

Spotlight on Sand Plains Region Economic Priorities



for the
**South Central Ontario Region
Economic Development Corporation**

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Submitted by



Spotlight on Sand Plains Region Economic Priorities

Prepared by:



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May 17, 2013

Dear Art:

I am very pleased to submit our report "*Spotlight on Sand Plains Region Economic Priorities*."

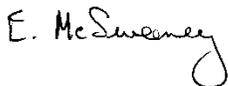
In 2009, the South Central Ontario Region (SCOR), also known as the Sand Plains region created its strategic management plan "*The Path Forward*". This document provided seven strategic directions and numerous related goals. While all strategic directions, goals and the 15 Priorities for Action are worthwhile and valid, there was insufficient prioritization for the SCOR EDC – a capable organization, but one of limited resources to make significant implementation headway.

In the summer of 2012, SCOR EDC engaged McSweeney & Associates to review and provide direction with respect to "*The Path Forward*". Overwhelmingly, SCOR partners, through our consultations, and our extensive economic development consulting experience, all pointed to the SCOR EDC strengths in advocacy, but with a desperate need to focus on far fewer priorities. There was a clear message that SCOR EDC needs to become the recognized champion and facilitator of success in a targeted number of priority areas.

This report "*Spotlight on Sand Plains Region Economic Priorities*", recommends three priority areas of focus for the Sand Plains. It further defines the role of the SCOR EDC as the champion, the advocate, and the facilitator of success in these three priority areas of focus.

It has been a pleasure working with you, Kim, the Board and its partners on this important project. We look forward to tracking your results.

Yours truly,



Eric McSweeney
President

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1 Introduction

In the summer of 2009, the Sand Plains region, with the efforts of its partners in economic and community development, created their strategic management plan. Entitled *The Path Forward*, this document laid the foundation for the development and diversification of the Sand Plains regional economy from 2009 to 2020. It was completed before the formation of the SCOR Economic Development Corporation. Several years have passed since the adoption of *The Path Forward* and several important milestones have been reached since its inception. As such, an in-depth review and update of *The Path Forward* has been undertaken with the aim of not losing sight of what was envisioned originally for the Sand Plains region and specifically building on those areas which are identified as priorities.

The intention of this *Spotlight on Sand Plains Region Economic Priorities* document is to provide the review and update of the original management plan. By outlining specific areas of focus and detailing unique actions to be undertaken by SCOR, the region's overall economic well-being and diversity will be improved.

It was very clearly articulated through the consultation process that SCOR EDC needs to become much more focused going forward. Due to increasing competition for scarce resources and limited manpower both from SCOR EDC and SCOR partners, it is critical that priorities be identified. The main focus for the Sand Plains going forward should be limited to:

1. Infrastructure that fosters economic development
2. The development of human capital in support of economic development
3. Sector development with a focus on agriculture and agri-food value-added processing.

For purposes of this document, the Sand Plains region refers to the overall geographic area which includes the County of Brant, County of Elgin, Middlesex County, Norfolk County and Oxford County and the municipalities and communities that are found within this larger region. It is recognized however, that the Sand Plains region is not an economy unto itself, and that there are very strong economic linkages between the largely rural/small urban Sand Plains region and its urban neighbours. In fact there is a highly co-dependent economic relationship between the rural and small urban/urban economies, with urbanized areas providing vital medical, health, educational, and social services. The provision of these services in urban areas is critical to nearby rural residents (and to the ability to attract residents to rural areas), as well as to the viability of providing many of these services, many of which are dependent upon support from the rural population.

By laying out very strategic economic development initiatives, and undertaking actions that build upon the original strategic plan in the context of this economic relationship, SCOR EDC can continue to work together to build better communities and create a better environment to foster economic development.

Looked upon to be a leader in advocating and moving the *Spotlight on the Sand Plains Priorities* forward, the SCOR Economic Development Corporation (SCOR EDC) will continue to be the overarching mechanism used to identify resources, advocate for action and bring partners together to collaborate on projects and initiatives.

2 How Did We Get Here?

As outlined in the Introduction, a very specific process was followed to identify the Sand Plains' priority areas of focus as well as actions aimed at strengthening these areas.

Summary of Situation Analysis (Appendix A), brings forward the highlights of an in-depth statistical review of the Sand Plains region (Situation Analysis – available as a separate document), including a demographic analysis and labour force analysis.

Priority Actions Revealed through the Sand Plains Interviews summarized and highlighted the information that was collected during the one-on-one interviews with the SCOR Board of Directors and SCOR partners and resources.

A Priority Setting Workshop which was held on September 20, 2012, in the SCOR offices to review, discuss and prioritize information and data pertaining to the Sand Plains as well as the Sand Plains' Strategic Directions, Priorities and Roles. Attendees of this workshop included the SCOR Board of Directors, SCOR partners and the Sand Plains community resources.

This document has been created through a very detailed consultation process which included:

- Detailed review of The Path Forward
- Comprehensive statistical analysis of the Sand Plains
- the Sand Plains Situational Analysis
- Presentations at the SCOR's AGM
- Personal interviews and a priority setting workshop with the SCOR Board of Directors and SCOR partner resources
- Several presentations to the SCOR Board of Directors.

3 Executive Summary of Situation Analysis

Appendix A provides a more complete executive summary of the Situation Analysis, however a few of the most salient points are provided here.

Demographic Analysis Highlights

- the Sand Plains' population was older than the provincial average (in 2012).
- In 2011, incomes in the the Sand Plains region were lower than the provincial level (typical of rural Ontario).
- The percentage of the Sand Plains' residents who have a college, CEGEP or other non-university certificate or diploma is higher than the Provincial percentage. The percentage of the Sand Plains' residents who have a university certificate or diploma is lower than that of Ontario.
- In 2012, the largest field of study for residents with post-secondary was architecture, engineering and related technologies¹; and is significantly larger than that of Ontario.

Labour Force Analysis Highlights

- In 2012, the Sand Plains has a higher participation rate and employment rate than Ontario. The Sand Plains' unemployment rate is lower than Ontario's.
- Compared to Ontario in 2012, a higher percentage of the labour force in the Sand Plains worked in the following industries:
 - Agriculture²
 - Transportation and warehousing
 - Manufacturing
 - Construction
 - Health care and social assistance
 - Other services (except public administration).
- In comparison to Ontario, the Sand Plains has larger percentages of its labour force working in the following occupations:
 - Trades, transport and equipment operators and related
 - Unique to primary industry (agriculture)
 - Unique to processing, manufacturing and utilities
 - Health

¹ This is not indicative of the types of jobs in SCOR, but may indicate residents with this field of study working in manufacturing in larger centres in close proximity to SCOR.

² Ontario's "tobacco belt" is in SCOR, which underwent significant crop changes as a result of the 2008-9 tobacco quota buy-out.

Economic Base Analysis Highlights

- The agriculture sector is the most highly concentrated employment sector in the Sand Plains.
- In the Sand Plains, at the sub-sector level, the transportation equipment manufacturing sub-sector (10,245 jobs³) and truck transportation sub-sector (5,260 jobs) dominated employment levels in 2006.
- In terms of employment at the industry level, the following industries had high concentrations in 2006:
 - Farms
 - Motor vehicle manufacturing
 - Motor vehicle parts manufacturing
 - General freight trucking.
- Employment in Norfolk is more highly concentrated in the agriculture sector than other counties in the Sand Plains.
- Manufacturing employment in the Sand Plains was most highly concentrated in Oxford.

4 Vision

As originally positioned in *The Path Forward*, the Sand Plains region will continue to be led by the following vision statement:

In 2020, SCOR has a sustainable, prosperous and diverse economy driven by innovation.

Our bountiful land, enterprising people and dynamic communities are the foundation of our success.

³ This of course has significantly changed since 2006 – current data is not available. The SCOR labour force in manufacturing slightly increased between 2008 and 2012 however.

5 Recommended Focus and Priority Actions for the Sand Plains Region

Based on a detailed statistical analysis, a very thorough and comprehensive consultation process (including a workshop focusing on building consensus and priorities) and a comparison and alignment breakdown of *The Path Forward*, the following represents recommended areas of focus for the Sand Plains as well as subsequent priority actions.

The recommended areas of focus for the Sand Plains include (in order of priority):

1. Infrastructure that fosters economic development
2. The development of human capital in support of economic development
3. Agriculture and agriculture/food value added processing

The recommended the Sand Plains priority actions follow in this section. The actual role of the SCOR EDC is distinct from the priority actions identified, which is described in section 6.

5.1 Public Infrastructure that Fosters Economic Development

Inadequate public infrastructure can hinder economic growth, while excellent public infrastructure can provide an area with a competitive locational advantage, or a “competitive edge”. It is important that public infrastructure in the Sand Plains region not inhibit either current or future economic activities, and ideally public infrastructure offers the region a competitive edge.

It is therefore important that the SCOR EDC and its partners be attentive to the state of infrastructure that supports economic growth, especially with respect to:

- ground water, water supply and treatment, and sewage treatment
- solid waste management
- transportation: roads and bridges, rail, shipping/ports, air/airports
- telecommunications, cellular mobile, and high speed broadband
- quantity and quality of electrical energy supply
- and for labour force attraction and retention: health/medical, education, and training facilities

5.1.1 Sustainable Water Resource Management

The Sand Plains economy is very focused on agriculture and food processing. Both agriculture and food processing are heavily dependent upon water and irrigation, and much of this economic activity occurs in communities that are profoundly reliant on aquifers. While actions to protect and sustain a secure water supply may generate relatively few jobs, the importance of doing so cannot be understated in terms of protecting current and future jobs in both agriculture and food processing, and indeed the economic future of the Sand Plains region.

The overarching goal of having a secure and sustainable water resource is achieved by ensuring that acceptable quantities are provided to the users at a quality that meets all requirements as prescribed by Provincial legislation (as a minimum). Both ground and surface water are available as resources within the Sand Plains region are finite resources that require careful management to ensure sustainability over the long term. The careful determination of both current and future needs for agricultural, residential, commercial/industrial, recreational and all other uses requires ongoing review to ensure available capacity and appropriate quality are available at all times. This should be done in a manner that protects both public health and the natural environment.

Any of the initiatives that follow with respect to water should be consistent with any Provincial or Conservation Authority source water supply protection plans and/or projects.

Watershed Assimilative Capacities

1. the Sand Plains generally encompasses a total of eight watersheds. All water bodies have a natural ability to “assimilate” (or incorporate) pollutants and ensure that certain legislated minimum requirements are achieved for the protection of aquatic habitat and to ensure protection of public health. Assimilative Capacity Studies for the Thames, Grand and Long Point watersheds have been previously completed in order to generally assess their ability to assimilate various discharged pollutants. There is a need to complete similar studies for the three other watersheds within the SCOR region in order to gain a better understanding of their respective abilities to assimilate pollutants.

Water Resource Supply and Demand Analysis

1. The current and future water requirements for agricultural, residential, commercial/industrial, recreational and any other uses within the Sand Plains region requires in depth analysis and documentation. For example, a study could be undertaken to estimate long term requirements based on available planned development information, growth projections combined with current available usage information.
2. The limitations of current ground, surface, and piped water availabilities also requires analysis and documentation. Again, hydrological and hydrogeological studies could be undertaken to evaluate quantity and quality limitations.
3. Based on the above-noted studies, a comprehensive **the** Sand Plains water resource model could be developed that includes both water supply and demand, and outlines any current or projected areas of water surplus or deficit and any constraints pertaining to quality. 

5.1.2 Other Economic Infrastructure

1. Identify and recommend corrections to an apparent regional issue of availability and stability three phase power in the distribution infrastructure.
2. Identify and recommend improvements to information technology and broadband infrastructure. 

3. Continuously confirm the Sand Plains region's transportation infrastructure priorities as they relate to Provincial Highways, County Roads and bridges upgrades and expansions, and attempt to secure funding to implement the highest priorities.
4. Continue to offer support and funding application assistance for the development and promotion new/expanded walking/cycling/hiking/adventure trails as well as themed touring routes throughout the Sand Plains. 

5.2 Development of Human Capital

The age profile of the Sand Plains compared to Ontario indicates a smaller percentage of the population aged 25-44 than Ontario, and a higher percentage of the population aged 50+ than Ontario. Interviews and research by the workforce boards confirm difficulties in obtaining sufficient labour force for many jobs.

The local workforce boards⁴ gather intelligence about the supply of labour and the demand side of the local labour market by working with employers to identify how to meet their current and emerging skills needs. The primary role of Workforce Planning Boards is to help improve understanding of, and coordinate community responses and strategies to address labour market issues and needs. The workforce boards do not however, have a mandate to fund or implement workforce development strategies or projects.

The development of human capital with the appropriate and required skills to support economic development is a priority for SCOR EDC and its partners. The service gap is the lack of a service agency to obtain funding and to implement human capital development strategies and projects.

SCOR EDC can assist (on a regional scale and in cooperation with local efforts and support of Workforce Boards, as well as other stakeholders such as post-secondary and local school boards) with closing some of the gap by being the advocate to obtain funding for workforce/human capital development related strategies and projects.

1. It is recommended that SCOR EDC facilitate discussions and the sharing of information with respect to human capital development between the workforce development boards and other key stakeholders in the Sand Plains.
2. It is recommended that SCOR EDC become the advocate to secure funding for human capital strategy and project implementation on behalf for SCOR partners and resources.

In addition, current levels of support should continue to further encourage and foster entrepreneurship and entrepreneurship skills.

⁴ Workforce Planning Board of Grand Erie and the Elgin Middlesex Oxford Workforce Planning and Development Board

Efforts with respect to entrepreneurship, employment, training, and career development for the youth/young adults in the area must be expanded and built upon. This is very important in building a more holistic and age balanced local economy, with a continuous stream of new labour force participants.

5.3 Sector Development: Focus on Agriculture & Agri-Food Processing

The Sand Plains region has strength in a number of sectors including agriculture, value added food processing, manufacturing, and tourism. Some sectors, like tourism, have specific organizations involved sector development activities.

Agriculture and related processing are particular strengths and an area of focus that requires continued efforts to add to successfully completed studies like:

- Accessing the Market: Development of an Optimal Food Distribution Model for the South Central Ontario Region
- Erie Innovation and Commercialization: Accessing the Broader Public Sector Marketplace: Local Food Hub Business Plan and Implementation
- Norfolk County's Report: Broader Public Sector Investment Fund Project Local Foods to Health Care Facilities

5.3.1 Agriculture and Land Use Policy

1. The Sand Plains to become the leader in innovative agriculture and related land use policy with an aim to transition the Sand Plains further into new agricultural markets.
 - a. Undertake efforts to ensure more local and regionally grown food may be found: on regional food store shelves; on local restaurant menus; and on menus of local institutions.
 - b. Undertake a detailed review of emerging and/new agriculture products, markets and activities are suitable for the Sand Plains (i.e. on site processing) and determine what municipal, County and Provincial policy changes are required to accommodate new opportunities.
 - c. Advocate, educate and lobby for the need to make changes to policy framework aimed at strengthening the Sand Plains' ability to transition into new agricultural markets.
 - d. Where needed, ensure the required municipal, County, Provincial and Federal policy changes are made to allow the Sand Plains to transition into new agricultural markets.

5.3.2 Be Ontario's Agri-food Innovation Leaders

1. In order to strengthen the Sand Plains' position as Ontario's leader in agri-food innovation, the Sand Plains needs to continue working closely with Erie Innovation and Commercialization to position the region as a leader in agri-food and food processing innovation.

2. Provide support as required for continued research, development and innovation in crops and livestock, value added agriculture and food production.

5.3.3 Value Added Food Processing

1. Conduct a review of the regulatory environment including policies, programs, taxes, fees and charges and make recommendations to ensure that the new directions set out in the SCOR Vision and Goals of The Path Forward are being supported to the greatest extent possible.
2. Utilize the above review to advocate for change with senior (and other) levels of government and their agencies to minimize barriers, and to ultimately support success in increasing value added processing activity in the Sand Plains.

5.3.4 Develop the Sand Plains Food Hub & Distribution Network

1. SCOR partners have completed a three phase study examining opportunities to develop a food hub and distribution network with the Sand Plains. Move forward with physically implementing the recommendations of the previous study and develop a food distribution network/system in the Sand Plains.

5.3.5 Other Value Added Activities

1. Continue to identify higher value added processing activities:
 - a. for local agricultural production (such as nutraceuticals);
 - b. for low value agricultural by-products and waste.

6 Role of SCOR EDC

As the Sand Plains and SCOR EDC move forward with their efforts, it is critical that the SCOR EDC remains focused on achieving success within their priority areas. With a very high level of competition for scarce resources, it is paramount that SCOR EDC become recognised as the regional champion within its unique priority areas of focus.

To achieve maximum success, it is recommended that SCOR EDC concentrate its efforts and energy on the following roles to leverage the partner counties ability to attract new investment as well as support from senior levels of government:

1. **Champion and Advocate:** for policy change, for securing project funding and other valuable resources (such as training) for SCOR partners to implement the Priority Actions of this strategy, and for assisting other level of governments in making decisions that are beneficial to the Sand Plains.
2. **Communicator: sharing of information.** SCOR EDC should be a mechanism to coordinate, disseminate and share information with the SCOR partners and other the Sand Plains stakeholders.
3. **Facilitator: coordinating and connecting SCOR and its partners.** To ensure true engagement by SCOR and its partners, SCOR EDC will need to continue facilitating and building partnerships to enable SCOR partners to implement Priority Actions.

Not a project or program manager: In the current funding environment, SCOR EDC is not sufficiently resourced to be a manager of projects, even for projects for which it succeeds in obtaining funding. SCOR Partners and stakeholders should implement projects initiated (in terms of funding) by SCOR on their behalf. If regional economic development project management becomes a future requirement of SCOR EDC, it will require appropriate resourcing to do so.

Similarly, SCOR EDC is not intended to be a manager of economic development programs in the traditional sense⁵ – again this is the role of SCOR Partners and stakeholders.

⁵ Although SCOR EDC will not actively engage in investment attraction, there is still much work to be done by the SCOR partners in terms of finding common ground for investment attraction initiatives. SCOR EDC and the SCOR partners should continue to implement the SCOR lead tracking/investment protocol to ensure investment inquiries are being responded to efficiently and effectively.

Appendix A: Summary of Situation Analysis

Demographic Analysis Highlights

- In 2012, the Sand Plains population is older than the provincial average. Norfolk has the largest percentage of elderly population compared to other SCOR Partner Counties.
- In 2011, all average incomes (total, family, household) in the Sand Plains region were lower than the provincial level. Middlesex had the highest average total and family income in SAND PLAINS while Brant had the highest average household income. The largest segment of total income earners was at the \$60,000+ income segment in THE SAND PLAINS, however, this percentage was still smaller than Ontario's.
- The percentage of the Sand Plains' residents who have a college, CEGEP or other non-university certificate or diploma is higher than the Provincial percentage (Middlesex has the highest percentage). The percentage of the Sand Plains' residents who have a university certificate or diploma is lower than that of Ontario. (Brant has the highest percentage).
- In 2012, the largest field of study for residents with post-secondary education was architecture, engineering and related technologies⁶; and is significantly larger than that of Ontario (Norfolk had the highest percentage).
- Residents in the Sand Plains were less likely to have moved than provincial average; and a smaller percentage of movers are from outside of the country in comparison to Ontario in 2012.
- In 2012, 95.1% of residents in the Sand Plains speak only English. Only 4.2% of residents are bilingual (English and French).
- The average value of dwellings in Brant was the highest dwelling value in the Sand Plains and it was higher than Ontario in 2011. The average value of dwelling in other counties in the Sand Plains was lower than the provincial average.

Labour Force Analysis Highlights

- In 2012, the Sand Plains had higher a participation rate and employment rate than Ontario (Brant has the highest participation rate and Middlesex has the highest employment rate). The Sand Plain's unemployment rate is lower than Ontario's (Brantford has the highest unemployment rate while Middlesex has the lowest).
- Compared to Ontario in 2012, a higher percentage of the labour force in the Sand Plains worked in the following industries:

⁶ This is not indicative of the types of jobs in SCOR, but may indicate residents with this field of study working in manufacturing in larger centres in close proximity to SCOR.

- Agriculture, forestry, fishing and hunting (Norfolk has the largest percentage)
 - Transportation and warehousing
 - Manufacturing (St. Thomas has the largest percentage)
 - Construction
 - Health care and social assistance
 - Other services (except public administration).
- In comparison to Ontario, the Sand Plains has larger percentages of its labour force working in the following occupations:
 - Trades, transport and equipment operators and related (Elgin has the largest percentage)
 - Unique to primary industry (Norfolk has the largest percentage)
 - Unique to processing, manufacturing and utilities. (St. Thomas has the largest percentage)
 - Health
 - 79.3% of employed labour force in the Sand Plains has a usual place of work. This percentage is lower than Ontario. 11.0% of employed labour force worked at home in the Sand Plains.

Economic Base Analysis Highlights

- The agriculture sector⁷ is the most highly concentrated employment sector in the Sand Plains.
- In the Sand Plains, at the sub-sector level, the transportation equipment manufacturing sub-sector (10,245 jobs⁸) and truck transportation sub-sector (5,260 jobs) dominated employment levels in 2006.
- In terms of employment at the industry level, the following industries had high concentrations in 2006:
 - Farms
 - Motor vehicle manufacturing
 - Motor vehicle parts manufacturing
 - General freight trucking.
- Employment in Norfolk is more highly concentrated in the agriculture, forestry, fishing and hunting sector than other counties in the Sand Plains. Employment in manufacturing in the Sand Plains was the most highly concentrated in Oxford.
- The following sectors were growing at a more rapid rate than can be explained by national and industry growths combined, and were areas of strength between 2001 and 2006:

⁷ Ontario's "tobacco belt" is in SCOR, which underwent significant crop changes as a result of the 2008-9 tobacco quota buy-out.

⁸ This of course has significantly changed since 2006 – current data is not available. The SCOR labour force in manufacturing slightly increased between 2008 and 2012 however.

Spotlight on Sand Plains Region Economic Priorities

- Manufacturing
- Management of companies and enterprises
- Transportation and warehousing
- Professional, scientific and technical services
- Administrative/wastes management/Remediation services
- Other services (except public administration)
- Accommodation and food services
- Public administration.