

Review of Cork City Development Board  
Strategy 2009 to 2012

As per Circular LG 11/08

**Context Paper**

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Jim O'Donovan  
Director of Services

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## Introduction:

The Cork City Development Board was established in early 2000 “to maximise the effectiveness of public service delivery in Cork City”<sup>1</sup>. In 2002 it published “Imagine Our Future” an integrated strategy for economic, social and cultural development. This Strategy was reviewed in late 2005 and early 2006 and identified a number of priority areas to be addressed.

In 2008 the CDB National Co-ordination Group requested a further review of the CDB strategies. This is the second and final review of the original Strategy and is to focus on a very limited number of priorities over the period mid 2009 to end 2012<sup>2</sup>

The OECD<sup>3</sup> Report on the Irish Public Service advocates an inter-agency approach to integrated service delivery at local level. A commitment in Towards 2016<sup>4</sup> commits to “the development and strengthening of the CDB structure to ensure effective operation of the boards, as a vehicle for supporting a more integrated approach to service delivery at local level. This commitment is to be underpinned by a number of the recommendations to enhance the impact of CDBs as set out in the Indecon Report.”<sup>5</sup>

In reviewing the strategy recent developments both political and economic need to be considered. The DEHLG identifies these, namely:

- the 2006 Census of Population,
- Towards 2016,

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<sup>1</sup> Imagine Our Future, Integrated Strategy for Economic, Social and Cultural Development. 2002-2012

<sup>2</sup> LG 11/08 DEHLG

<sup>3</sup> **Ireland Towards An Integrated Public Service**, OECD Report on Irish Public Services.

<sup>4</sup> **Towards 2016** Ten-Year Framework Social Partnership Agreement 2006-2015

<sup>5</sup> LG 11/08 DEHLG

- the OECD Report on the Irish Public Service, and
- the Indecon Review of the CDBs.

In particular the City Development Board needs to highlight significant variances in population that have occurred between 2002 and 2006.

This context paper outlines the demographic, political and economic factors that will impact on the how decisions as to strategy priorities will be arrived at.

**The overall purpose of the review will be to:**

Identify a limited number (aside from nationally determined initiatives, such as the Inter-Agency Traveller Initiative) of key priorities and actions on which the CDB will concentrate over the following three years or so, with particular reference to achieving the core CDB objective of improved co-ordination of local public service delivery;

1. Identify key developments at local, regional and national level that have occurred since the Strategies were revised in 2005/2006, and assess their implications (e.g. 2006 Census of Population, Towards 2016 (with particular reference to the focus on better outcomes for the individual through integrated service delivery), the OECD Report on the Irish Public Service (especially in relation to shared services and the emphasis on efficiency), the Indecon Review of the CDBs and the Green Paper on Local Government).
2. Identify the most important achievements to date in terms of implementation of the existing Strategies (as revised) and the work of the CDBs in general, with particular regard to inter-agency co-operation and practical outcomes. In this context, the review should highlight ways in which such co-operation can be improved, including co-operation and liaison between CDBs, where appropriate.
3. Examine the processes and mechanisms currently being used to implement and monitor the strategies and more generally the work of the boards (particularly against the background of inter-agency co-ordination and the weighting given to the views of CDBs), with a view to streamlining them and ensuring their effectiveness.

4. In light of the above, propose any adjustments needed in terms of achievable and realistic priorities and implementation arrangements for the next three and a half year period, i.e. mid 2009-2012 inclusive.<sup>6</sup>

The *Guidelines for the Review of County/City Development Board Strategies for the period mid 2009 to end 2012*<sup>7</sup> sets out that the starting point of the review is to be the 2005 review rather than the original Strategy published in 2002.

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<sup>6</sup> Guidelines for the Review of County / City Development Board (CDB) Strategies for the period mid 2009 to end 2012

<sup>7</sup> Sent to each CDB in November 2008

## National Developments

The development of Cork City as a Gateway City is set within the context of the national planning framework. The City Development Plan provides a useful summary of the national planning framework.

- The *National Development Plan 2007 -2013* which aims for balanced regional development and identifies Cork as a national gateway;
- The *National Spatial Strategy 2002-2020* which provides a spatial planning framework for the country and reinforces Cork's role as a national gateway;
- *Sustainable Development: A Strategy for Ireland , 1997* which provides a framework for the achievement of sustainable development at a local level;
- The *National Climate Change Strategy 2007 -2012* sets out how Ireland can meet its targets under the Kyoto Protocol
- Ministerial Guidelines and Directives including those on Housing Strategies, Retail Planning, Childcare, Residential Density and Architectural Conservation, and Urban Design.<sup>8</sup>

## Population:

Cork City's population has declined by 6.2% over the past 15 years. The city council area is the only administrative county to record a decline in population in the last census.

The areas in Cork City which experienced the fastest growth are the Electoral Divisions (EDs) of Centre A (359.9%), South Gate A (186.8%) and Bishopstown A (132.1 %), which more than doubled their population.

The ED areas in Cork City that experienced the highest population decline are Fair Hill B (-34.1%), Togher B (-33.5%), Bishopstown D (-31.2%), Togher A (-29.9%) and Glasheen C (-29.5%).<sup>9</sup>

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<sup>8</sup> Cork City Development Plan 2009 -2015

<sup>9</sup> Socio Economic Profile of Cork City

## Population and employment targets growth

Table 2.2 shows the amount of growth envisaged for Cork City, Metropolitan Cork and the Ring Towns and Rural Areas.

The bulk of population growth will be in Metropolitan Cork outside the city boundary, while it is envisaged that the city could accommodate an additional 30,478 people. Achievement of this target for the city will necessitate a reversal in the decline in population of recent decades. The city is well endowed with 'brown field' land in Docklands and other locations to meet this need.

**Table 2.2 Future Population – Enhanced CASP Projections<sup>10</sup>**

Area	2006 Actual	Original CASP 2020 projection	Updated 2020 Projection	Implied Population growth 2006-2020
City	119,522	135,820	150,000	30,478
Rest of Metropolitan Cork	153,019	180,710	216,240	63,221
Ring Towns and Rural Area	105,055	106,620	121,760	16,705
CASP Total	377,596	423,150	488,000	110,404

### **The Cork Docklands Development Strategy.**

Cork Docklands are set in a beautiful location to the east of the City Centre and cover an area of 166 hectares of land on both banks of the River Lee, with 4 kilometres of waterfront. The potential of this area was recognised in the 1990s culminating in the publication of the Cork Docklands Development Strategy in 2001. This set out a vision for a new urban quarter characterised by high quality design; residential, employment and leisure opportunities; and a superb quality of life in a high-density urban setting. The

<sup>10</sup> Extracted and edited from the draft Draft Cork City Development Plan 2009-2015

regeneration of Docklands is a priority for Cork City Council. It is actively working to achieve this over the medium-term in co-operation with the various stakeholders in Docklands.

### **Children**

The percentage population of persons aged between 0 and 19 years in Census 2006 was 23%. This compares with 29% for Cork County and 27% for the state as a whole. Although not as high as in other areas, children account for a significant proportion of the population of Cork City. It will therefore be necessary to provide for facilities such as childcare, play facilities, sports facilities, schools and safe walking and cycling routes.

### **People Of Working Age**

People of working age constitute a large grouping, with people aged between 19 and 65 years consisting of 63% of the population of Cork City in Census 2006. While there are a number of different groupings under the heading “people of working age”, it will be particularly important to ensure the needs of vulnerable groups including those experiencing social exclusion and poverty such as lone parent households, the long-term unemployed, workers on low income, Travellers, the homeless, migrants and ethnic minority groups are catered for.

### **Older People**

Older people (over 65 years) account for 14% of the population of Cork City. This compares with 11% for Cork County and 11% for the State as a whole. It is predicted that the proportion of older people in general is expected to grow. Policies which need to be taken into account therefore include the provision of services for older people such as community/meeting facilities and care services such as nursing homes as well as housing and public transport.<sup>11</sup>

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<sup>11</sup> Extracted from the draft Draft Cork City Development Plan 2009-2015

## **Economic Developments:**

### **Socio Economic Profile of Cork City**

This profile presents the main social and economic indicators for Cork City in relation to its population and demographic changes, deprivation and education developments, unemployment levels, housing provision and social class compositions. All of the information is taken from the Census Statistics Office.

### **Demographic characteristics:**

The average dependency rate (the proportion of population under 15 years of age or over 64 as part of the total population) in Ireland has experienced a continuous decline in the past fifteen years from 38.1% in 1991 to 31.4 % in 2006. Cork City experienced a slightly smaller decline, from 34.1% in 1991 to 29.3% in 2006. For the 2006 census Cork City dependency rate was a 2 % below the national average.

Within Cork city there are significant differences in relation to dependency rates. In the ED areas of Togher B (45.0%), Fair Hill (43.4 %), Tramore A (42.7 %), Turners Cross D (41.0 %) and Farranferris C (40.1 %), dependency rates are higher than 40 %. Areas with lowest dependency rates include South Gate A (8.8%), Centre A (11.0%), St Patrick's A (14.6%) and Bishopstown A (13.6 %).

The number of lone parents as a proportion of all households with dependent children in Ireland has doubled over the past 15 years from 10.7 % in 1991 to 21.3 % in 2006. There are differences between rural and urban areas, but cities have experienced up to twice the national average. The proportion of lone parents in Cork City had a rate of 33.4% in 2006. One third of families with dependent children are headed by a single parent. This is the third highest proportion after Limerick City (39.1 %) and Dublin City (35.8%).

In relation to lone parents there are large differences within the city. The proportion of lone parents tends to be concentrated in local authority housing areas. Lone parent rates are higher than 50% in five Cork City electoral divisions (EDs). These include Blackpool A (61.8%), Mayfield (61.0%), Knocknaheeny (60.6 %), South Gate B (50.0%) and The Glen A (50.0%).

### **Deprivation Index:**

Cork City's Baseline Data Report – 2006 which was commissioned by Pobal (a non-profit company that manages social inclusion and equality programmes on behalf of the Irish Government and the E.U.) under the National Development Plan and carried out by GAMMA (a private company that provides solutions on data information) for city and county partnerships, presents a brief analysis of key economic and social indicators based on the 2006 census. In relation to social exclusion the report provides measures of deprivation through a deprivation index. This deprivation measure is based on an earlier deprivation index developed by Haase & Pratschke in 2005, and takes it further. The new measures of deprivation provide an up-to-date analysis of the changes in deprivation and are measured through the composition of a demographic profile, social class composition and labour market situation. The scores range from -50 (most disadvantaged) to + 50 (most affluent).

The relative position of Cork City has deteriorated over the past fifteen years from a score of 0.1 in 1991 to -3.2 in 2006, which means that Cork City has dropped 11 ranks from the 19<sup>th</sup> to the 30<sup>th</sup> position in relative affluence nationally. The report also identifies that the South West is the third most affluent region of Ireland. Cork City is the most disadvantaged local authority area within that region and is identified as being the fifth most disadvantaged local authority area in Ireland as a whole.

The report also highlights how there are considerable relative affluence and deprivation differences within Cork City itself. The most affluent parts are towards the East and West of the city, whereas the South and particularly the North are the most disadvantaged

areas. The most disadvantaged EDs are Farranferris B (-34.2), Knocknaheeny (-30.1), and Fair Hill B (-30.1), all of which are in the “extremely disadvantaged” category. There are another fourteen EDs in the ‘very disadvantaged’ and six EDs in the ‘disadvantaged’ categories. These deprivation indices are from 2006 and have most probably deteriorated with the recent economic downturn.

### **Education:**

The level of adults with education in Ireland has increased overall over the past 15 years. The percentage of adults with primary education only fell from 36.7% in 1991 to 18.9% in 2006. In Cork City the percentage of adults with primary education only fell from 35.4% in 1991 to 20.7% in 2006, which was below the national average in 1991 and above the national average in 2006.

Within Cork City however there are areas where high proportions of the adult population have primary education only. These include Fair Hill B (46.8%), Farranferris B (45.2%), Churchfield (44.1 %), Fair Hill A (42.9%) and Togher B (40.7%).

In relation to third level education the trend is opposite to that of the primary education. The number of people with third level education has more than doubled in Ireland increasing from 13.0% in 1991 to 30.5 % in 2006. In Cork City the population with third level education has increased from 13.8% to 29.2%. This is a slightly lower growth than the national average.

Within Cork City however there are ten ED areas where the percentage of adult population with third level education is below 10.0%. The lower numbers are in Gurrabraher (6.3%), Churchfield (6.9%), Fair Hill B (7.6%), Farranferris B (7.7%) and Fair Hill A (8.3%).

**Unemployment:**

The economic downturn in Ireland, which began in early 2008, has created extremely high levels of unemployment.

Live Register numbers are the only source of official information in relation to levels of people signing on at social welfare offices. The Live Register is not designed to measure unemployment. It includes part-time workers (those who work up to three days a week), seasonal and casual workers entitled to Jobseekers Benefit or allowance. However, the Live Register signals a continuation of the severe deterioration in the labour market conditions seen since the start of the year 2008 and is one indicator to identify current levels of unemployment. The official indicator in relation to unemployment is that given in the Quarterly National Household Survey, which doesn't give specific levels for Cork City or County.

According to the last Quarterly National Household Survey, Quarter 3 in 2008, there were 2,120,800 persons in employment in Ireland, representing an annual decrease in employment of 25,200 or 1.2%, the first annual decline in employment since 1991. This compares with an annual growth rate of 0.3% in the previous quarter and a rate of 3.3% for the third quarter of 2007. There was a decrease of over 32,000 or 2.6% in the number of men at work, while the number of women at work increased by over 7,000 or 0.8%.

At an overall level the total number of persons in the labour force now stands at 2,281,400, an increase of 28,100 or 1.2% in the year. This compares with an annual labour force growth of 1.0% in the previous quarter and 3.2% in the third quarter of 2007. The largest decline in employment in Ireland was recorded in the Construction sector where the numbers employed fell 25,900 (-9.1%) over the year. Annual decreases in employment were also recorded in the other production industries (-9,400) and Hotels and restaurants (-5,400) sectors. Sectors showing an increase in employment over the year included health (+7,300), other services (+5,900) and education (+5,600).

According to the 2006 census the total number of people working in 2006 in Cork City was 48,892. In December 2008 the number of people in Cork City and suburbs on the Live Register was 12,637. 7,229 people in Cork City and suburbs were recorded on the Live Register in January 2007. This indicator, while it does not show the accurate unemployment rate, shows that the level of people on the Live Register in Cork and suburbs has increased by 75%. Figures from the Central Statistics Office show Live Register figures jumping more than 80% per cent from January 2007 to December 2008. Cork also experienced rapid increases in numbers joining the register in areas outside the city such as Macroom, Bandon and Carrigaline. The following are the Live Register increases from January 2007 to December 2008:

**Table 1: Live Register numbers from January 2007 to December 2008**

Region/ City	January 2007	January 2008	February 2008	March 2008	April 2008	May 2008	June 2008	July 2008	August 2008	Nov. 2008	Dec. 2008
<b>Cork County</b>	15,392	17,670	18,378	18,177	18,951	19,552	21,762	23,581	24,464	25,684	28,064
<b>Cork City</b>	7,229	8,224	8,620	9,037	8,969	9,368	10,540	11,338	11,900	11,730	12,637
<b>State</b>	158,752	181,449	189,485	197,992	195,598	201,756	220,811	238,240	247,384	268,586	291,363

### **Project Refocus**

Project Refocus was originally Jobs@Docklands, a strategy to ensure that the employment opportunities afforded by the regeneration of Cork Docklands and other developments in Cork city, are accessible by the residents of the city's RAPID and other disadvantaged Areas.

According to the Census of Population in 2006, there were five unemployment black spots (DEDs with unemployment rates above 20%) on the Northside of the City. Northside RAPID areas show the highest levels of early school leaving and unemployment and the lowest levels of third level qualifications in the City.

Deeply rooted employment exclusion persists in certain areas of the City despite the significant job growth of the last 10 years. It is part of the reason why the position of the

City has deteriorated considerably in terms of deprivation, going from 11th to 30th in National terms and from a score of 0.1 in 1991 to -3.2 in 15 years according to the most recent Gamma report. Project Refocus is a chance to define areas of exclusion by opportunity rather than in terms of entrenched, long-term welfare.

The core strategy centres on an inter-agency, three-year training and support commitment for individuals identified through local employment and education task groups. The training is based on the range of skills prioritised to increase access to employment in the National Skills Strategy and the supports reflect the priorities outlined in the NESF Employment Inclusion Report.

Inter-agency collaboration is required to implement the strategy, echoing the clear message with respect to government departments and the agency delivery of social inclusion priority goals in the National Development Plan 2007-2013.

To achieve this objective, a three-year training and support commitment is proposed, based on the skills profile adopted in the National Skills Strategy (fundamental literacy and numerical skills, people-related skills and conceptual/ thinking skills). The strategy has the following elements:

- **Lead Agency: Cork City Development Board**  
In line with current NDP social inclusion policy and consistent with a motion passed by City Council in July 2007, responsibility for co-ordinating inter-agency collaboration for Project Refocus will be assumed by the Cork City Development Board.
- **Strategy Management: Project Refocus workgroup**  
Day-to-day strategic direction will be provided by the Project Refocus workgroup, which will be set up as a sub-committee of the Cork City Development Board.
- **Strategy Management: Independent Facilitation**  
Independent facilitation will secure the operational co-ordination between partners and the implementation of programme activities.
- **Project Refocus: Local Employment Protocols**  
The agreement will be realised in each of the RAPID areas and both Northside and Southside Non-Rapid areas in the form of local employment protocols covering collaboration in the provision of client supports.
- **Project Refocus: Cork City Employment Standard**  
In line with the Cork City Development Board goal where ‘the City will become recognised as a centre of learning nationally and internationally’<sup>12</sup>, a Cork City

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<sup>12</sup> Cork City Development Board. Imagine our Future. Cork 2002 - 2012 Integrated Strategy for Economic, Social and Cultural Development. (2002)

employment standard will be developed to represent collaborative service excellence recognising inter-agency collaboration to facilitate the three-year supported employment training and placement.

The strategy was adopted by the Docklands Policy Forum and Cork City Council (July 2008) and on 24th September 2008, Cork City Development Board ratified its role as lead agency in line with NDP social inclusion policy recommendations

The 2006 census unemployment rates show that the city still contains areas of high unemployment and this pattern has probably deteriorated since early 2008.

Unemployment black spots are defined for the purposes of CSO census reports as electoral divisions (EDs) where the labour force exceeds 200 persons and the unemployment rate exceeds 20%. There were 11 such EDs in the city in 2002, out of 88 ED in the state overall. The decline in unemployment rates throughout the country has been replicated in these black spots, which have now reduced to 62 nationally, of which five are in Cork: Farranferris B, Gurraunabraher B, Knocknaheeny, Mayfield and The Glen A. The average unemployment rate in these five EDs is 24 %, and the average labour force is 958 individuals (see table below). The figures indicate a decline in unemployment rate in three of the Cork EDs since 2002, and an increase in two EDs.

The Census Small Area Population Statistics have been released in units smaller in most cases than EDs, known as Census Enumerator Areas (CEA). These data reveal areas in the city where unemployment rates reach 35%. There are 16 CEAs in the city that meet the criteria used by the CSO to identify unemployment black spots (15 of which are sub-divisions of the black spot EDs) (see table below).

<b>2006 Census Enumerator Area</b>	<b>Situation (by Electoral Division)</b>	<b>Unemployment rate (%)</b>	<b>Labour force (persons)</b>	<b>Labour Force Participation Rate</b>	<b>Population aged 15+ (persons)</b>
Cork City 17/079	Knocknaheeny	35.1%	478	60.4%	792
Cork City 17/111	Mayfield	33.2%	425	54.3%	783
Cork City 17/113	The Glen A	31.3%	499	57.8%	863
Cork City 17/114	The Glen A	29.7%	414	57.6%	719
Cork City 17/077	Knocknaheeny	27.9%	401	52.3%	767
Cork City 17/110	Mayfield	26.7%	285	53.1%	537
Cork City 17/078	Knocknaheeny	24.8%	355	45.2%	785
Cork City 17/084	Gurraunabraher B	23.6%	292	47.3%	617
Cork City 17/090	Farranferris B	23.4%	380	51.5%	738
Cork City 17/121	Fair Hill C	22.4%	539	64.1%	841
Cork City 17/095	Gurraunabraher C & Shandon A	22.0%	440	57.9%	760
Cork City 17/081	Churchfield & Knocknaheeny	21.7%	341	44.1%	774

Cork City 17/027	Mahon A	20.6%	441	50.3%	877
Cork City 17/120	Fair Hill C	20.4%	319	48.0%	665
Cork City 17/076	Shanakiel	19.7%	558	59.2%	942
Cork City 17/082	Churchfield	19.6%	413	53.2%	776

It should be stressed that these patterns have probably, as already stated, deteriorated since early 2008. The main indicators that would justify this statement are the low educational levels and the nature of the labour force skills and professions (with higher percentages of manual and manual skilled labour force) in the areas that already suffered high unemployment. This pattern has probably also intensified due to the deterioration of the construction and service industries.

**Social Class Composition:**

The levels of social class composition show similar patterns to those experienced in education. The percentage of professionals in all classes in Ireland increased from 25.2% in 1991 to 32.9% in 2006. The percentage of semi and unskilled classes decreased from 28.2 % to 18.6 % during the same period of time.

Cork City’s percentage of professional classes in 2006 was 25.1 % and for the lower skilled professions 23.8%. Cork City has the third lowest class composition in the country after Limerick City and Waterford City. Within Cork City the differences are similar to those experienced in education. The highest class composition is found in Browningstown (56.2 % professionals, 9.1% semi and unskilled manual classes). This level is very different to the lowest class compositions found in Fair Hill A (9.2 % and 45.2%), Fair Hill B (6.7% and 42.0%), Knocknaheeny (8.3% and 43.3%), Churchfield (7.6% and 42.6%) and Farranferris A (9.2% and 43.6%).

**Housing provision:**

The percentage of local authority housing in Ireland as a percentage of all housing has decreased from 9.8% in 1991 to 7.5% in 2006. In the South West Region the levels have declined from 9.0% to 7.5% (1.5 % decline). Cork City has experienced a decline of 2.4%, although its levels of local authority housing are significantly higher (18.1% to 15.8%). Cork City has the highest percentage of rented local authority housing in the country. The highest levels of local authority housing in Cork City are

Knocknaheeny (61.2%), Mayfield (58.6%), The Glen A (45.4%), Gurrabraher C (43.9%) and Mahon B (35.3%).

This context paper includes the following documents as appendices which will outline the economic position both nationally and in Cork going into 2009:

- ESRI - Quarterly Economic Commentary Winter 2008
- Addendum to the Irish Stability Programme Update January 2009
- Volume 2: Ireland's Competitiveness Challenge 8<sup>th</sup> January 2009
- Central Bank Report 29.01.2009

## Indecon Review

To support the process of reviewing CDB strategies, the Department engaged Indecon International Economic Consultants to carry out an objective synthesis of the 2005 reviews carried out by each to the 34 CDBs. Another task in the project was to prepare recommendations for the development and strengthening of the role of CDBs.

The overall objective of the review was to assess how the CDB process is progressing in achieving its objectives, with particular reference to the integrated delivery of public services at the local level.

The main focus of this report is to bring forward recommendations to develop and strengthen the CDBs in the context of the commitment in Towards 2016.<sup>13</sup>

The summary of the report is available in the appendices. The recommendations are listed in the table below.

*The Table below lists the summary recommendations for the enhancement of CDBs.*

### **Recommendations to Enhance Impact of CDBs**

1. Highlight Government commitment to facilitating CDBs to achieve integrated local service delivery
2. Establishment of national CDB co-ordination Group
3. Reform of Board structures of CDBs
4. Ensure appropriate integration mechanism with new unified local development agencies
5. Provide formalised mechanisms to ensure weighting is given to views of CDBs
6. Facilitate complementarity of economic/social/cultural development

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<sup>13</sup> Indecon Review of County/City Development Board Strategic Reviews and Proposals for Strengthening and Developing the Boards

7. Radically improve availability of county/city data
8. Retain exceptional personnel as Directors of Service for community and enterprise
9. Implement secondments between CDB Community and Enterprise Directorates and central Government departments, statutory agencies and private, community and voluntary sectors
10. Alter incentives by a range of measures including an awards scheme for integrated service delivery
11. Increase information on best practice exchange between CDBs and between CDBs and statutory agencies
12. Invest in integrated training
13. Consolidation of the Pro-Active Role of the County / City Managers Association
14. Introduce Arrangements to Facilitate Reporting of CDB issues within Local Authority
15. Undertake a review of the composition and role of SIM to enhance its effectiveness.

The City Development Board considered a presentation outlining the background, context and the main recommendations of the Indecon Review. At the CDB meeting of June '08 it was decided that the CASP structures and Cork Marketing Partnership were adequate processes for the implementation of the findings of the report in relation to economic development.

## Social Developments

“The National Action Plan for Social Inclusion 2007-2016 (NAPinclusion) sets out a wide-ranging programme of actions to address issues of poverty and social exclusion. Its overall poverty goal is to reduce the number of those experiencing consistent poverty to between 2% and 4% by 2012, with the aim of eliminating consistent poverty by 2016. Persons are regarded as being in consistent poverty if their income is below 60% of median income and they experience deprivation in relation to a list of deprivation items. NAPinclusion is complemented by the social inclusion elements of the *National Development Plan 2007-2013* and is based on the lifecycle approach set out in the national partnership agreement ‘Towards 2016’<sup>14</sup>. The key lifecycle groups are: Children, People of Working Age, Older People and People with Disabilities.

The plan focuses on; “the delivery and achievement of positive outcomes, with regular monitoring and evaluation of progress against social inclusion targets and objectives.”<sup>15</sup>

### ***Local implementation***

One of the overall goals of the City Development Plan is to promote social inclusion. The City Council has put in place a number of measures to support the mainstreaming of social inclusion so that the needs of all members of the community are considered. Poverty and social exclusion are defined as follows:

*People are living in poverty if their income and resources (material, cultural and social) are so inadequate as to preclude them from having a standard of living which is regarded as acceptable by Irish society generally. As a result of inadequate income and resources people may be excluded and marginalised from participating in activities which are considered the norm for other people in society. (Dept. of Social and Family Affairs 2002)*<sup>16</sup>

### ***Social Inclusion Unit***

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<sup>14</sup> **Towards 2016** Ten-Year Framework Social Partnership Agreement 2006-2015

<sup>15</sup> The National Action Plan for Social Inclusion 2007-2016

<sup>16</sup> Abstracted from the Draft Cork City Development Plan 2009 - 2015

**7.4** The Social Inclusion Unit was set up to further integrate social inclusion into the policies, programmes, activities and services of Cork City Council. The Unit works with all of the departments of the City Council and the Social Inclusion Committee to ensure that their services contribute to social inclusion. The Social Inclusion Action Plans set out a series of short-term and long-term actions identified by each Directorate and Department in the City Council to tackle issues of social exclusion. An example of one of the actions achieved includes the implementation of disability awareness training for staff of Cork City Council. In order to raise awareness on poverty issues “Cork City Poverty Profile City of Difference: Mapping Social Exclusion in Cork” was published in January 2005. Based on the 2002 Census, it contains information on population, households, education, socio-economic groups and labour force and unemployment. The Poverty Profile is currently being updated based on Census 2006 results.

## **National Childcare Investment Programme 2006 - 2010**

The National Childcare Investment Programme 2006 - 2010 is a major programme of investment in childcare infrastructure. The National Childcare Investment Programme will seek to:

- create 5,000 after-school and 10,000 pre-school education places;
- support childcare facilities for disadvantaged parents and their children;
- support quality measures for child minders and parent and toddler groups;
- provide education measures for children and adults in areas of disadvantage.

### **Cork City Childcare**

Cork City Childcare is a partnership which focuses on facilitating and integrating the provision of quality childcare services in line with recognised childcare principles, guidelines and compatible human resource development objectives. This is done through facilitation, capacity-building and the creation of an enabling environment.

### **Objectives for Development**

- To maintain a credible Childcare Committee
- To support the development of childcare in Cork by identifying local needs and supporting applicants that can meet the need
- To support the development of partnerships to develop the National Childcare

Investment Programme at a local level

- To support the development of capacity of all childcare service providers
- To support the involvement of all interested stakeholders in the future development of the childcare sector in Cork City

The Review of the previous Strategic Plan (2002—2007) shows:

- a contribution has been made to the meaningful enhancement and increases in childcare supply and provision in Cork City
- Cork City Childcare has established networks and partnerships, which progress the childcare agenda.
- The Company has contributed to the enhancement of information in relation to National childcare data by our involvement in the updated National Childcare Census and in our response to information requests on childcare in Cork City from Government Departments and Agencies.
- Cork City Childcare has interacted appropriately with Cork County Committee and other Committees with the view to enhancing and promoting childcare.
- The Company has adopted a complimentary approach to other providers in the city to use resources to their optimum.
- The Company has established and maintained links with the appropriate structures in our involvement in the City Monitoring Group and the City Development Board. The short training courses, workshops, seminars and the annual conference supports the development of quality provision in existing services.
- The Childminding Initiative has continued to underpin the development of childminding as a key part of the plan to offer parents choice and support in this vital area of the childcare sector.

**Comhairle Na nÓg:** is a youth forum that will give a voice to young people in Cork. Delegates from each local authority's Comhairle Na nÓg attend the annual national Dáil Na nÓg.

Comhairle Na nÓg in all local authorities involve children and young people in discussions on issues such as:

- the way future recreation facilities and youth cafes will be developed and managed; the development of playgrounds; encouraging active citizenship;
- promoting road safety among teenagers;
- highlighting health and safety on school buses;
- developing conservation and heritage plans.

In 2009 the Cork City Youth Council has evolved out of Comhairle na nÓg and is meeting regularly to discuss issues affecting young people in the City.

## **Improving Local and Community Development Structures and Programmes**

### **Community Participation Research**

The final report of the research “Improving Local and Community Development Structures and Programmes” was published in April 2008. There are wide ranging recommendations arising from the research which will have implications for Agencies including the City Council, the Cork City Partnership and the community development projects in how they interact with voluntary representatives and Community groups as well as for the community groups themselves.

Support and resources for the implementation of the recommendations have been identified. The steering group will continue to ensure the implementation of the agreed recommendations. To this end a community development worker is to be contracted to implement the recommendations of a working plan devised out of the final report.

## **RAPID National Context**

RAPID (Revitalising Areas by Planning, Investment and Development) is a focused Government Initiative to target the 46 most disadvantaged urban areas and provincial towns in the country. The key focus of RAPID is to improve the quality of life of residents living in these communities. The implementation of the programme is led by the Department of Community, Rural and Gaeltacht Affairs.

### **Cork Context**

There are four RAPID areas in Cork City. These are:

- 1) Togher / Mahon
- 2) Knocknaheeny / Hollyhill / Churchfield
- 3) Farranree / Fairhill / Churchfield
- 4) Mayfield / the Glen / Blackpool

## **Structures**

The key driving force is the Area Implementation Team (AIT). This is comprised of representatives of the City Council, HSE, Gardaí, City of Cork VEC, Dept. of Social & Family Affairs, FAS, Cork City Partnership, Cork Local Drugs Task Force, community representatives and elected representatives.

The AIT is responsible for the strategic overview and co-ordination of the programme in the area. It develops task groups or working groups with functional roles in developing responses to local issues e.g. environment, employment and training, community safety etc.

The AIT reports to the City Monitoring Group which in turn reports to the National Monitoring Committee.

### **Desired Outcomes**

- A. To increase investment in designated areas
- B. To improve the delivery of public services through integration and co-ordination and better management

C. To deliver these objectives in a manner which enhances the opportunities for communities to participate in the strategic improvement of their areas

## **A. Investment (2004 – 2009)**

### **Dedicated Funding Streams**

- Dormant Accounts Fund (RAPID Additionality Strand) – €800k for this year and €2.8 million in Cork City RAPID areas over the last five years)
- Funding for 15 playgrounds or multi-use game areas (€250k for this year and 1 million in Cork City RAPID areas over the last five years)
- Health Leverage Fund for community and elderly facilities (€400k for this year and €880k in Cork City RAPID areas over the last five years)
- Local Authority Estate Enhancement Scheme (€900k for this year and €2.5million in Cork City RAPID areas over the last five years)

### **Prioritised Funding Streams**

- Community based CCTV Scheme (150k for Blackpool capital and Knocknaheeny feasibility)
- National Childcare Investment Programme
- Sports Capital Programme and 30% top up funding for projects endorsed by RAPID AITS (estimated 5 million)

A range of other projects have been funded through national and local sources as a result of the areas' RAPID status e.g. over €1 million under the Sustainable Communities Fund, for example, this has funded six community wardens, a facilities manager and a clean-up team.

The majority of funding streams are prioritised on the basis that groups indicate whether or not they are in a RAPID area.

## **B. Service Integration**

The Area Implementation Teams have been involved in a variety of service integration initiatives, for example, considerable work has been carried out in all the RAPID areas under the theme of community safety. Community safety units, which are comprised of City Council and Gardaí, are in place in each RAPID area. The community safety units respond to issues raised at community safety fora. These are

public meetings which are held in each RAPID area, and organised by the Gardaí and City Council. Each area has focused on different themes, depending on local circumstances. These are highlighted below:

### **Knocknaheeny/Hollyhill/Churchfield**

#### Employment & Training

- customised training programme with new Barnardos facility
- running 'Refocus' courses with young people

#### Knocknaheeny Environment

- local environmental forum established and a range of practical on the ground actions implemented.

### **Farranree/ Fairhill/ Gurrabraher.**

#### Childcare

- local childcare providers and agencies brought together to address childcare needs in the area

#### Redevelopment of 'the Hut'

- local steering group established, funding sourced and Gurrabraher Hut redeveloped)

### **Mayfield/the Glen/Blackpool**

#### Glen Childcare

- Comprehensive plan for childcare in the Glen developed which will meet a variety of childcare needs in the area in a co-ordinated way

#### Mayfield Environment

- Local environmental group established and a variety of practical on the ground actions implemented

### **Togher/Mahon**

#### Youth

A Youth Network and Forum has been in operation for two years in Togher and Mahon. A youth café is also in operation in both areas

### **Rapid Community & Voluntary Network**

A Community and voluntary network is in operation in Mahon and Togher this involves all of the service providers in the area and the community representatives. It promotes positive working relationships and planning

### **C. Community Participation**

Community participation has been and remains a key objective of the programme. Each area is represented on the Area Implementation Team by 2-3 local residents. These community representatives are linked back to local community liaison and other networks.

Other participation structures are in place under specific themes. For example, community safety fora are in place in each RAPID area where local residents can engage with the Gardaí and Cork City Council on the topic of community safety and anti-social behaviour. The HSE also established a participation structure across the Northside under the Health Action Zone initiative.

Following the national evaluation of the RAPID programme, new community participation structures were recommended for each RAPID area focussing on the election and rotation of community reps, their roles and responsibilities, and the feedback structures required to support their involvement.

### **Next Stages**

In the early years of the RAPID Programme much of the focus was on capital investment. This is now in train and will continue for the foreseeable future. The focus has changed recently and for the next phase will focus on developing new approaches to service delivery with a continued emphasis on community involvement and interagency approaches.

RAPID is named in the new National Development Plan and is seen as a key Government Priority to address social exclusion and disadvantage. Following the National Evaluation, the RAPID Programme has focused along seven themes and strategic plans are being developed under these:

- *Physical Environment*
- *Crime and Safety*
- *Youth Support*
- *Health*
- *Family Support*
- *Education*
- *Employment & Training*

## **Disability Act 2005**

The National Disability Strategy was launched by the Government on 21<sup>st</sup> September 2004. The main aim of the strategy was to provide an understanding of disability and accessibility.

Arising from the strategy the Disability Act 2005 came into effect which places several requirements on public agencies. In particular public buildings, as far as practical, must be made accessible to people with disabilities no later than 2015.

In addition the Department of the Environment, Heritage and Local Government, along with 5 other Government Departments developed sectoral Plans.

Arising from this sectoral plan all local authorities had to carry out accessibility audits on their public buildings, facilities and amenities, websites etc. to identify remedial action necessary to make these buildings and facilities accessible for people with disabilities.

### **Cork City Context**

Disabled people face particular barriers to accessibility and movement. It will therefore be necessary to take their needs into account when designing new facilities and buildings e.g. ensuring level/ramped access to buildings, dished kerbs and the provision of appropriate parking and toilet facilities.

Responsibility lies with the City Development Board to “actively promote co-ordination between all the service providers in their area, in regard to services for persons with disabilities<sup>17</sup>.”

The original Cork City Development Board Strategy “Imagine Our Future” identified a number of key actions that were to be monitored under the strategy. It included actions that were the specific responsibility of the City Council:

- Monitoring the implementation of Part M Regulations

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<sup>17</sup> Extract from the DOEHLG Sectoral Plan.

- Ensuring that all footpaths at defined crossing areas will be dished
- A quality audit of footpaths was to be carried out

The Strategy also assigned responsibility to the City Council, in partnership with other agencies to:

- ensure that all modes of transport will be fully and safely accessible to people with disabilities
- re-develop the railway and bus stations to meet the needs of people with disabilities

## **Local Sports Partnerships – The National Context.**

The Irish Sports Council (ISC) in its first strategy - **A New Era for Sport** - promoted the notion of Local Sports Partnerships that would promote participation in sport at a local level. During the period covered by this strategy, the ISC established its first twelve Local Sports Partnerships (LSPs) - Clare, county Cork, Donegal, Fingal, Kildare, Laois, Limerick city, Meath, North Tipperary, Roscommon, Sligo and Waterford and in its second strategy - **Sport for Life** - the ISC continued the expansion of the LSP network, adding a further four LSPs - Kerry, Kilkenny, Mayo and Westmeath in 2004.

It identified the key tasks that the partnerships are involved which include: -

- The creation and implementation of plans for long term local sports development
- The establishment of a sustainable structure to assist all those involved in local sports development to face the associated challenges -e.g. recruiting and managing volunteers, quality training, etc
- Delivery of projects and programmes particularly for target groups - Establishing networks at local level and liaising with existing initiatives

The Cork City Sports Partnership was formally established in 2007 and a sports coordinator employed in May 2008 whose role will be to report to the Board of the LSP.

In December 2008 the Cork City Sports Partnership employed the expertise of Morgan Buckley form ASMT in Cork to facilitate the strategic planning Process. It is hoped that the final draft will be completed in 2009. The strategic plan will provide the sports partnership with its direction over the next three years. In the meantime the CCSP continues to deliver a number of National Programs such as Buntús to the Primary Schools, the Code of Ethics and Children's Officers courses.

## **Ethnic Groups/New Communities**

There is a growing population of ethnic groups within the City. The percentage population of non-Irish in the City increased from 6% in 2002 to 11% in 2006. The ward with the largest proportion of non-Irish to Irish is located in the City Centre. Some issues which need to be addressed to meet the needs of minority groups include access to facilities such as schools, shops, community facilities including meeting areas and access to good childcare particularly in the City Centre.

As part of Ireland's National Action Plan Against Racism (NPAR) 2005-2008, and in keeping with the Cork City Development Board's Integrated Strategy-"Imagine Our Future" (2002-2012), an Integration Strategy entitled "Connecting Communities" (2008-2011) has been prepared to address the needs of New Communities in Cork City. This strategy was launched in April 2008 and seeks to welcome diversity, promote an intercultural society and break down barriers to integration between communities in Cork City. An action plan has been put in place for the implementation of the strategy which progress will be monitored by the Cork City Integration Strategy Implementation Group who will report to the CDB bi- annually.

The strategy targets the 20,000 non Irish nationals in Cork City as well as the 720 Travellers living in Cork City.

## **Joint Policing Committees (JPCs)**

Joint Policing Committees have been established, under the Garda Síochána Act 2005 to develop greater consultation, cooperation and synergy between An Garda Síochána, local authorities and elected local representatives. It will involve the community and voluntary sector, on the management of policing and crime issues.

Each JPC is made up of:

- (a) Chairperson – Local Authority representative.
- (b) Garda Officers nominated by Commissioner.
- (c) Local Authority members.
- (d) Oireachtas members from the area.
- (e) Community/Voluntary sector representatives.

**The Functions of JPCs are:**

- to serve as a forum for consultations, discussions and recommendations on policing and crime issues within Local Authority administrative areas.
- to review levels and patterns of crime and the underlying factors.
- to establish and coordinate Local Policing Fora.
- to meet twice yearly (minimum).
- to arrange annual public meetings.

## **Integrated Target Group Plan for Travellers**

In accordance with Government policy the City Development Board has put in place a strategic plan which is implemented by an active Traveller Inter Agency Steering Group. The social partnership agreement, Towards 2016, Ten-Year Framework Social Partnership Agreement 2006-2015, gives a specific commitment to continued progress under this inter agency approach.

The Cork City Inter Agency Traveller Plan (August 2006) prioritises four areas for action:

- Youth
- Education
- Health & Accommodation
- Enterprise, Training & Employment

Working groups overseen by the Inter Agency Steering Group have been established for each of these areas. The work of these groups is.

**Traveller youth subcommittee:**

To increase access of traveller young people to mainstream youth clubs.

To provide Traveller cultural awareness training to youth workers in Cork.

**Education**

To support access and participation of Traveller children in local pre-schools.

To provide mentors for Traveller children in a number of schools.

**Health & Accommodation**

Funding was secured from Pobal to commission research into the co-ordination of services at the Hollyhill Halting site, where a multiplicity of agencies/groups( 17 no.) are engaged in service provision. The research has now been completed and the Working Group, will in due course, devise a plan for the implementation of its recommendations.

**Enterprise, Training & Employment**

Following completion of a FAS Construction Skills Course 6 of the original participants are currently employed as general operatives under 18 month contracts in various City Council Directorates.

A research project has been commissioned to identify barriers to Traveller participation in training programmes. It remains a priority to complete this project as soon as possible.

The working group has made an application for funding to FAS under the Special Initiative for Travellers. It is intended that this project will be managed, on a day to day basis, by the Bessborough Centre and will report to the working group. Under the programme, supports which will be available to Travellers will include:

- Individual customised training
- Horticultural Business Development
- Kick Start Training ( job seeking skills, personal development)
- Seed Funding Programme
- Traveller Cultural Awareness Consultancy Programme

## Appendices

**1.1** The *Draft Cork City Development Plan 2009 -2015* sets out Cork City Council's policies for the development of Cork City to 2015 and beyond.

The 3 key issues that arose in the consultation were traffic congestion and the need for increased public transport; the need for recreation and youth facilities; and the need to build strong residential communities and supporting services.

**1.2** The Plan is set within the strategic framework established by the Cork Area Strategic Plan 2001-2020 (CASP) and the Draft Update of CASP. It also takes account of Cork City Development Board's *Imagine Our Future: Integrated Strategy for Economic, Social and Cultural Development of Cork City 2002-2012*, and a range of other local strategies and plans.

**1.3** It has regard to relevant National plans, policies and guidelines that impact on proper planning and sustainable development. The main ones are:

- The *National Development Plan 2007 -2013* which aims for balanced regional development and identifies Cork as a national gateway;
- The *National Spatial Strategy 2002-2020* which provides a spatial planning framework for the country and reinforces Cork's role as a national gateway;
- *Sustainable Development: A Strategy for Ireland , 1997* , which provides a framework for the achievement of sustainable development at a local level;
- The *National Climate Change Strategy 2007 -2012* sets out how Ireland can meet its targets under the Kyoto Protocol
- Ministerial Guidelines and Directives including those on Housing Strategies, Retail Planning, Childcare, Residential Density and Architectural Conservation, and Urban Design.

LG 11/08

09 October 2008

## **Appendix 1 Review of County / City Development Board (CDB) Strategies mid 2009 to end 2012**

Dear Director,

I refer further to circular LG 06/08, of 19 June 2008 in respect of the upcoming review of CDB strategies. As indicated in that circular, the CDB National Co-ordination Group, chaired by Minister Micheál Kitt, decided that each CDB should undertake a review of its County/City Strategy, focusing on a very limited number of priorities over the period mid 2009 to end 2012. This circular and the accompanying Appendix now set out guidelines for conducting the review.

Following on from the strategy reviews undertaken by each CDB in 2005/06, a number of important developments have taken place both nationally and specifically in respect of CDBs, including, the 2006 Census of Population, *Towards 2016*, the OECD Report on the Irish Public Service and the *Indecon* Review of the CDBs.

With regard to the 2006 Census of Population, any significant variances against previous censuses should be considered in the context of the CDB strategies for mid 2009 to end 2012. The commitment given in *Towards 2016* in respect of the development and strengthening of the CDB structure to ensure effective operation of the Boards as a vehicle for supporting a more integrated approach to service delivery at local level is underpinned by a number of the recommendations to enhance the impact of CDBs as set out in the *Indecon* Report. In addition, the inter-agency approach to integrated service delivery at local level is advocated in the OECD Report on the Irish Public Service. It is important in this context that all recent policy initiatives and major external developments are taken into account in reviewing the CDB Strategies.

The CDB National Co-ordination Group considers it important that the review of the strategies should focus on the CDBs' core co-ordination role and result in the

selection of a limited number of key priorities at local level and actions on which the CDB will concentrate over the following three years (aside from nationally determined initiatives, such as the Inter-Agency Travellers Initiative). These limited priorities should also focus on integrated actions aimed at a more joined-up approach to local service delivery involving relevant agencies

Each strategy review should also be accompanied by a clearly defined implementation plan. To aid uniformity in the reviews across CDBs, a short set of guidelines is set out in the Appendix to this circular. These guidelines have been approved by the National CDB Co-ordination Group at its most recent meeting of 30 September, 2008. The guidelines are to be regarded as a framework and not a detailed prescription on how the review is to be conducted and what it should contain.

The reviews should be completed and approved by each CDB and signed by the chair of the Board by 30 April 2009. Copies should be sent to Mr Brendan Buggy (email: [brendan.buggy@environ.ie](mailto:brendan.buggy@environ.ie)) at the Department of Environment, Heritage and Local Government by 08 May 2009.

If you have any queries regarding the review you could contact Ms Mairead Ryan at tel: 01-8882800, Mr Brendan Buggy at tel: 01 - 8882826 or the undersigned.

Yours sincerely,



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Joe Allen  
Local Government Policy

Tel: 01 – 888 2709  
Email: [joe\\_allen@environ.ie](mailto:joe_allen@environ.ie)

c.c. Each county/city manager

## ***Guidelines for the Review of County / City Development Board (CDB) Strategies for the period mid 2009 to end 2012***

### **1. Background**

The 34 City and County Development Boards (CDBs) were established in early 2000, and their Strategies for the economic, social and cultural development of their areas were published during the first half of 2002. These Strategies were further reviewed in late 2005 and early 2006. The year 2008 is the ninth of the Boards' existence, and the sixth year of the implementation of the Strategies. It is also the second and final review of the original Strategies.

From the outset, it was anticipated that the Strategies would be monitored and reviewed. The "Shared Vision" Guidelines for strategy preparation proposed that there would be an evaluation at the end of each strategic planning cycle, and not less than every three years. Each of the Strategy documents also sets out its own individual programme for monitoring and review.

The CDB National Co-ordination Group, chaired by Minister Micheál Kitt T.D., has decided that each CDB should undertake a review of its County/City Strategy (as revised in 2005/2006), focusing on a very limited number of priorities over the three and a half year period mid 2009 to end 2012, with a particular emphasis on inter-agency co-operation and the need for sharing of resources to ensure efficiencies and value for money to meet the needs of the relevant client groups.

### **2. Purpose of the Review**

The overall purpose of the review will be to:

5. Identify a limited number (aside from nationally determined initiatives, such as the Inter-Agency Traveller Initiative) of key priorities and actions on which the CDB will concentrate over the following three years or so, with particular reference to achieving the core CDB objective of improved co-ordination of local public service delivery;
6. Identify key developments at local, regional and national level that have occurred since the Strategies were revised in 2005/2006, and assess their implications (e.g. 2006 Census of Population, *Towards 2016* (with particular reference to the focus on better outcomes for the individual through integrated service delivery), the OECD Report on the Irish Public Service (especially in

relation to shared services and the emphasis on efficiency), the Indecon Review of the CDBs and the Green Paper on Local Government).

7. Identify the most important achievements to date in terms of implementation of the existing Strategies (as revised) and the work of the CDBs in general, with particular regard to inter-agency co-operation and practical outcomes. In this context, the review should highlight ways in which such co-operation can be improved, including co-operation and liaison between CDBs, where appropriate.
8. Examine the processes and mechanisms currently being used to implement and monitor the Strategies and more generally the work of the Boards (particularly against the background of inter-agency co-ordination and the weighting given to the views of CDBs), with a view to streamlining them and ensuring their effectiveness.
9. In light of the above, propose any adjustments needed in terms of achievable and realistic priorities and implementation arrangements for the next three and a half year period, i.e. mid 2009-2012 inclusive.

It is not intended that the review will result in fundamental changes in the overall Strategy (as revised). This approach is in keeping with the overriding objective of the review i.e. the identification and implementation of a limited number of key priorities with an emphasis on inter-agency co-operation and the co-ordinated delivery of services, which is outcome focused.

### **3. Approach and Focus**

The detailed requirements of the review and the method by which it will be carried out will be a matter for each individual CDB. Broad parameters proposed are as follows:

- the starting point for the review should be the Strategy review carried out by the Boards in 2005/2006 rather than the original Strategy published in 2002;
- any new and relevant data or other information available with regard to the city and county should be considered, e.g. the results of the 2006 Census and

available data on economic performance (including changes in commercial rate base);

- the implications for the area of new local, regional or national policy developments should be considered, e.g. latest City/County Development Plans, the Regional Planning Guidelines, the local development cohesion process, the National Spatial Strategy and the Public Service Decentralisation Programme.
- account should be taken of Ireland's commitments to sustainable development and environmental policy at national, regional and local level. The priorities set out in *Making Ireland's Development Sustainable* (2002) (which is being revised and due for publication in 2008), together with current *Local Agenda 21* initiatives at local level are particularly relevant in this context.
- progress on implementing individual actions in the Strategies (as revised in 2005/2006) to date, should be established with reference to particular achievements, strengths, weaknesses and lessons from experience;
- emphasis should also be placed on identifying ways to counteract a lack of progress in implementing the Strategy, where this is relevant;
- any existing goals, targets performance indicators, etc. should be reviewed and assessed;
- the role of the CDB and of the Community and Enterprise section should be examined to establish their effectiveness in implementing the Strategies and in promoting a co-ordinated approach to service delivery – and steps identified (including the support of agencies represented on the Board) to improve effectiveness in this regard.
- there should be a continued emphasis on the work of the Social Inclusion Measures (SIM) Working Group.
- in the context of the continuing need to achieve efficiencies in the delivery of public services, the strategy review should also have particular regard to the potential for CDB member bodies to share resources in addressing the

development priorities of the county/city and the identified service needs of its customers, especially the disadvantaged.

It is envisaged that the review will be carried out in-house. While what is required is a review rather than a new strategic planning process, the need for appropriate consultation should be considered, including with the community/voluntary forum established as part of the CDB process.

#### **4. Output of the Review**

The output of the review should be a **concise** document (**no more than twenty pages**) covering a limited number of key priorities and practical actions for the next three and a half year period, mid 2009-2012 inclusive. This should, inter alia, be based on an evaluation of the implementation of the Strategies to date, the *Indecon* review of CDBs and a review of the implications of major external developments.

#### **5. Completion of Review**

The review should be completed and approved by the CDB and signed by the chair of the Board by **30 April 2009**. Copies should be sent to the Department of Environment, Heritage and Local Government (email: [brendan.buggy@environ.ie](mailto:brendan.buggy@environ.ie)) by **08 May 2009**.

## **Appendix 2 Indecon Review of County/City Development Board Strategic Reviews and Proposals for Strengthening and Developing the Boards**

### **Executive Summary**

#### **Introduction and Background**

This report is submitted to the Department of the Environment, Heritage and Local Government by Indecon International Economic Consultants. The report concerns a synthesis review of County / City Development Board (CDB) strategy reviews and recommendations to strengthen and develop the CDBs.

#### **Background to Review**

The County/City Development Boards (CDBs) were established in 2000 as a Government response to the challenge of increased integration of public and local service delivery. 34 Boards were set up in each of the county and city areas. Their membership comprises of representatives of local government, local development, the social partners and State Agencies.

In early 2005, the Minister for Environment, Heritage and Local Government required that each County/City Development Board (CDB) carry out a review of its Strategy. In the review the CDBs were asked to focus on their core co-ordination role and to produce a clearly defined implementation programme for 2006-2008 concentrating on a reduced number of actions.

#### **Terms of Reference and Focus of Study**

To support the process of reviewing CDB strategies, the Department engaged Indecon International Economic Consultants to carry out an objective synthesis of the CDBs' 34 individual reviews. Another task in the project was to prepare recommendations for the development and strengthening of the role of CDBs.

The overall objective of the synthesis of the Strategic Reviews is to assess how the CDB process is progressing in achieving its objectives, with particular reference to the integrated delivery of public services at the local level.

The main focus of this report is to bring forward recommendations to develop and strengthen the CDBs in the context of the commitment in Towards 2016. Since the start of this consultancy exercise this commitment has been reinforced in the NDP 2007-2013 and Ireland's National Action Plan for Social Inclusion. These two latter policy documents refer to CDBs as the key co-ordinating body at local level.

While the task assigned to the CDBs is particularly challenging, the value of CDBs should not be seen entirely in terms of their direct activities or their process and operation, but also in relation to the outcomes for bodies represented on the Boards in discharging their functions, as well as for communities themselves and the services delivered to them.

It is also important to note that in Ireland as in other countries joined up public service delivery poses challenges but achieving this is essential in terms of providing a high quality of public services for users and to secure value for money.

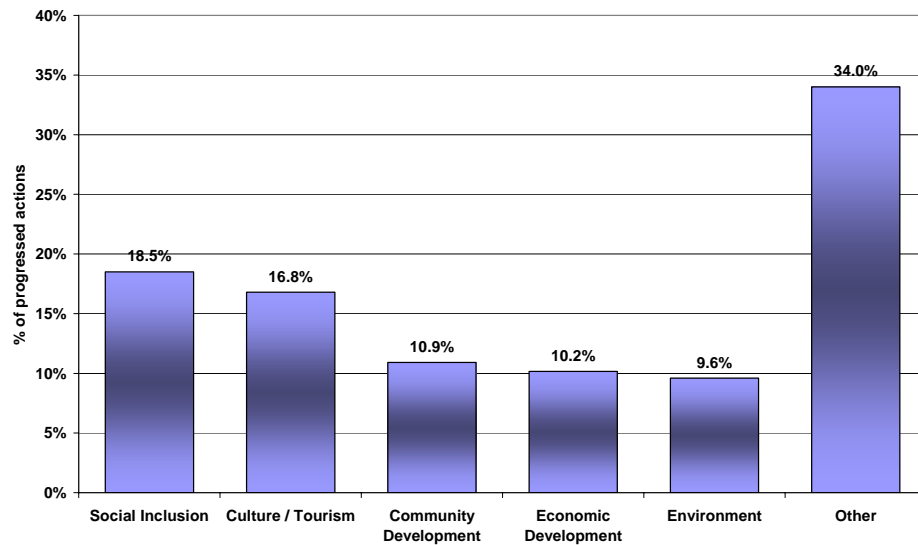
### **PROGRESS OF STRATEGIC PLANS BETWEEN 2002 AND 2005**

#### **Actions Progressed in Period to 2005**

The figure below shows the breakdown of actions progressed by CDBs since 2002 by sector of activity. Actions in the area of Social Inclusion comprised the single largest group, making up 18.5% of the total. Culture / Tourism related actions were the second most significant, accounting for 16.8% of the total. Approximately 10% of actions took place in each of the areas of Community Development, Economic Development and Environment.

## Actions Progressed by CDBs between 2002 and 2005

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Source: *Indecon analysis of CDB reports*

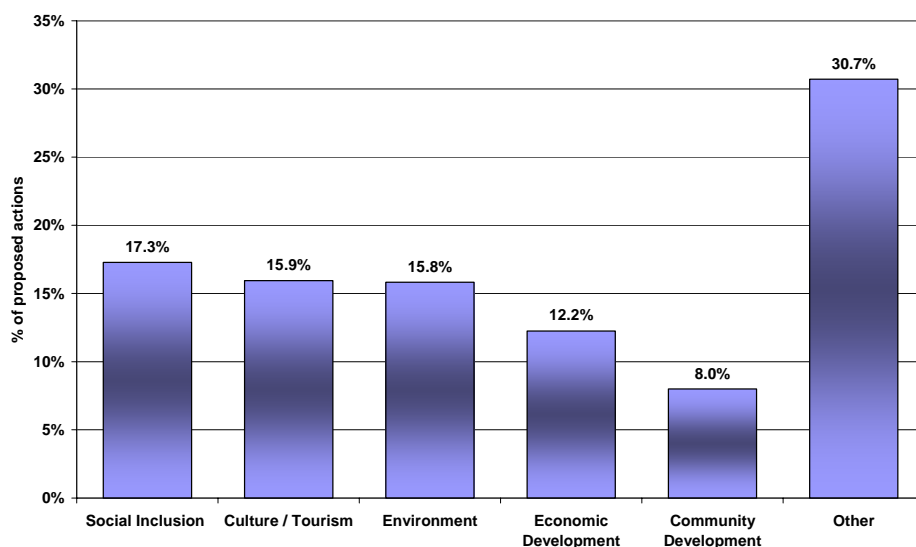
Our analysis highlighted a number of key features of actions progressed by CDBs. Firstly, it is clear that there is a large and diverse range of actions pursued. Also of relevance is the focus on social inclusion measures. The range of actions represents a particular challenge for CDBs in terms of specialist knowledge and in terms of co-ordination of policies at voluntary, government and statutory agency levels.

## ANALYSIS OF IMPLEMENTATION PLANS 2006 TO 2008

### Proposed Strategic Actions for Period to 2008

The figure below shows the sectoral breakdown of strategic implementation plans proposed by CDBs for period to 2008. The most important area is again Social Inclusion, which comprises 17.3% of all actions, followed by Culture / Tourism which makes up 15.9% of the total. Other actions being pursued relate to the Environment (15.8% of the total), Economic Development (12.2% of the total) and Community Development (8.0% of the total).

### Sectoral Breakdown of Implementation Plans 2006 to 2008



Source: Indecon analysis of CDB reports

Our analysis shows that in general there is positive correlation between actions completed between 2002 and 2005 and actions proposed for 2006 to 2008. The overall implication of this is that sectors concentrated on in the past by CDBs tend to be the ones which are focussed on going forward.

Our analysis also shows that in the period 2006 – 2008 there was a focus on a smaller number of actions and Indecon believe this may assist the effectiveness of CDBs. The number, range and diversity of actions, however, remain very large and while the range can be a strength of the CDB process, how to ensure impact remains an issue.

### Survey of CDB Directors of Service / County Managers

As part of this review we undertook a survey of Directors of Services and City / County Managers. Managers/Directors views were not being sought because they were local government practitioners but in the context that local government leads the CDBs and provides the administrative support and are therefore in a position to provide one input to some of the issues.

A number of key themes emerged from the survey of Directors of Service and County/City Managers and which were also raised in a wider consultation process included the following:

- Perceptions of Greater Effectiveness of CDBs in Area of Social Inclusion;
- Focus to date on Exchange of Information with Differing Responses on other Levels of Engagement;
- Potential Role for Board Sub Committee.

## Views of Practitioners in CDB Sector

In addition to analysing the CDB reports and completing a survey of Directors of Service and County/City Managers, Indecon felt it was important to seek views of a wide range of individuals and organisations including those in the voluntary and community sectors. In the context of this current synthesis review it was outside the scope of this study to undertake a comprehensive consultation programme with all practitioners but Indecon felt it was important to obtain input from a sample of a wide diversity of organisations and individuals. While there are numerous community, voluntary and statutory organisations who have an interest and knowledge in this area and have valuable insights, the focus in the context of this synthesis review was to attempt to gain insights from a sample of organisations and individuals which could assist Indecon in developing recommendations to enhance the contribution of CDBs.

The views on the overall effectiveness of CDBs expressed to Indecon as part of the consultation programme varied, with some individuals and organisations highlighting the contribution and value of CDBs while others raised issues concerning the constraints on CDBs achieving effective local integration of public services. Key views highlighted the role of CDBs in the following areas.

- Bringing together of shareholders;
- Importance of developing frameworks;
- Value for providing Fora for communities;
- Opportunity for collaborative projects.

However, not all opinions expressed were positive and many individuals and organisations expressed views that CDBs have not been able to achieve their potential. One of the interesting features of many of the views expressed was that they were framed in terms of reasons why CDBs were not as effective as may have been envisaged. Indecon found most of the views to be very constructive in terms of identifying the constraints on CDBs and thereby highlighting potential areas for action.

Key views were expressed on the following:

- Policy priorities;
- Role of Personnel;
- Willingness to address common problems;
- Communications;
- Challenges of Pooling Resources.

In expressing views on the effectiveness or otherwise of CDBs in different areas one issue which was given particular and recurrent emphasis was the need for ongoing policy priority and commitment to CDBs. CDBs are organisations who operate primarily in influencing other organisations both statutory and voluntary and it is clear to Indecon that their potential influence is significantly dependent on the perceived priority which is attached to their functions.

In addition to obtaining views on effectiveness of CDBs, an interesting issue raised during the consultation process related to the nature and levels of engagement. There are varying levels of engagement feasible in the integration of local service delivery. This includes at one level, the exchange of information, followed by altering activities, to sharing of resources or enhancing the capacity of agencies. An issue raised by both community and voluntary organisations and by executives in CDBs and by statutory agencies/departments related to the fact that there was extensive exchange of information and some altering of activities, but many indicated that there was limited sharing of resources or enhancing the capacity of agencies.

One of the consistent issues raised during the consultation process related to the impact of CDBs in influencing policy. A number of aspects of this related to:

- How the endorsement role of CDBs operated; and
- What weighting if any was given to CDB views by national agencies and government departments.

There was a diversity of views expressed concerning the impact of CDBs on policies. However, there was a general dissatisfaction with the extent to which national policies took account of CDB views and also of the potential for effectiveness and meaningful endorsement of policies of local agencies by CDBs. The endorsement by CDBs of policies/plans of local agencies involves the proofing by CDBs of agencies plans against an overall CDB strategy. Because of the potential of such an initiative to bring local knowledge and to share ideas and to reduce the potential for duplication or a mis-match between plans and local needs if this can be organised effectively it could assist in facilitating the more cohesive delivery of local services.

An issue raised by a number of community/voluntary interests was the differences in approach to endorsement of member organisation's policies pursued by different CDBs and also the fact that the endorsement process was applied only to social inclusion measures. Various individuals and organisations raised the issue of what impact endorsement had on policy decisions and on resource allocations.

A wide range of other issues were raised during the consultation process and these included the following:

- Concerns about relationship between CDBs and new unified local development agency structures;
- Effectiveness of members of CDBs;
- Role of Community and Voluntary Fora;
- Access to county/city data and availability of information.

### **Key Messages and Implications**

One of the objectives of the study was to identify messages and implications concerning the operation and future of CDBs. A summary of the key emerging issues for bodies represented on CDBs are presented in the table below.

### **Emerging Issues**

- 
- 1 National Policy Priorities and Statutory Powers
  - 2 Differing Responses in Key Areas of Social Inclusion, Economic Development and Cultural Development
  - 3 Importance of Personnel
  - 4 Issue of Linkage with Local Development Agencies
  - 5 Role and Effectiveness of Boards of Directors
  - 6 Role of Endorsing Policies and Inputting to Policies
  - 7 Limits on Resource Sharing / Varying Levels of Engagement
  - 8 Nomination of Social Partners / Role of Community Fora
  - 9 Weighting to CDBs Views
  - 10 Access to County Data
- 

*Source: Indecon*

### **Recommendations**

In this section we summarise our recommendations which are designed to strengthen the effectiveness of CDBs.

### **Recommendations to Enhance Impact of CDBs**

- 
16. Highlight Government commitment to facilitating CDBs to achieve integrated local service delivery
  17. Establishment of national CDB co-ordination Group
  18. Reform of Board structures of CDBs
-

- 
19. Ensure appropriate integration mechanism with new unified local development agencies
  20. Provide formalised mechanisms to ensure weighting is given to views of CDBs
  21. Facilitate complementarity of economic/social/cultural development
  22. Radically improve availability of county/city data
  23. Retain exceptional personnel as Directors of Service for community and enterprise
  24. Implement secondments between CDB Community and Enterprise Directorates and central Government departments, statutory agencies and private, community and voluntary sectors
  25. Alter incentives by a range of measures including an awards scheme for integrated service delivery
  26. Increase information on best practice exchange between CDBs and between CDBs and statutory agencies
  27. Invest in integrated training
  28. Consolidation of the Pro-Active Role of the County / City Managers Association
  29. Introduce Arrangements to Facilitate Reporting of CDB issues within Local Authority
  30. Undertake a review of the composition and role of SIM to enhance its effectiveness
- 

### **Highlight Government Commitment to Facilitating CDBs to Achieve Integrated Local Service Delivery**

We recommend that in the light of the Government wish for CDBs to play a part in facilitating integrated local service delivery that measures are taken to highlight on an ongoing basis the Government's commitment to this task. The recent commitment in T16 and in the NDP is important in this context, but ongoing attention is required in this area. Guidance by the Taoiseach and relevant Ministers to Departments, local authorities and statutory agencies on what is expected from CDBs and the required co-operation of their constituent organisations is needed.

### **Establishment of National CDB Co-Ordination Group**

While we are reluctant to recommend any additional government taskforces or groups we believe there is a need to establish a national co-ordination group to give impetus to the work of CDBs, to inform the Cabinet on key emerging issues, and to address any obstacles which exist.

There was widespread support during our consultations for such a high level mechanism to replace the previous interdepartmental Task Force, which was established when CDBs were set up.

In addition, where a Government Department 'assigns' a role to the CDBs, the relevant lead Department with national responsibility in relation to such a role should be directly responsible for driving delivery. This is a key challenge the implementation of which should be monitored by the proposed Co-ordinating Group

### **Reform of Board Structures of CDBs**

We recommend consideration by individual CDBs of the reform of board structures. Two particular reforms are suggested. Firstly the establishment in all cases of an economic development sub committee. Secondly, consideration of a smaller executive board to give direction to the CDB and to facilitate decision making, is required. In addition, the setting up of sub-groups on specific issues may be of merit. We also recommend that CDBs undertake an annual audit of the effectiveness of the operations of their boards in line with best practice.

### **Ensure Appropriate Integration Mechanism with New Unified Local Development Agencies**

We recommend that careful attention is paid by national policy makers in the local development cohesion process to ensure appropriate integration between CDBs and new unified local development agencies. We specifically recommend that steps are taken to ensure a different level of representation on local development agencies. If the same personnel were involved at CDB board level and at integrated local development agencies, this would result in duplication, a dilution of interest for board members and concerns over effectiveness. We also recommend that there is clarity on the role of CDBs in determining overall strategy and that an effective integration mechanism is put in place to achieve this.

### **Provide Formalised Effective Mechanisms to Ensure Weighting is Given to Views of CDBs**

We recommend that formalised mechanisms are put in place to ensure some weighting is given by national Department/statutory agencies to views of CDBs in relation to local measures. We believe this

is particularly important in deciding on resource priorities. We believe it would be unrealistic to assume that because CDBs have endorsed measures that no other evaluation is needed. However, it is also the case that if endorsement has no impact on decisions, the merit of the process of endorsement is open to question. We accept that in some cases endorsement by CDBs can have other benefits in terms of local support and sharing of information during the endorsement process. Nevertheless we believe there is a need for a formalised mechanism to ensure a weighting is given to the views of CDBs. Where CDBs' views are being sought by a Government Department or national agency regarding a particular issue, then their local representatives, as appropriate, on the Board should take a lead role in that matter.

#### **Facilitate Complementarity of Economic/Social/Cultural Development**

There is merit in continuing to facilitate complementarity of economic / social / cultural development functions. Achievement of this will be assisted by the other specific recommendations proposed in this report.

#### **Radically Improve Availability of County / City Data**

We recommend a radical improvement of the availability of county / city data. A sample of CDBs should propose an agreed listing of key data required to facilitate CDBs in meeting their responsibilities. The CSO and the statutory agencies should in all cases where feasible provide this data on an on-going basis.

#### **Retain Exceptional Personnel as Directors of Community and Enterprise Services**

A key feature of successful CDBs is the quality of executives. It is important that continued support is given to the assignment and retention of such individuals. We recommend that a high priority is given to the assignment and retention of exceptional personnel as Directors of Service for Community and Enterprise. We accept that this recommendation would need to reflect the reality that Directors of Service are interchangeable within a local authority.

#### **Implement Secondments between CDB Community and Enterprise Directorates and Central Government Departments, Statutory Agencies and Private and Voluntary Sectors**

We recommend that an active programme of secondments between CDBs and central government departments, statutory agencies and the private and voluntary sectors is introduced. Temporary secondments of 3, 6 and 12 months should be encouraged with inward to and outward from the Directorate of Community and Enterprise. Secondments should not be dependent on achieving a match involving a two way flow between the same agencies. The informal linkages and enhanced credibility which would result could be critical given the nature of CDBs.

#### **Alter Incentives by a Range of Measures including an awards scheme for Integrated Service Delivery**

A range of measures should be introduced to incentivise in the widest sense relevant personnel to assist in integrated local service delivery. This should include national awards for best practice and other incentives. An ad hoc implementation group involving government departments and senior representatives of statutory agencies might be appropriate to consider how to incentivise officials to actively commit to assisting in integrated local service delivery.

#### **Increase Information on Best Practice Exchange between CDBs and Between CDBs and Statutory Agencies**

The exchange of information within the system in terms of what works in relation to effective actions by CDBs would be of value. This should involve exchange of information both between CDBs and with statutory agencies. Best practice case studies may assist with this as well as on-going informal exchange of information. A national conference to highlight best practice would also be of value.

#### **Invest in Integrated Training**

This should include joint workshops and joint training programmes between CDBs and statutory agencies. We recommend that a joint working group from the Department of Environment, Heritage and Local Government, Local Government Management Services Board and representatives from CDBs should pursue this as a priority.

### **Consolidation of the Pro-Active Role by the County / City Managers Association**

The County/City Managers Association (CCMA) is a key organisation in the planning / development of key policy issues within the County/City Manager structure. We recommend consideration be given to discussions between the Department of the Environment, Heritage and Local Government and CCMA to explore the potential for CCMA to progress a pro-active role in the CDB process and to act as a vehicle to discuss strategic issues which may emerge.

### **Introduce Arrangements to Facilitate Reporting of CDB issues within Local Authorities**

Where it is not already happening, arrangements should be put in place to facilitate regular reporting on CDB issues to the Local Authority's Corporate Policy Group and other relevant structures within the local authorities, e.g. town councils and local area committees.

### **Undertake a review of the composition and role of SIM to enhance its effectiveness**

The co-ordination of social inclusion activities at local level is an important function of the CDBs. The range of bodies involved in the delivery of social inclusion programmes at local level, together with the many target groups involved and the complex issues arising in many cases, underlines the importance of good co-ordination in this area.

It was against this background that the Social Inclusion Measures (SIM) working groups of the CDBs were established. While evidence of good work among SIM groups has emerged during this study, it is also clear that these groups would benefit from a renewal of their mandate. In addition some of the recommendations in this report concerning the CDBs would also apply to the SIM groups. For example, real commitment to the working of the SIM groups from agencies at both national and local level and the transfer of best practice. In this context it is recommended that revised guidelines on the composition, operation and role of the SIM group to enhance its effectiveness be issued, with particular reference to linkages with the RAPID programme.

### **Conclusions**

The importance for Ireland of effective local delivery of public services cannot be underestimated. If the above recommendations are implemented we believe this could have a demonstrable impact on the effectiveness of CDBs. Effective local service delivery may however require other structural actions for example, changes in regional planning guidelines and other initiatives and it would be inappropriate to place sole responsibility for effective service delivery on what are small organisations with limited statutory powers and resources. CDBs, however, are the key co-ordinating body at local level and the recommendations outlined are designed to develop and strengthen the CDBs and to realise their potential to make a significant contribution to the key challenge of effective local service delivery.

## Appendix 3 Extract from Quarterly Economic Commentary Winter 2008 (ESRI).

### SUMMARY

The forecasts in this *Commentary*, especially for 2009, illustrate how the Irish economy is in the midst of a contraction that is large by both historic and international comparisons. For 2009, we expect GNP to fall by 4.6 per cent in volume terms. Following an anticipated contraction of 2.6 per cent in 2008, the accumulated fall in output is dramatic.

The volume of consumption is expected to fall by 3.6 per cent in 2009. The fall in investment is expected to be larger still. We are forecasting a fall of 19.3 per cent in investment volume in 2009. This figure is made up of a huge fall in building activity, both residential and commercial, with volume falling by 26 per cent. Many of Ireland's trading partners are now in recession and are expected to record falls in output volumes in 2009. For example, the OECD expects the US to contract by 0.9 per cent in 2009 and the Euro Area to contract by 0.6 per cent. Prospects for the UK are even worse, with a fall in GDP of 1.1 per cent expected in 2009. As a result of these anticipated outcomes, we expect Ireland's exports to fall by 0.4 per cent next year.

The downturn has already manifested itself in the labour market and the public finances. The rate of unemployment has jumped from 4.6 per cent in Quarter 1 of this year to 7 per cent in Quarter 3. Tax revenues have fallen rapidly, with current revenues likely to be almost 13 per cent lower in 2008 relative to 2007.

We now expect that average employment will fall by 117,000 in 2009, and consequently the total employed will be well below 2 million by the end of the year. This fall in employment will be distributed across changes in unemployment, migration and participation. It is very difficult to estimate how each will change but we can say that a fall in employment of that size will be consistent with net outward migration of 50,000, the unemployment rate averaging 9.4 per cent and participation falling by 1.3 percentage points.

On the public finances, we expect the General Government Deficit to be 6.9 per cent of GDP in 2008 and 10.2 per cent in 2009. Such deficits, when combined with the contracting economy, imply that the general government debt will reach 47.5 per cent of GDP in 2009, up from 36.7 per cent in 2008. On inflation, the global economic downturn is leading to falling commodity prices and reduced wage pressures. Taking account of these, we expect HICP inflation to average 0.5 per cent in 2009. With interest rates falling rapidly, we expect CPI inflation to be negative, at -2 per cent. For the economy as a whole, we expect zero wage growth in 2009. As wages in the public sector will show an increase during 2009 as a result of an increase granted in September 2008, implicit in our forecasts is a wage fall in the private sector in 2009.

In our *General Assessment*, we argue that policy options are very limited in terms of the short-run alleviation of the current difficulties. The focus of policy should be on ensuring that Ireland is as well placed as possible to participate in the global upturn.

As part of this strategy, we need to ensure that the public finances do not become a constraint on growth, as they did in the 1980s. With this in mind, we would stress yet again the importance of ensuring quality in all public spending, whether current or capital. We would also re-iterate a point that was made in the last *Commentary*, namely, the likelihood in the medium term of a need for tax increases as a result of the erosion in the tax base in recent years. In addition, we would also argue that the deterioration in the public finances will make it difficult for the government to pay the 3.5 per cent increase in September due under the pay agreement. We argue that the social partners need to come together and to reassess the most recent pay deal in the light of rapidly changing circumstances. The possibility of nominal pay cuts in the public sector should at least be considered in this context as pay cuts may well be considered preferable to cuts in services. As well as protecting services levels, the pay adjustment approach to economies could well yield expenditure savings more rapidly than an approach based solely on job cuts through natural wastage, early retirements and redundancy schemes. Finally, new research presented in this *Commentary* on the public/private wage differential suggests that there is a significant pay advantage for those working in the public sector and that this may have increased in recent years. Given this, it seems highly unlikely that any wage reductions in the public sector would, in general, lead to any significant challenges in terms of retaining or recruiting staff.

## **Appendix 4 Addendum to the Irish Stability Programme Update**

January 2009

### **Summary**

The economic situation is changing rapidly. The uncertainty surrounding economic forecasts in the current environment was highlighted in the October Stability Programme Update, and many of the risks identified at the time have subsequently materialised. The data which have become available in the final quarter of 2008 have been especially gloomy. In addition, notwithstanding various policy initiatives, prospects for the global economy have deteriorated significantly in recent months, with international forecasting agencies revising downwards their projections for short-term global economic growth on foot of mounting evidence that the impact of financial market difficulties on the real economy is intensifying. From an Irish perspective, most of our major trading partners are in or are on the verge of recession, and prospects for demand in our main export markets have been revised downwards. Exchange rate developments, in particular movements in the euro-sterling bilateral rate given the proximity and significance of the sterling area, are compounding our difficulties, as well as negatively impacting on tax revenues. The domestic small and medium-sized sectors are most exposed to developments in the euro-sterling bilateral rate. All told, therefore, developments since Budget-day point to a sharper contraction of output in 2009 than initially assumed, with activity now projected to contract by 4 per cent this year. Furthermore, there is a growing consensus that any recovery in our trading partners is likely to be modest and not begin until well into 2010. With domestic demand likely to remain weak, another year of contracting activity is expected next year. As a result, a cumulative loss of output of around 6¼ per cent appears to be in prospect over the period 2008-2010. Positive growth is expected in 2011, with a return to more sustainable growth thereafter.

As a result of this dramatically changed economic situation, the outlook for the fiscal position over the next number of years will be considerably more difficult than previously envisaged. Restoring sustainability to the public finances can only realistically involve a period of adjustment of up to five years. Taking action over a shorter period of time, given the scale of the emerging position, would impose substantial economic and social costs and would not be sensible or appropriate. The fiscal consolidation now required to be taken is set out in the tables below. The Government has agreed to put in place a five year plan to restore balance to the public finances by 2013. This will include as a priority the elimination of the current budget deficit by 2013, that is to stop borrowing for day-to-day spending, and in that period to also bring the General Government deficit to below 3 per cent of GDP, while maintaining a high level of capital expenditure.

### **The Economy in 2008**

Quarterly national accounts data show that annual GDP growth was flat in the third quarter. As a result, the average level of activity in the first three quarters was 0.6 per cent lower than in the same period a year earlier. Monthly indicators point to an annual decline in the fourth quarter so that for the year as a whole, it is now estimated

that GDP declined by 1.4 per cent. GNP, which is a more appropriate measure of actual income levels, declined by 2.0 per cent in the first three quarters and is estimated to have declined by 2.8 per cent for the year as a whole.

A lower level of residential investment was a key factor depressing activity last year – completions of new homes amounted to around 50,000, around one-third lower than in the previous year. The labour market implications of this adjustment have been substantial, and lower employment in construction was the main factor behind the annual decline in employment in the third quarter of last year, the first annual decline since 1991. Live register figures indicate a further considerable deterioration in the labour market in the period since then - ending the year in excess of 290,000 - with the result that unemployment is estimated to have averaged 6¼ per cent last year, compared to 4½ per cent a year earlier. Retail sales data confirm that consumer spending became increasingly negative in the second half, reflecting lower household income growth together with the deterioration in consumer sentiment. Export growth weakened due to the slowdown in our main export markets. As measured by the Irish domestic measure – the Consumer Price Index (CPI) – inflation averaged 4.3 per cent for the first eleven months of the year, driven primarily by external factors such as increases in commodity prices and mortgage interest rates. On a harmonised basis (HICP), inflation averaged 3.3 per cent. Recent months have seen an easing in inflationary pressures due to a combination of weaker domestic demand, exchange rate factors, moderating commodity prices, favourable base effects and ECB interest rate cuts. Reflecting these developments, CPI inflation is now expected to average close to 4.0 per cent for 2008 as a whole, while HICP inflation should average around 3¼ per cent (the December figure for HICP inflation is expected to be around 1½ - 1¾ per cent).

### **Economic Outlook**

International forecasting agencies are revising downwards their projections for global activity this year. Indeed, the speed and frequency of revisions to world growth forecasts in recent months are a reflection of the fluidity of the current situation. While the assessment of the external environment underpinning this update is broadly based on the *OECD's Economic Outlook* published in November, it must be acknowledged that the international environment may prove to be worse than this, or that the downturn may be more prolonged. Moreover, the significant appreciation of the euro vis-à-vis sterling in recent months, if sustained, will weigh further on our export performance. As a result of these developments, the outlook for the exporting sector is unfavourable, with a decline in exports assumed for this year.

