

QUESTION NO: 261

DÁIL QUESTION addressed to the Minister for Jobs, Enterprise and Innovation (Deputy Mary Mitchell O'Connor)
by Deputy Stephen S. Donnelly
for **WRITTEN ANSWER** on **25/05/2017**

To ask the Minister for Jobs; Enterprise and Innovation the funding allocated to State agencies in 2017 to hire additional staff as a result of Brexit; the number of staff that will be hired by agency; the numbers hired to date; and if she will make a statement on the matter.

REPLY.

An additional €3million was secured in respect of Pay in Budget 2017 and is being targeted specifically to assist in our response to the evolving Brexit scenario. It is enabling the Department and, primarily, our Agencies recruit some 40 to 50 additional staff to supplement existing staffing numbers. These numbers may grow as Agencies allocate additional Own Resource Income, by agreement with the Department, to recruit further staff to work on "Brexit-related" activity.

The additional €3m has been allocated across

- • Enterprise Ireland (€1,700,000)
- • IDA Ireland (€750,000)
- • Science Foundation Ireland (€150,000)
- • The Health and Safety Authority (€150,000), and
- • The Department itself (€250,000)

In terms of the Agency numbers, additional Brexit resources are being put in place in response to the €2.750m allocated for extra staff. This sum is anticipated to allow for additional Brexit staffing in Enterprise Ireland, IDA Ireland, SFI and the HSA (with a number of specific posts sanctioned and recruitment under way).

In relation to Enterprise Ireland, we have sanctioned an additional 39 posts with EI supplementing the "Brexit" pay allocation with additional Own Resource Income. 12 of the 39 posts have been filled. The remaining 27 are actively being sourced through recruitment processes.

IDA Ireland has sought 21 additional staff resources in order that it can meet the jobs and investment targets set out in its Strategy – “Winning Foreign Direct Investment 2015 – 2019” - and to meet the global challenges of 2017 and beyond with Brexit key among the identified challenges. The Agency also submitted a staff resourcing strategy to the Department in July 2016 which sought sanction for retention of the 35 staff hired on 3-year fixed term contracts under the Winning Abroad Programme. IDA has also sought to reinstate its Graduate Recruitment Programme on a three year contract basis. These latter two requests are still under consideration. Currently, IDA has official sanction to recruit 10 additional “Brexit” staff members. One of the Brexit staff members has been recruited with one other post close to being finalised.

Science Foundation Ireland (SFI) have designated three new posts to have specific Brexit related responsibilities and duties. These posts have been enabled by an increase in the Foundation’s pay allocation in 2017 for Brexit specific recruitment. While these posts have yet to be filled, recruitment is currently underway.

The Health & Safety Authority has identified a need for an additional 2 “Brexit” staff and while formal approval for one of the posts has been obtained, approval for the remaining post is still awaited at Departmental level"

In respect of these Agencies, it must also be borne in mind that all these Agencies will have prioritised the Brexit implications arising for them in their individual work plans for 2017 and beyond which serving staff will contribute to as part of their day-to-day work. In this regard the staffing of these Agencies is set out below.

- • EI had 575 staff in 564 Full-Time Equivalent posts before Brexit-specific recruitment of upwards of 39 staff takes effect.
- • IDA had 268 staff in 259 Full-Time Equivalent posts before Brexit-specific recruitment of upwards of 21 staff takes effect.
- • SFI had 47 staff in 46.5 Full-Time Equivalent posts before Brexit-specific recruitment of 2 additional staff takes effect.
- • HSA has 167 staff in 159 Full-Time Equivalent posts before Brexit-specific recruitment of 2 additional staff takes effect.

The €250,000 allocated to my Department's pay budget has funded the establishment of our dedicated Brexit Unit, which currently has a staff complement of four - 1 Principal, 1 Assistant Principal, 1 Higher Executive Officer and 1 Clerical Officer.

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To ask the Minister for Jobs; Enterprise and Innovation if her department has examined the way in which Brexit may potentially contribute to greater regional imbalance in terms of employment here; the specific measures she plans to implement to mitigate against this; and if she will make a statement on the matter.

REPLY.

Brexit poses significant challenges to the development of Irish owned industry and in particular to the regions which can be more dependent on Irish-owned medium and large businesses.

The regions are often heavily dependent on a small number of larger Irish companies and these companies can be found in traditional, labour intensive but very competitive sectors such as Food, Construction and Manufacturing/Engineering. There are a number of industry subsectors and major employers where exports to the UK make up in excess of 40% of total exports. The Construction Products, Construction Services, Engineering, Agriculture Machinery, Timber, Furniture and Food are all sectors that have a high level of sales to the UK and are very regionally dispersed sectors.

The regional spread of the Enterprise Ireland cohort of companies is very much to the forefront of my strategic planning for Brexit. For the longer term, it is important that we intensify our supports to build the competitiveness of individual companies that have the ambition and the capability to compete on world markets.

Enterprise Ireland (EI) and the Local Enterprises Offices are the main vehicles for channelling Government support to start ups and business expansion in the regions. Some 84% of LEO client

jobs are outside of Dublin and Cork urban areas and 62% of EI client employment is located in the regions. In 2016, 65% of payments by Enterprise Ireland were to companies located outside of Dublin.

Both regional balance and Brexit are significant components of the 2017 Action Plan for Jobs, the Regional Action Plans and the Rural Development Action Plan.

The Regional Action Plans for Jobs initiative is a concrete example of the targeted approach we are undertaking to boost regional employment and to support each region to achieve its economic potential. We are seeing progress. The most recent QNHS figures show that over 77% of the new jobs added in the year to Q1 2017 were outside Dublin, with the unemployment rate falling across all regions in the same period.

As well as being a top priority at Government level, the implications of the Brexit vote on Irish enterprises are, and will continue to be, an important item on the agenda of meetings of the 9 Regional Implementation Committees that are charged with overseeing and monitoring the Regional Plans.

On Monday 29th May, I will launch a €60m Regional Enterprise Development Fund with Minister of State for Employment and Labour Pat Breen TD. The Fund will support major new collaborative and innovative initiatives that can make a significant impact on enterprise development and job creation in the region/across regions or nationally. The competitive process for funding will be managed by Enterprise Ireland.

Through this €60m fund, the Government will be backing local stakeholders to drive their own futures by putting forward their own proposals to deliver sustainable employment.

Investing in Regional Enterprise Infrastructure is a crucial response to building the resilience of our regions to cope with any external challenge. By strengthening the infrastructure at local, regional and national levels, we aim to stimulate a new generation of entrepreneurs, support and grow established enterprises and encourage their ambition, and scale more businesses with global potential.

As the situation evolves, we will monitor the potential and real impacts of Brexit on each Region.