 51% of companies had made use of the services offered by the Training & Employment Agency/Recognised Training Organisations.

(b) Apprentice training, followed by recruitment services were the services utilised most by those companies who used the Training & Employment Agency and Recognised Training Organisations. Only 15% of companies sought computer training.



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(c) Reasons for Companies not Making Use of Training Services



The reasons that companies had not made use of the training services available in Newry and Mourne were in rank order:

Rank

1	Do not see a need to use their services	(48%)
2	Do not know what's on offer	(29%)
3	Courses do not match industry needs	(14%)
4	Provide training internally	(9%)

(d) **Nearly one third of those who did not take advantage of training services did so because they were poorly informed as to what was on offer.**

(vi) Awareness of Training Services

(a) The survey shows a majority 51% of companies in all three labour market areas had at some stage taken advantage of the services offered by the training organisations. The majority of this group were satisfied with the services provided by the training authorities, both in terms of the relevance and quality of training. However, in Newry & Mourne 49% of companies surveyed had not used the services of the Training & Employment Agency/Registered Training Organisations. Of the Newry & Mourne respondents who do not use the services of the Training & Employment Agency 48% do not believe that the current services provided are relevant to their needs.

(b) In Newry & Mourne one third of those not taking advantage of training did so because of a lack of awareness of the services available

(c) Thus a substantial number of companies surveyed in both Newry & Mourne and Co. Louth felt that the training programmes offered by the Training and Employment Agency/RTO's and FAS were not directly relevant to their businesses. In both Newry & Mourne and Drogheda, where awareness of training provision was lower than in Dundalk, one third of the companies surveyed were not aware of the training services available to them.

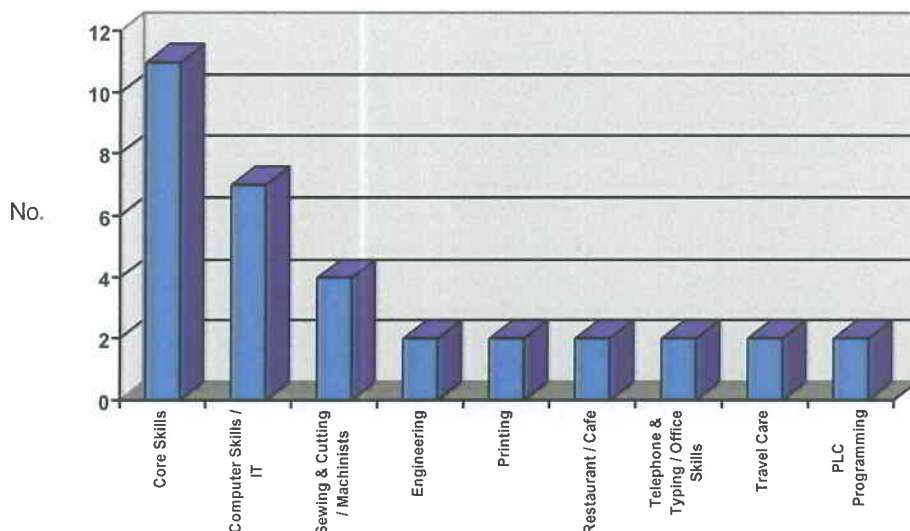
(d) **Training providers therefore, on both sides of the border, should examine their methods of promotion and marketing to assess how well they are communicating the services they have to offer to local industry and commerce.**

(e) The skills survey gave respondents the opportunity to highlight the specific areas where they experienced skills shortages. Not all companies identified a specific skills shortage. However, 60 companies in Newry & Mourne did. The nature of the skills shortage and the number of companies who identified a particular skills shortage are described below.



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(f) Most Common Skills Shortages



(vii) Specific Skills Shortages

(a) In the three centres, Newry & Mourne, Dundalk and Drogheda, the most commonly cited skills shortage by a very considerable margin was the lack of Core Skills (including literacy, numeracy and personal motivation). This was followed in all three areas by a lack of knowledge/awareness of computers and information technology. A lack of Health and Safety awareness and personal skills was also common. Thereafter, while several other skills shortages were highlighted they were not of a significant scale, though it is still important that training organisations take note of the fact that an individual company may have had difficulty in recruiting for particular jobs, even if that was not a widespread experience.

Specific Skill	Number of companies citing a specific skill shortage
Accountancy Qualifications	1
Applied Economics	1
Architects	1
Biochemistry & Chemical Engineering	1
Blacksmiths	1
Bleaching & Dyeing	1
Boat Building & Fibre Glassing	1
Book Keeping	1
Builders	1
Burglar Alarm Installation	1
CCTV Work	1
Certificate to carry Dangerous Fuels	1
Computer Skills/IT	6
Computer Training re: Mining Industry	1
* Core Skills	11
Electronic Systems	1
Effluent treatment systems	1
Engineering	2
Geography Knowledge	1
HGV Drivers	1
Health & Safety Knowledge	1
Joinery	1



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Lime Putty Manufacture	1
Mushroom Gardening	1
PLC (Programmable Logic Controllers) Programming	2
Photography	1
Printing	2
Quantity Surveying	1
Restaurant/Cafe	2
Road Haulage	1
Sales & Marketing	1
Sales Reps	1
Sewing & Cutting / Machinists/Stitchers	4
Sign Makers	1
Tax Advisers	1
Telephone & Typing skills/Office Skills	2
Telework	1
Transport Licence	1
Travel Care Skills	2
Track, Machine & Dozer drivers	1
Welders/Fabrication	1
Window Installation & Refurbishment	1

* Core Skills are defined as being: Basic literacy and numeracy.

