



# Building a Better Future: It's Everyone's Business

**Ibec submission to the public  
consultation on the National  
Planning Framework**





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**Ibec submission to public consultation on Ireland 2040.  
Our Plan – The National Planning Framework**

March 2017

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# Foreword

Ibec is the national voice of business on a wide range of policy issues including infrastructure and spatial planning. Key to this advocacy role is our continual interaction with more than 7000 corporate members through a countrywide network of sector associations, policy committees and regional offices.

Our members place a high priority on the development and delivery of a viable successor to the defunct National Spatial Strategy. A more coherent planning system will be vital to sustain our economic and social progress as the country faces new up to new challenges.

Ibec's policy team has been providing expert assistance to the Department of Housing and Planning on the emerging Framework over the past 18 months. This has involved a series of stakeholder workshops supplemented by bilateral meetings. We also sit on the NPF Advisory Group to the Cross-Departmental Steering Group.

The 'Issues and Choices' consultation paper launched in February presents a substantial body of data and analysis, and poses numerous questions. We have consulted extensively with our membership to develop this response and we wish to thank everyone who contributed to it. In particular, I would acknowledge the contribution of our seven regional executive committees, as well as the members of Ibec's Energy Policy Committee and Transport & Infrastructure Council. In addition we value the input of several of our industry sectors. Ibec looks forward to continuing a constructive dialogue with the NPF project team once the draft Framework has been published.

**Danny McCoy**  
CEO



# Executive Summary

**Ireland's citizens and businesses are living with the legacy of historic policy failure on spatial planning at national, regional and local level. There has been some progress in recent years, but it has been patchy and, in some cases, wasteful of scarce resources. We urgently need to reform the planning system to face up to new challenges, turning them into opportunities. Some of these will be best served by an all-island approach.**

Ibec warmly welcomes the development of a new National Planning Framework. However, we would caution that to realise the desired outcomes over the period to 2040, the Government must implement the Framework more effectively than its predecessor, the National Spatial Strategy.

## Addressing the policy legacy

As we show in our submission, there has been a two-speed economy over the past few decades. Judged by a diverse range of economic indicators, Dublin and the Eastern Region have consistently outperformed the rest of the country.

We believe that this partly reflects the absence of effective policy measures to achieve the full potential of each and every region. During the period up to 2008, there was considerable investment in road transport connections between the capital and most of the regions. However, the motorway network was never completed and the regional cities themselves remain poorly connected to each other. This makes it more difficult for them collectively to provide an effective counterweight to Dublin.

Moreover, the rapid growth of Greater Dublin's population has unfortunately not been matched by provision of world class infrastructure. Indeed, much of the development around Greater Dublin could be characterised as unplanned. It is difficult to provide the dispersed commuter hinterland of these cities with cost-effective public transport.

Unsurprisingly, it has also fostered an ever-higher dependence on private cars for commuting. As a result, we have some of the most congested cities in Europe, and the average commute times are getting longer every year. These factors all impact adversely on quality of life. There is no single 'magic bullet' to address all these problems, but there are some easy wins. For example, the NPF could provide guidance on increasing the supply and affordability of housing in our city centres. In central Dublin, this would require the relaxation of arbitrary constraints on building heights and on the layout of apartment blocks.

Another consequence of our dispersed settlement pattern is that the roll-out of essential infrastructure (notably telecoms, electricity and gas networks) works out more costly than elsewhere. The corollary is that these utilities often find it very difficult to identify network routes that won't generate opposition from rural communities.





## From challenge to opportunity

Compared to the rest of the EU, we have a young, fast increasing population. Greater Dublin acts as a magnet not only for foreign direct investment, but also for migration within the country. As an English-speaking capital city, Dublin is well positioned to capture a sizeable share of UK-domiciled businesses wishing to establish an operating base within the EU after the British exit. The growth of Dublin as a primate city will therefore continue for the foreseeable future. This need not be at the expense of Dublin's 'liveability', provided we can regenerate the city centre with high density, good quality housing.

Some important structural reforms have already taken place. For example, Irish Water as a unitary authority, provided it is adequately funded, will be better placed than local authorities to rectify Greater Dublin's chronic deficit in water supply and sewage treatment capacity. The establishment of regional planning structures for municipal waste should help to achieve greater diversion from landfill. The Greater Dublin Area Transport Strategy, if expedited, will help to alleviate the congestion problems highlighted above. Nevertheless, there remains considerable scope for improved regional co-ordination of planning across the various local authorities through the Eastern and Midlands Regional Assembly.

Elsewhere, as our submission highlights, there are numerous regional infrastructure bottlenecks that, once tackled, will unlock huge economic potential and improve quality of life. These include better access to ports and airports, as well investment in public transport and rail freight. For these regional infrastructure projects to deliver maximum economic and societal benefit, we must also invest in human capital. The proposed development of Technological Universities of scale is therefore very welcome and crucial to successfully achieving more effective regional development.

The guidance provided by the NPF will need to be consistent with a swathe of existing national policies and action plans, including those on aviation, ports, energy and rural development. With joined-up thinking it should be possible to secure Dublin Airport's position as a major international hub while maintaining a vibrant network of regional airports and our other international airports outside of Dublin. Likewise, it should be possible to plan for critical electricity grid investment and for the indigenous production of renewable energy without harming the landscape or damaging tourism.

All parts of the island have benefitted from improved cross-border co-operation in recent years. The all-island electricity market, for example, enables significant cost savings for homes and businesses while improving our energy security. Many students from the Republic attend college in Northern Ireland and vice versa. Our tourism and manufacturing sectors have selectively pursued all-island supply chain and marketing strategies. The border counties in particular are heavily reliant on cross-border trade and labour mobility. The Irish and Northern Irish business communities co-operate closely on infrastructure policy, both at a local level and through the Ibec-CBI Joint Business Council. All-island arrangements will need to be reviewed and possibly revised in light of the UK's exit from the European Union. However, they are generally robust and should be capable of adapting to whatever outcome emerges from the Brexit negotiations. Free flow of goods and people across the land border must remain a top priority, and it will likely require joint planning of any new customs arrangements.

## Ingredients for success

The now-defunct National Spatial Strategy admittedly had a number of design shortcomings, most notably the allocation of scarce public resources over too many locations. However, that is not the main reason why it ultimately failed to deliver on the promise of balanced regional development. Other government policies that came along afterwards paid scant regard to its objectives. Another problem was the apparent inability of central planning authorities to prevent rampant over-zoning in some local authority areas. Ibec therefore welcomes the increased top-down accountability envisaged in the NPF. Regional planners must encourage the growth of compact, densely populated cities as engines for sustainable regional growth. Local authorities must make good zoning decisions, including the zoning within SDZs. The new Office of the Planning Regulator must be well-resourced with a strong oversight mandate.

The planning process for strategic infrastructure was simplified somewhat by the 2006 Strategic Infrastructure Act, but it remains slow and cumbersome for many projects. In its submission to the Government's 2015 review of An Bord Pleanála, Ibec called for greater certainty over decision timelines. We were disappointed that this particular recommendation was not adopted. Our submission on the Foreshore and Maritime (Amendment) Bill likewise calls for streamlining of procedures and greater certainty of timelines, principally by avoiding unnecessary duplication of consent processes. We believe that there is scope for beneficial co-operation between developers and the National Parks and Wildlife Service during the preparatory phase of infrastructure projects involving Appropriate Assessments and Environmental Impact Assessments.

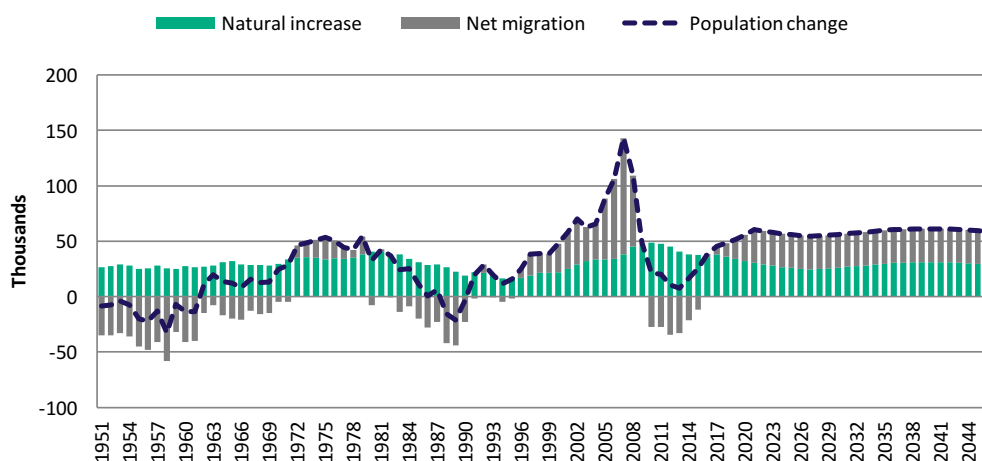
Simpler planning procedures are a necessary but not a sufficient condition for achieving the step increase in infrastructure investment that Ibec considers to be necessary. Ireland currently has the lowest rate of public sector capital investment in the EU, which explains why we lag behind most other member states in terms of infrastructure quality. The Government has signalled that an additional €2.6 billion may be invested over the period to 2021 on foot of its mid-term review of the Capital Plan. Ibec believes that a much larger increase than this is needed and could be easily affordable by accessing innovative sources of finance. Government will also need to challenge more vociferously the current EU fiscal framework which limits more ambitious capital investment.. As our submission highlights, there is no shortage of worthwhile candidate projects in each of the regions. It is Ibec's ambition that the island of Ireland will reach a population of about 10 million people around the middle of this century. This potential demographic dividend will be unparalleled in the EU and presents wonderful opportunity for our economy and society. It is vital, however, that we plan for this population surge more successfully than in the past and the business community ambitiously advocates that the NPF provides a strong framework for a more effective model of regional development.

# 1. A Changing Ireland – Demographic and Economic Outlook

## 1.1 Population change, ageing and urbanisation

Over the past few years, Ireland had one of the fastest growing populations in the EU. There are now 850,000 more people living here than there were 15 years ago. This strong population growth has come about due to a combination of high immigration and birth rates. These high birth rates have also meant that while other European countries are struggling with their ageing populations, ours is still the youngest in the EU with half our population under 35 years. Despite increased outward migration over more recent years Ireland's population continued to grow. The years between 2008 and 2013 saw the largest annual birth-rates which Ireland has experienced since the famine.

Not only have demographic movements been favourable in the past few years, but the future also looks promising as we will continue to have one of the fastest growing populations in the EU. Demographic forecasts rely on assumptions about the future but with returning and relatively high migration rates the Irish population could near 6.5 million people in the Republic by 2046. The North will, in a very low migration scenario, have a population in excess of 2 million at that point. Looking at this from an all-island perspective, Ibec has the ambition that in the next 50 years, the population could reach 10 million people. We should begin to plan for this future.



**Figure 1.1: Components of population change 1950 to 2016 and forecasts 2016 to 2046 (M1F2)**

The distribution of increases in Ireland's population has not, however, been uniform. There has been a clear shift, over several decades, in the centre of Ireland's population eastward. This shift has been driven by a marked increase in Dublin's gravitational pull and encouraged by shrinking employment in agriculture and the failure to adequately focus on growth opportunities in the other main cities. Take as an example of this eastward shift four counties in the Dublin commuter belt (Wicklow, Meath, Louth and Kildare) have seen their population grow by 446,000 between 1926 and 2016 (from 241,000 to 688,000) while the counties in the West (Leitrim, Mayo, Roscommon, Sligo, Donegal, Galway) have seen theirs shrink from 705,000 to 667,000 over the same period.

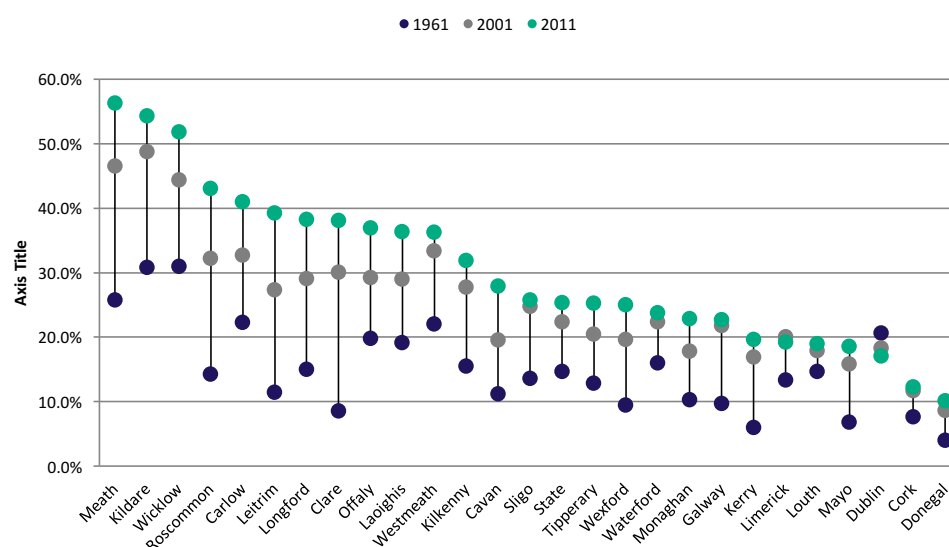
Over the 50 years to 2011 the proportion of the population living in less populated local administrative units (electoral divisions) fell while rising in more populated areas. Excluding Dublin from the bottom third of 1961 LAUs the average growth over 50 years falls from 67% to 32%. This compared with over 75% in the top 3 deciles. This urbanisation has played a key role in the changing needs of the country. The same process has happened across the developed world and has brought with it higher productivity and living standards for many. It has also, however, meant difficulties and pressures arising in delivery services and utilities to low density areas and growing population pressures in more built up areas. This growing urbanisation will be even more evident in the decades to come.

## 1.2 Migration

A second of the major demographic shifts of recent years has been the rapid growth and subsequent decline of people in their 20s. Between 1991 and 2006 the population in this cohort grew by over 200,000, this then collapsed back to 1991 levels between 2010 and 2015. Much of this has been put down to emigration in the national narrative but over one third was the result of natural changes in the population with birth-rates having seen a precipitous dip in the late 80s during the midst of another bout of emigration.

Apart from outward migration there have been major changes over the longer term in inward migration and migration internally within Ireland. Between 1981 and 2011 the total population of Ireland grew by 1.14 million people. Over half of that increase came from a growth in non-national residents. In 1998 only 3.2% of Ireland's workforce was comprised of non-Irish workers. Some 15.3% of Ireland's workforce is now non-national representing twice the EU15 average and 9.7% in the UK. Those workers have been at the skilled end of migration flows. By 2016 Irish non-EU workers were by far the most highly educated in the EU with 65% having a third level education. This compared with an EU average of 30%. On top of that 45% of EU workers in Ireland have a third level education 10 percentage points above the EU average. Notably both are higher than the proportion of Irish workers with a third level education which at 40% is still the second highest in the EU15.

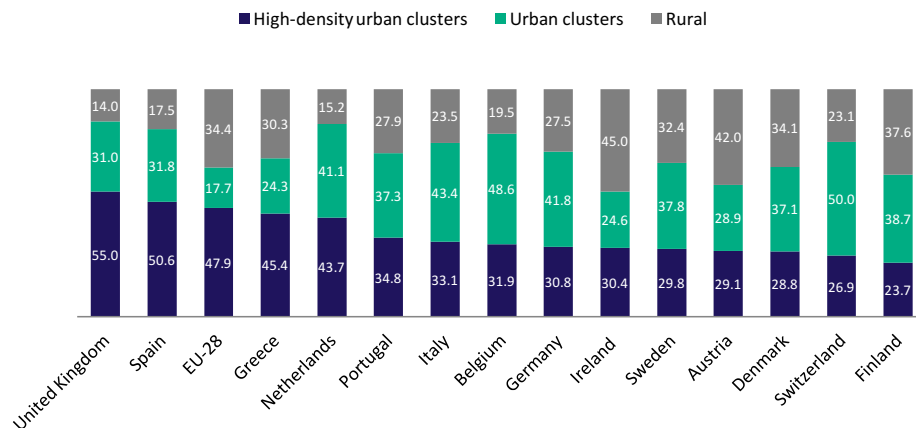
In addition to the inward migration to the country migration within the country has increased. In 2011 the number of Irish nationals who are living outside their county of birth was 57% higher (346,000) than it has been in 1981. On the other hand the number of Irish nationals living in their county of birth only grew by 8.1% over the same period. The eastward trajectory of this internal migration is evident in the figures. Over 40% of the population of Meath, Kildare and Wicklow are from other counties within the country. The same figure for Dublin is only 13% emphasising the urban sprawl which has occurred from the growth of Dublin.



**Fig 1.2: Nationals from another county as a % of population by county**

### 1.3 Living and working in Ireland

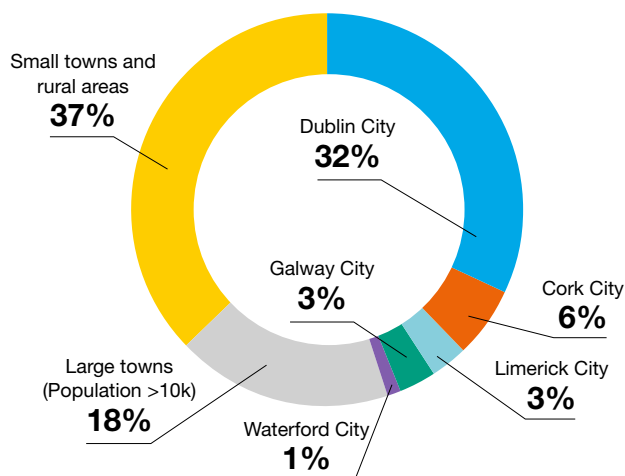
Ireland is unique within Europe in its pattern of population settlement. More than 45% of Ireland's population live in low density rural areas with 24.6% living in urban clusters and 30.4% living in high-density areas. This is in stark contrast to the same pattern at an EU level or in the UK where 55% live in high density areas and less than 14% live rural low density areas.



**Fig 1.3: Population by type of cluster<sup>1</sup>**

The implications of these patterns for public policy are significant. Ireland's dispersed population patterns increase the cost of service provision, utilities and transport with knock on social and economic impacts. Over the next 40 years it is expected that Ireland will continue to converge with developed world norms in respect to urbanisation. It is worth noting, however, that despite the massive shifts toward urbanisation the pace of convergence has been glacial as other countries urbanised almost as fast off a higher base. World Bank figures put Ireland's rate of urbanisation convergence at only 0.14 percentage points per annum over the past 50 years.

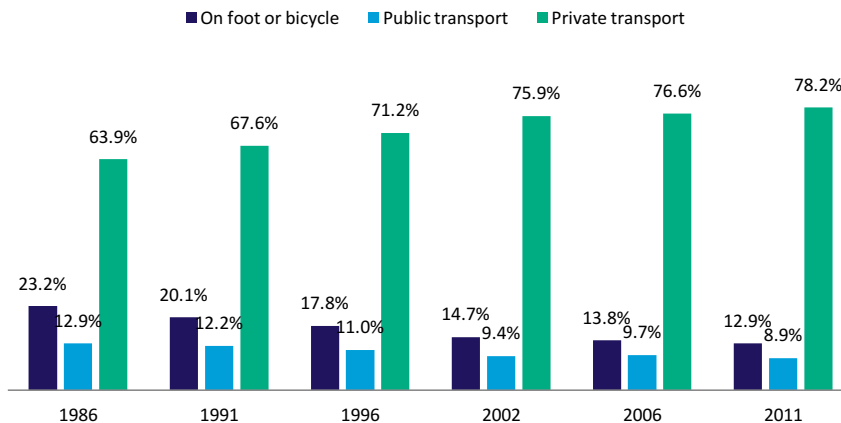
Despite the predominantly low living density, 63% of Ireland's population work in cities or towns with more than 10,000 inhabitants. Small towns and rural areas on the other hand account for only 37%. What is notable is that Dublin accounts for 32% of jobs by location compared to 13% for the other four cities combined. In fact, Dublin accounts for approximately as many jobs as the next 45 towns and cities combined.



**Fig 1.4: Daytime work location in Ireland, 2011**

<sup>1</sup> | Note: High density urban cluster: a cluster of contiguous grid cells of 1 km<sup>2</sup> with a density of at least 1 500 inhabitants per km<sup>2</sup> and a minimum population of 50 000. Urban clusters: a cluster of contiguous grid cells of 1 km<sup>2</sup> with a density of at least 300 inhabitants per km<sup>2</sup> and a minimum population of 5 000. Rural grid cells: grid cells of 1 km<sup>2</sup> outside urban and high-density clusters.

As a result of urban sprawl the distances travelled by many commuters have grown. It is a remarkable fact that Irish citizens in 2011 were less likely to travel to work on foot, bike or by public transport than they were in 1986. This reflects the fact that the number of people travelling longer distances to work has risen dramatically over the last 30 years. In 1981 less than 16.6% of Ireland's working population travelled more than 15km to work. By 2006 (the latest available data) this had increased to 36%.



**Fig 1.5: Travel to work by mode and year**

There are real social implications of this along with the economic. Sat Nav firm Tom Tom's travel index suggests that Ireland is the 15th most congested medium sized city in the world and the fourth highest in Europe. The average person working in Dublin has 40% added to their daily travel time by congestion, rising to 85% at morning peak times. This is equivalent to 50 minutes additional travel time per day versus a 'free-flow' situation.

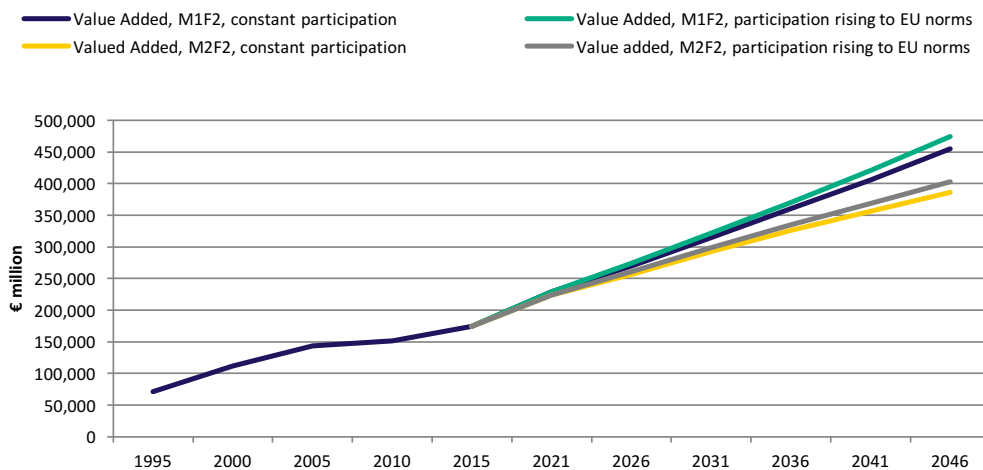
Recent research (Vega et al, 2016<sup>2</sup>) found that despite better infrastructure provision in the Greater Dublin area the net costs of commuting was significantly higher than in other areas. The costs were so high indeed that the greater income accruing to those working in Dublin did not fully compensate for the costs. This was particularly true for those in the counties surrounding Dublin. The analysis also showed higher net commuting costs as a proportion of income in other cities and in particular for those working in Galway city.

## 1.4 The impact of demographics on future growth

Using a simple production function of three variables (working age population, labour force participation and productivity growth) it is easy to see what the impact of differences in population growth would be on the economy. Figure 1.6 shows the growth of the economy based on two different population projections along with variations in labour market participation rates.

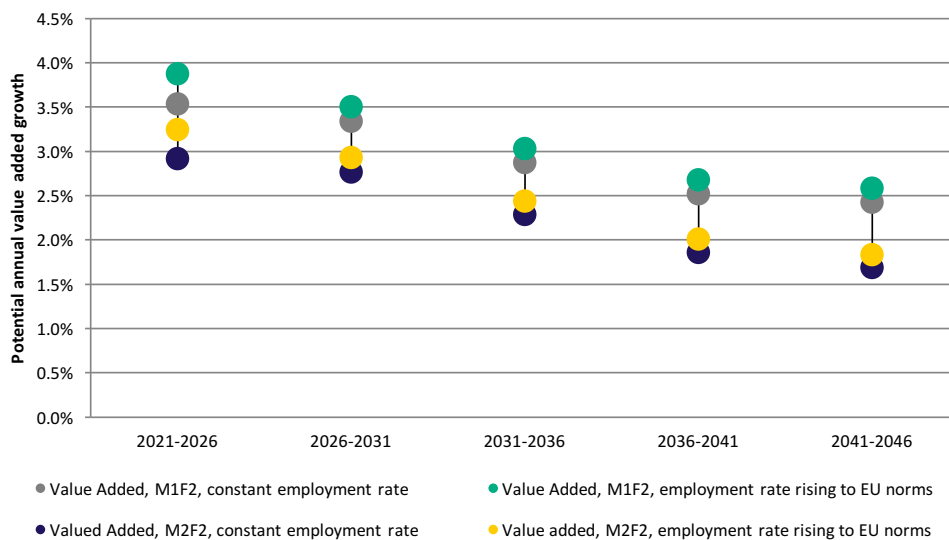
Productivity as measured by GDP per worker grew by 3.6% annually average between 1960 and 2002 and by 2.2% between 1995 and 2015. We begin by assuming it continues to grow by around 2% on average annually over the next 40 years. This is of course highly contingent on economic developments but provides a reasonable baseline. We then take two different scenarios for labour market participation – one where it remains constant at its 2016 levels and another where it rises to EU norms of 73% as younger cohorts of women in particular join and stay in the labour force longer.

2 | <http://link.springer.com/article/10.1007/s12061-016-9202-6>



**Figure 1.6: Value added (total economy) under different demographic and employment rate assumptions**

The difference as illustrated in figure 1.6 between a high employment high immigration scenario and one with lower migration and constant employment is €88 bn in value added annually by 2046 in today's money, a difference of 23%. The impact, of course, will be less in per capita terms as the population is larger in the higher migration scenario but it still remains around €5,300 per capita or 7.8%. Although these figures are merely illustrative they do show the impact different assumptions have on the economy. It is notable that under all higher migration scenarios living standards as measured by GDP per capita are higher as working age non-nationals support an ageing national population.



**Fig 1.7: Variations in potential value added growth based on differing employment and demographic assumptions**

The implications of falling labour force growth and an ageing population are important too in terms of potential economic growth. With current population projections and our differing employment rates the potential growth in value added in the economy lies somewhere between 3% and 4%. As the population ages and labour force growth slows so will this potential growth. Again using a simple production function (with varying demographic and employment rate assumptions along with 2% annual average productivity growth) potential GVA growth will fall to between 1.7% and 2.7% in the future as the population ages and the labour force growth effect weakens.

## 2. Ambition for our Regions – Addressing the Spatial Imbalance

### 2.1 Regional development in Ireland

Regional development in modern Ireland is characterised primarily by three distinct periods. In the first, during the 1960s and 70s, living standards in Irish regions converged on each other but failed to catch up with European living standards. In the 1980s and early 90s the regions diverged from each other and continued to fail to catch up with European living standards. The third brought on by the advent of the ‘Celtic Tiger’ has seen Ireland’s regions rapidly catch up with European norms but experience continued divergence between themselves (O’Leary, 2002)<sup>3</sup>. This period saw both a demographic dividend and growing productivity.

In more recent times productivity convergence in particular has been rapid. For every one worker it took to manufacture a unit of output in Irish factories in 1998 it took only 0.4 by 2014. Output per hour worked in Ireland is now amongst the highest of any country globally. This has not been an even process regionally, however. Value added per worker, an important measure of productivity, has grown in all Irish regions since the turn of the millennium. It has grown much more rapidly inside Dublin than in the other regions. Between 2000 and 2014 Value added per worker increased by 79% in Dublin, an annual average of over 5.6%. On the other hand, in the regions outside Dublin value added per worker grew at a rate of 3.5% per annum.

As a consequence regional value added per worker in every region is now much lower compared to Dublin than it was in 2000. At that time regional value added per worker varied from 87% of Dublin in the South West to 52.1% in the Midlands. By 2014 this had fallen to 75.3% in the South West and 42.3% in the Midlands. These figures may in some ways be affected by the presence of multinationals but give us the best indicator we have on the relative states of the regional economies.



**Fig 2.1: Regional Gross Value Added per worker compared to Dublin**

It is worth considering this in European context. Dublin has the 33<sup>rd</sup> highest GDP per capita (ppp adjusted) of any NUTS3 region in the EU. The South West is 99<sup>th</sup> and there is then a drop to 325<sup>th</sup> for the Mid-west and 409<sup>th</sup> for the West. These regions are, however, all in the top 30% of EU regions when it comes to GDP per capita. The Mid-East, Border and Midlands regions on the other hand are all in the bottom 50% of European regions when it comes to GDP per capita adjusted for purchasing power. The South East is in the lowest 60%.

<sup>3</sup> | [http://www.tara.tcd.ie/bitstream/handle/2262/2618/jssisivoXXXII\\_0132.pdf?sequence=1](http://www.tara.tcd.ie/bitstream/handle/2262/2618/jssisivoXXXII_0132.pdf?sequence=1)



|            | Nominal GDP rank (of 1331 NUTS3 regions) | Purchasing power rank (of 1331 NUTS3 regions) | Decile (ppp) |
|------------|--|---|--------------|
| Dublin     | 33                                       | 33  | 10           |
| South-West | 88                                       | 99  | 10           |
| Mid-West   | 287                                      | 325   | 8            |
| West       | 356                                      | 409   | 7            |
| South-East | 542                                      | 606   | 6            |
| Mid-East   | 596                                      | 670   | 5            |
| Border     | 694                                      | 774   | 5            |
| Midlands   | 892                                      | 990   | 3            |

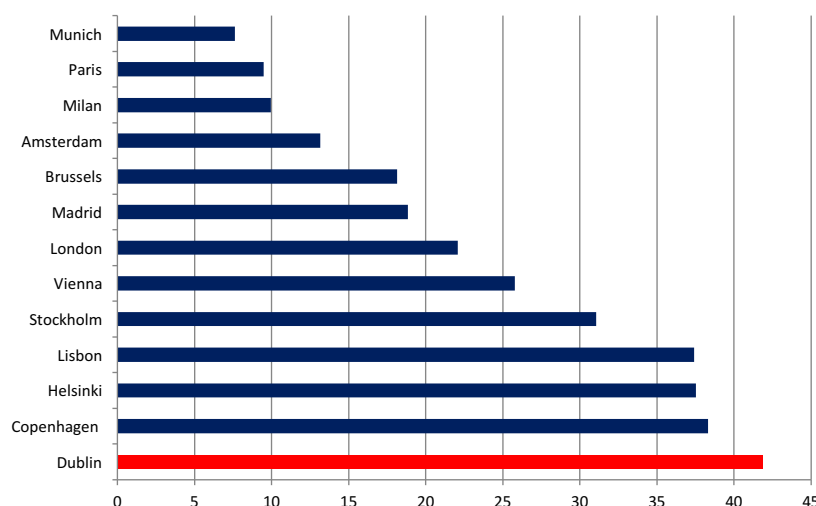
**Table 2.2: Regional GDP per capita in a European context**

### Concentration of economic activity

This regional divergence is consistent with the predictions of New Economic Geography literature. In effect, cumulative forces and path dependence result in continued uneven distribution of economic resources. In many cases this is simply the result of simple historical accident. The location of one successful firm is followed by others, drawing on agglomeration effects, increasing returns to scale, linkages and knowledge spillovers. This in turn increases the advantages of certain locations in a cumulative fashion.

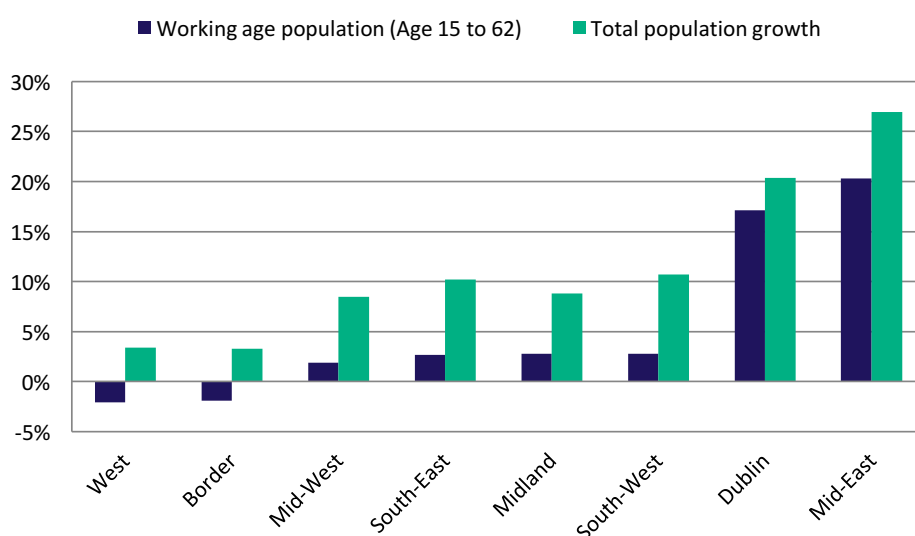
Given that it is easier to attract companies and employees to cities and the impact of agglomeration are cumulative then regional divergence may continue to be a clear outcome without policy intervention. Economic activity is always likely to be concentrated heavily in urban areas all else being equal, leading to regional inequalities. However, the extent of this regional inequality varies dramatically amongst different countries.

Dublin makes up 41% of Irish GDP, with the greater Dublin area making up 49%. This is the highest share amongst major European countries although it is exacerbated by the fact that we are a small country. Ireland remains more heavily economically concentrated on its major city, however, than other small countries such as Denmark (38%), Austria (25%), Finland (37%), Sweden (31%), Netherlands (13%).



**Fig 2.3: % of Gross Value Added generated by primate city in selected member states**

An important question in this context is – in a no change scenario what would our regional concentration of activity look like in 20 years' time? Scenarios for regional development differ. The most recent forecasts for regional population growth were completed by the CSO in 2013 covering the period from 2011 to 2031. The central scenario for these forecasts suggest that Dublin would continue to grow in dominance with the Greater Dublin Area seeing its population increase by just over 400,000 by 2031 if internal migration patterns return to the traditional pattern last observed in the mid-1990s. This increase would account for two thirds of the total projected population growth in the state over this period under the M2F2 scenario (613,000). The population growth rate of the other regions on the other hand would grow at less than half of the GDA over that period. The working age (15 to 65) population of the West and Border in particular would actually fall in this central scenario.



**Fig 2.4: Total population and working age population (age 15 to 62) growth (%), 2011 – 2031, M2F2 traditional**

Taking these forecasts and some reasonable assumptions it is possible to look at what the economic implications of this continued population concentration would be particularly given the shifting age profiles of the regions. The forecasts imply that the GDA would account for almost 92% of the net growth in the working age population. This has significant economic implications.

Productivity (value added per worker) in Dublin has grown by 3% per annum between 2005 and 2014 while the average for all other regions was only 1.3%. Since the advent of the 'Celtic Tiger' this productivity divergence between the regions has been a feature of Irish regional development. We assume a no change scenario. Taken together with the falling working age population it is possible to illustrate within certain parameters the future trends in concentration of economic activity in Dublin.

GVA growth is in effect a function of GVA per worker and the number of workers. The number of workers is in itself a function of the population of working age, labour force participation and employment rates. We make a series of assumptions outlined below on each of these variables based on existing data.

Firstly, we estimate future workforce for each region by multiplying the working age population in 2031 by the average of the 2006 and 2011 ratios of daytime workers in the region to working age population residing in the region.

- We estimate GVA per worker in 2031 by taking average annual productivity growth in each region over 2005 to 2014 and continuing that average growth rate from 2014 to 2031.

- Finally we multiply our employment estimates and our estimates for GVA per worker to estimate total economic GVA in each region in 2031.
- It is then quite simple to decompose the GVA growth into a demographic effect and a productivity effect respectively.

This method has some drawbacks. Apart from the obvious difficulty in estimating economic conditions into the future we do not make any assumption about change in the growth of commuting between regions for work. The differences in daytime worker to working age population ratios are assumed to remain fairly constant over time. There are a number of reasons this may not be the case, not least that commuting from other regions to Dublin might grow over the period. As such our estimates may if anything underestimate regional divergence and the demographic contribution to it under a no policy change scenario.



**Fig 2.5: Demographic impact on annual average GVA growth 2000 to 2014 (actual) and 2014 to 2031 (est.)**

Under these assumptions the GDA would account for 72% of the GVA growth in the economy over the period from 2014 to 2031 and the proportion of Ireland's GVA accounted for by Dublin would rise from 41% in 2014 to 54% in 2031. The proportion of GVA accounted for the GDA would rise from 49% to 61% over the same period. Most strikingly the demographic contribution to growth would fall in all regions but Dublin. Demographic effects under this adaptation of the CSO scenario would add 1.1 percentage points to GDP growth each year while the contribution to annual GVA growth in both the Mid-East and Midlands would fall from 1.7 percentage points to 0.5 and 0.2 percentage points respectively. It is worth noting, however, that 85% in the growth of GVA over the period will be driven by productivity growth and that the GDA will account for 83.6% of that productivity growth.

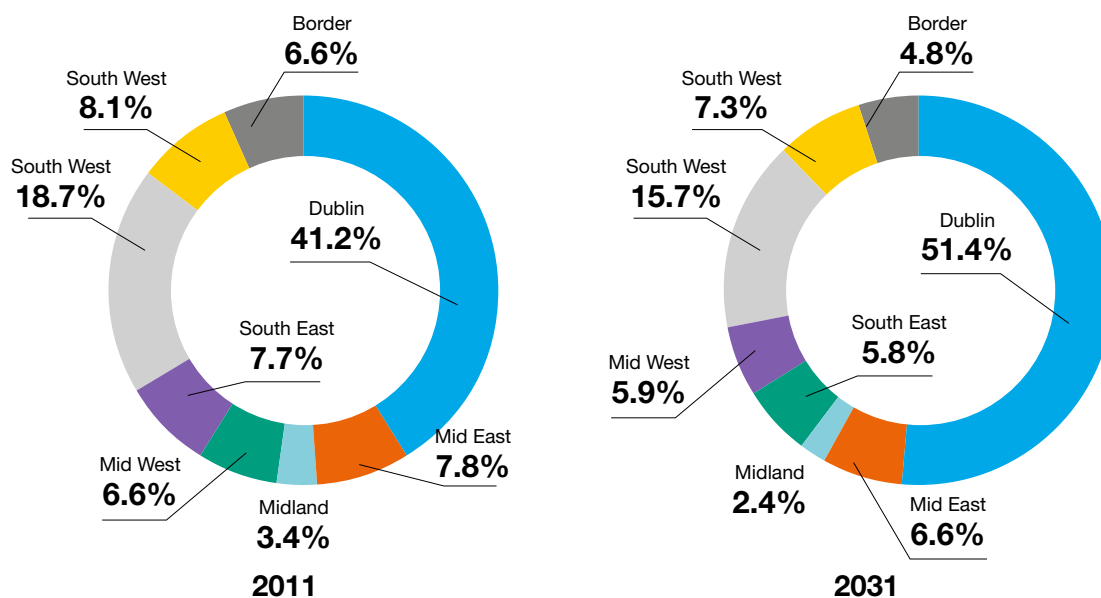


Fig 2.6: Regional share of the economy under CSO central regional scenario and continued productivity divergence

### Incomes and living standards in the regions

There is notable divergence in incomes but not necessarily living standards across Irish regions. Kilgariff et al (2016)<sup>4</sup> recently used Census data and spatial microsimulation methods to estimate the dispersion of incomes across different areas within the county. They found that the proportion of persons living in Dublin who are in the top 40% of income earners nationally rose between 2006 and 2011 from 76.9% to 93.5% whilst it fell among smaller towns with towns of less than 5,000 losing out in particular.

The benefits of greater productivity are clear in household incomes in the Dublin region. Average mean disposable household income in the GDA in 2015 was at €53,494 in Dublin and €46,350 far higher than the rest of the country. Average nominal disposable income in Dublin was almost €10,000 higher than in the second region in terms of size and output the South West.

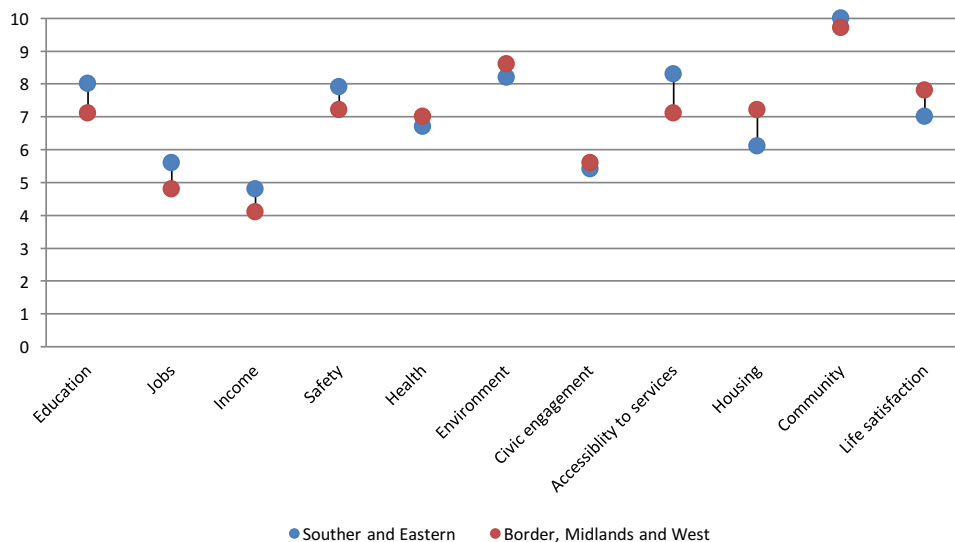


Fig 2.7: SILC – Mean nominal disposable household income by year

4 | [http://www.microsimulation.org/IJM/V9\\_2/IJM\\_9\\_2\\_2016\\_Kilgariff.pdf](http://www.microsimulation.org/IJM/V9_2/IJM_9_2_2016_Kilgariff.pdf)

Urbanised locations can also have considerable diseconomies of scale. Primarily factors associated with over concentration are congestion, pollution and increases in costs. There are circumstances in which these can possibly outweigh the positive economies associated with urbanised locations if growth is not carefully managed.

Nowhere is this clearer than in the current housing and transport shortages in Dublin. Continued inflows of population attracted by higher wages in the city and lack of supply have bid up rents and road usage undermining the urban disposable income premia available. The most recent DAFT.ie rental report for example showed average rent (adjust for type) in Dublin city was €6,708 per annum higher than in Cork city. There is some emerging evidence that Ireland has reached a tipping point in this regard Vega et al (2016) shows that the diseconomies of commuting costs outweigh the income benefits for workers of both Dublin for example.



**Fig 2.8: Regional OECD quality of life index, score (0-10)**

In the OECD region quality of life index the ranking of the less developed BMW lags the South and East of the country when it comes to education, jobs, income and accessibility to services but outstrips the cities in terms of housing, environment, health and life satisfaction. Individual location choices are reliant on the cost of these diseconomies. A worker will only chose to locate in a region where their disposable income post housing costs plus the value of other amenities (location preference, access to services etc) outstrip the potential dis-amenities of living in a certain city such as commuting costs, pollution or access to oversubscribed services such as schools.

This can and indeed should be solved, to some extent, by investment more in inter-urban transport in the Dublin region. However, Henderson (2002) <sup>5</sup>shows that this may not always be a wise approach as primacy of one city within a country can lead to a significant deterioration in the quality of life in non-primate cities. This occurs as national governments continue to overinvest in the prime city to chase growing population pressures. Per capita infrastructure costs increase in line with these pressures and stretch national budgets as projects over-run. The consequent underinvestment in other regions then compounds the existing population pressures as less people chose to live in non-primate cities.

5 | <http://www.sciencedirect.com/science/article/pii/S0928765501000525>

## 2.2 Key messages - Priorities for Spatial development

Various authors have argued that as a nation develops regional divergence is common but that this relationship is U-shaped with greater regional catch-up as diseconomies of scale emerge in the prime city later in the development process. It may well be that Ireland is at this point in its development. On the other hand findings in new economic geography and endogenous growth theory would suggest that given lack of declining returns (or even increasing cumulative returns) to physical and human capital divergence may continue indefinitely.

National policy has a role to play in deciding which path Ireland takes from here. Given the failure of the previous National Spatial Strategy it is difficult to argue Ireland has had any cohesive policy with regards to regional development in this century. Indeed, it is an area in which Ireland has struggled since the Buchannan report in 1969. In the short sections below we outline Ibec's priorities for spatial development over the next 40 years.

### Ibec Recommends

#### **The need for strong regional planning and policy**

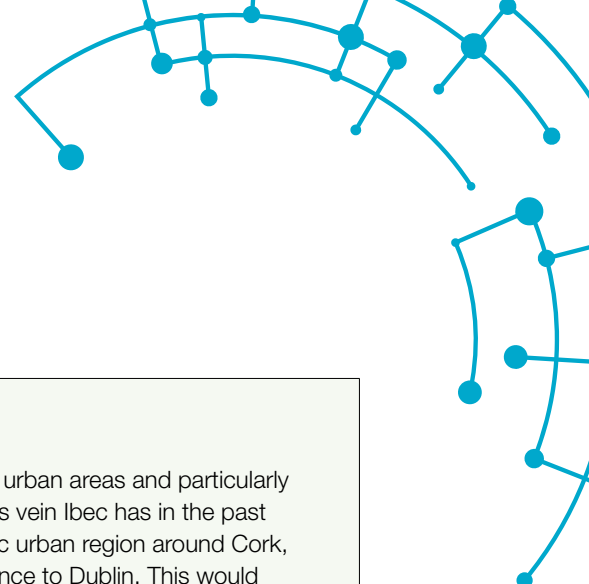
Fundamentally, regional policy underpinned by the new planning framework must embed regional resilience by improving both Dublin and the regions as places to live, work and invest. Without effective regional policy the regions will continue to lag in terms of productivity growth and the scenario outlined in section 3 will continue to emerge. Spatial development cannot be seen as a zero sum game. A failure of effective regional policy will be continued growth in diseconomies of scale such as housing costs, urban sprawl, congestion and pollution in Dublin. Over the long-term a continued lack of effective regional policy will leave Dublin unable to compete with other international cities. The cumulative effect will be lower growth nationally

#### **Investment certainty**

Effective spatial planning with regional changes is a long-term project. Germany, for example, introduced its Federal Spatial Planning Act which focused on 'decentralised concentration' in 1965. This underpins all areas of Government policy and has been effective in limiting regional disparities despite major challenges. It is important that decisions made now are not undermined or ignored in number of years. Business investment will be driven by certainty and constant change in regional planning or poor adherence to the new NPF will result in lack of certainty for regional investments.

#### **Coherence across policy and place based policies**

Irish industrial policy, for example the framework underlying our successful FDI model, has been primarily concentrated on the 'horizontal' across all of the country rather than the 'vertical' in terms of regional policy. A focus on productivity and growing exporting industries of scale is needed in the regions. There are both structural (differences in industry mix) and within firm drivers of the productivity divergence between regions. The Border, Midlands and West accounts for only 20% of Business R&D expenditure for example. The new planning framework must be the basis underlying a more cohesive 'vertical' industrial development policy into the future. This must drive policy across areas such as infrastructure, R&D and education.



### **Importance of city regions**

As we have shown Ireland is becoming increasingly urbanised. These urban areas and particularly cities will be the drivers of regional growth over the next century. In this vein Ibec has in the past advocated an Atlantic cities strategy aimed at developing a polycentric urban region around Cork, Limerick and Galway as a driver of regional growth and a counterbalance to Dublin. This would include increasing interaction, flows of skills, investment and collaboration between these cities. It would require substantial policy focus. Examples of this type exist elsewhere in Europe in the Ruhr Valley, Central Scotland, and the Randstad and are being attempted in England's Northern powerhouse. It is arguable indeed that the Dublin Belfast corridor exhibits some of the characteristics of one.

### **Smart specialisation**

Policy choices exist between encouraging diversification or specialisation in regional economies. Reviewing the evidence Kemeny and Storper<sup>6</sup> (2012) find that absolute specialisation in the literature tends to have the greatest advantages. The absolute size of the agglomeration matters. Given the relatively small size of city regions in Ireland it is imperative that regions specialise in areas in which they have a comparative advantage. This advance has been advocated by the OECD, European Commission and adopted as a driver of Irish R&D policy. This approach must continue and intensify – identifying the potential strengths of the regions and aligning industrial, educational and innovation policy with a limited number of priority areas.

6 | <http://www.spatialeconomics.ac.uk/textonly/SERC/publications/download/sercdp0121.pdf>

## 3. Ibec Regional Perspectives

### 3.1 Ibec Regional Network

Ibec is a national organisation with a strong regional structure. This includes a network of eight regions, with members supported by six Ibec offices across the country. Ibec's regional network ensures that members are serviced regionally in addition to Ibec's national and international services.

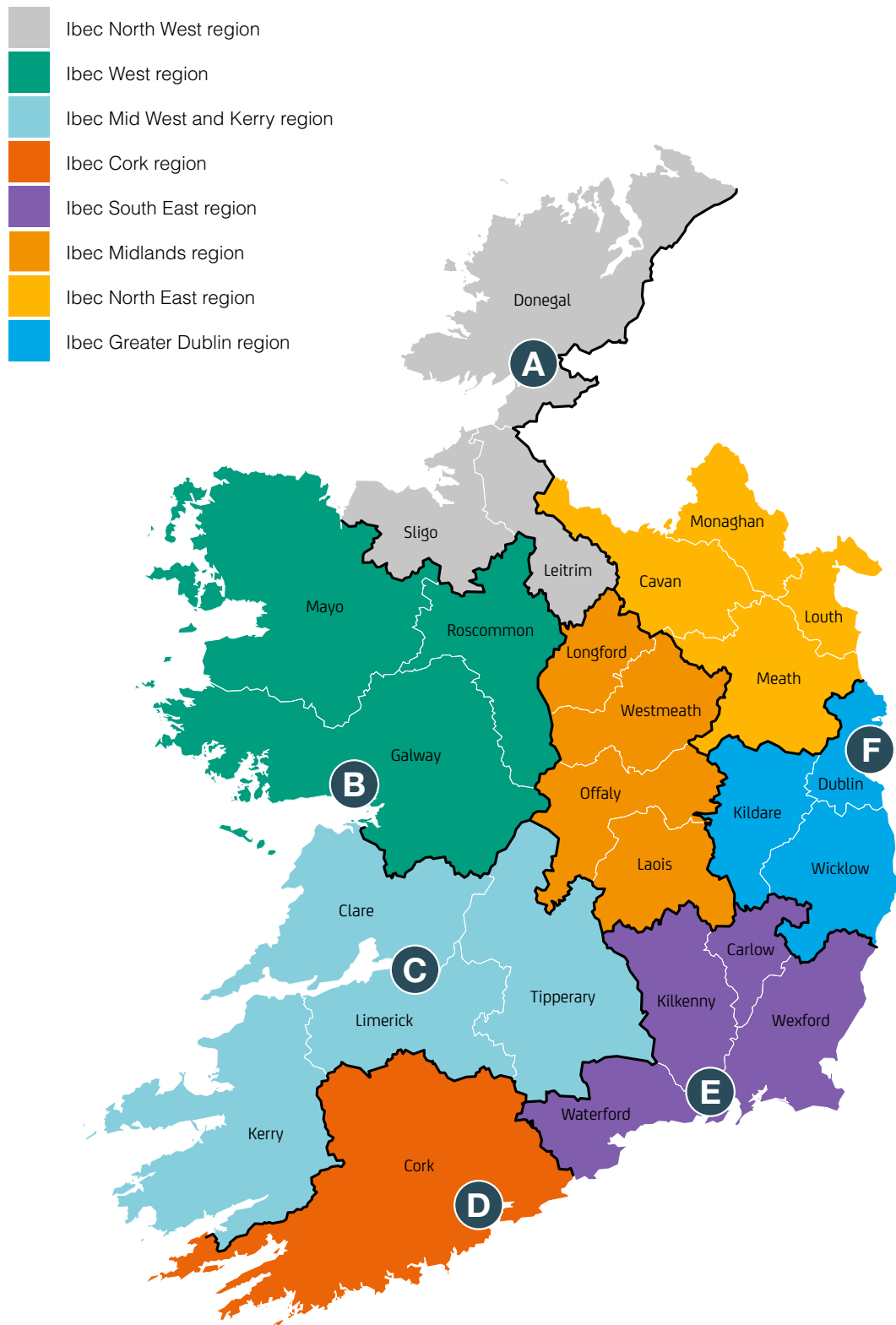
A key driver of regional business priorities are the Ibec Regional Executive Committees. Ibec Regional Executive Committees are made up of nominees from Ibec member companies operating within the regions including both multinational and indigenous companies and reflect the diversity of business in terms of business sectors and company size. The committees work to shape, guide and influence business policy priorities for the regions that contribute to sustainable economic growth and employment. Ibec Regional Executive Committees are led by a Regional President. Regional Presidents are also members of the Ibec National Council which provides an important point of contact between the organisation and the respective regions.

Below is a table listing each Ibec region and the local authority areas within that region. The three NUTS II Regional Assemblies consisting of a total of 8 Strategic Planning Areas (SPAs) at the NUTS III level are also shown.

| Ibec region (8)       | Local Authority Areas included  | Regional Assembly                             | Strategic Planning Area (8) | Local Authority Areas included                            |
|-----------------------|---|---|-----------------------------|---|
| North West            | Donegal, Leitrim, Sligo   | Northern and Western Regional Assembly (NWRA) | Border                      | Donegal, Sligo, Leitrim, Cavan, Monaghan                  |
| North East            | Cavan, Louth, Meath, Monaghan   |   |                             |   |
| West                  | Galway, Mayo, Roscommon   |   | Western                     | Mayo, Roscommon, Galway City & County                     |
| Mid West and Kerry    | Clare, Kerry, Limerick, Tipperary   | Southern Regional Assembly (SRA)              | Mid West                    | Clare, Tipperary North, Limerick                          |
| Cork Region           | Cork City and County  |   | South West                  | Kerry, Cork City & County                                 |
| South East            | Carlow, Kilkenny, Waterford, Wexford  |   | South East                  | Tipperary South, Kilkenny, Waterford, Carlow, Wexford     |
| Midlands              | Laois, Longford, Offaly, Westmeath  | Eastern and Midlands Regional Assembly (EMRA) | Midlands                    | Laois, Longford, Offaly, Westmeath                        |
| Greater Dublin Region | Dublin City, Dún Laoghaire-Rathdown, Fingal, South Dublin, Kildare, Wicklow |   | Mid Eastern                 | Meath, Kildare, Wicklow, Louth                            |
|                       |   |   | Dublin                      | Dublin City, Dún Laoghaire-Rathdown, Fingal, South Dublin |

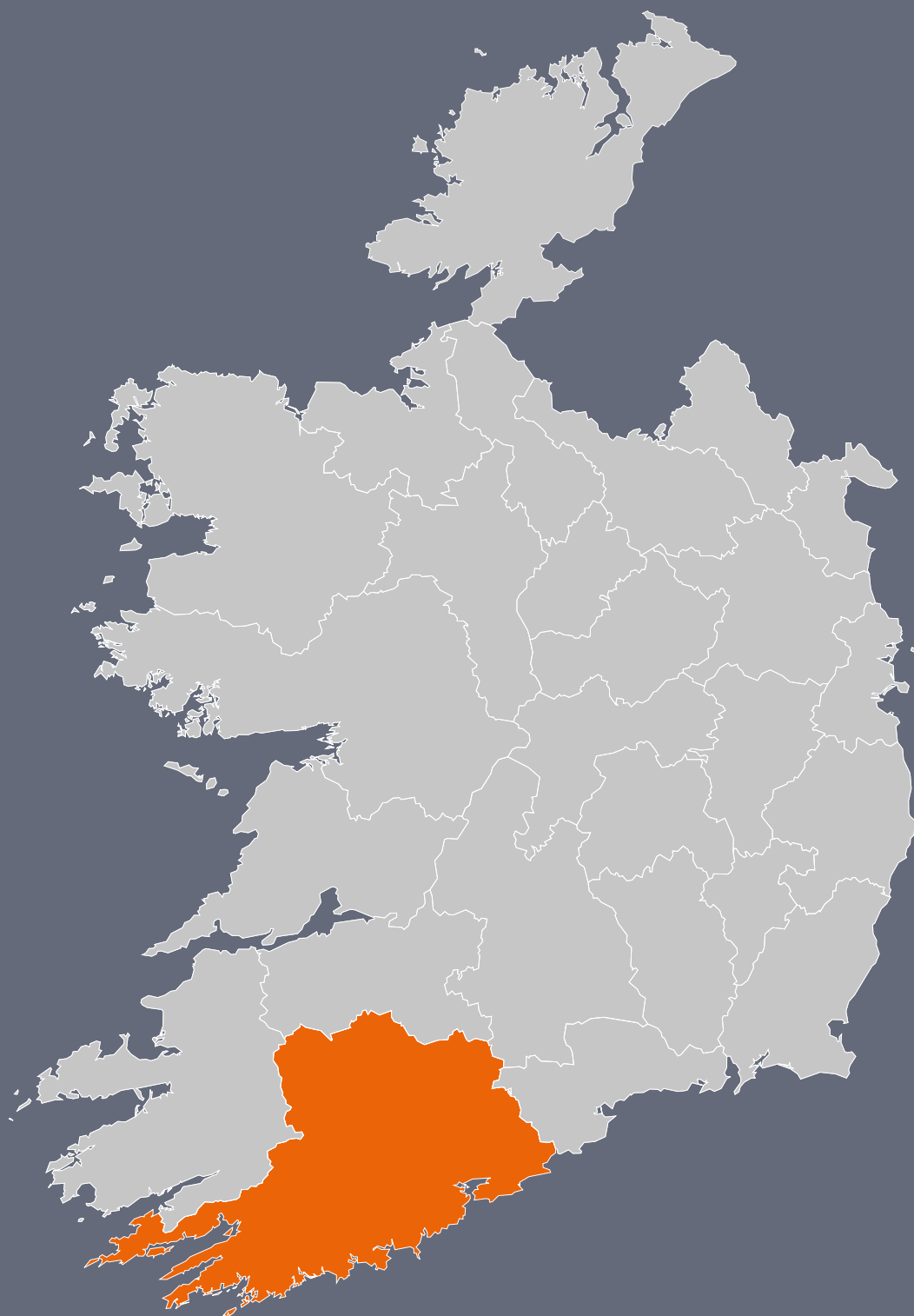


# Ibec regional network



**Note:** Letters on the map indicate the location of the Ibec regional offices.

Fig 3.1 Ibec Regional Network



## 3.2 Cork



## Introduction

**The Ibec Regional Executive Committee for Cork, who represent businesses from across Cork City and County prepared this submission to provide a vision for the region in 2040 that can be utilised to inform the National Planning Framework (NPF).**



Cork Region: Vision 2040

**“Cork leading the engagement to optimise the value of the Atlantic cities for the Nation economy.”**

## Ambition

Cork has an opportunity to become an influential leading city region. Now is the time to invest ambitiously. This investment will pay remarkable dividends regionally and nationally. Connectivity between regional cities is critical to our future prosperity. Connecting our Atlantic cities will position regions to leverage each others strengths and build stronger capabilities. It makes sense to embrace this inter-regional connectivity, between Waterford-Cork-Limerick-Galway, increasing existing capacity and accelerating regional growth. These regions have strong assets including ports, airports, educational institutions and if well connected would have the capacity to be a suitable counterweight to the east coast. We must also ensure the infrastructure within the region is fit-for-purpose and can adequately meet the needs of a growing Cork economy. Businesses in Cork are calling on Government to use the opportunity in the NPF to embrace regional connectivity and position Cork to lead the Atlantic cities. This will ultimately ensure a handsome return for the state through the benefits of business, social and employment prosperity.

## Opportunities, Challenges and Key Recommendations

### Opportunities:

- Cork has the potential over the period to 2040 to develop into a region characterised by an excellent quality of life, a highly skilled, educated and dynamic workforce with unique clusters in leading industries.
- Significant opportunity exists for Cork to develop and grow through reform of the local government structure, relocation of the Port of Cork to Ringaskiddy, the establishment of the Munster Technological University, enhanced connectivity from Cork airport to the US and Europe, the rejuvenation of the city centre and the development of Cork Harbour and Cork Docklands. Investment that facilitates urban regeneration in brownfield sites in the city will unlock the economic potential of the city and its environs.
- Inter-urban road connectivity between the Atlantic Cities would help support complementary growth between Dublin and cities such as Waterford-Cork-Limerick-Galway. Upgrading the M20 Cork-Limerick motorway and connecting second and third cities is a key enabler to the overall growth of the entire region. The upgrade of the M20 Cork-Limerick motorway is a key priority for the Ibec Cork Regional Executive Committee. Limerick and Cork account for one-third of Ireland's population outside of Dublin.

- The upgrade of the M20 will lead to many direct and indirect benefits including increased commercial and business links (e.g. supply chains/cluster development), increased talent pool for businesses, effects on productivity, spatial pattern of economic development, more efficient and cost effective movement of people and goods with safer and shorter travel times.
- Enhanced connectivity between cities would promote city-to-city collaboration which would boost trade, create growth, job opportunities and deliver meaningful balanced regional development. As economic growth, trade and the concentration of population in cities increases it will intensify demand for inter-urban transport services.
- Investment in physical and social infrastructure will generate new employment and investment and provide a significant boost to both regional and national economic growth and prosperity.

#### **Challenges:**

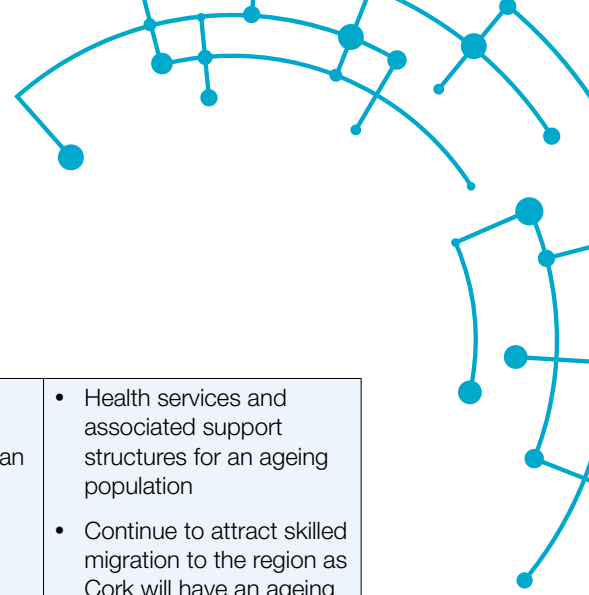
- The Cork region currently has the poorest road surface quality in the country, impacting on the cost of doing business and competitiveness. Upgrading the national road network including the M20 Cork-Limerick, N25 Cork-Rosslare, the N8/N25 Dunkettle Interchange, N22 Macroom-Ballyvourney, N28 Cork-Ringaskiddy and the Cork Northern Ring Road are essential.
- The immediate priority is to position the Southern and Western regions with strong growth engines - Waterford, Cork, Limerick and Galway. This will require new strategic thinking and an approach that maximises the opportunity for Cork to partner with Waterford, Limerick and Galway economic centres, while pursuing a growth and investment strategy for the urban centres within the region. This strategy would also focus on addressing the bottlenecks and deficiencies arising from the excessive growth in Dublin.
- The immediate challenge in terms of infrastructure is having a negative impact on the movement of people, goods and services within the region and on the regions' ability to secure additional investment in a highly competitive and globalised market.
- Traffic congestion and accessibility, in particular, is a serious issue for productivity and quality of life but also on local tourism and maritime interests, including those using the Port of Cork as an entry point to the region. It is a significant challenge for global indigenous and multi-national companies based in Ringaskiddy. Ringaskiddy is home to a very significant life sciences cluster and is designated a Strategic Employment Area. Employees working in companies located in the area regularly report that daily traffic congestion, travelling to and from work, is seriously impacting their quality of life. Continued failure to invest in the N28 Cork to Ringaskiddy road will hinder Ireland's economic recovery and will very likely put future local/regional development at risk. On the surface, it may appear like an access issue confined to Ringaskiddy however the bigger picture in terms of reputational damage and the perception internationally of both Cork and Ireland as 'a great place to do business' needs to be taken into account.
- Access to high speed broadband is required to support jobs, competitiveness and growth of the region. However, 32% of premises in Cork do not have access to high speed broadband. Many SMEs without high speed broadband have lost business.
- Housing supply is a real challenge making business expansions increasingly difficult. There will be a need to attract inward migration of skilled workers to Cork as businesses invest and expand. Quality of life is a key attractor in this and will play a central part in shaping decisions on where to live and work.

### Key Recommendations:

Through NPF 2040, Government has an opportunity to devote funding to specific short, medium and long term priorities in the Cork region. A primary focus for future economic growth must be to deliver a city of scale effect between the South East, Cork, Mid West and West regions by connecting the major urban centres with motorway. This inter-regional connectivity will be vital to facilitate the co-ordination of development across the wider regions. Connecting cities and their regions will help spread economic and population growth which is currently concentrated on the east coast. The upgrade in the short-term of the M20 Cork-Limerick motorway will be vital to establishing a competitive and distinctive complement to Dublin.

| PRIORITIES FOR THE CORK REGION |   |   |  |
|--------------------------------|---|---|--|
|                                | Short-term (to 2021)  | Medium-term (to 2030)   | Long-term (to 2040)  |
| Infrastructure                 | <ul style="list-style-type: none"><li>• M20 Cork-Limerick motorway</li><li>• N28 Cork-Ringaskiddy</li><li>• N25 Cork-Rosslare - proceed to planning</li><li>• N8/N25 Dunkettle Interchange</li><li>• N22 Ballyvourney-Macroom</li><li>• Access to high-speed broadband (minimum 30MBs) - speedy roll-out of the National Broadband Plan</li><li>• Improve transport connectivity to Cork Airport and support its development</li><li>• Implementation of Cork Area Strategic Plan initiatives for transport, particularly Bus Rapid Transit and park and ride facilities, combined with rail access to reduce congestion</li><li>• Port of Cork relocation to Ringaskiddy</li><li>• Resolve legacy Foreshore Licence issues</li><li>• Availability of high quality housing to enable employers to attract the best available talent internationally to Cork</li></ul> | <ul style="list-style-type: none"><li>• N25 Cork-Rosslare completion</li><li>• N22 Cork Northern Ring Road</li><li>• Tivoli Docks development commencement</li><li>• Marino Point regeneration</li><li>• Further development of an ambitious public transport network in Cork</li></ul> | <ul style="list-style-type: none"><li>• Tivoli Docks development completion</li><li>• Completion of the entire motorway/dual carriageway network via a 'C-ring-road' from Derry to Waterford</li></ul> |

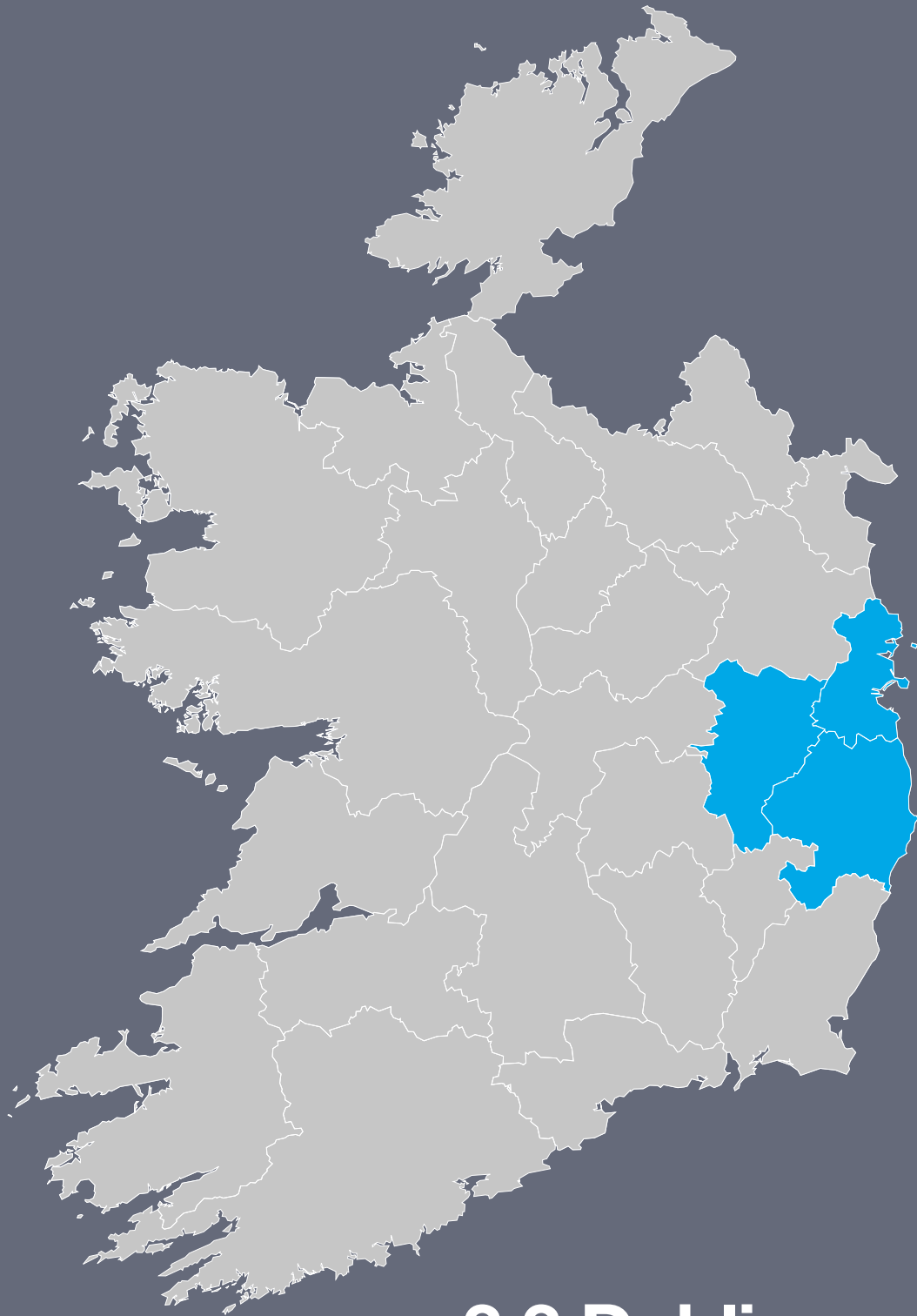
|                      |  |  |  |
|----------------------|--|--|--|
| <p><b>Skills</b></p> | <ul style="list-style-type: none"> <li>• Provide sufficient funding (capital and recurrent) to enable the appropriate higher education facilities and infrastructure to be constructed and staffed to cater for significant population growth and to meet the growing demand for STEM employment in biopharma, ICT, food, medical technology and financial services sectors</li> <li>• Establishment of a Munster Technological University</li> <li>• Embed entrepreneurial education to all levels to support the development of key transversal skills</li> <li>• Industry and HEI collaboration to combine technology, manufacturing and regulatory excellence to ensure Ireland's and the region's position as a key investment location</li> <li>• Focus on skills development to support industry convergence in biopharma, food and medical technology sectors</li> <li>• Data analytics, artificial intelligence and management to enhance manufacturing and industrial development in the region</li> <li>• Enhanced teaching and learning experience of modern languages</li> <li>• Embed experiential learning opportunities at all levels</li> <li>• Develop the Regional Skills Forum to foster better engagement between education providers, employers and other regional stakeholders on an ongoing basis to collaborate in building the skills of the region</li> </ul> | <ul style="list-style-type: none"> <li>• Embed the use of technology in education to support teaching and learning</li> <li>• Develop a culture of critical thinkers</li> <li>• Education and reskilling programmes for a digital economy</li> </ul> | <ul style="list-style-type: none"> <li>• Invest in innovation infrastructure to allow flow of knowledge and learning between industry, society and research community</li> </ul> |
|----------------------|--|--|--|



|                            |  |   |  |
|----------------------------|--|---|--|
| <b>Quality of life</b>     | <ul style="list-style-type: none"> <li>• A road network that supports easier access to work &amp; other services</li> <li>• Cork has the advantage of being the 2nd largest English speaking city in the EU post-Brexit</li> <li>• Affordable good quality housing &amp; apartment options in Cork, purchase &amp; rent</li> <li>• High quality broadband will be a crucial enabler for both rural and urban communities</li> <li>• Access to quality hospital/ healthcare/school infrastructure</li> <li>• Completion of the event/ conference centre in Cork</li> <li>• Improve public realm – green zones and high quality pedestrian areas and public cycle routes and parks</li> </ul>  | <ul style="list-style-type: none"> <li>• Regeneration of the docklands and the city centre will improve urban amenities</li> <li>• Enhanced capacity in schools, childcare, hospitals and other services as population grows</li> <li>• Local government power and responsibility to drive local development and quality of life</li> <li>• Enhanced sports facilities in Cork City to serve the wider region, including a 50m swimming pool, to enhance the quality of life and the attractiveness of Cork as a city in which to live</li> </ul> | <ul style="list-style-type: none"> <li>• Health services and associated support structures for an ageing population</li> <li>• Continue to attract skilled migration to the region as Cork will have an ageing population</li> </ul>   |
| <b>Spatial development</b> | <ul style="list-style-type: none"> <li>• East/West axis of development of Cork metropolitan area to continue to spread</li> <li>• Implementation of permissions at North and South Docks will allow for higher densities of residential and commercial space in the City Centre</li> <li>• New town at Monard to commence</li> <li>• Appropriate zoning and development plans will be required to increase the sustainability of future residential development, with a view to increasing density in Cork, in order to enable the cost-effective provision of services</li> <li>• Active zoning of land to enable the higher education institutions to grow in a manner that complements existing higher education facilities, enables interdisciplinary interaction and ensures skills and economic growth needs can be effectively met</li> <li>• Actively support and enable the development of Cork Science and Innovation Park at Curraheen</li> <li>• Flood relief plans to be implemented</li> </ul> | <ul style="list-style-type: none"> <li>• Completion of the M20 motorway to assist in connecting the city to the wider region</li> <li>• Better connectivity with satellite towns and suburbs</li> <li>• Completion of North and South Docks development</li> <li>• CASP to be fully implemented to support sustainable commuting patterns for wider metropolitan area</li> <li>• Outer ring roads and bypasses in the county to be examined</li> </ul>  | <ul style="list-style-type: none"> <li>• Increase in population living and working in the inner city through South Docks and regeneration, with integrated communities for those downsizing/retiring</li> <li>• Potential of development at Tivoli, supported by CASP2, for residential and commercial development to be examined if port infrastructure is relocated at Marino Point</li> <li>• Flood relief to protect the city from future flooding/ high tides caused by climate change</li> </ul> |

|                             |   |  |   |
|-----------------------------|---|--|---|
| <b>Smart Specialisation</b> | <ul style="list-style-type: none"> <li>• Key industries include agriculture &amp; food, agri-tech, pharma, bio-pharma, healthcare and life sciences, tourism, renewable energy, technology and international business services</li> <li>• Need to begin planning now to align the regions stakeholders with longer-term plans of major industries</li> <li>• Continued strong support for SMEs in priority sectors</li> </ul> | <ul style="list-style-type: none"> <li>• These industries will continue to be drivers in the future but will see a move up the value chain. Need to continue to build larger clusters in these sectors and manage a move up the value chain. This will require more investment in 3rd level R&amp;D programmes and linkages</li> </ul> | <ul style="list-style-type: none"> <li>• A rising global middle class will provide opportunities in tourism and the region's tourism product</li> <li>• Pharma and technology will continue to be big regional growth drivers but need to differentiate these clusters and USP from other similar regions</li> <li>• Health will become an even more important aspect of the food industry</li> </ul> |
|-----------------------------|---|--|---|





## 3.3 Dublin and Mid East

## Introduction

**The Ibec Regional Executive Committee for Dublin and Mid East, who represent businesses from across Dublin, Kildare and Wicklow, prepared this submission to provide a vision for the region in 2040 that can be utilised to inform the National Planning Framework (NPF).**



Dublin and Mid East Region: Vision 2040

**“A prosperous City Region with diverse economic activity and a world class infrastructure, providing a vibrant and sustainable environment where future generations can live and work.”**

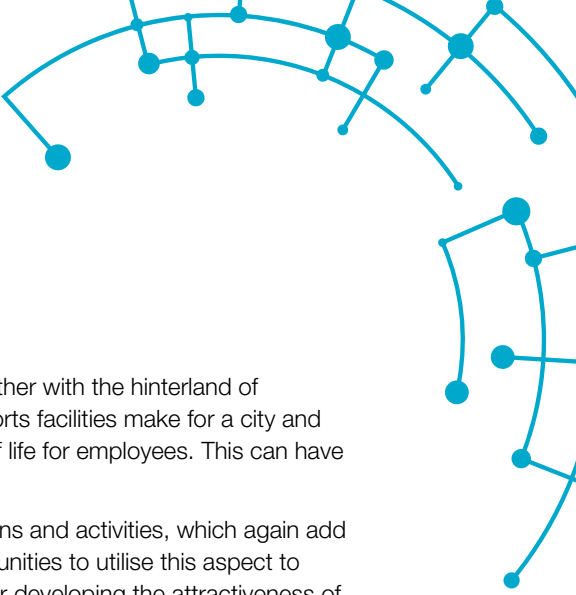
## Ambition

Dublin and the Mid East Region has an opportunity to become one of the most successful City Regions in Europe, competing equally with cities of comparable size. This can be achieved by focusing on closing infrastructure gaps and evolving planning guidelines to ensure appropriate and sustainable development into the future. Securing additional investment for education at all levels and addressing quality of life issues in the region is also imperative. Government cannot afford to miss the strategic opportunities through NPF 2040 to address the gaps and infrastructure deficits that exist in the region. In an increasingly competitive environment in Europe, the region has proven that it can be an engine for growth for the whole country. However planning for appropriate growth in Dublin and the Mid East should not be at the expense of other regions in the country. With the right focus, investment and planning, the region can continue to grow and be successful, providing a vibrant and sustainable environment where future generations can live and work.

## Opportunities, Challenges and Key Recommendations

### Opportunities:

- Dublin and the Mid East Region with a population of 1.7 million, high levels of educational attainment and high value jobs is an attractive place to establish business. There are a wide range of significant industries and commercial activities in the region which can be an attractor for other industries and commercial activities. Dublin being the centre of the political and administrative activities of the country also adds to the attractiveness of the region.
- The primary airport and port are located within the region and therefore a significant proportion of goods arrive and depart through the region. Equally, a significant proportion of visitors, commercial, personal and tourist travel through Dublin.
- Dublin is located on the western edge of Europe and is in one sense closest to the eastern seaboard of the US (flight times from Dublin to the Eastern US are very similar to flights times from eastern USA to western USA). Dublin is highly connected to most European countries and Capitals with direct flights, mostly short haul flights. The level of international connectivity provides opportunities for attracting new businesses to the region.

- 
- Dublin's location with its coastline and convenient safe beaches together with the hinterland of accessible and walkable hills and accessibility to recreational and sports facilities make for a city and region which can provide an excellent work life balance and quality of life for employees. This can have significant benefits for employers in the region.
  - Dublin and the Region have significant historical and cultural attractions and activities, which again add to the quality of life for the inhabitants of the region. There are opportunities to utilise this aspect to attract vibrant population growth and commercial growth, thus further developing the attractiveness of the region.
  - Dublin has a small central core containing the Central Business District (CBD), the cultural centre and the primary retail core. This small central core is supported by a range of local suburban centres (Blanchardstown, Dundrum, Liffey Valley, Lucan) etc and a wider range of outer town locations (Bray, Drogheda, Naas, Navan, Newbridge etc). Each of these and others provide different and unique experiences complementing the central core of the City.

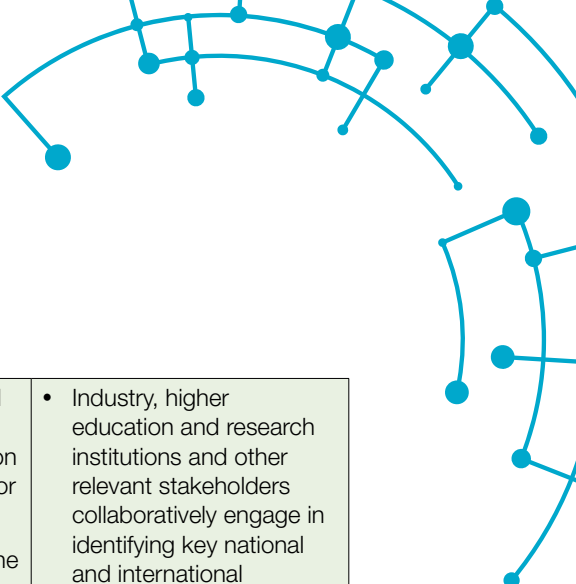
#### **Challenges:**

- The lack of availability of affordable and accessible housing in Dublin and the wider region is a key issue for employers and an obstacle to new business growth. Without sustainable housing solutions, the ability to grow business is compromised. Affordable and quality housing to buy or rent will underpin national competitiveness.
- Restrictions on building height and density will hinder ability to house people within the Dublin City area. Given the size, population and overall importance of Dublin City to the national economy, we need to get the future development framework right. Well designed tall buildings, in the right context, can make a positive contribution to their setting and the city.
- Rising rental costs and property prices are forcing people to commute from the Dublin commuter belt to the city centre on a daily basis. Record numbers are using the M50 with gridlock common at peak times.
- There are concerns regarding the donut effect that suburban and outer locations can have on the centre. The development of urban sprawl impacts on the transport linkages between the various elements. Dublin has reached levels that have outgrown its infrastructure capacity. Traffic congestion will result in jobs and growth being lost. Increased investment in the transport network is required to keep pace with the growing number of people commuting to the city every day.
- Dublin is a high cost location which can impede attractiveness. Rising rents and increasing house prices will inevitably impact upon wages, increase the cost of living and damage competitiveness. Continued demand for prime city centre locations from FDI companies is causing rents to increase significantly. Brexit market activity will accelerate the issue.
- The city is in a global race for investment, capital and talent that is intensifying all of the time. Dublin still remains a small region in an international context. The population density in the Region is also low in comparison to other international regions. Dublin lags behind places like Copenhagen and Amsterdam when it comes to quality of life. Dublin ranks 15th in a poll for the world's most congested cities.
- There are significant challenges in the region in respect of schools and hospitals with population growth placing more demands and pressures on services.
- Water supply capacity is a major challenge with demand expected to grow by 50% by 2050. The existing infrastructure is not capable of delivering extra capacity. There are very significant negative employment impacts if an adequate water supply is not available. The proposed water supply project is critical to addressing the problem.

**Key Recommendations:**

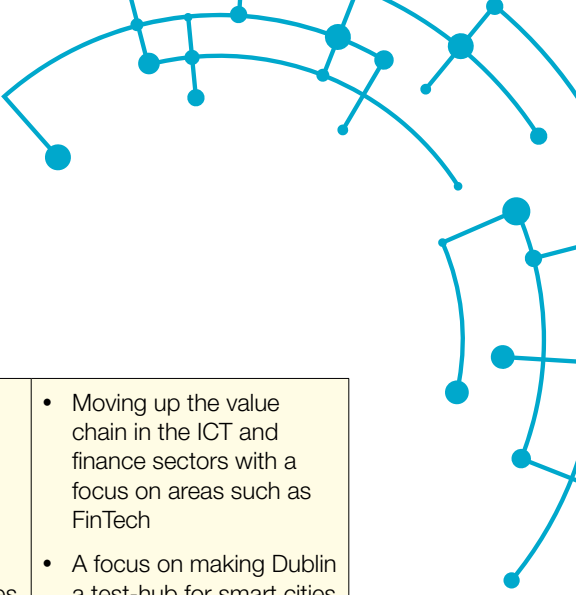
Through NPF 2040, Government has an opportunity to devote funding to specific short, medium and long term priorities in the Dublin and Mid East region. An urgent focus must be placed on addressing the capacity issues to keep pace with growth. A key element in the future growth of the Capital and in attracting investment is the quality of its infrastructure. Current travel and transport trends are unsustainable with a significant impact on the quality of life of commuters. To accommodate growth we need to think differently into the future about the height of buildings and density. Government through the NPF can support the region's competitiveness by investing in world class infrastructure. We must tackle the capacity issues in the short term. Failure to do so will erode future growth potential and productivity.

| PRIORITIES FOR THE DUBLIN AND MID EAST REGION |  |  |  |
|---|--|--|--|
|   | Short-term (to 2021)   | Medium-term (to 2030)  | Long-term (to 2040)  |
| Infrastructure                                | <ul style="list-style-type: none"><li>• Progress Metro North more rapidly than currently planned</li><li>• Airport capacity upgrade - 2nd runway</li><li>• Support expansion of Dublin Port</li><li>• Appropriate measures and actions to be implemented to assist in dealing with the issue of housing shortages including any associated enabling infrastructure</li><li>• Intermodal public transport initiatives, such as Bus Rapid Transit, e-hubs and park and ride facilities to assist in reducing congestion</li><li>• Need to review restrictions on building height and density</li></ul> | <ul style="list-style-type: none"><li>• Completion of the rail connection from city centre to Dublin Airport</li><li>• High speed link to Belfast</li><li>• Enhanced rail freight</li><li>• Enhanced water supply</li><li>• Dart Underground</li></ul> | <ul style="list-style-type: none"><li>• Outer orbital road</li></ul> |

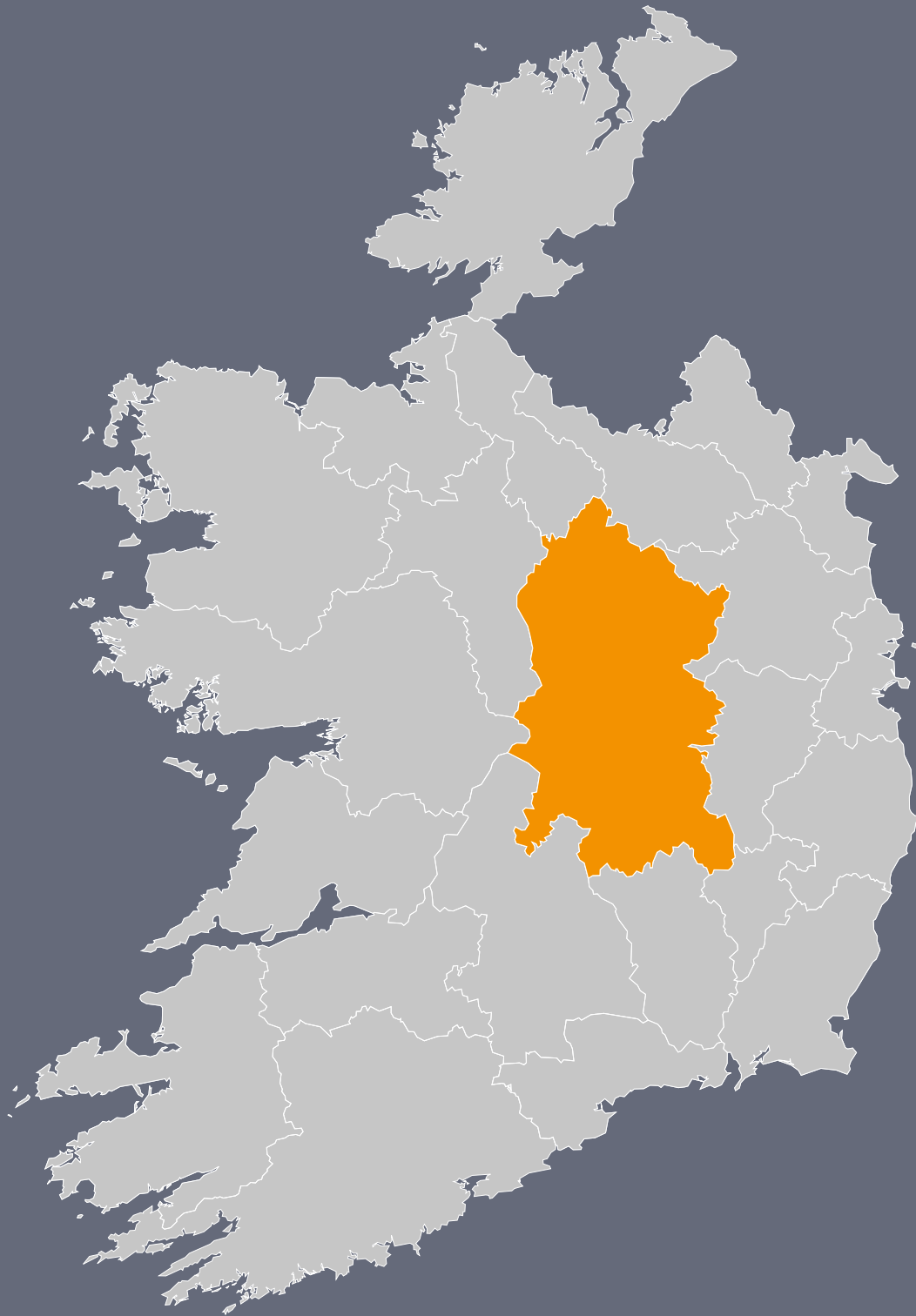


|               |   |  |   |
|---------------|---|--|---|
| <b>Skills</b> | <ul style="list-style-type: none"> <li>• Implement the steps necessary to create the new Technological University for Dublin</li> <li>• Resolution of borrowing framework and resolution of Higher Education funding</li> <li>• Drive participation and inputs from enterprise in national and regional initiatives such as the Regional Skills Forum, Smart Futures, new apprenticeships and traineeships, education programme content and delivery, provision of work placements, promotion of financial/ICT/digital/data analytics programmes, in house training and access to education</li> <li>• Continue to support analytical/ logical skills learning in schools including Coder Dojo in provision of space, administrative supports and mentoring strategies</li> <li>• Clustering the creative and cultural design industries</li> <li>• The Department of Education and Skills should establish an international Secondary Level School to meet the requirements of the expatriate business community. This could be achieved through a public private partnership</li> </ul> | <ul style="list-style-type: none"> <li>• Expand the audio-visual sector, and the region's potential as a production location and as a pool for talent</li> <li>• Contribute to meeting the medium-term national target for international students to represent 15% of full-time students in a manner that reflects HEIs individual situation and national needs</li> <li>• Support entrepreneurial mindsets through short term enterprise-based research scholarships</li> </ul> | <ul style="list-style-type: none"> <li>• Industry, higher education and research institutions and other relevant stakeholders collaboratively engage in identifying key national and international societal and economic challenges and support the positioning of HEIs as sources of vibrant creativity in the region</li> </ul> |
|---------------|---|--|---|

|                            |   |  |   |
|----------------------------|---|--|---|
| <b>Quality of life</b>     | <ul style="list-style-type: none"> <li>• City ranks highly for quality of life but is showing signs of strain. Other areas have good connectivity to urban core</li> <li>• Appropriate housing to address shortages - inadequate supply of suitable and affordable housing is a significant constraint on quality of life</li> <li>• Improved public transport is necessary to facilitate urban growth</li> <li>• Densification will need to take place to provide adequate housing into the future</li> <li>• Continued planning for student housing into the future</li> </ul>  | <ul style="list-style-type: none"> <li>• Ensuring capacity in schools, childcare, hospitals, HEIs and other services as population grows</li> <li>• Improving public transport (Dart Underground and Metro North) for workers and greater accessibility to new areas of the city</li> <li>• Improved international accessibility from Dublin airport and Port</li> <li>• Making quality of life continues to be a key role of urban governance</li> </ul>  | <ul style="list-style-type: none"> <li>• Continued improved land-use will be needed to ensure that the city does not continue to sprawl beyond the M50</li> <li>• Need to continue to attract skilled migration to the region as it will have an ageing population</li> <li>• Working with creative industries to continue Dublin's development as a cultural hub</li> <li>• Regular targets on reducing congestion and cost of living over the long-term to be driven by local actors</li> </ul> |
| <b>Spatial development</b> | <ul style="list-style-type: none"> <li>• Clustering the creative and cultural design industries</li> <li>• Increased pressure on greenfield land on outer perimeters of the Greater Dublin Area due to prevalence of urban sprawl</li> <li>• Increased demand for higher density and building heights in Dublin City- Development of Tall Buildings Strategy</li> <li>• Brownfield site regeneration and infill development</li> <li>• Completion of Luas Cross City may increase demand for residential and commercial space at Luas stops</li> <li>• Appropriate zoning and development plans will be required to increase the sustainability of future residential development, with a view to increasing density in Dublin enabling the cost-effective provision of services</li> </ul> | <ul style="list-style-type: none"> <li>• Continued regeneration of brownfield sites and urban areas to meet the demand for both residential and commercial space in Dublin City</li> <li>• Less pressure on peripheries of the GDA for land for development through effective zoning and planning decisions</li> <li>• Increased height and density in inner city</li> <li>• Completion of the Shannon Pipeline may see growth of new or relocation of existing water intensive industries to the Mid East Region</li> </ul> | <ul style="list-style-type: none"> <li>• M50 orbital to assist in the more effective movement of people and goods</li> <li>• Increase of population living and working in the inner city through regeneration, with integrated communities for those downsizing/ retiring</li> <li>• Well developed intermodal transport systems</li> </ul>   |



|                             |   |   |   |
|-----------------------------|---|---|---|
| <b>Smart Specialisation</b> | <ul style="list-style-type: none"><li>• The regions key industries are IT, finance, internationally traded services, agri-food, high-tech manufacturing, equine and film</li><li>• Need to plan for potential positive impacts of Brexit for FDI</li><li>• A joined up strategy for the LEOs and other local actors in developing the indigenous base in the region</li></ul> | <ul style="list-style-type: none"><li>• Greater provision of incubation space for emerging industries</li><li>• Focus on Dublin as a global as well as a national hub for key traded services industries</li><li>• Build on the strengths of the Mid East as a hub for film production through the development of an industry cluster</li></ul> | <ul style="list-style-type: none"><li>• Moving up the value chain in the ICT and finance sectors with a focus on areas such as FinTech</li><li>• A focus on making Dublin a test-hub for smart cities initiatives</li></ul> |
|-----------------------------|---|---|---|



## 3.3 Midlands



## Introduction

**The Ibec Regional Executive Committee for the Midlands, who represent businesses from across the midland counties of Laois, Longford, Offaly and Westmeath, prepared this submission to provide a vision for the region in 2040 that can be utilised to inform the National Planning Framework (NPF).**

Although prepared primarily by committee members, there has been significant input, collaboration and alignment with various other bodies to help inform the content of the submission. These include the Chambers of Athlone, Mullingar and Tullamore as well as the Midlands Gateway Chamber, the N4/N5 Chambers group, Destination Athlone, Midlands IDA/EI, Local Government County Council and other business association inputs from Longford, Offaly, Westmeath and Roscommon, the Regional Skills Forum and Athlone Institute of Technology.



Midlands Region: Vision 2040

**“A Midland Regional City with viable scale, incorporating a diverse social and industrial ecosystem with long term sustainable impact for future generations.”**

## Ambition

The Midlands Region has an opportunity to become the linking point and a central corridor stretching east to west across Ireland. The nucleus of this strategic core is already present and delivering both locally and globally. The potential to drive connectivity across Ireland given its strategic central location will be made possible with significant focus on regional infrastructure investment in transport and broadband connectivity. Given the pressures on the bigger cities in Galway and Dublin as they expand, the central Midlands area can provide a solution, and can develop into a long term sustainable place to work and live. It is not for the single benefit of the Midlands that we seek development of the region, but for the greater good in supporting the long term developments of the Eastern and Western regions especially through a central corridor proposal which in turn will strengthen and sustain Ireland's overall long-term growth and align to the priorities of NPF 2040.



Midland Regional City centred on Athlone, strategic links with key commuter towns and regional impact opportunities. The importance of urban agglomeration and a city region for the midlands are discussed in section 5.3 of this report.

## Opportunities, Challenges and Key Recommendations

The Midlands has the potential over the period to 2040 to develop into a region characterised as a strategic location in which to invest and live, with an excellent quality of life, highly skilled talent and a state-of-the-art infrastructure network.

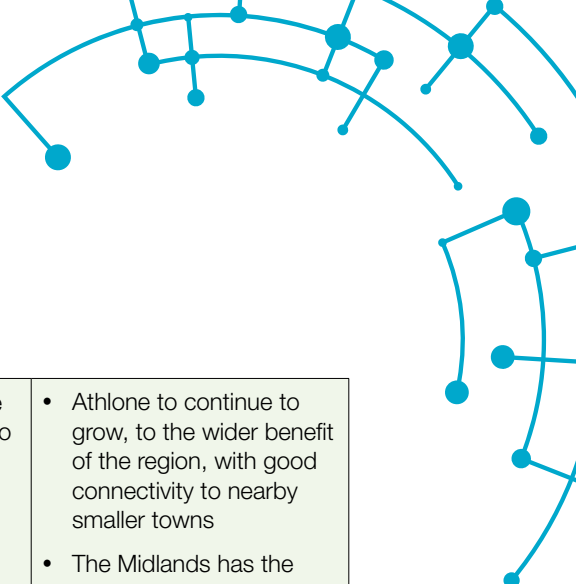
- Opportunities exist for the Midlands to develop through the growth of a number of sectors including medtech and pharma clusters, ICT, engineering, internationally traded services and food. There is also significant potential to develop tourism and grow market share. The region currently ranks lowest in the country in terms of overseas tourism revenue. There is scope to grow the industry considerably and for tourism to play a significant role in the economy of the region.
- In the Midlands there are a number of strong urban centres (Athlone, Mullingar and Tullamore), Ballinasloe, Birr Longford and Roscommon that are experiencing extensive commuter-based development. Towns must be developed in terms of their economic self-sufficiency to minimise the need for commuting and support the development of surrounding areas. This would support locally generated employment in rural areas and create future prospects for growth.
- Athlone's central position, with Athlone Institute of Technology, existing industrial base and wide hinterland means it could develop into a significant population centre and drive the development of the region. Connectivity to other urban centres served by high quality roads, transport and amenities will deliver tangible benefits throughout the region. Positioning Athlone as a strong commercial and major urban centre and central hub will be vital for the development of the Midlands. The economic growth will generate benefits for adjoining regions.
- Due to its central location, there is significant opportunity to position the Midlands as the location of choice for people to work and live, offering a different quality of life to that of the Capital. An important element of this will be building the brand to showcase the region's unique selling points, helping to develop and strengthen a strong identity.
- Infrastructure development both physical and social is a key catalyst to attracting and retaining foreign direct investment in the region. Proximity to all regions of the country once improved transport links are in place will improve the attractiveness of the region.
- Upgrades to the N4 Dublin-Sligo, N5 Longford-Westport and North-South artery route are key to securing the future growth of the region. International air connectivity is vital for the region to compete effectively in business and tourism.
- Due to the strategic location of this hub in the centre of the country, infrastructure spend and improvements impacting the development of the Midlands city hub and region, has a double impact effect on Western and Eastern city regions as well as North-South transit connectivity. It would lead to additional commuter opportunities and population spread across three city regions.
- The development of a pipeline of skilled people with niche specialised skillsets will be critical. A strong and collaborative relationship with the education and training system will be crucial to nurture new emerging skills and build a talent pipeline. It is important that the region has access to a technological university, the scale and level of activity of which will allow it to make a significant contribution to the region's development. The economic and social benefits would be significant.
- SMEs in many parts of the region are increasingly frustrated with existing broadband provision with many hampered by problems of poor coverage and slow connectivity. 45% of all premises in the region do not have access to high speed broadband. Access to fast reliable broadband is essential to support SMEs and open up new opportunities, having a positive impact on business productivity and job creation.

### Key Recommendations:

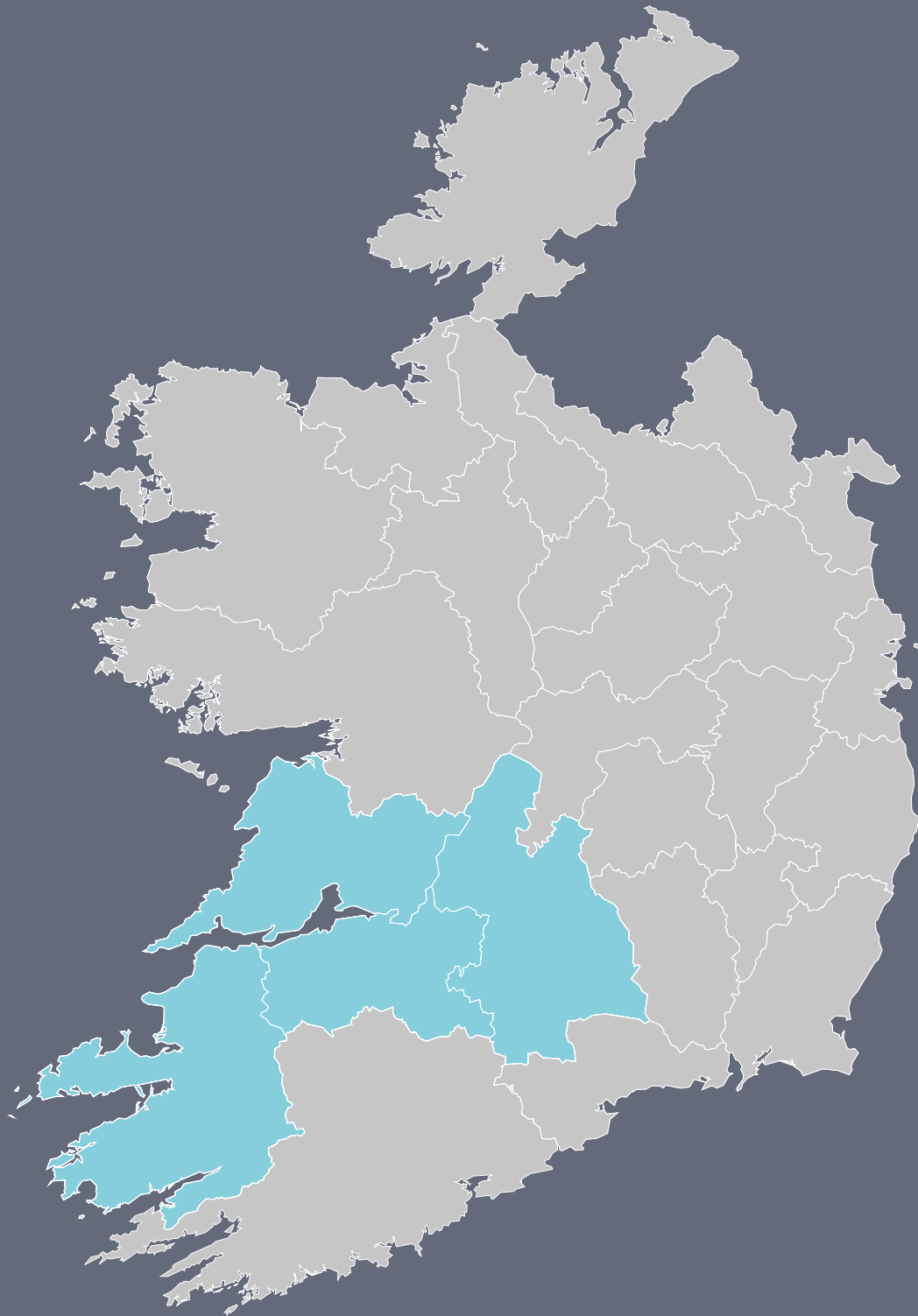
Through NPF 2040, Government has an opportunity to devote funding to specific short, medium and long term priorities to enable the Midlands Region to be able to grow and drive connectivity across Ireland. Developing a strong city region and central corridor will be key to improving wider regional performance and driving national economic growth. Self-sustaining towns providing a range of employment opportunities, supported by a strong urbanised commercial centre would be a significant boost not only for the region itself but also for the adjoining regions and the entire Irish economy. Given its strategic central location, a well connected Midlands region would impact positively on both Dublin and Galway city regions. Businesses in the Midlands are calling on Government to make the necessary investment in hard and soft infrastructure in the short term. Unless this infrastructure is in place, the current imbalances will be reinforced.

| PRIORITIES FOR THE MIDLANDS REGION |   |   |  |
|------------------------------------|---|---|--|
|                                    | Short-term (to 2021)  | Medium-term (to 2030)   | Long-term (to 2040)  |
| Infrastructure                     | <ul style="list-style-type: none"><li>• N4 Sligo-Dublin</li><li>• N5 Longford-Westport</li><li>• Access to high-speed broadband (minimum 30MBs) – speedy roll-out of the National Broadband Plan</li><li>• Support the continued development of Ireland West Airport Knock</li><li>• Flood defences - implementation of a flood relief plan</li></ul> | <ul style="list-style-type: none"><li>• North-South artery route through the Midlands connecting main national primary routes</li></ul> | <ul style="list-style-type: none"><li>• Water supply enhancement</li></ul> |

|                        |  |   |   |
|------------------------|--|---|---|
| <b>Skills</b>          | <ul style="list-style-type: none"> <li>• Access to a Technological University</li> <li>• Resolution of borrowing framework and resolution of Higher Education funding</li> <li>• Develop the Regional Skills Forum to foster better engagement between education providers, employers and other regional stakeholders to collaborate in building the skills of the region</li> <li>• Build on the capacity of the high-tech manufacturing and ICT industry to attract graduates to the region</li> <li>• Continue to launch apprenticeship programmes to support key sectors in the region</li> <li>• Focus on showcasing STEM opportunities to second level students</li> </ul>                   | <ul style="list-style-type: none"> <li>• Continue to support the Robot Dojo initiative to build capability in high tech robotics skills and its potential roll-out to other sectors</li> <li>• Encourage initiatives to support and enable polymer and plastics research and technology exchange for greater industrial collaboration</li> <li>• Education programmes to support the development of Manufacturing 4.0 and Robotics capability</li> <li>• Consider the teaching and curriculum quality of STEM students at first and second level to improve the desirability and uptake of subjects</li> <li>• Spin-off campus areas as centres of excellence in satellite areas around the Regional Centre of Athlone</li> </ul> | <ul style="list-style-type: none"> <li>• Continue to foster collaborative and open innovation infrastructure to enable the key industries to respond and adapt to global challenges</li> <li>• Operationalise the Robotics Research Centre as a national centre of excellence to support industry and the national research centre network</li> </ul>       |
| <b>Quality of life</b> | <ul style="list-style-type: none"> <li>• The region has advantages in terms of cost of living but struggles relatively when it comes to urban employment accessibility</li> <li>• In areas such as tourism there is potential to improve quality of life through the provision of greater amenities and brand building</li> <li>• Continued investment in physical infrastructure including roads and public transport capacity</li> <li>• Broadband infrastructure will be a key enabler of communities</li> <li>• Need reduced travel times to/from workplaces, more e-work capability, more local village “work hubs” broadband enabled to provide alternate work space environments</li> </ul> | <ul style="list-style-type: none"> <li>• The Midlands region should be a great place for people to live and reach their full potential. Crucial to this will be capitalising on the space and capacity to grow within an unspoilt “green circle” surrounding and between the three main towns of Tullamore, Athlone and Mullingar</li> <li>• Gaining critical mass in tourism in the region will attract greater investment and the development of community amenities e.g. parks, cycleways</li> </ul>   | <ul style="list-style-type: none"> <li>• The region has potential in terms of providing mindful, low stress, collaborative work environments, sustainable communities and good transport links to urban centres</li> <li>• Community engagement and access to good, effective and affordable healthcare will be important as the population ages</li> </ul> |



|                             |   |  |   |
|-----------------------------|---|--|---|
| <b>Spatial development</b>  | <ul style="list-style-type: none"> <li>• Support for smaller towns and surrounding areas to drive tourism brand for the region</li> <li>• Athlone's central position, road and rail connections, Institute of Technology, existing industrial base and wide hinterland allows for the population to grow into a bigger urban centre region</li> <li>• Strategic tourist infrastructure projects should be focused on the natural environment of the region, all within 30 miles of the urban centres</li> <li>• Enhanced access to start-up incubation space and advanced manufacturing centre</li> </ul> | <ul style="list-style-type: none"> <li>• Tourism ventures for the upper Shannon region to match the Wild Atlantic Way. A "Shannon Way" drive would have big potential as a (smaller) counterbalance and provide an alternative route for repeat holiday makers, and would complement Ballymahon Center Parcs</li> <li>• Opportunity to develop city in Athlone and support regional development through this</li> <li>• Pressure on Local Authorities in the region to control zoned land, could be assisted through the provision of serviced sites</li> <li>• Better inter-regional connectivity is required to support collaboration</li> </ul> | <ul style="list-style-type: none"> <li>• Athlone to continue to grow, to the wider benefit of the region, with good connectivity to nearby smaller towns</li> <li>• The Midlands has the potential for this type of spatial arrangement given Athlone as the main centre, assisting other urban centres</li> <li>• Waterways (the Shannon river, Grand and Royal Canals), boglands (such as Boora Nature Park and Blackwater Railway) and the only mountain range in the Midlands (the Sliabh Blooms) - establish the region nationally as a popular destination for tourists through strategic infrastructure support</li> </ul> |
| <b>Smart Specialisation</b> | <ul style="list-style-type: none"> <li>• The region has specific clusters developing in the life sciences, engineering (automation and devices) and polymers</li> <li>• Establish a major shared food test/pilot facility/incubation centre to drive RDI in the food companies in the region</li> <li>• Potential for the region as Dublin expands to improve offering to young skilled workers with families. Key is to reduce commuting costs and offer a greater work life balance</li> </ul>  | <ul style="list-style-type: none"> <li>• A focus on developing indigenous business in sectoral clusters already identified. Exporting abroad and linked into MNE supply chains</li> <li>• The region also has significant potential when it comes to specialist engineering within the energy and renewables sectors</li> <li>• Proximity to all regions of the country once improved transport links are in place will improve the attractiveness of the region</li> </ul>  | <ul style="list-style-type: none"> <li>• Region can build on its potential as a location of choice for indigenous company growth. Cost profile, geographic location and collaborative business environment is a strong attraction for these companies</li> </ul>  |



### 3.4 Mid West and Kerry Region



## Introduction

**The Ibec Regional Executive Committee for the Mid West and Kerry Region, who represent businesses from across the counties of Clare, Kerry, Limerick and Tipperary, prepared this submission to provide a vision for the region in 2040 which can be utilised to inform the National Planning Framework (NPF).**



Mid West and Kerry Region: Vision 2040

**“A gateway City region with world class connectivity globally and locally; where opportunities abound to live, learn and work with an attractive quality of life for its people.”**

## Ambition

The Mid West and Kerry has an opportunity to become an advanced highly competitive economy driven by world class infrastructure. The vision calls for a framework that will leverage the region's assets including our airports, ports and educational assets. The country needs an additional city-based development hub of sufficient critical mass to attract and sustain significant levels of commercial activity and employment. Investing in connectivity between Atlantic cities will empower regions to have much more economic opportunity. The combined and co-ordinated development of the regions centred on Waterford, Cork, Limerick and Galway will give that hub the critical mass it needs to be effective as an alternative to Dublin. Throughout the NPF, Government must foster regional development by investing in roads, education and broadband connectivity and ensure adequate infrastructure for a growing Mid West economy.

## Opportunities, Challenges and Key Recommendations

### Opportunities:

- The Mid West and Kerry has the potential over the period to 2040 to develop into a region renowned for offering an attractive quality of life for a mobile workforce, access to talent and skills, world class access to global markets and customers and a competitive region with strong capacity and capability for innovation.
- Significant opportunity exists for the Mid West and Kerry region to develop by focusing on traditional and growth sectors such as agri-food and agri-tech, lifesciences, ICT, renewable energy and marine, logistics, aviation/aerospace clustering in Shannon and tourism and by investing in the development of skills in key areas.
- Potential exists for the region to grow through the further development of Limerick city as a major economic driver of the region, the development of loops off the Wild Atlantic Way encouraging a greater spread of visitors, the development of the Shannon Estuary and its ports and the growth of Shannon Airport.
- Upgrading the M20 Limerick-Cork motorway and connecting our second and third cities is necessary to bring about effective regional development. Its completion will have a domino effect across both the economic centres of Limerick and Cork, the wider Southern region and the Atlantic Corridor as a whole, acting as a counterbalance to the Dublin region.

- Shannon Airport, Shannon Foynes Port and the Shannon Estuary are strategic assets and drivers for the region, providing significant economic activity and supporting many jobs directly and many more indirectly across the region. With significant capacity for expansion, it is vital that their continued growth and development is supported.
- Tourism is a major economic driver for the region. Kerry ranks 2nd, Limerick 4th and Clare 5th nationally for overseas tourism revenue and with tourism to Ireland projected to grow significantly in the next decade there is significant scope to grow market share. However, the growth of inbound tourism to the region relies heavily on accessibility to the region. The Limerick to Foynes Road Scheme will play an important role in the development of tourism in the region and boost the potential to attract more visitors and increase visitor spending along the Wild Atlantic Way.
- The Limerick to Foynes Road Scheme will also address identified bottleneck and connectivity issues in the region. It will allow port users to deliver efficiencies, avail of economies of scale and facilitate growth in the energy, construction, industrial & agri-food sectors all of which will support a growing economy.


#### **Challenges:**

- A key concern for existing and potential investors is the manner in which existing port, air and road networks meet their needs. Efficient road access is vital to ensure connectivity but also to facilitate cost effective access to the region's airports and ports which provide access to international markets. Upgrading the M20 Limerick-Cork and N24 Limerick-Waterford in addition to the Limerick to Foynes Road Scheme will be crucial to securing the future economic growth of the entire region.
- Harnessing the potential of Shannon Foynes Port Company, a Tier 1 port, is contingent upon having high quality access infrastructure and connectivity. The TEN-T regulations include an explicit requirement that the road network serving a core network port must comprise either motorway or 'express' standard roads. Such connectivity must be in place by 2030 if Shannon Foynes is to retain its TEN-T status.
- Direct air connectivity is a critical requirement for foreign direct investment, and research has demonstrated the causal relationship between regional air connectivity and regional GDP. For the region to be a driver of economic growth outside Dublin, it is critical that there is enhanced, direct air connectivity from the region to the key European and North American business markets.
- 48% of all premises in the region do not have access to high speed broadband. This is a critical barrier to future development and growth.
- Housing supply shortage is a significant challenge and is a risk to the competitiveness and economic growth of the region. It is a real challenge for companies seeking to expand and attract talent to the region.

#### **Key Recommendations:**

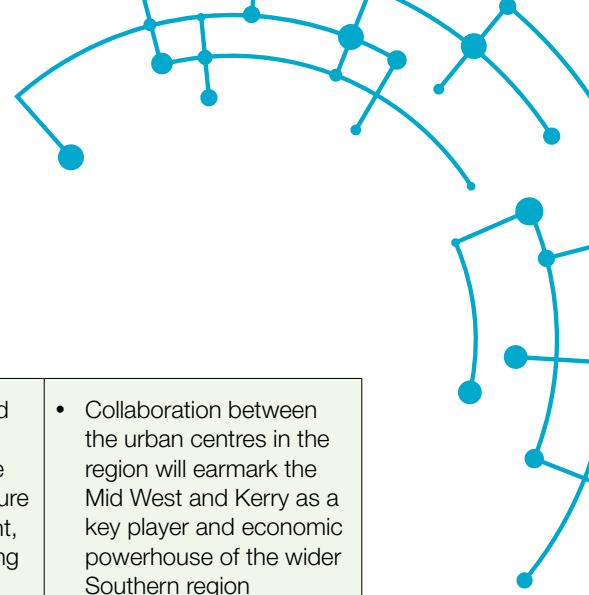
Through NPF 2040, Government has an opportunity to devote funding to specific short, medium and long term priorities to enable the growth of the Mid West and Kerry. Fitting with the overall vision for the region, a primary focus for future economic growth must be to deliver the necessary infrastructure to enable the region to grow. NPF 2040 and subsequent Government investment plans should prioritise the upgrading of the M20 Limerick-Cork, N24 Limerick-Waterford and the Limerick to Foynes Road Scheme. The upgrade in the short-term of the M20 Cork-Limerick will be vital to creating a hub to provide a counterbalance to be the east coast. The NPF should harness the potential of the region's assets as a huge opportunity for the Mid West and for Ireland. Investment in capital infrastructure in the region's third level institutions is required to deal with expanding demographics, to increase access and deliver on upskilling within the region.



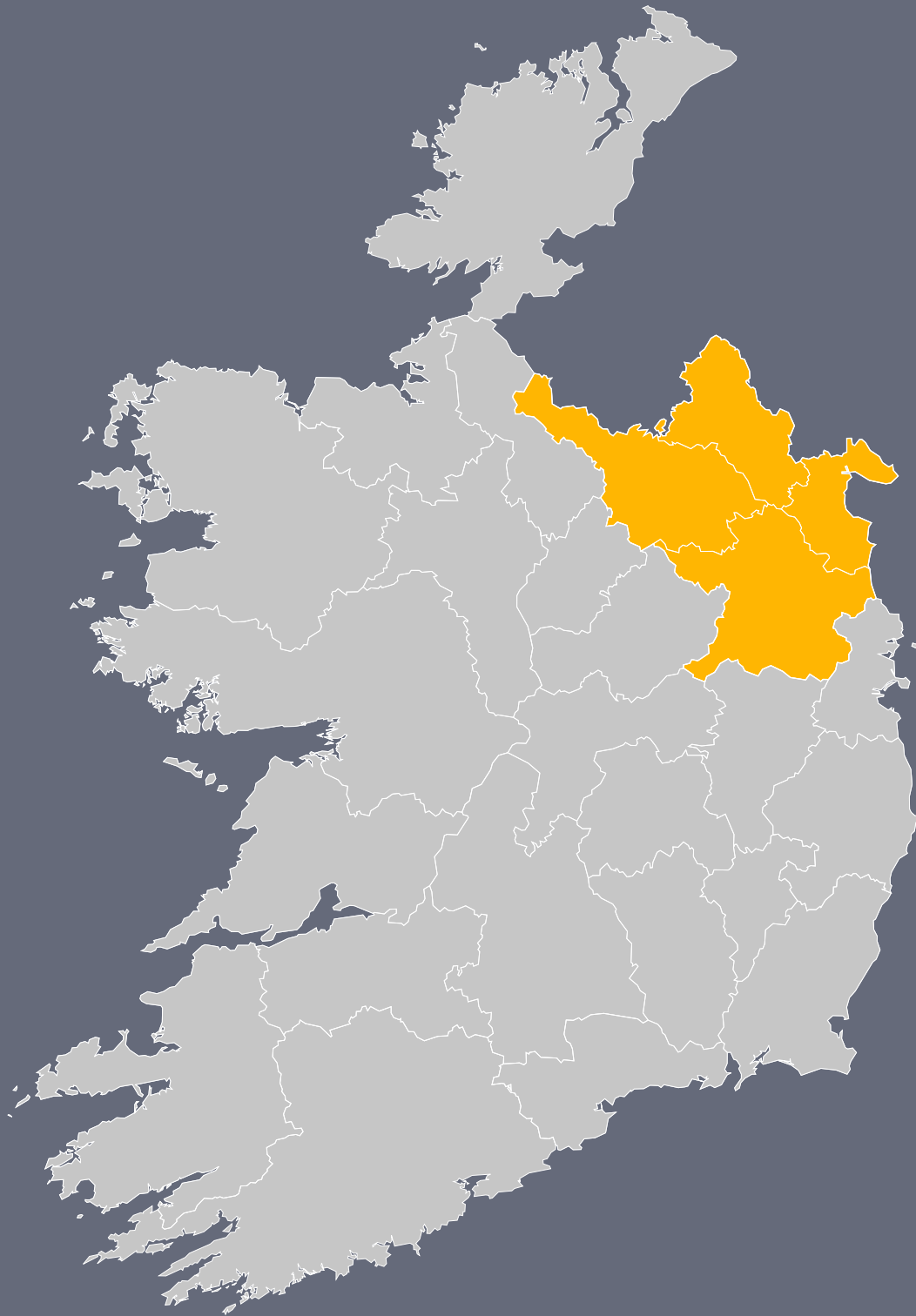


| PRIORITIES FOR THE MID WEST AND KERRY REGION |  |   |  |
|--|--|---|--|
|  | Short-term (to 2021)   | Medium-term (to 2030)   | Long-term (to 2040)  |
| <b>Infrastructure</b>                        | <ul style="list-style-type: none"> <li>• M20 Limerick-Cork motorway</li> <li>• Limerick to Foynes Road Scheme to improve Tier 1 port access and relieve major bottleneck and connectivity issues</li> <li>• N24 Limerick-Waterford – proceed to planning</li> <li>• N22 Ballyvourney-Macroon - to support Kerry from a tourism, business and economic development perspective</li> <li>• Enhanced direct air connectivity from Shannon Airport to major European and North American hubs</li> <li>• Support the expansion of Shannon-Foynes Port</li> <li>• Ensure the PSO continues at Kerry Airport</li> <li>• Public transport initiatives including both Bus Rapid Transit and Park and Ride in Limerick City region to reduce congestion</li> <li>• Access to high-speed broadband (minimum 30MBs) - speedy roll-out of the National Broadband Plan</li> <li>• Appropriate housing to address shortages, particularly in and around the Limerick City region</li> <li>• Implementation of flood relief plan/flood defence strategy</li> </ul> | <ul style="list-style-type: none"> <li>• N24 Limerick-Waterford completion</li> <li>• Re-instatement of the Limerick to Foynes rail line for freight traffic</li> </ul> | <ul style="list-style-type: none"> <li>• Completion of the entire motorway/dual carriageway network via a 'C-ring-road' from Derry to Waterford</li> </ul> |

|                        |   |   |   |
|------------------------|---|---|---|
| <b>Skills</b>          | <ul style="list-style-type: none"> <li>• Establishment of a Munster Technological University</li> <li>• Resolution of borrowing framework and resolution of Higher Education funding</li> <li>• Build on Shannon's international reputation for aircraft maintenance technical skills and leasing expertise to win new aviation investment. Rethink the manner in which apprenticeships are developed for the sector</li> <li>• Develop the Regional Skills Forum to foster better engagement between education providers, employers and other regional stakeholders on an ongoing basis to collaborate in building the skills of the region</li> <li>• Develop a community-based model for enhanced science and mathematics teaching and learning and establish the Mid West region as a location for innovation in teaching and learning in mathematics and science throughout the region</li> <li>• Extend the 'Limerick for IT' and 'Limerick for Engineering' skills initiative across the Mid West region and explore how they can be extended across other sectors such as tourism, food and hospitality, chemical engineering and biopharma</li> <li>• Develop skills needs for Smart Manufacturing to ensure the region remains competitive</li> </ul> | <ul style="list-style-type: none"> <li>• Influence career choices at young age through presenting to young students, parents, career guidance teachers, and the wider educational community to inform second level students of opportunities and careers within companies in the Mid West Region</li> <li>• Roll out online MOOC (Massive Open Online Course) to support students and parents in the region in the transition from second level to third level</li> </ul> | <ul style="list-style-type: none"> <li>• Skills development to support growth sectors such as agri-food, lifesciences, ICT, renewable energy and marine, logistics</li> <li>• Develop entrepreneurship skills across all levels - primary to third level education and CPD for teachers on entrepreneurial education, in particular primary and second level teacher</li> </ul> |
| <b>Quality of life</b> | <ul style="list-style-type: none"> <li>• Availability of high speed broadband across the region is essential for it to remain an attractive place to work and live</li> <li>• Suitable and affordable housing to address shortages</li> <li>• Enhanced road access and connectivity will result in less congestion and safer and reduced travel times</li> </ul>  | <ul style="list-style-type: none"> <li>• Continued regeneration of Limerick centre will continue to improve urban amenities</li> <li>• Improving the public realm – Green zones and high quality pedestrian areas and public cycle routes</li> </ul>  | <ul style="list-style-type: none"> <li>• Ensuring capacity in schools, childcare, hospitals and other services as population grows</li> </ul>   |



|                             |   |  |  |
|-----------------------------|---|--|--|
| <b>Spatial development</b>  | <ul style="list-style-type: none"><li>• Population centres Ennis, Nenagh, Tralee and Thurles will continue to grow, with Limerick leading as the major economic driver of the region</li><li>• Enhanced direct air connectivity to assist in the regions establishment internationally</li><li>• M20 link and Limerick to Foynes road scheme will enhance the movement of goods and people within the region and to the South</li><li>• Flood relief plans are necessary to prevent potential damages to land and properties in the Shannon region</li></ul>  | <ul style="list-style-type: none"><li>• Appropriate zoning and development plans will be required to increase the sustainability of future residential development, with a view to increasing density in Limerick, in order to enable the cost-effective provision of services</li><li>• Completion of the road schemes will assist in connecting Limerick to the wider region</li></ul> | <ul style="list-style-type: none"><li>• Collaboration between the urban centres in the region will earmark the Mid West and Kerry as a key player and economic powerhouse of the wider Southern region</li><li>• Climate change could potentially impact in the region through flooding if preventative measures are not incorporated</li><li>• Increase in population living and working in the inner city through regeneration, with integrated communities for those downsizing/ retiring</li></ul> |
| <b>Smart Specialisation</b> | <ul style="list-style-type: none"><li>• The region should capitalise on its strong maritime heritage, strong industries in transport (aerospace engineering and leasing) and a strong tourism product</li><li>• Need to begin planning now to align the regions stakeholders with longer-term plans of major industries</li><li>• Continued strong support for SMEs in priority sectors</li><li>• Shannon is home to the International Aviation Services Centre (IASC), Ireland's largest aviation and aerospace industry cluster, with over 50 firms, supported by specialist courses and research expertise in UL and LIT. This should be expanded.</li></ul> | <ul style="list-style-type: none"><li>• Opportunities from linkages with Cork and Galway in areas such as med-tech should be expanded upon</li><li>• Maritime nature of the region provides potential development of the marine economy (product, logistics, energy and services)</li></ul>  | <ul style="list-style-type: none"><li>• A rising global middle class will provide opportunities in tourism and the region's tourism product. This will also mean growing global aviation opportunities</li><li>• The development of indigenous sector capacity and particular export capacity will be key to delivering improved outcomes for the region</li></ul>   |



## 3.6 North East



## Introduction

**Following consultation with Ibec members in the North East including businesses from across the counties of Cavan, Louth, Meath and Monaghan, this regional submission was prepared to provide a vision for the region in 2040 which can be utilised to inform the National Planning Framework (NPF).**



North East Region: Vision 2040

**“A region with the infrastructure and services to drive sustainable development, meet economic goals and improve the quality of life of its people.”**

## Ambition

Investment is required to support and plan for the future growth and development of the North East. Our vision is for a region with the infrastructure and services to drive sustainable development, meet economic goals and improve the quality of life. If we invest and deliver much needed infrastructure, the region will benefit for many years to come and business will create more jobs, helping to secure the future economic vitality of the region. Government must take this opportunity in the NPF to position the region to develop to its full potential. Skills, talent, connectivity and quality of life are critical to the region's productivity and a key part of a value proposition to attract and retain businesses and workers to the region.

## Opportunities, Challenges and Key Recommendations

- The North East has the potential over the period to 2040 to develop into a region characterised as a competitive business location, attractive to an internationally mobile workforce, with access to a skilled talent pool and growing employment and population.
- Opportunities exist to build on sectoral opportunities and develop clusters of excellence based on the region's traditional and growing strengths in agri-food, IT, engineering, tourism, creative industries, financial services, to sustain and grow employment across a broad range of sectors and skills levels. There is significant scope to develop tourism, grow market share and create strong potential for employment growth. The region ranks second lowest in the country in terms of overseas tourism revenue.
- Dundalk with its increasing size, scale of activities and strategic location along the Dublin-Belfast corridor is placed to act as a driver of economic growth and create employment opportunities. Central to this will be a joined-up regional approach with well-connected urban centres across the region that will fuel future growth.
- The key challenge of infrastructure deficits is continuing to impact on competitiveness, regional development and general quality of life. Access and connectivity, both in terms of physical and social infrastructure are critical components to improve the competitiveness of the region. The N2/A5 Dublin-Monaghan-Derry is a key road project. Infrastructure development both physical and social is a key catalyst to attracting and retaining foreign direct investment in the region.
- Over 37% of premises in the North East do not have access to high speed broadband underpinning the importance of the roll-out of the National Broadband Plan. Lack of access to quality broadband services constrains development and presents difficulties for businesses and for home-working and distance education.

- The proposed North-South interconnector will be crucial for the region and beyond. The investment is vitally important for security of supply on the island and hence future job creation.
- It is imperative that priorities in relation to skills development, infrastructure provision, spatial development, quality of life and smart specialisation are realised, to mitigate the impact of Brexit and strengthen the region's competitive position in a more challenging environment post Brexit. Retail, tourism and small indigenous business will be most affected with ramifications for competitiveness and jobs.

**Key Recommendations:**

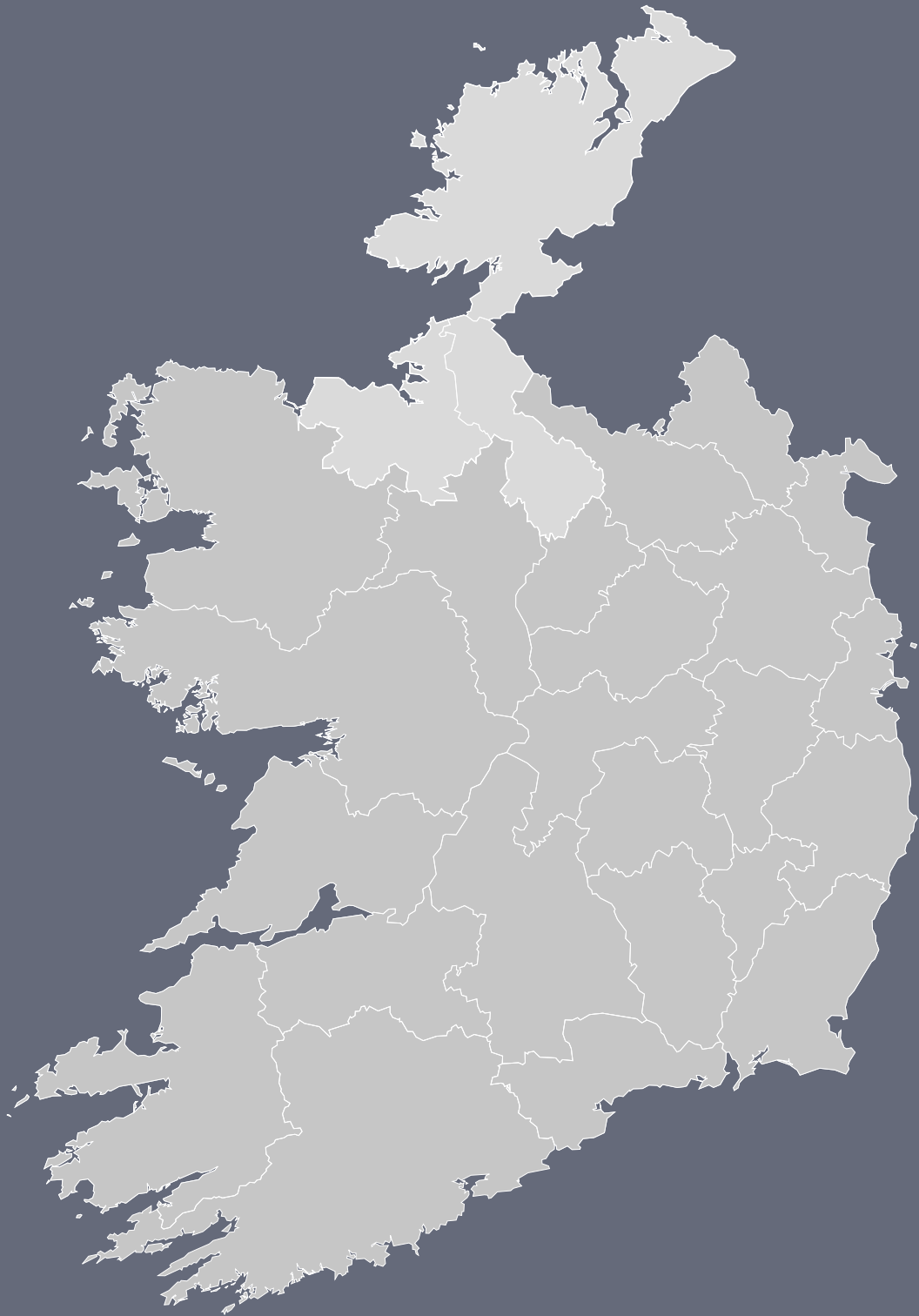
Through NPF 2040, Government has an opportunity to devote funding to specific short, medium and long term priorities to enable the growth of the North East region. A primary focus for future economic growth must be on ambitious infrastructure investment. A strong urban structure in Dundalk will provide the engine for the future growth of the region. Connecting urban centres will help spread economic and population growth. Government must take the opportunity in the NPF to facilitate business investment and growth in the North East region. Given the challenges posed by the UK decision to leave the EU, creating jobs and maintaining a sustainable business environment should be the top priority.



| PRIORITIES FOR THE NORTH EAST REGION |   |   |  |
|--------------------------------------|---|---|--|
|                                      | Short-term (to 2021)  | Medium-term (to 2030)   | Long-term (to 2040)  |
| <b>Infrastructure</b>                | <ul style="list-style-type: none"> <li>• N2/A5 Dublin-Monaghan-Derry</li> <li>• North-South electricity transmission system upgrade</li> <li>• Access to high-speed broadband (minimum 30MBs) - speedy roll-out of the National Broadband Plan</li> <li>• Infrastructure to ensure freeflow traffic at the border to minimise bottlenecks</li> </ul>  |   | <ul style="list-style-type: none"> <li>• Completion of an all-island motorway network that connects the four provinces of Ireland</li> </ul>   |
| <b>Skills</b>                        | <ul style="list-style-type: none"> <li>• Resolution of borrowing framework and resolution of Higher Education funding</li> <li>• Develop a range of in-house, workplace training programmes for industry in the border region to withstand the impact of Brexit</li> <li>• Develop the Regional Skills Forum to foster better engagement between education providers, employers and other regional stakeholders on an ongoing basis to collaborate in building the skills of the region</li> <li>• Consider the development of cross-disciplinary courses on ICT, regulatory affairs and business to support the development of the Fintech and Blockchain sectors</li> </ul> | <ul style="list-style-type: none"> <li>• Develop a range of high quality, online skills development courses to encourage re-skilling and a flexible local workforce</li> <li>• Implement a range of entrepreneurial education programmes to support SMEs supplying the Dublin and Belfast economies</li> <li>• Types of skills required will include running SMEs, manufacturing, tourism, working with an ageing population, agriculture, remote working and data analytics</li> </ul> | <ul style="list-style-type: none"> <li>• Support technology exchange between society and enterprise and the HEI thorough engaged research programmes</li> <li>• Strengthen the capacity of the HEI to become a central pillar to support cross boarder societal and economic progress</li> </ul> |

|                             |   |   |   |
|-----------------------------|---|---|---|
| <b>Quality of life</b>      | <ul style="list-style-type: none"> <li>The region has good connectivity generally in addition to the benefits of lower living costs</li> <li>Housing is a particular issue facing the urban areas of the region with costs increasing</li> <li>In rural areas broadband is a prerequisite for improved standards of living</li> </ul>   | <ul style="list-style-type: none"> <li>Ensuring capacity in schools, childcare, hospitals and other services as population grows</li> <li>Improving inter-urban public transport for commuters</li> </ul>   | <ul style="list-style-type: none"> <li>Health services and associated support structures for an ageing population</li> <li>Region has potential to benefit from commuters looking for better quality of life</li> <li>Ability to work from home – broadband, high quality communications technology will be important assets</li> </ul> |
| <b>Spatial development</b>  | <ul style="list-style-type: none"> <li>Drogheda and Dundalk have emerged as the two leading urban centres in the North East region</li> <li>Region largely under the influence of the growth of Dublin</li> <li>Attractive environment and housing options as an alternative to Dublin suburbs, with a high quality housing stock</li> <li>The Dublin-Belfast corridor influencing the pattern of spatial development, particularly to the east of the region and the N3 commuter belt to the west</li> </ul> | <ul style="list-style-type: none"> <li>Enhanced connectivity in the region will reduce commute times, further improving the attractiveness of the region as a place to live</li> <li>Drogheda and Dundalk to continue to grow as satellite towns to the Dublin region</li> <li>Navan, Cavan, Kells and Monaghan to also see residential growth</li> </ul> | <ul style="list-style-type: none"> <li>The region will come under increased pressure from Dublin if urban sprawl and linear development is not strategically managed</li> </ul>   |
| <b>Smart Specialisation</b> | <ul style="list-style-type: none"> <li>Strengths in Agri-Food and IT are specific to the region</li> <li>Threats from Brexit and new relation with the border will create problems over the coming years</li> <li>Build on the region's food innovation capacity</li> </ul>   | <ul style="list-style-type: none"> <li>These industries will continue to be drivers in to the long-term but will see a move up the value chain</li> <li>This will require more investment in 3rd level R&amp;D programmes and linkages</li> <li>Cross-border issues will need to be carefully managed for the region to thrive</li> </ul>                 | <ul style="list-style-type: none"> <li>The development of indigenous sector capacity and particular export capacity will be key to delivering improved outcomes for the region</li> <li>The region has potential to benefit from spillovers from Dublin clusters in ICT and finance as the city expands</li> </ul>                      |





## 3.7 North West

## Introduction

**The Ibec Regional Executive Committee for the North West, who represent businesses from across the North West counties of Donegal, Leitrim and Sligo prepared this submission to provide a vision for the region in 2040 which can be utilised to inform the National Planning Framework (NPF).**



North West Region: Vision 2040

**“The location of choice for living, working, playing, growing.”**

## Ambition

The North West has an opportunity to become a highly accessible, globally connected and competitive region. The potential for improved accessibility and development is enormous. The Region has been seriously deprived of infrastructure investment. Years of chronic under-investment in the region has led to glaring infrastructure gaps and contributed to wide regional economic disparities. It remains the only region in the country not connected to the Capital by motorway. Investment is required now to support and plan for the region's future growth and development. Our vision is for a region that is thriving, that is connected to the rest of the country and to the rest of the world thereby making it the location of choice for living, working, playing, growing. Government must take this opportunity to position the region to reach its full potential; to prosper, flourish and grow. This investment is necessary to overcome peripherality and to provide the platform for sustainable future economic growth. It would be a strategic game changer for the region. The North West requires special Government attention. Now is the time at a national level through the NPF to address that.

## North West of Ireland: Vision 2040 - “Our Vision”

In 2040, the North West of Ireland will be a highly sought-after region for living and working, and for rearing a family in Ireland. Located on Ireland's Western seaboard, the region will have international brand recognition as an outdoor adventure tourist and heritage destination; including attractions such as the awarding winning archaeological trail, the 'best waves in the world' and the 'freshest food of the sea and land'. Employment clusters will centre on tourism and leisure, agriculture and forestry, and in advanced manufacturing, operating particularly in the agri/aqua-foods, marine, healthcare, biotechnology, financial services and energy sectors.

The region will be best described as a self-sustaining, vibrant network of rural/urban communities fueled by locally available renewables. Building on a smart specialisation strategy, the region will have taken a leadership role in the creation of international business clusters located along the geographical periphery of Europe, with significant international trading links with partners across other peripheral regions in specific business sectors. Online trading will be the prevalent business model for the SMEs located in the region. The uniquely favorable EU-UK trading conditions that exist at the Irish-Northern Ireland border will have attracted many international companies to establish businesses on both sides of the border.

Resources will have been focused on supporting the development of indigenous businesses capable of operating remotely from their markets. With access to state-of-the-art internet and high speed broadband, the North West region will be a recognised leader in the creation of virtual business hubs that operate effectively without borders, across global markets. The region will have a competitive strength in processing and analysing big data for international businesses and in managing smart healthcare provision globally.



The economic, social and cultural vibrancy across the region will be attributed to strong regional leadership, driving a focused regional development strategy and supported by employment-ready graduates from the Technological University and NUIG. The dynamic North West business development team will have a successful track-record in recruiting local and international entrepreneurs to establish new businesses in the region, based on offering attractive relocation and business start-up packages, and by promoting the high quality of life, life-style opportunities and the inspiration of the region. Using fine-tuned business intelligence, the Irish diaspora and tourist visitors, with business profiles that match the needs of the region, will be vigorously courted as new business start-ups.

Supporting sustainable businesses, supporting sustainable environments and providing sought-after quality of life will be the cornerstones of the regional development strategy. At the centre of this strategy will be a strong design ethos, and policies which will promote the creative and cultural industries and design-led rural/urban community developments. A culture of effective social entrepreneurship will be actively promoted as an attractor for inward population migration.

The region will be making a significant contribution to national economic success through the business-backbone of the Atlantic Corridor, comprising the urban centres from Limerick, Galway, Sligo and Letterkenny-Derry. Over the previous 20 years, the Atlantic Corridor will have channelled the expertise of industry, research and educational clusters to drive the implementation of the 4th industrial revolution across the North West region.

Natural energy will be sourced locally, with a wide distribution of electrical power and natural gas across the region. Greatly improved rail linkages and a European-standard road network, connecting the regional urban centres and linking to Dublin, Derry and Belfast will have been completed by 2030, allowing sectors such as agricultural, manufacturing and tourism to compete on an equal basis with other regions. Air transport for the region will have been enhanced and over 20 flights into Knock International airport will be bringing tourists and business professional to the region. A rural transport network plan will have been completed in 2020 and rolled out by 2023, resulting in sustainable rural communities and supporting local businesses. As a result of strategic national infrastructural planning, the port of Killybegs will have become the largest fish trading port in terms of tonnage.

Effective national planning will have ensured that the historic issues with poor provision of quality health services will be a thing of the past. The new national 'health-provision-for-all' resourcing model will mean that the services provided by the University hospitals in Letterkenny, Sligo and Castlebar will be acknowledged as fully meeting the needs of the regional populations across all ages.

The success of the region will be underpinned by the education and training cluster of the Technological University, NUIG and the Education and Training Boards. Selected international educational collaborations and world-class research outcomes from the universities will be attracting new ideas and talent into the region. Through well-established training and education partnerships, developed between education providers and businesses over the previous 30 years, the regional educational model will be one where young people are employed by companies and educated on-the-job, receiving bespoke higher education using the latest online learning techniques with minimal disruption to the working week. At the core of this industry-education partnership will be a financing mechanism that facilitates access to high quality education across all levels; learning will be delivered online to the local population across this rural geographically dispersed region, with face-to-face tutorial and workshop learning requirements being met by a network of local campuses and industry-based learning centres.

As a consequence of the growth in businesses in the region, the population will have grown by 20%, to some 300,000, with 50% of the population under 35 and will be ranked second to Dublin in terms of the percentage of the population holding 3rd level STEM qualifications. The concentration of growth in the North West will be located around the City regions of Sligo and Letterkenny-Derry.

By 2040 the North West regional average household income will be above the national average, and spending power will be enhanced by the relatively low price of housing and rent. The region itself will be contributing above the national average GVA and will be ranked in the top 10% of OECD economic regions.

## Opportunities, Challenges and Key Recommendations

### Opportunities:

- Cost of living is significantly lower than Dublin and, in comparison to several other regions. Huge opportunity exists to develop the North West through investment in infrastructure and improving access to and within the region. The region has the highest rate of housing vacancy in the country. Tourism and leisure remains one of the big potential growth areas for the region due to the North West's natural beauty.
- Positioning Sligo town as a strong urban centre and the engine of growth for the region complemented by a network of connected urban centres will deliver tangible benefits throughout the North West. A strong urban centre that supports and reaches out to the wider region will act as a catalyst for achieving economic growth.
- Given the geographical location of Letterkenny there is a case for strategically linking Letterkenny as the largest and most populous town in Donegal with Derry city. This twinning of both urban centres to act as an economic area with critical mass will be crucial for the Donegal economy and will encourage trade and investment.
- The spatial relationships between the border area and Northern Ireland should be expressly contained within the scope of the National Planning Framework.
- Donegal and Derry regional airports are key elements of transport infrastructure within the North West Region and continued support of the development of the airports is critical to secure their future contribution. These regional airports help to address the imbalance of transport infrastructure enjoyed by other regions served by rail networks and motorway road networks which are not available to the North West Region.

### Challenges:

- One of the main challenges for the region is peripherality, with poor accessibility, placing the region at a distinct disadvantage in terms of FDI and economic development generally. Peripheral counties, particularly those in the North West, experience significantly longer journeys to key infrastructure including major ports and state airports. The North West ranks the lowest in the country in terms of travel time to a State airport or major Tier 1 or 2 designated port. This plays a significant role in making the region appear inaccessible. There is an urgent need to counter the actual and perceived peripherality of the North West region. Advancement of the A5, investment in the N14 Letterkenny-Lifford and N4 Sligo-Dublin are vital. Upgrading the Atlantic Corridor including the M17 Tuam-Sligo and N15 Sligo-Letterkenny sections will be critical for the region.
- Connectivity to the UK and mainland Europe is vital for both multinational and SMEs in the region. It is extremely difficult for an SME in the North West to compete when a potential customer has to fly to Dublin, rent a car and drive to the North West, a journey requiring possibly two nights away, even if the business can prove a competitive advantage over the European based competitor. Access is critical for the development of tourism. The vast majority of tourists to the country enter via Dublin. Improving transport access is critical to underpin tourism development in the North West.
- Lack of natural gas infrastructure in the North West is a competitive disadvantage for the region. Businesses in areas without natural gas face higher energy costs.
- 53% of premises in the North West region do not have access to high speed broadband. Some companies wish to facilitate homeworking or would like employees to work together in several dispersed small regional offices. This requires access to high speed broadband.
- The lack of business ready units in parts of the region, such as IDA advance factories is undermining efforts to attract investment and accelerate job creation.

- There is a clear link between accessibility and population growth with more accessible areas experiencing faster growth in population. The North West is the only part of the country to experience a decline in population between 2011 and 2016, going against the national trend. In particular, Donegal experienced very substantial population loss due to migration. However, there has been an 8.5% increase in population in Donegal over a 10- year period with population expected to increase to over 200,000 by 2040.
- It is imperative that priorities in relation to connectivity, skills development and infrastructure provision are realised, to mitigate the impact of Brexit and strengthen the region's competitive position in a more challenging environment post Brexit. The importance of this investment cannot be overstated.

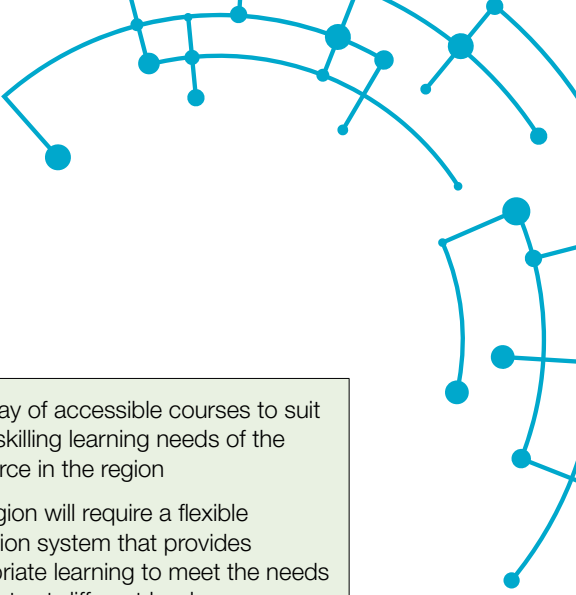
### Key Recommendations:

Through NPF 2040, Government has an opportunity to devote funding to specific short, medium and long term priorities to enable the growth of the North West of Ireland. A primary focus for future economic growth must be on ambitious infrastructure investment in the region. Investment in identified infrastructure projects is essential to address the significant regional disparities. Connecting the main urban centres will help spread economic and population growth which is currently concentrated on the east coast. In NPF 2040 and subsequent Government investment plans, there must be due consideration given to the special circumstances of the North West region. A step change in infrastructure provision in the North West is required and this needs to be addressed as a matter of urgency. Infrastructure investment is the number one issue on which the growth and future success of the North West region depends.



**Figure 3.2: The map of the current motorway network highlights the lack of investment in the North West region. The Ibec-CBI JBC vision is for a comprehensive all-island motorway/dual carriageway network.**

| PRIORITIES FOR THE NORTH WEST REGION |  |   |
|--------------------------------------|--|---|
|                                      | Short-term (to 2021)   | Long-term (to 2040)   |
|                                      | <p>The short-term infrastructure priorities identified require urgent attention. Without their implementation the region will continue to be marginalised and at a significant competitive disadvantage. The list is not in order of importance as all are deemed equally urgent.</p>  | <p>These are priorities which are contingent upon achieving the immediate actions and take into consideration a broader vision for the region.</p>                                |
| <b>Infrastructure</b>                | <ul style="list-style-type: none"> <li>• N4 Sligo-Dublin</li> <li>• N14 Letterkenny-Lifford, progress of which should not be contingent upon advancement of the A5</li> <li>• N15 Sligo-Letterkenny</li> <li>• M17 Tuam-Sligo - proceed to planning</li> <li>• Advancement of the A5 - a crucial artery of the proposed all-island motorway network</li> <li>• Access to high-speed broadband (minimum 30MBs) – speedy roll-out of the National Broadband Plan</li> <li>• Ensure the PSO continues at Donegal Airport</li> </ul> | <ul style="list-style-type: none"> <li>• M17 Tuam-Sligo completion</li> <li>• Completion of an all-island motorway network that connects the four provinces of Ireland</li> </ul> |

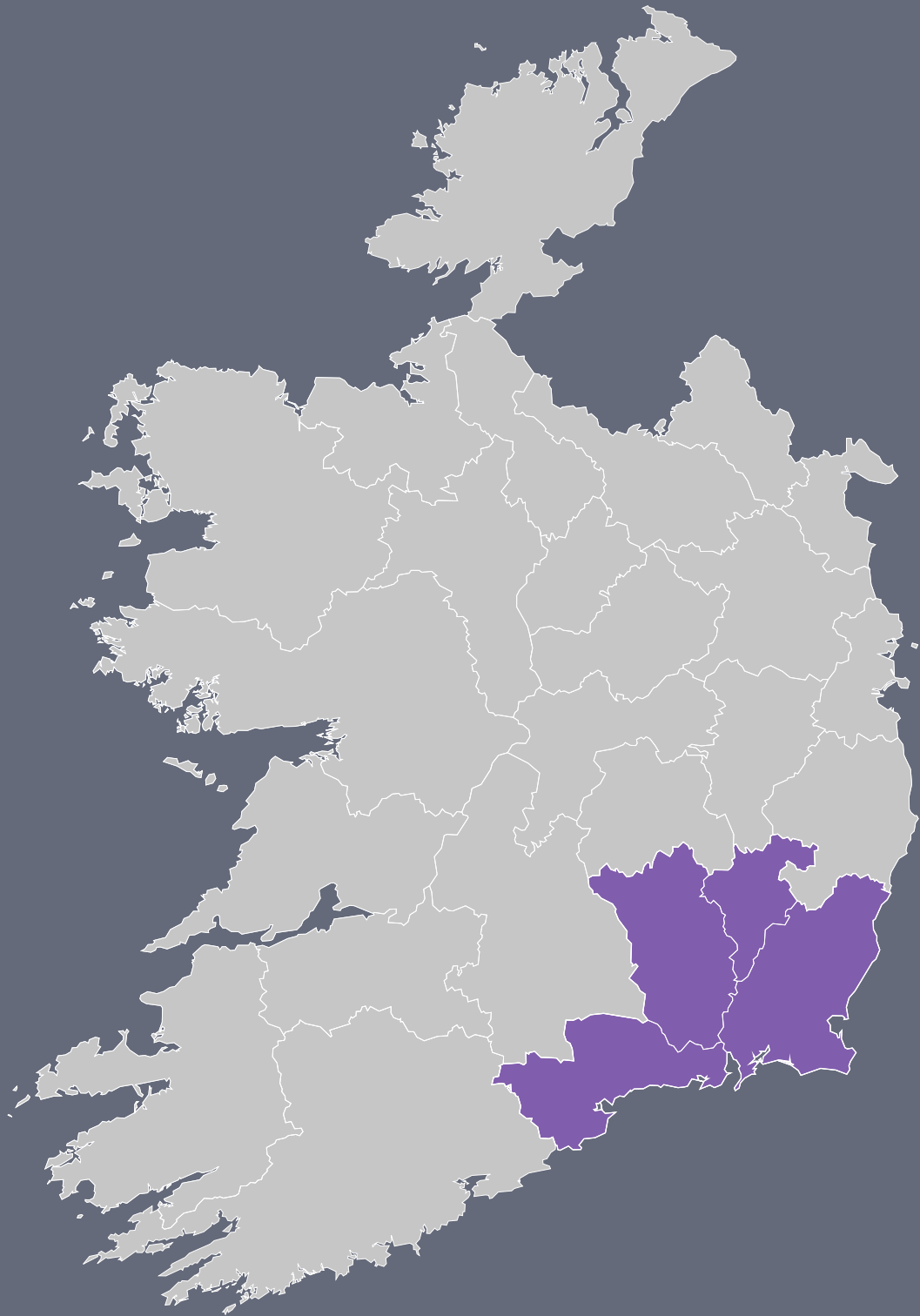


|                        |   |   |
|------------------------|---|---|
| <b>Skills</b>          | <ul style="list-style-type: none"> <li>• Access to a Technological University</li> <li>• Resolution of borrowing framework and resolution of Higher Education funding</li> <li>• Full accessibility to programs (including online/blended learning and bespoke work-based learning programmes) to address immediate skills gaps that exist in the region which will service current industries and attract other industries to the region</li> <li>• Areas of focus to include financial services, IT, data analytics, pharmaceutical &amp; medical device manufacturing, tourism, working with the ageing population, agriculture, entrepreneurship and business support for creative industries</li> <li>• Digital skills to support the hospitality and retail industries in the region</li> <li>• Develop the Regional Skills Forum to foster better engagement between education providers, employers and other regional stakeholders on an ongoing basis to collaborate in building the skills of the region</li> <li>• Early intervention with the educational bodies in the region to partner and promote the STEM disciplines of education to students to ensure the continued growth of talent in the region</li> </ul> | <ul style="list-style-type: none"> <li>• Full array of accessible courses to suit the upskilling learning needs of the workforce in the region</li> <li>• The region will require a flexible education system that provides appropriate learning to meet the needs of society at different levels</li> <li>• Growing industry needs will include: Industry 4.0. data analytics, remote control of automated systems and highly skilled expertise in the STEM disciplines</li> <li>• Skills development will assist in development of the rural areas e.g. caring, hospitality, leisure industries</li> <li>• Further enhancement of the links between employers, employment opportunities and the educational sector</li> </ul> |
| <b>Quality of life</b> | <ul style="list-style-type: none"> <li>• Address infrastructural deficits in the region which are currently a major barrier to quality of life in the region</li> <li>• Rural transport to assist those with disabilities, the elderly, non-drivers and young people</li> <li>• Health service provision will be a key priority for an ageing population and in attracting young families and large companies to the region</li> <li>• Digital connectivity has to be a priority to enhance quality of life in the region and facilitate e-work from home</li> </ul>  | <ul style="list-style-type: none"> <li>• Quality of health services and education need to be at the heart of a longer-term strategy - businesses are already finding it difficult to attract talent to the area due to a deficit in these fields</li> </ul>   |



|                             |  |   |
|-----------------------------|--|---|
| <b>Spatial development</b>  | <ul style="list-style-type: none"> <li>• Sligo is already a significant employment centre, with an IT, large hospital and existing industrial base, as well as being close to Ireland West Airport Knock</li> <li>• Cross-border connectivity to be enhanced, particularly between Letterkenny-Derry creating a hub of population in excess of 200,000</li> <li>• Promote and support cross-border collaborative efforts in the North West with a focus on providing mitigation against Brexit as part of a cross-border strategic approach</li> <li>• Tourism continues to be the greatest opportunity for the rural economy in the North West - investment required in public amenities and tourist centres to sustain growth</li> <li>• Investment in greenway projects will have a significant positive impact on tourism</li> <li>• Access to high quality office accommodation available, especially for inward investment projects</li> <li>• N4 upgrade will see an increased level of collaboration with the Midlands region</li> </ul>                 | <ul style="list-style-type: none"> <li>• Town regeneration programmes need to be implemented with a focus on heritage, local manufacturing and tourism - without this we may continue to see a decline in population in many rural towns in the North West</li> <li>• A network of well-connected urban centres each with effective local supports and a business community that supports quality of life across the region</li> <li>• Strong and robust broadband, interconnectivity and quick transport routes</li> </ul>   |
| <b>Smart Specialisation</b> | <ul style="list-style-type: none"> <li>• Medtech, biopharma, financial services, tourism and agri-food have significant potential for growth</li> <li>• Tourism and leisure remains one of the greatest opportunities for the region due to the North West's natural beauty, with business opportunities in adventure sports and heritage tours</li> <li>• The 'Creative Ireland' project started in 2016 can be leveraged to develop the North-West as the music capital of Ireland</li> <li>• Support export and management capabilities in regional SMEs to develop scale</li> <li>• Investment into connectivity, rural investment, health and education will help develop the region into a self-sufficient and attractive place to do business with a quality of life very few other areas have to offer</li> <li>• The low cost base of the region would lend itself to outsourced or contract manufacturing in rapidly changing technologies and product areas Cross-Border issues will need to be carefully managed for the region to thrive</li> </ul> | <ul style="list-style-type: none"> <li>• The productivity of existing manufacturing should be improved by promoting the concept of Smart Factory/Industry 4.0. The region could be developed into a centre of excellence for highly automated, productive and innovative manufacturing, incorporating already existing world class manufacturing facilities in the area</li> <li>• With one of the highest wind yields in Europe, the North West could benefit from being a huge provider of wind energy</li> <li>• Maximise tourism opportunity through expansion of ports and the fishing industry</li> </ul> |





## 3.8 South East

## Introduction

**The Ibec Regional Executive Committee for the South East, who represent businesses from across Carlow, Kilkenny, Tipperary, Waterford and Wexford, prepared this submission to provide a vision for the region in 2040 which can be utilised to inform the National Planning Framework (NPF).**

“

South East Region: Vision 2040

**“A region in which its young people can choose to live - working, educating and bringing up their families in a sustainable and rewarding way.”**


## Ambition

The South East has an opportunity to become a competitive economy, a hub for ideas and innovation with a high quality of life and high degree of connectivity. The assets, research capacity, industrial base and clustering of companies already on the ground in the region provide a solid base on which to build for the future. The capacity to grow and the scope for development within the region is substantial. With the right support and investment the potential for the South East in particular, to alleviate some of the congestion and housing challenges facing Dublin and contribute to national economic success is compelling. Action must be taken through the NPF to realise the vision for balanced development and build on the existing capacity within the South East region. If we invest, the region will benefit for many years to come and business will create more jobs. Failure to invest will result in jobs, growth and human capital being lost. Through the NPF, Government needs to step-up investment significantly and build the infrastructure required to reach the scale needed to serve as a counterweight to Dublin and support sustained growth in the South East.

## Opportunities, Challenges and Key Recommendations

### Opportunities:

- The South East has the potential over the period to 2040 to develop into a region characterised by an excellent quality of life, strong connective infrastructure and leading clusters in high-value industries.
- Dublin's congestion issues may present opportunities for the South East. The region has the capacity to better cope with population growth than Dublin commuter towns. However, for people to migrate employment opportunity must exist. A focus on physical and broadband infrastructure is required.
- Opportunities exist for the South East to develop and grow through the creation of a connected and embedded unitary multi-campus technological university that will deliver greater integration and direction across regional sectors, by focusing on traditional and growth areas such as agriculture and agri-food; advanced manufacturing, tourism, creative industries, fintech and lifesciences geared towards relevant, high-end, high-value employment. A strong pharma/medical device cluster exists in the region and presents opportunity to attract other such industries. These industries will thrive and grow if there is a feeder system of graduates in science and also if research opportunities and partnerships can exist and grow between them and a technological university in the region.

- 
- The region's higher education providers have been demonstrably successful in facilitating inward investment and enterprise development through graduate formation and research and development. Additional investment into higher education will enhance the capability of existing institutions.
  - The region has been hugely successful in research and is already home to a number of significant, international-scale research institutions and centres. These centres have collaborated effectively with regional industry and these innovation-centred collaborations have created the conditions necessary for the attraction of high-value employment to the region. Enhanced investment in higher education provision will improve the ability of higher education to contribute to the creation of high-value jobs in innovation-centred areas.
  - Investment in essential infrastructure including broadband and upgrades to the national road network including the N25 Rosslare-Cork, N24 Waterford-Limerick and N11 to Wexford are central to the region's future economic development and growth. Building up transport links between regions would offer a scale of development and critical mass that will help drive development regionally and nationally. A strong city as the engine of growth for the region coupled with an integrated network of multiple well connected and attractive urban centres within the region served by good quality roads, transport and amenities will deliver tangible benefits for the South East.

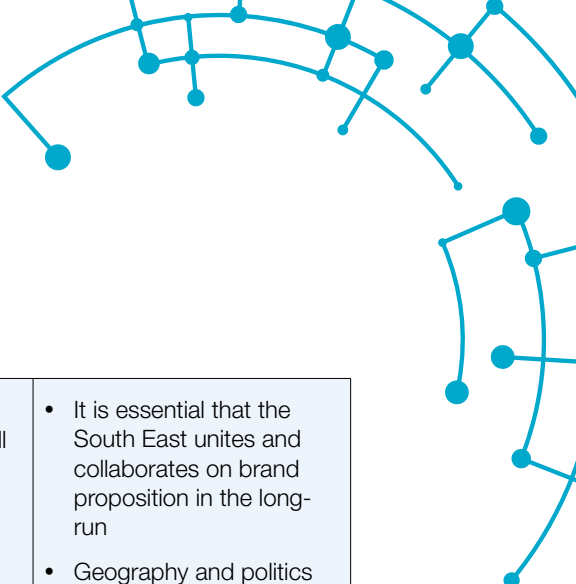
#### **Challenges:**

- The South East region faces a number of challenges including two-tier regional demographic growth and the challenge of two strong adjacent/overlapping economic centres in Cork and Dublin. The poor quality of the road network, and geography, means that it is now easier to commute from some regional locations such as Dublin and Cork than it is to commute to other parts of the region. As a result business opportunities are being lost in the region.
- 41% of all premises in the region do not have access to high speed broadband. SMEs without access to high speed broadband are unable to compete on a level playing field. Significant investment in IT infrastructure, particularly broadband will be essential to ensure that the wider region can maintain connectivity and a profile as an innovation-centred region.
- The region has a consistently higher level of unemployment than the national average, lower third level education attainment rates and relative under investment in the existing third level education base. The South East ranks the lowest for science, technology, engineering and mathematic-related graduates as a share of the labour force.

#### **Key Recommendations:**

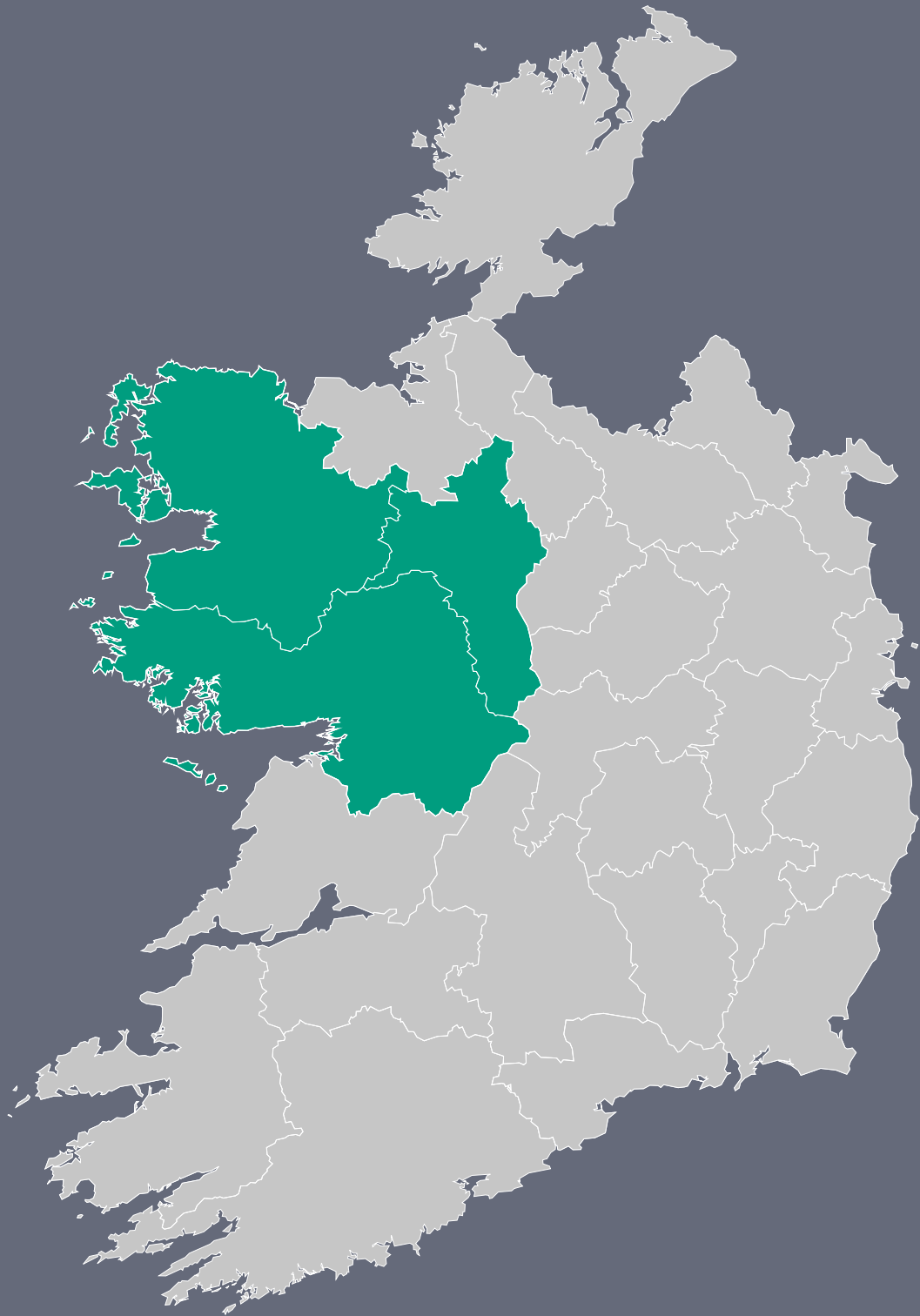
Through NPF 2040, a primary focus for future sustainable growth must be on increased investment in connectivity, infrastructure provision and skills to develop sufficient critical mass to attract and sustain significant levels of commercial activity and employment. The upgrade of the N25 Rosslare-Cork and N24 Waterford-Limerick will be vital to facilitate the co-ordination of development across the South East, Cork and Mid West regions. The combined and co-ordinated development of the regions will give the critical mass needed to be effective as an alternative to Dublin. This will release the potential for economic development in the South East, will attract inward investment, and will retain regional talent. Additional investment in higher education will enhance the capability of existing institutions. Priority must be given to the creation of a technological university that will deliver greater integration and direction across regional sectors, while further promoting regional development within the national and international context.

| PRIORITIES FOR THE SOUTH EAST REGION |  |   |  |
|--------------------------------------|--|---|--|
|                                      | Short-term (to 2021)   | Medium-term (to 2030)   | Long-term (to 2040)  |
| <b>Infrastructure</b>                | <ul style="list-style-type: none"> <li>• N25 Rosslare-Cork - proceed to planning</li> <li>• N24 Waterford-Limerick - proceed to planning</li> <li>• Completion of N11 to Wexford</li> <li>• Improved rail (freight) connectivity to the Europort and the enhancement of Rosslares role and capacity post Brexit</li> <li>• Access to high-speed broadband (minimum 30MBs) - speedy roll-out of the National Broadband Plan</li> <li>• Support the continued development of Waterford Airport</li> <li>• Appropriate measures and actions to be implemented to assist in dealing with the issue of housing shortages including any associated enabling infrastructure</li> </ul>  | <ul style="list-style-type: none"> <li>• N25 Rosslare-Cork completion</li> <li>• N24 Waterford-Limerick completion</li> <li>• Support the deepening and development of the Europort</li> </ul>  | <ul style="list-style-type: none"> <li>• Completion of the entire motorway/dual carriageway network via a 'C-ring-road' from Derry to Waterford</li> </ul>   |
| <b>Skills</b>                        | <ul style="list-style-type: none"> <li>• Establishment of a connected and embedded unitary multi-campus South East Technological University</li> <li>• Resolution of borrowing framework and resolution of Higher Education funding</li> <li>• Develop the Regional Skills Forum to foster better engagement between education providers, employers and other regional stakeholders on an ongoing basis to collaborate in building the skills of the region</li> <li>• The South East ranks the lowest for science, technology, engineering and mathematic-related graduates as a share of the labour force. More initiatives are required to encourage students to engage with these subjects throughout the educational lifecycle</li> </ul> | <ul style="list-style-type: none"> <li>• Ensure the region has the requisite skills to develop clusters of excellence, based on the region's strengths in biopharmaceuticals, advanced manufacturing, agriculture and agri-industry</li> <li>• Targeted strategy required to get more talent to the region (e.g. third level graduates that have left to return)</li> </ul> | <ul style="list-style-type: none"> <li>• An integrated strategy based on alignment of research, entrepreneurship and innovation supported by the "triple helix" of University-Industry-Government</li> </ul> |



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| <b>Quality of life</b>     | <ul style="list-style-type: none"> <li>• The region has the potential for high quality of life with high accessibility to Dublin and lower costs of living</li> <li>• Ensuring capacity in schools, childcare, hospitals and other services as population grows</li> <li>• Digital connectivity must be a priority to enhance quality of life in the area and facilitate e-work from home</li> <li>• The region is affected differently than other regions by the dominance of Dublin because of its proximity to the capital. This provides challenges (brain drain) and opportunities (commuting times)</li> </ul>   | <ul style="list-style-type: none"> <li>• High-value, innovation-centred employment will play a role in improving quality of life</li> <li>• The creation of a brand for the region synonymous with having a high quality of life, being culturally advanced, socially inclusive and internationally attractive</li> </ul>  | <ul style="list-style-type: none"> <li>• It is essential that the South East unites and collaborates on brand proposition in the long-run</li> <li>• Geography and politics mean the region is currently fragmented in its approach</li> </ul>  |
| <b>Spatial development</b> | <ul style="list-style-type: none"> <li>• Lack of a central major population centre perceived as the capital of the South East region has allowed for several urban centres to develop in the region in tandem</li> <li>• Geography, including rivers and mountain ranges, also has an impact in the way the region is fragmented spatially</li> <li>• Parts of the South East region under pressure from urban sprawl from both Dublin and Cork</li> <li>• The cultivation of human capital in smaller local communities. The investment in higher education will be the most efficient means to generate this capital</li> <li>• Road access to leverage economic growth from Cork</li> </ul> | <ul style="list-style-type: none"> <li>• Quality of life to be promoted as a selling point for skilled workers who may be commuting to Cork or Dublin</li> <li>• Improved internal collaboration between settlements to benefit the wider region</li> <li>• Improved connectivity for the movement of goods and people between Cork and Limerick as well as intra-regional connectivity</li> <li>• The provision of high-value, innovation-centred employment</li> </ul> | <ul style="list-style-type: none"> <li>• Increase of population living and working in inner city Waterford through regeneration with integrated communities for those downsizing/retiring</li> <li>• Preparation of a comprehensive growth and development strategy for the region across all areas of economic activity such as education, healthcare, transport etc</li> <li>• Flood relief to protect the region from future flooding/high tides caused by climate change</li> </ul> |

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| <p><b>Smart Specialisation</b></p> | <ul style="list-style-type: none"> <li>• The areas of real distinction for the region include biopharmaceuticals, advanced manufacturing, agriculture and agri-industry with a focus on high-end, high-value employment</li> <li>• The emphasis for development should be strongly on innovation in the domains indicated above, with the wider region identified internationally as an innovation-centred region</li> <li>• Maximise the forthcoming competitive call to progress strategic projects emerging in the region (e.g. provide advanced incubation/ innovation facilities for indigenous start-up businesses across the region)</li> </ul> | <ul style="list-style-type: none"> <li>• Growing global middle class provides opportunities for the region in agri-food in particular. Moving up the value chain will be crucial in this regard</li> <li>• Waterford and the South East region as a whole, as a 'twin' to Dublin – by locating elements of activity, including 'back office' activity in the South East</li> <li>• While the region has some great indigenous innovative enterprises that have started and scaled in the past 10 years, further supports i.e. advanced facilities are needed</li> <li>• International exemplars of innovation-focused regions exist. A coordinated approach can ensure a similar label attaches to the wider region</li> </ul> | <ul style="list-style-type: none"> <li>• Brain Drain: Circa two thirds of students accessing third level education do so outside of the South East and only circa 40% subsequently return to the region. This will need to be reversed and joined with inward migration to meet skills needs and ensure vibrant communities</li> </ul> |
|------------------------------------|--|--|--|



**3.9 West**

## Introduction

**The Ibec Regional Executive Committee for the West Region, who represent businesses from across the west counties of Galway, Mayo and Roscommon prepared this submission to provide a vision for the region in 2040 which can be utilised to inform the National Planning Framework (NPF).**

West Region: Vision 2040

**“A leading region in Europe by connecting people to economic, environmental and societal progress by employing our skills, our innovation and our natural resources.”**

## Ambition


The Western region has an opportunity to become a leading Region throughout Europe over the coming decades. Government cannot afford to miss the strategic opportunities through NPF 2040 to address the gaps and infrastructure deficits that exist in the Region. The West has proven that it can contribute nationally and globally. However, there are significant infrastructure, planning and connectivity issues that must be addressed. Failing to do so will in fact undermine Ireland's prospects, nationally and globally. Succeeding in doing so will allow the region to hold on to what we have and continue to re-invent ourselves in order to become a leading region in Europe by connecting people to economic, environmental and societal progress by employing our skills, our innovation and our natural resources.

## Opportunities, Challenges and Key Recommendations

### Opportunities:

- The West has the potential over the period to 2040 to develop into a European region renowned as a vibrant well-connected centre with a highly skilled and adaptive labour force, a strategic clustering of industry in key sectors, strong entrepreneurial spirit and desirable quality of life.
- A strong ecosystem of both indigenous and multinational companies which operate across a diverse range of sectors, with particular strengths in the medical device/biomed and ICT sectors. Opportunities exist to leverage the regions human, cultural and natural assets for development by building on success in key sectors such as these and e.g. tourism, food and fisheries, sustainable energy and creative industries.
- Investment in connectivity, skills and infrastructure must support the future growth of the region and reduce the cost of living and doing business.
- Positioning Galway city to grow by supporting an accessible, liveable and desirable city that attracts talent, facilitates urban regeneration, encourages innovation and job creation will in turn invigorate growth at a sub-regional level. Galway city should be the primary centre of growth.
- In 2016, Galway secured the distinction and opportunity associated with being awarded Cultural Capital of Europe 2020. The key objective of securing the win for the Cultural Capital of Europe is to





provide an unprecedented and unparalleled cultural experience connecting Galway city & county and the wider region within Europe and the world and to use culture as a driver to effect positive economic, environmental and societal impacts in both the medium and long term. As a point of reference, Liverpool maximised their opportunity in 2008 and significant economic benefits have been seen, including £754m direct spend in Liverpool and the region, 34% growth in visitors since 2007, 9.7m additional visitors to the city and 1.4m additional hotel nights. Ireland must use this Western win as a springboard and invest in critical infrastructure.

- The West ranks number one nationally for overseas tourism revenue. International air connectivity is vital to compete effectively in business and tourism. Shannon Airport and Ireland West Airport Knock act as key stimuli for further development in the region. Fundamental requirements such as transportation access must be secured to realise the full tourism potential and retain what already exists today.

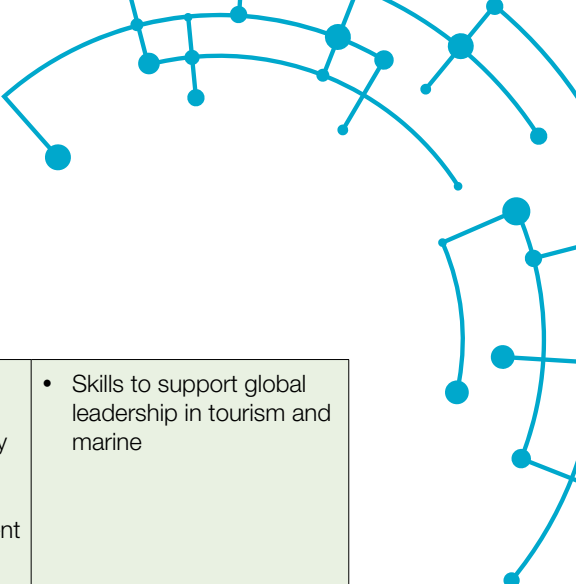
#### **Challenges:**

- The West faces a number of challenges including a demographic and economic activity shift towards the East of the country. Investment in essential infrastructure including broadband and improvements to the national road network including the M17 Tuam-Sligo, M6 Galway City Ring Road and the N5 Westport-Longford are required to unlock the region's growth potential.
- A primary focus for future economic growth must be a motorway/high quality dual carriageway ring road around the island to deliver joined up access to all urban centres from Belfast to Wexford via the North, West and South coasts with multiple link roads in between. Connecting major urban centres and their regions will help spread economic and population growth which is currently concentrated on the east coast.
- The upgrade of the M17 Tuam-Sligo will be vital to enable a counterbalance to be realised and address regional disparities that exist. It will enable counties in the Mid West, West and North West regions to leverage economic growth from each other. The only way to close the East-West gap in Gross Value and achieve balanced development is for the West, North-West and Mid-West to develop a spine of infrastructure and achieve critical mass. The upgrade of the M17 Tuam-Sligo is a key priority for the Ibec West Regional Executive Committee.
- 57% of all premises in the region do not have access to high speed broadband, the lowest in the country, putting the region at a significant competitive disadvantage.
- Housing supply is a significant challenge and has the potential to damage economic growth and employment in the region.
- Traffic congestion is a major issue in some parts of the region. It is a significant challenge at Parkmore Industrial Estate in Galway. The severe traffic issues in Parkmore Industrial Estate are having a direct effect on expansion, business productivity and the quality of life of employees. The situation is undermining Galway's, the region's and the country's reputation internationally as a well connected location for businesses to establish and thrive. Immediate fast-tracking of a resolution to this very acute local infrastructure issue is required which is impacting on the quality of life of thousand of workers and their families. The approach to planning must meet the challenges that regional growth creates, particularly so when it comes to strategically important sites such as Parkmore.

### Key Recommendations:

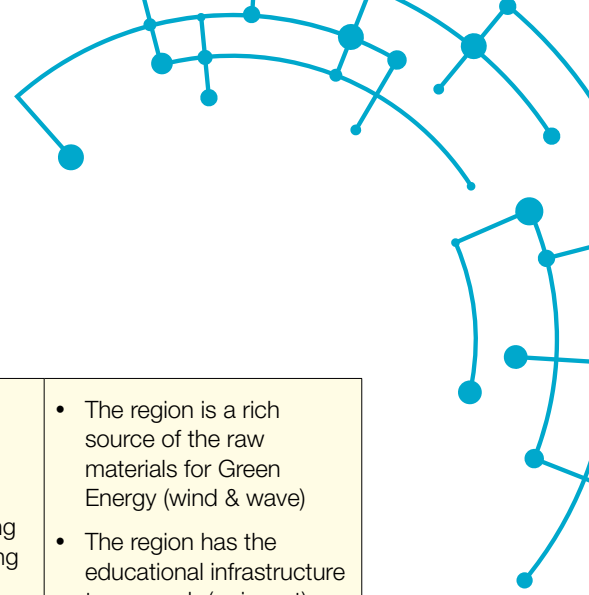
Through NPF 2040, Government has an opportunity to devote funding to specific short, medium and long term infrastructure development in the West of Ireland that will enable the region and Ireland to retain, grow, deliver and capitalise on opportunities in the West for the region and the country. If we do not address the regional disparities the current imbalance will continue to exist. Economic growth must be shared across the country. With the correct strategic infrastructural investment, the West region can become more accessible both from a physical transport perspective and also a digital communications perspective. Removing the physical barriers to commerce in the region has a dual benefit in that it reduces pressure on Dublin and creates a greater capacity for FDI.

| PRIORITIES FOR THE WEST REGION |   |  |  |
|--------------------------------|---|--|--|
|                                | Short-term (to 2021)  | Medium-term (to 2030)  | Long-term (to 2040)  |
| Infrastructure                 | <ul style="list-style-type: none"><li>• M17 Tuam-Sligo proceed to planning</li><li>• M6 Galway City Ring Road planning completion</li><li>• N5 Westport-Longford</li><li>• Access to Parkmore Industrial Estate - speedy resolution to address unsustainable daily traffic congestion for over 6,000 workers</li><li>• Park &amp; ride facilities to alleviate known bottlenecks such as Galway city</li><li>• Access to high-speed broadband (minimum 30MBs) - speedy roll-out of the National Broadband Plan</li><li>• Ensure local authority planning supports mobile phone connectivity</li><li>• Support the continued development of Ireland West Airport Knock</li><li>• Resolve legacy Foreshore Licence issues</li></ul> | <ul style="list-style-type: none"><li>• M17 Tuam-Sligo completion</li><li>• M6 Galway City Ring Road completion</li><li>• Implement Galway Harbour Project</li></ul> | <ul style="list-style-type: none"><li>• Completion of the entire coastline motorway/dual carriageway network via a 'C-ring-road' from Derry to Waterford</li></ul> |



|                        |   |  |  |
|------------------------|---|--|--|
| <b>Skills</b>          | <ul style="list-style-type: none"> <li>• Establishment of a Connacht Ulster Alliance Technological University</li> <li>• Resolution of borrowing framework and resolution of Higher Education funding under the education section</li> <li>• Focus on skills development to support industry convergence in biopharma and medical technology sectors</li> <li>• Influence career choices at a young age by presenting to young students, parents, career guidance teachers and the wider educational community to inform second level students of opportunities and careers within companies in the region</li> <li>• Data analytics, artificial intelligence and management to enhance manufacturing and industrial development in the region</li> <li>• Develop the Regional Skills Forum to foster better engagement between education providers, employers and other regional stakeholders on an ongoing basis to collaborate in building the skills of the region</li> </ul> | <ul style="list-style-type: none"> <li>• Develop a high quality post graduate programme in regulatory science to support manufacturing, process and product development</li> <li>• Entrepreneurial skills for creative industries</li> <li>• Skills development and improved infrastructure will assist in developing rural areas e.g. caring, hospitality, leisure industries</li> <li>• Industry and HEI collaboration to combine technology, manufacturing and regulatory excellence to ensure Ireland and the region is positioned as a key investment location</li> <li>• </li> </ul> | <ul style="list-style-type: none"> <li>• Skills to support global leadership in tourism and marine</li> </ul>  |
| <b>Quality of life</b> | <ul style="list-style-type: none"> <li>• Appropriate housing to address shortages, particularly in the Galway City region</li> <li>• Infrastructure to allow homework and satellite offices for large employers will help match quality of life in the region with employment opportunities as more service workers become mobile. This will enable employers to attract high calibre talent to the region</li> <li>• Investment in recreational facilities to leverage the natural environmental amenities in the area should be a priority. This investment will result in increased employment</li> <li>• Enhanced road access and connectivity will result in less congestion and safer/shorter travel times</li> </ul>   | <ul style="list-style-type: none"> <li>• Specific services and activities that support the ageing population</li> <li>• Further development of cultural and community amenities along with ease of access to the urban centre within the region will ensure the region is an attractive place to live</li> <li>• Ease of access to the urban centres within the region</li> <li>• Facilitate enhanced access to essential public services such as healthcare</li> </ul>  | <ul style="list-style-type: none"> <li>• Rural areas within the region need to build a strong identity based on the use of skills most suited to their areas e.g. in Connemara Gaeltacht, creative, language and cultural tourism along with fishing and aquaculture are the traditional skills of the population</li> </ul> |

|                                   |  |  |   |
|-----------------------------------|--|--|---|
| <p><b>Spatial development</b></p> | <ul style="list-style-type: none"> <li>• Assist businesses of all sizes in the region by linking them more directly with major population centres and transport hubs</li> <li>• Improve connectivity to improve uptake of public transport and improved commuting times</li> <li>• Develop schools and transport services to accommodate the population growth in Galway city</li> <li>• Develop satellite villages rather than allow for continued sprawl in the suburbs of Galway</li> <li>• Appropriate zoning and development plans will be required to increase the sustainability of future residential development, with a view to increasing density in Galway enabling the cost-effective provision of services</li> <li>• Promote the Atlantic Greenway and Blueway</li> <li>• Develop the IDA industrial parks throughout the region</li> <li>• To develop industry in rural towns world class broadband a pre-requisite</li> </ul> | <ul style="list-style-type: none"> <li>• Strong regional satellite towns, which are well connected to the urban centre will assist in the development of a city region, offering both employment opportunities, as well as a high quality environment to live</li> <li>• Rural unemployment and community development to be addressed to prevent increased urbanisation and prevent a further demise in rural living</li> <li>• Support the parks, lakes and walkways of the West</li> <li>• Enhance amenity services that serve both the community and tourism industry</li> <li>• Increase of population living and working in Galway city through regeneration, with integrated communities for those downsizing/retiring</li> <li>• Expedite the strategic development zoning of the land bank at Knock airport for aviation, industrial and tourism related projects</li> </ul> | <ul style="list-style-type: none"> <li>• Reverse the decline and grow the hospitality industry in small towns - attract the city dwellers west for weekends</li> <li>• IDA to target “rural” privately owned FDI - more partial to locating in the regions compared to the big city names</li> <li>• High speed train from west to Dublin, regular service, park and ride, connectivity to Luas and Dublin airport</li> <li>• Develop natural tourism opportunities - harbour area, Salthill, Claddagh, and coastal roads</li> <li>• Drive growth in tourism by providing greater access for tourists to services, products and locations during their visit</li> </ul> |
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| <p><b>Smart Specialisation</b></p> | <ul style="list-style-type: none"> <li>• The region has a mixed economy with some lagging areas but massive strengths in areas such as Med-Tech, IT, the Creative Industries, Tourism, Aquaculture and Fishing</li> <li>• The knowledge economy and providing platforms in areas such as connected health will be key to the future of the region</li> <li>• Moving up the value chain in areas such as the marine economy and aquaculture will be crucial to providing high-quality jobs in less developed parts of the region</li> <li>• Broadband connectivity and suitable skills would provide the necessary foundation for the creation of new business and jobs e.g.</li> <li>• IoT offers opportunity for small companies/ communities to serve clients anywhere in the world</li> <li>• Data management/storage analytics/data monetization</li> <li>• The large Med-Tech and other industries might be enticed to contract out data management/administrative tasks to SME or individuals (home working) who have the necessary skills and connectivity</li> <li>• Strengthen linkages with further education providers to be able to address opportunities in the future</li> </ul> | <ul style="list-style-type: none"> <li>• The region has the potential to provide a platform in areas such as connected health and IOT by encouraging linkages between strong Med-Tech and ICT clusters</li> <li>• The Western region should be the hub in Western Europe for culture and the Arts. Less advantaged areas such as Connemara and the Gaeltacht, in particular, should feed its wealth of linguistic, creative and culture properties</li> <li>• Further development in robotics and productivity will mean challenges for workers in the manufacturing base of the region. Re/upskilling will be hugely important over the coming decades</li> <li>• Data storage has potential for the future of the region</li> <li>• Growing associated data analytics, security and associated services will be required to translate this into broader improvements in living standards</li> </ul> | <ul style="list-style-type: none"> <li>• The region is a rich source of the raw materials for Green Energy (wind &amp; wave)</li> <li>• The region has the educational infrastructure to research (or invent) in these areas and the entrepreneurial record of innovation (or spinning up &amp; out) to commercialise those inventions (e.g. porter shed). To maximise the opportunity the region needs investment in 1). <i>A communications network to support business in geographically remote areas</i> 2). <i>A transport network to enable access</i> and 3). <i>Investment in the grid so that the energy sold can be delivered</i></li> <li>• IoT technologies can also be leveraged to support energy conservation and to predict service demands</li> </ul> |
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## 4. An All Island Approach to Planning

**This chapter compliments and supports a separate submission to the National Planning Framework consultation made by Ibec and CBI Northern Ireland Joint Business Council (JBC).**

### 4.1 Introduction

Businesses are organised and conduct business on an all island basis with production and supply chains of inputs and outputs stretching across every region. In total cross-border trade was valued at €3bn in 2014. As a result of this integration and collaboration, these firms are more productive and competitive. The National Planning Framework (NPF) is a key element of in supporting their continuing growth and job creation. It is therefore encouraging that the NPFs all island approach is well developed and it has considered the cross-border dimension in notable depth and detail. Crucially the NPF Team in the Department of Housing Planning Community and Local Government (DHPCLG) is working closely with their counterparts within the local and devolved administrative systems in Northern Ireland.

### 4.2 Protecting peace, prosperity and stability

The case for a continued focus on long term planning in order to deliver sustained prosperity and to embed peace and stability on the island is compelling. While the UK leaving the EU clearly creates a new and shared complication for achieving this, the response should be to accelerate investment in all-island infrastructure. This will enhance the ability of both jurisdictions, and their constituent regions, to compete for investment and job creation.

It is important to bear in mind that all-island in the context of planning should not focus exclusively on the border region. Delivering infrastructure, services, and coordinated planning benefits not only those immediately adjacent to the border but across the entire island.

The All Island Market has evolved since the creation of the EU Single Market in 1992. Peace has been fundamental to this evolution, along with the Good Friday Agreement (GFA) that underpins the cessation of violence. The resulting stability is a bedrock for investment, job creation, and growth across the island. The extent of this All Island Market is only now beginning to emerge as the prospect of the UK leaving the EU reveals the extent to which firms operate on an all island basis. The UK's departure puts at risk the deep and diverse investment already made by firms who have taken advantage of the possibility to develop and operate an all island business model.

The role of the NPF must include enabling the All Island Market to grow for the effective development of the entire island as well as its constituent regional and jurisdictional parts. Ibec recommends that a NPF All island Working Group is established, jointly Chaired by high level officials from the DHPCLG and the Dept of Infrastructure. This group would coordinate the development and implementation of the NPF in an all island context.

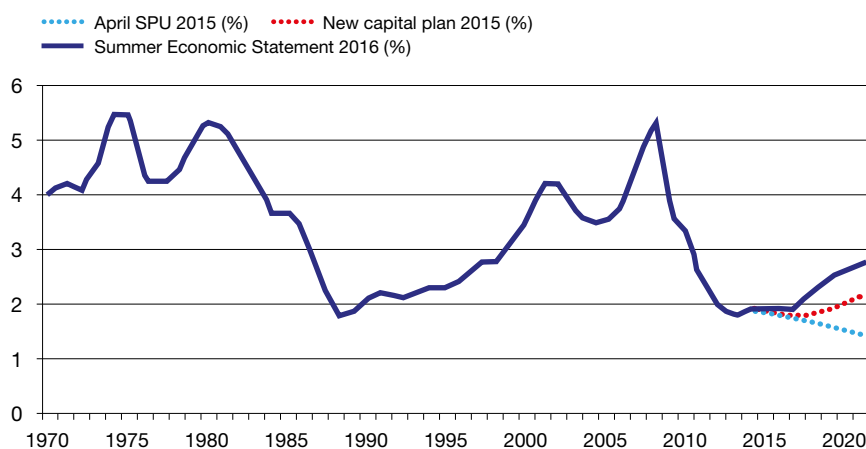
### 4.3 Cross Border Infrastructure

An efficient cross-border economy requires high quality transport infrastructure. On both sides of the border, transport infrastructure is currently characterised by insufficient capacity. The lack of a comprehensive, cross-border inter-urban motorway network causes bottlenecks and congestion that result in losses of time and productivity, which in turn harm growth and competitiveness. Investing in strategic infrastructure and enhancing connectivity would create job opportunities, growth, and prosperity for people on both sides of the border.

## Ambition

Economic growth creates a shared opportunity to identify and promote strategic investments that will help to sustain a competitive, connected and more prosperous island of Ireland. But while both economies are growing, the Republic's is growing more rapidly. Northern Ireland has a deep seated problem of low productivity that must be addressed. And while many businesses are investing in their future, there must also be public investment that supports the new levels of productivity they are seeking to achieve.

If current infrastructure spending levels are not brought into line with EU norms, then the infrastructure to support much of what the NPF plans to achieve and the value of investments being made by firms on both sides of the border may be undermined. Ibec recommends investing in island wide infrastructure will support business in creating more job opportunities and enhancing living standards.



**Fig 4.1 Govt Capital Spend, % of GDP 1970-2021**

## Connectivity

The NPF should seek to capitalise on the potential of existing relationships to align spatial strategies in both jurisdictions. A joined up approach to strategic infrastructure on both sides of the border is a welcome step in this regard. Ibec's partnership with CBI Northern Ireland through the Joint Business Council (JBC) established the All-Island Investment Project began in 2015 in response to the desire of both organisations members for a new joined up strategic and long term vision for the island and to scope the infrastructure needed to enhance the connectivity for a prosperous island of 10 million people by 2050.

Of crucial importance to improving connectivity on the island is to create a vision for completing a comprehensive an all-island motorway/dual carriageway network. Under the current network, considerable portions of the island lack meaningful strategic connectivity that would enable the efficient movement of people and goods. Planning to complete an all island network should start now. The difference between the current network and the AIIP's proposed all island network can be seen in the figures below. A completed motorway network would connect and enable city-regions and rural Ireland alike to interact with one another in a more effective reliable and time-efficient manner.

The resulting connectivity would be one of the key enablers of more balanced economic growth and a better quality of life across the entire island.

Improved connectivity would also bring a significant productivity boost to the All Island Market; broadening the labour pool; allowing business to access a broader range of markets and suppliers; make it easier for firms to share ideas, people, and technology.





**Fig 4.2: The current motorway network and the JBC vision for an all-island motorway network.**

Given the potential for the border to become visible following a UK exit from the EU, it will be essential to improve the road connection to border counties in the North West region of Ireland. The NPF should take note of the potential benefits that the proposed A5 upgrade could have for functioning of the All Island Market. It should also take into consideration the potential impact of physical controls on the cross-border movement of people and goods along these routes on local, regional, and national planning.

## Funding

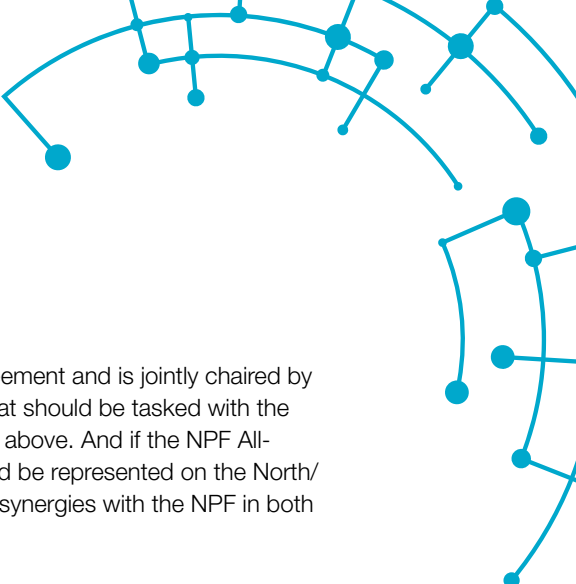
A number of options beyond exchequer funding could be explored in order to finance Ireland's future infrastructure requirements. Governments and the public administration systems in Ireland and Northern Ireland must embrace the concept of non-Exchequer funding mechanisms and integrate them fully into long-term planning.

To date, commitment to funding models such as public-private partnerships (PPP) has been uneven and greater buy-in is needed from all stakeholders in order to substantially increase the level of private sector funding in infrastructure provision.

Completing the AIIPs proposed network could be offered as one coherent and coordinated Project Pipeline of PPPs. It could attract the interest of the new and existing providers, who would partner with local companies to bid and provide the requested projects.

The EIB is also a potential source of funding for long-term capital investment and options to attracting their financial support should be pursued. The EIB has developed alternative approaches to financing investment in infrastructure including looking at a project bond initiative, which would provide a mechanism by which international investors could obtain a level of comfort in investing in Irish infrastructure projects.





The North/South Infrastructure Group was set up under the Fresh Start Agreement and is jointly chaired by and reports to the North-South Ministerial Council. This is the mechanism that should be tasked with the development, agreement and delivery of the joint financing approach set out above. And if the NPF All-Island Working Group proposed earlier in this chapter is established, it should be represented on the North/South Infrastructure Group to maximise the potential coherence and mutual synergies with the NPF in both jurisdictions.

## 4.4 All Island Service Provision

With the political and economic drivers being broadly similar on both sides of the border: the reduction of public expenditure in response to record debt levels at the start of this decade ; the encouragement of additional private sector activity; and the promotion of exports', there have been initial, collaborative approaches to joint service provision in the health sector and transport, as well as activities covered by the cross-border agencies, such as enterprise development.<sup>7</sup> The National Procurement Service also has a representative from Northern Ireland's Central Procurement Directorate on its board. Potential areas for greater cross-border collaboration involving the private sector could be included.

Essentially, areas for collaboration or shared service provision can 'be found where there are synergies to be obtained from planning and providing specific public services on an intra-island and inter-regional basis between the two jurisdictions'. While cross-border co-operation is a matter of official policy for both administrations, a systematic and proactive stance to joint-service provision is needed, as opposed to the spontaneous and/or reactive approach that has tended to occur. Also, in addition to boosting cross-border co-operation, there is an opportunity for both governments to make public services more effective.

The NPF is leading example in this regard. Its consultation session in Derry/Londonderry proved to be a universally welcome opportunity for interested parties from the public and private sectors North and South, and in particular from the North West region, to provided a shared response.

Ibec recommends that joint-service provision should be incorporated into the NPF as a key area of cross-border cooperation. When planning for the future of delivery of goods and services in Ireland, a key feature of the planning process should be to consider whether it is feasible and efficient to cooperate with service providers in Northern Ireland to deliver high quality public services. A systematic and coordinated mechanism for exploring potential instances of joint-service delivery should be developed.

### Ibec Recommends

- An NPF All island Working Group is established, jointly Chaired by high level officials from the DHPCLG and the Department of Infrastructure. This group would coordinate the development and implementation of the NPF in an all island context.
- Ibec recommends that the NPF plans for the gradual completion of a more extensive and well developed motorway network that establishes greater connectivity between all regions of the island of Ireland.
- Governments on both sides of the border both explore non-Exchequer funding mechanisms for strategic infrastructure projects that will be build during the lifetime of the NPF. The Fresh Start Agreement already provides a forum for discussing cross-border infrastructure and its funding.
- Joint-service provision should be incorporated into the NPF as a key area of cross-border cooperation. When planning for the future of delivery of goods and services in Ireland, a key feature of the planning process should be to consider whether it is feasible and efficient to cooperate with service providers in Northern Ireland to deliver high quality public services. A systematic and coordinated mechanism for exploring potential instances of joint-service delivery should be developed.

<sup>7</sup> | For a more in depth consideration see: *Delivering a prosperity process: opportunities in North/South public service provision* Michael D'Arcy, Centre for Cross Border Studies (May 2012)

## 5. Cities and Placemaking

### 5.1 Ireland's Spatial Development

Ireland's spatial development has not been plan-led or nationally coordinated, and has been largely fragmented. Sporadic growth has been to detriment of quality of life nationally. It has resulted in sprawl in urban areas and depopulation in rural areas. Development in Dublin and its surrounding commuter belt substantially outpaces the development of other regions. The imbalance has left the economy heavily dependent on Dublin to drive growth, while Ireland's other urban centres are underperforming. The National Planning Framework can serve as a vehicle to address Ireland's spatial development issues, helping rebalance growth and ease some of the pressures on Dublin infrastructure and services.

#### Placemaking

A critical element to place-making is the forward planning of growth. Too much of Ireland's urban expansion has been unplanned and accidental. The effects are now being seen, where people often cannot choose to live close to where they work. The National Planning Framework (NPF) is crucial to planning the growth and development of Ireland in the future. Placemaking is about the core strengths and weaknesses of different areas of Ireland. All regions in Ireland cannot be treated the same; a one-size-fits-all approach should be avoided. Regions should be encouraged to build on their unique strengths and take steps to address their weaknesses.

As part of the long term plan for Ireland, the performance of every town, city, and region should be raised. Regions that have seen population decline and economies still undergoing fragile recoveries should be given the necessary guidance to develop through the NPF so that they can achieve strong economic growth and create high skilled employment.

Business can play a significant and distinct role in the process of mitigating this problem. The UK government states "certain anchor businesses can play a key role in attracting skilled workers to an area, or generating spin off companies" and they "can attract a whole supply chain to locate near them, bringing further growth to the area."<sup>8</sup> Local policy makers also play a role in facilitating this type of growth by "helping to coordinate the different things that local industries need to thrive, from planning decisions, transport and skills to investments in culture and the quality of life."<sup>9</sup>

The future of Ireland's town centres should not be left to chance. Revitalising town centres will help to underpin future growth across the regions. Rural towns were more severely affected by the financial crisis than cities and larger urban centres. Successful and sustainable town centre revitalisation that offers them resilience against future hardships can only be achieved through the active involvement of the public and private sectors. A genuine partnership between local authorities and local businesses could help identify sectors and projects that would best support local growth.

While cities harness the concentration of economic activity to drive growth, the *Commission for Economic Development of Rural Areas* observes that rural Ireland can offer "lower costs, a better quality of life and better access to inputs as in the case of agriculture and energy along with a clean environment."<sup>10</sup> Cities drive growth and Ireland's economy relies heavily on their performance. But growth can be more evenly shared than is currently the case.

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8 | Page 120 'Building our Industrial Strategy: green paper. January 2017'. [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/586626/building-our-industrial-strategy-green-paper.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/586626/building-our-industrial-strategy-green-paper.pdf)

9 | Ibid, p.120

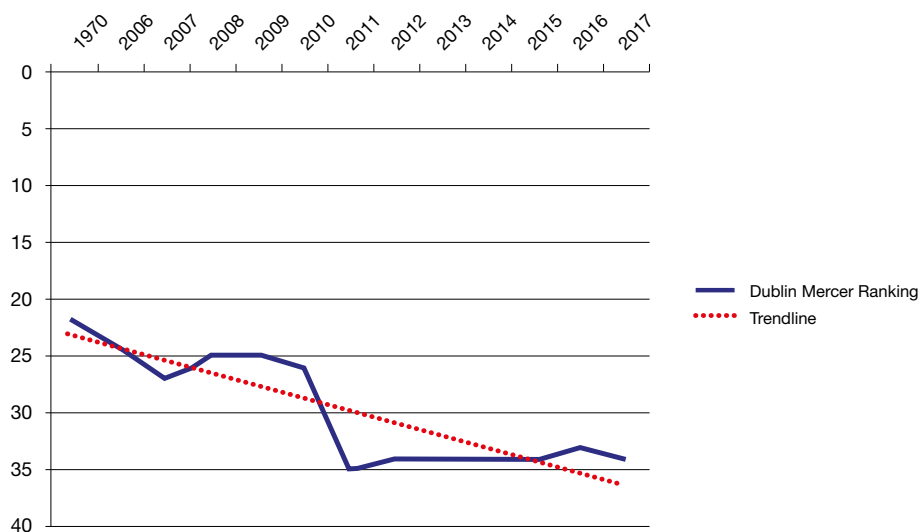
10 | Page 44 'Energisng Ireland's Rural Economy: Report of the Commission for the Development of Rural Areas'. [http://www.agre-search.teagasc.ie/rrerc/CEDRA/CEDRA\\_Report.pdf](http://www.agre-search.teagasc.ie/rrerc/CEDRA/CEDRA_Report.pdf)

Placemaking is not about making a choice between urban and rural. Rather, it is about tying urban and rural areas together so that each can play a part in improving the quality of life of those living in both. The *No Stone Unturned: In pursuit of growth* report states that “Growth is everyone’s business. Government can set national policies and create an environment where business can flourish, but success depends on businesses and individuals, working together.”<sup>11</sup> This process of tying people and companies to places will be key to place-making in the future, addressing regional disparities and improving the quality of life across all of Ireland.

## Quality of Life

The NPF is an opportunity to make significant progress in improving the quality of life across Ireland. More people are in employment now than any time since 2007. This has brought with it pressures on cities’ underfunded infrastructure; the rising cost of housing, crowding on public transport, and increased congestion on the roads to name just a few. However, the relative fall in the quality of life predates the financial crisis. The accidental nature of growth in Ireland has led to a variety of such problems that have impacted on it.

Taking Dublin (our most developed area) as an example, the consequences of unplanned growth on the life in Irish cities can be seen in international rankings, which show a significant fall in Dublin’s position over the last decade. Figure 5.1 shows that in 2005, Dublin was ranked 22<sup>nd</sup> in the Mercer Quality of Living Rankings. However, since 2010 Dublin has ranked outside the top 30 despite the existence of the National Spatial Strategy and two phases of Dublin development plans. Irish cities currently lag behind their international competitors in areas such as infrastructure, sustainability, and the cost of doing business. Dublin in particular needs to be firmly amongst the world’s most liveable cities. Investment decisions are very often made based on the quality of life. With this in mind, the government should focus on creating a sustained improvement of living standards and quality of life for all our citizens by investing in cities and the infrastructure to improve their functioning, lifting the quality of life for those who live there.

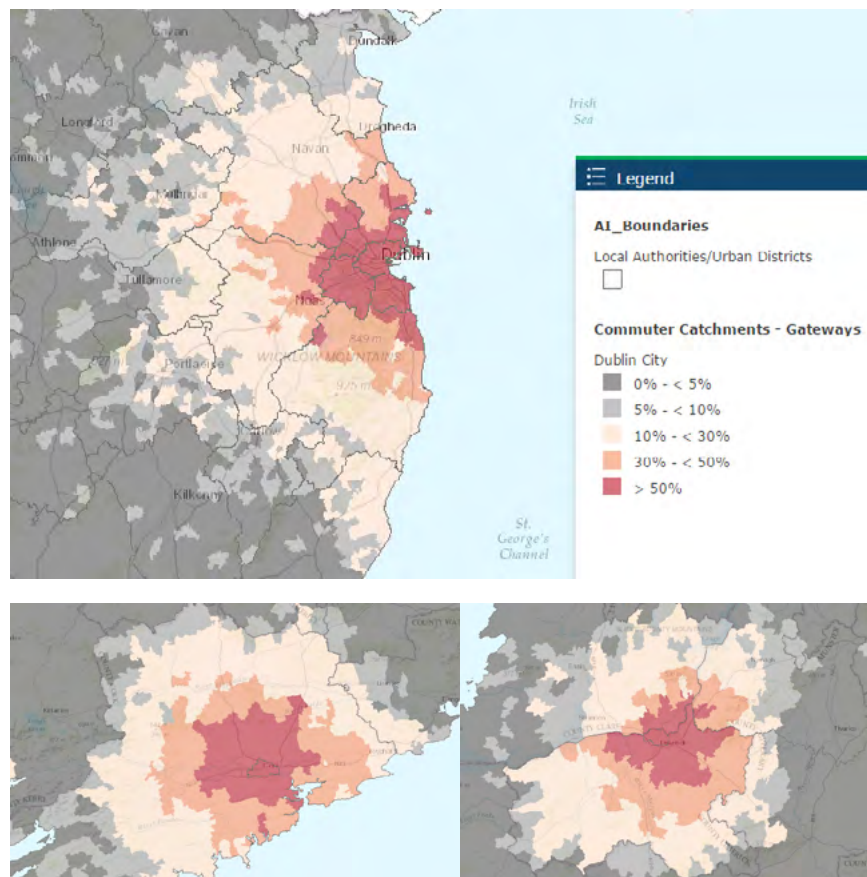


**Fig 5.1: Dublin’s Mercer Quality of Life Ranking**

11 | Page 26 ‘No Stone Unturned: In pursuit of growth.’ [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/34648/12-1213-no-stone-untuned-in-pursuit-of-growth.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/34648/12-1213-no-stone-untuned-in-pursuit-of-growth.pdf)

## Functional Economies

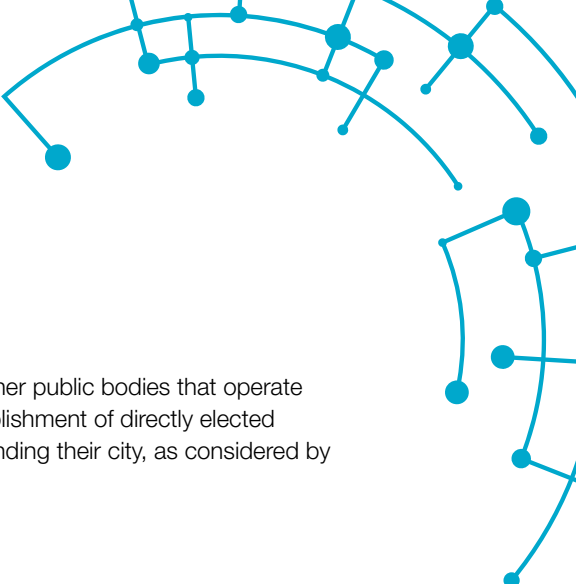
Local authority boundaries do not neatly fit with the economic realities of where people live and work in the five city regions listed in Chapter 4 of Ireland 2040. This is particularly the case for cities, which attract workers from further afield with higher salaries and more diverse job opportunities. The *Enterprise 2025* strategy “acknowledges that an urban growth centre has an impact much broader than its administrative boundaries and impacts on the economic potential of its wider hinterland.”<sup>12</sup> As a result, collaboration between neighbouring local authorities must become more meaningful in order to address the challenges of place making and economic growth. A point that is addressed in more detail in the Agency Coordination, Implementation and Governance chapter of this document is that local area plans are developed separately and at different times. This is a missed opportunity for coordinating local responses to regional problems in areas such as transport that significantly impact on the quality of life.



**Fig 5.2: Commuter Catchment Areas of Irish Cities. Source: All-Ireland Research Observatory**

The figures above provide an indication of how far people are travelling to get to work. They give an indication of the extensive nature of city-regions in Ireland. However, focusing on just these five cities ignores other spatial areas that act as functional economies in Ireland such as Sligo, Letterkenny, Athlone, or the Dundalk-Newry economic corridor. The influence of these economic centres extends far beyond their political boundaries. Policies designed to influence economic growth should act over the same spatial scale as the economy itself. Strategic planning should not have to stop at the local authority boundary.

<sup>12</sup> | Page 80. 'Enterprise 2025: Ireland's National Enterprise Strategy. 2015-2025'



Options for overseeing and coordinating the multiple local authorities and other public bodies that operate within the city-region should be explored. This may require the phased establishment of directly elected mayors for cities who have influence over policy making in the region surrounding their city, as considered by the Programme for a Partnership Government.

### **Governance of City-Regions**

Part of the drive for city growth internationally is devolution. In Ireland's neighbourhood, this devolutionary drive began with London, and now in cities across the Northern Powerhouse devolution to cities has continued. Following their successes, Ireland should establish the position of directly elected mayors in cities across the countries, as considered in the Programme for Government. Directly-elected mayors can coordinate and propel policies that will drive growth and make Irish cities more liveable. Their strategic position would enable them to influence and unite local actors behind a coherent pro-growth approach. In order for city mayors to succeed in achieving growth, their remit should cover the broad economic area of the city rather than a narrowly defined city boundary.

Directly-elected mayors are seen as a strong and vocal champion for their cities working with national governments, bodies and agencies, playing a key role in attracting inward investment. They should be given executive power over planning, transport, the built environment, housing, regional development, promotion, and local economic development. They should also be given the authority to generate revenue that can be ring-fenced for spending on initiatives that would contribute to the development of the city and improving the quality of life. Devolving these powers should be seen as a means of fostering growth for our city regions, and in turn the entire country.

## **4.5 A Cities Strategy for Ireland**

A cities strategy for Ireland needs to be based on Irish city regions as a whole and improving the overall quality of life within them. The National Competitiveness Council describes the positive economic links between cities and their surrounding region; "Cities depend on their regions to provide a wide workforce and skills base. There is a clear link between growth rates achieved at city level and those experienced at regional level. The scale of production and generation of wealth, which occurs in cities, can and usually does, have positive spillovers into surrounding regions."<sup>13</sup>

Cities themselves concentrate productivity, innovation and creativity, which are crucial to Ireland's economic future. They act as a driver of growth within a region due to benefits brought about by increased density and proximity. Economic activity and productivity are concentrated in cities because of the deeper pool of labour available, allowing businesses to match workers with the skills they require. Cities facilitate 'knowledge spillover' between businesses working in close proximity. The density of businesses in cities also allows them to share infrastructure or supply chains. These are some of the effects of agglomeration and they contribute to a higher productivity in cities than elsewhere. However our cities are not currently functioning as effectively and efficiently as they might.

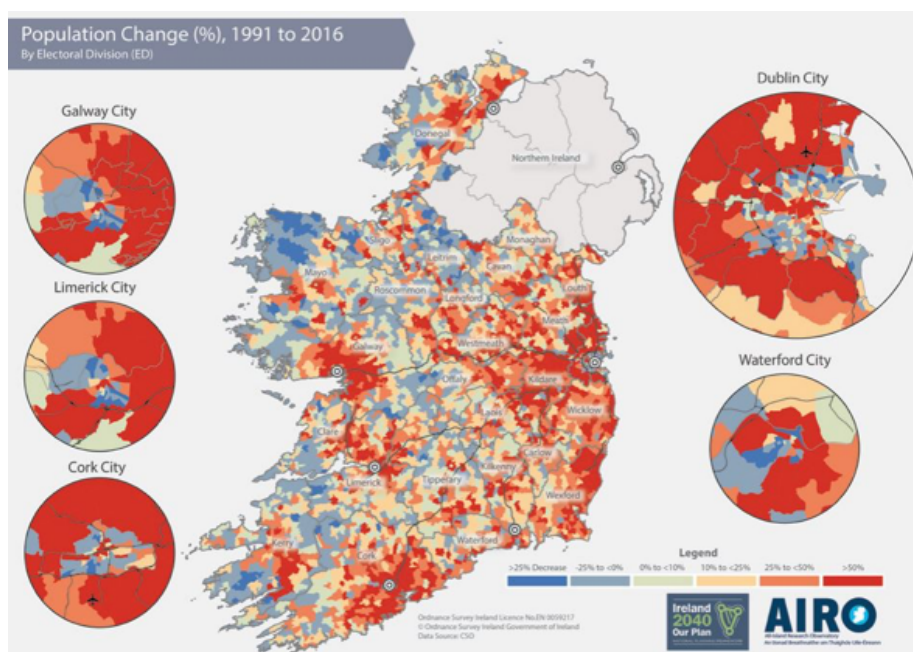
### **Cities and Population Change**

Cities in Ireland have experienced a 'donutting' effect in recent times; the city regions have seen population growth that has exceeded the population growth within the cities themselves. Cork City, for example, is one of the more stark examples of this phenomenon. The figures on page 8 of the Ireland 2040 document show significant population growth in the last 25 years in the areas that coil around cities but that populations are stagnant or falling in many areas within them.<sup>14</sup>

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13 | National Competitiveness Council, 'Our cities: Drivers of national competitiveness' (2009), pp. 14-24

14 | Page 8: Ireland 2040, Our Plan: Issues and Choices. <http://npg.ie/wp-content/uploads/2017/02/Position-Paper-Issues-and-Choices-Ireland-2040-web.pdf>



**Fig 5.3: Population Change in Ireland in the last 25 years. Source: Ireland 2040**

### Height and Density

A potential solution to the decline of city centre populations is to encourage more high-rise development in our cities. For Dublin in particular, this would involve lifting the city's restrictions on building height. Cities should encourage carefully planned high-rise commercial and residential developments in order to increase the density of populations living and working in city centres. High-rise allows for higher concentrations of density, which is associated with greater economic growth because clusters of highly skilled individuals become more productive and are better paid in more densely populated areas.

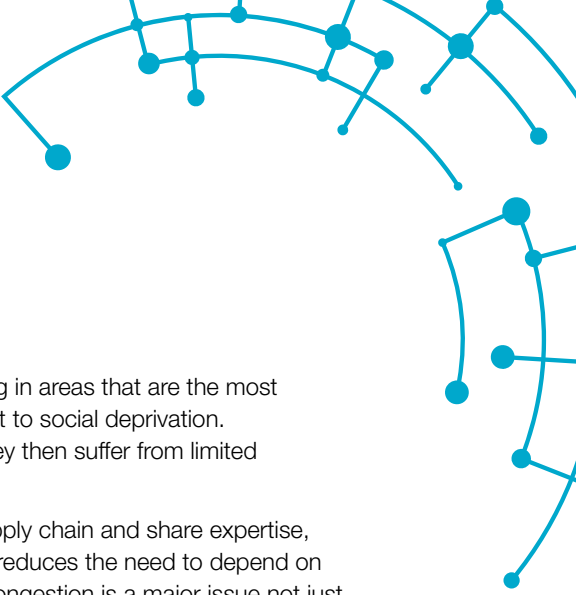
Density also contributes to a more sustainable society. Populations that live in smaller residences in higher density areas tend to drive less and walk and cycle more. They also consume less electricity and heating, leading to fewer emissions overall relative to their suburban and rural counterparts.

Cities should carry out a detailed urban design study to inform the process of identifying locations where tall buildings would and would not be appropriate under a Tall Buildings Strategy. In developing policy on the height of buildings, attention should be paid to international best practice in urban design and regeneration, and acknowledge that clusters of well-designed tall buildings can provide housing and a beneficial contribution to their surrounding streetscape and skyline. The NPF can serve as a mechanism to encourage cities to be more ambitious in dealing with density.

### Transport

Developing quality transport infrastructure is of crucial concern to the effective growth of cities. High value employment requires advanced skills that may not be readily available in nearby areas. The cost and time of travel determines the range people are willing to go for work. Improving the connectivity in city regions will increase the area in which people look for jobs. Improving local connectivity allows a more efficient distribution of skills and economic activity.





Poor transport connectivity has been linked to social deprivation. Those living in areas that are the most disadvantaged in terms of transport connectivity are more likely to be subject to social deprivation. Compounding the problem is that with poor access to services and jobs, they then suffer from limited opportunities to reduce their levels of deprivation.

From an enterprise point of view, transport can bring firms closer to their supply chain and share expertise, boosting productivity. From a sustainability point of view, better connectivity reduces the need to depend on cars as a means of transport, reducing emissions and easing congestion. Congestion is a major issue not just in Dublin but across all Irish cities.

|          | Global Ranking | Congestion Level (Extra Time) | Extra Travel Time per Day | Extra Travel Time per Year |
|----------|----------------|-------------------------------|---------------------------|----------------------------|
| Dublin   | 20             | 43%                           | 50 mins                   | 192 hours                  |
| Cork     | 68             | 34%                           | 40 mins                   | 152 hours                  |
| Limerick | 150            | 27%                           | 24 mins                   | 90 hours                   |

**Table 5.4: TomTom Traffic Index**

With a growing economy and increases in population, it is inevitable that the congestion will get even worse in cities without significant investment in road and public transport infrastructure. The future transport needs of cities should be assessed so that the provision of cost-effective public transport will reflect the needs of individual cities. Investment in suitable public transport infrastructure would in turn reduce the number of cars on the road, help to ease congestion levels and improve air quality in the cities.

### Higher Education and Skills

Education and skills are primary drivers of growth and productivity. Graduates often migrate towards jobs, while companies look to locate where they can find the skills they need. The labour market for high-skilled workers tends to be global and dominated by cities and large metropolitan areas, while the market for low and technical skills is much more locally driven. Matching the right skills to the needs of businesses is essential to the continued development of cities.

Higher education institutions can play an important role in driving regional development. Growth can be built around sectors of graduates that link business and higher education. There are examples of colleges exchanging information with enterprise on the skills needs of the local labour market but it does not occur on a systematic basis and many employers find it hard to engage with the education and training system. Engagement of this type with firms already in the area can help to address any existing skills gaps in the region, and it can help regions retain graduates by offering them clear paths to career opportunities.

Enterprise engagement should be a key metric for higher education institutions. As discussed in the Education, Skills and Innovation section of this document, there are opportunities to put this engagement on a more systematic basis through initiatives such as the recently developed Higher Education Authority's (HEA) performance framework. Each institution has now entered a compact with the HEA, undertaking how it will contribute to national and regional objectives from the position of its particular mission and strengths. The compacts provide for how performance is to be measured and a proportion of funding will, in future years, be contingent on performance. The Further Education and Training (FET) Services Plans are at an earlier stage but should include similar metrics.

## 5.3 The Future of Irish Cities

### Dublin as a World-Leading City

A prosperous Ireland requires a prosperous Dublin. Dublin and the surrounding area is currently responsible for generating about half of Irish GDP. It is unrealistic to expect economic growth to be transferred away from Dublin into rural Ireland. So while the National Planning Framework offers an important means of rebalancing economic growth across the country, Dublin will retain its status as the driver of national growth. Dublin is Ireland's biggest city and compares favourably to other cities internationally, but the city's potential is yet to be fully realised. Barriers to competitiveness must be addressed. The current model, including building height restrictions and a lack of strategic planning, encourages sprawl and places undue pressure on Dublin's housing and transport infrastructure.

One of the most pressing issues facing Dublin is the persistent shortage of affordable and quality housing in the city and the surrounding region. Under supply and rising prices are putting severe pressure on young families, job seekers and workers. More affordable and quality housing to buy or rent will underpin national competitiveness.

An adequate supply of housing would remove the biggest constraint on growth. Increased investment in purpose-built student accommodation and social housing will ease pressure on other parts of the private rental market, provide affordable and quality accommodation for our student population and help tackle the homelessness crisis.

With a rapidly increasing population, the Dublin city-region needs an increase in the supply of affordable and quality housing to meet the constantly growing demand and to enable more of its residents to live close to where they work. Under the Action Plan for Housing, the planning process for large housing developments will be overhauled. This will put construction of new units on a timely and predictable basis. There will also be a focus on reducing the number of empty housing units. A constructive relationship between a local authority and developers will deliver the right homes in the right location, and at the right price.

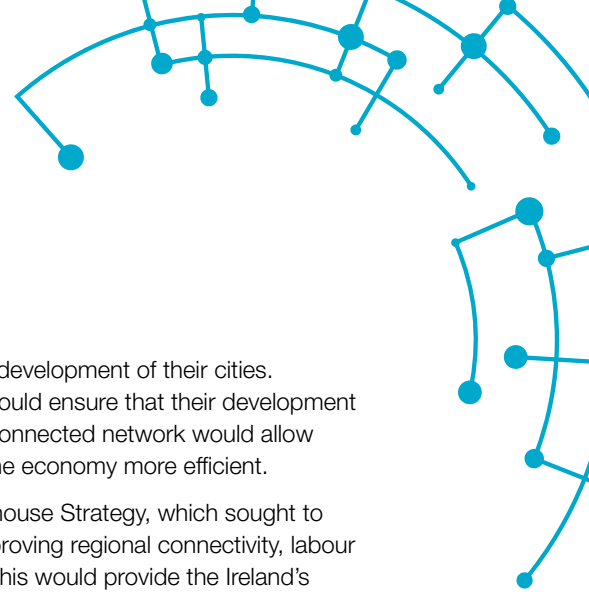
An improved transport network would complement a more efficient housing market. As previously mentioned, Dublin is currently the 20<sup>th</sup> most congested city in the world. With a growing economy and increases in population, congestion is likely to get worse if there is no significant investment in transport infrastructure. Over the lifetime of the NPF, the Dublin city-region will require building of the DART Underground, improved commuter rail services within the region, a Dublin orbital bypass and the eastern bypass. Further expansion of LUAS, roll-out of bus rapid transit (BRT), other light rail improvements and strategically located permanent and seasonal park-and-ride facilities must also be planned for.

### An Atlantic Cities Strategy for Ireland

One of the goals of the NPF is effective development and growth around the country. Ireland's Atlantic cities (Galway, Limerick, Cork, and Waterford) are not performing to their potential. Ireland should strive to have a network of prosperous cities along its Atlantic coast that drive sustainable economic growth for their regions. The current economic reliance on Dublin is unsustainable, and has led to an overheating Dublin's services and infrastructure, housing market and public transport network. Economic and population growth needs to be reoriented towards Ireland's regional cities. While Dublin's population will still continue to grow, the majority of total population growth should occur outside of Dublin. This can only be achieved however if other city regions become more attractive places to live and work.

Regional cities are hubs of high-skilled employment, productivity, and innovation. Focused investment and long-term planning would allow them to develop economically and attract more businesses and skilled workers to their regions. Achieving a more balanced regional development would allow Dublin to act as a driver at the heart of a strong city network.





Within the network of cities, city-level actors should be allowed to lead the development of their cities. National decision making will coordinate the network. A national strategy would ensure that their development is complementary and that they do not compete with one another. A well-connected network would allow firms to move in response to new opportunities, making the network and the economy more efficient.

Ireland should develop a cities strategy similar to the UK's Northern Powerhouse Strategy, which sought to revitalise the economic performance of the England's northern cities by improving regional connectivity, labour market skills, entrepreneurship, innovation, and investment opportunities. This would provide the Ireland's Atlantic city-regions with the political and economic vision necessary to achieve complementary growth between Dublin and the Atlantic cities.

### **Agglomeration in the Midlands**

The Midlands is one of the few regions in Ireland that does not contain a designated city. However, this does not mean that the region cannot reap the benefits of agglomeration; matching skills to the needs of the labour market; sharing supply chains and infrastructure; and the exchange of information and ideas among enterprises. Agglomeration should be at the core of the NPF's approach to regional development the Midlands. The region has a total population of roughly 300,000, a similar sized population to that of the Cork Metropolitan area. Although it lacks a city, by using Athlone as a regional economic driver and leveraging the nearby towns of Mullingar, Tullamore, Portlaoise, and Longford, the region has a could create the scale of a city region that would become the Midlands metropolitan area.

In order to create an agglomeration effect, connectivity would have to be greatly improved within the region and with other regions. Investment in transport infrastructure would bring a significant productivity boost to the region; broadening the labour pool; allowing business to access a broader range of markets and suppliers; make it easier for firms to share ideas, people, and technology.

In order to achieve such agglomeration effects, Ibec recommends that the existing road network be upgraded, particularly the N4, N5 and all secondary roads that connect the urban centres in the region. Ibec also recommends that steps are taken and appropriate investment is made in order to improve digital connectivity and education and skills in the region.

### **Cross Border City Regions**

Cross border economic activity plays a large role in driving economic growth in Ireland and Northern Ireland. Cities and local economies in Northern Ireland have a strong influence on the economies on this side of the border. The invisible nature of the border (at present) means that functional economies do not stop at national boundaries. There are an estimated 30,000 commuters that cross the border every day. This places a large number of border towns in the city regions of cities such as Derry/Londonderry and Belfast. There are also a substantial economic links between Dundalk and Newry along the M1 corridor that benefit from agglomeration.

In order to continue to benefit from these cross border relationships and to increase their value, Ibec recommends that the Irish government recognise in the NPF the importance of the Northern Irish economy to the regional economies near the border. Through the Fresh Start Agreement, investment in strategic infrastructure in Northern Ireland by the Irish government should be continued and progressed further. The government should also work to ensure that the Brexit process causes as little disruption as possible to the border.

## 5.4 Recommendations for Cities and Placemaking

### Ibec Recommends

- The NPF should incorporate a focus on improving the quality of life for all citizens in all areas of Ireland. Quality of life is an important criterion for businesses looking to invest in Ireland. It would be wise to increase our competitiveness by working to increase the quality of our infrastructure, make Ireland more sustainable, and reduce the costs of living and doing business
- The phased establishment of directly-elected mayors in Irish cities. The spatial reality of city-regions do not easily fit with existing administrative boundaries. Directly-elected mayors can coordinate and drive policies across multiple local authority areas. They should be given executive powers in areas such as planning, transport, the built environment, housing, regional development, promotion, and local economic development
- Ireland's cities carry out a detailed urban design study to inform the process of identifying locations where tall buildings would and would not be appropriate under a Tall Buildings Strategy. Doing so would help to address the problems of urban sprawl, and population decline in city centres
- Cities assess the connectivity and future transport needs specific to their city-regions so that the provision of cost-effective public transport can be planned for. Investment in suitable public transport infrastructure would in turn reduce the number of cars on the road, help to ease congestion levels and improve air quality in the cities. Better regional connectivity would allow local and regional economies to reap the benefits of agglomeration
- Education and skills training should become better orientated to meet the skills needs in city-regions. Employer engagement should be a key metric in the Higher Education Authority performance compacts and Further Education and Training service plans
- Dublin urgently needs solutions to its housing market and transport challenges. Housing output needs to be increased to meet demand through the implementation of the Action Plan for Housing. The easing of restrictions on building height can help in this regard. While significant investment needs to be made in public transport in order to improve regional connectivity and quality of life
- Ireland should develop a cities strategy similar to the UK's Northern Powerhouse Strategy for its Atlantic Cities. This would provide the Ireland's Atlantic city-regions with the political and economic vision necessary to achieve complementary growth between Dublin and the Atlantic cities
- Connectivity in the Midlands should be specifically addressed. Although the region lacks a city, the scale of a city can be created and the benefits of agglomeration can be achieved by vastly improving transport infrastructure in the region, which would bring a significant productivity boost
- The importance of economic centres in Northern Ireland should be reflected in the NPF. Border areas fall inside the city regions of Belfast and the Derry/Londonderry. Through the Fresh Start Agreement, investment in strategic infrastructure in Northern Ireland by the Irish government should be continued and further progressed, so that cross-border economic activity can be increased



## 6. Improving the Effectiveness of Planning

### 6.1 Importance of a Strong Evidence Base

The National Planning Framework must, through an evidence-base, establish a place-making vision that people and business will understand as a “plan” that they see as realistic, responsive to their needs and adaptable over time.

The plan must be reviewed in the context of changes to capital expenditure commitments. Priorities and insights arising from further analysis of Census 2016 must inform the direction of the NPF’s development. It is insufficient to solely look back on available data from five years ago in order to plan for many years in the future. With the right plan, Ireland will remain a dynamic concentration of productivity, innovation and creativity, home to businesses and people alike. We must, however, be able to deliver key projects on time. Too many projects have been subject to unnecessary delays, postponement or worse due to planning issues.

### 6.2 The Planning System

While the predecessor to the NPF, the National Spatial Strategy had many merits as an exercise, ultimately it was undermined politically and poorly implemented. This was exacerbated further due to the nature of our planning system. In a period of acute housing and commercial space shortages in several of our urban centres: flexibility within professional planning, heritage, engineering and architectural deference should be promoted. For example, urban sprawl, which is prevalent in many of our urban centres, is a symptom of a planning system that demonstrates both a lack of ambition and an unwillingness to deal with density issues.

A redefined planning system for Ireland should put aside past mistakes and put in place a robust, professionally-competent and publicly-supported planning process, which would help restore confidence in the planning system with the Irish public.

An open, transparent and methodologically-competent planning system is required. Such a system must contribute positively to the State’s economy contributing effectively to efficient urban growth and to thoughtful regional and all-island planning in order to manage urban and regional growth.

A new planning system that is robust and fit-for-purpose would adopt international best practices and would develop a planning system that is:

- Inherently sustainable
- Timely
- Customer-oriented
- Participative and open, ensuring effective and meaningful public participation
- Evidence based
- Comprehensive- in that it considers not only land-use matters, but also economic growth and employment development; provision of social and community services (education, recreation, health, etc.); capital investment in infrastructure (public and semi-public); and processes for fair and equitable taxation of property
- Graduated and integrated

The NPF has the potential to gather many of these asks together through its statutory footing under the Planning and Development (Amendment) Bill 2016, but several other reforms are required to ensure that the priorities outlined in the finalised NPF document can be fully implemented. Examining the plan making process, adopting a proactive use of existing planning tools and reforms to the licencing regime associated with planning permissions may assist in this process.

## 6.3 The Plan Making Process

The Irish planning system, through recent regulatory amendments, is moving from what was largely considered to be a market-led system, to a plan-based one. This should be solidified further through the successful implementation of the NPF.

In practice, this will mean greater regulatory oversight of the planning system and it is intended to ensure that all future development and zoning decisions will be plan-led and evidenced-based.

This should ensure that all the public interest is catered for and not just for individual or vested parties. However, this requires a refocusing of resources within Planning Authorities.

Guidance should be issued to planning authorities in respect of the preparation of local area plans and strategic development zone planning schemes, as well as regional spatial and economic strategies. More specifically the timeframe for the preparation of such plans, prior to the public display period, should hold greater certainty for project investors and stakeholders.

In addition, there needs to be formal 'buy-in' to the land-use planning from Government Departments and other Agencies including NTA Irish Rail, TII and IDA Ireland.

## 6.4 The Office of the Planning Regulator

It is vital that confidence is restored in the Irish planning system. While many reforms have already been implemented since the Mahon Tribunal, the Office of the Planning Regulator could play a key role in reassuring the public that we have learned the lessons from our previous mistakes.

It is envisaged that the Office will continuously monitor the general systems and procedures employed by planning authorities, including An Bord Pleanála and to examine and report on the content of development plans, including zoning practices of local authorities. It will also scrutinize the final draft of the NPF. This is a fresh opportunity to examine processes which may inadvertently obstruct good planning decisions from being made. The work of the OPR, combined with the work of the Office of the Ombudsman, should ensure that national priorities are implemented at a local level and are not diluted through the successive layers of the planning hierarchy.

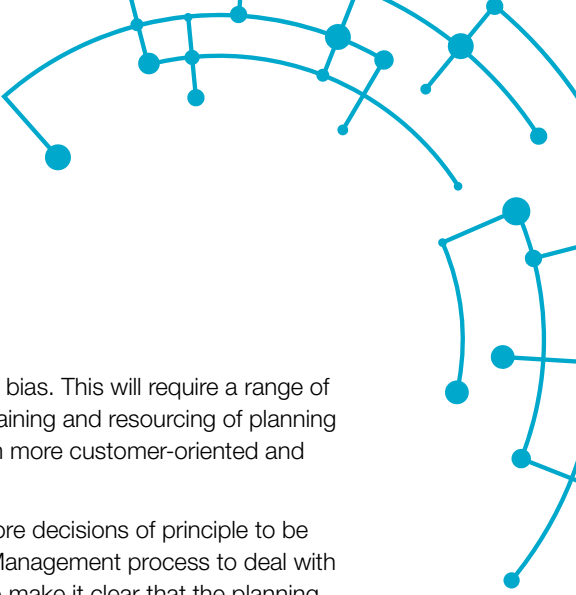
## 6.5 Presumption in Favour of Sustainable Development

Since the present planning system was introduced in 1964, the majority of planning resources, activity and focus has been directed to development management which deals with the processing of planning applications by Ireland's local planning authorities.

The central role of An Bord Pleanála within the Irish system is also indicative of this strong emphasis on development management where, in the absence of policy and guidelines from central government, it has been left to applicants, planning authorities and third party objectors to argue the merits or otherwise of a particular development. Government policy needs to reinforce, champion and to state clearly that there is a presumption in favour of sustainable development. There is also a need for an attitudinal shift in the way planning services are delivered. This will require a move toward a planning system that is more customer-oriented and pro-sustainable development. The Department of Housing, Planning, Community and Local Government should monitor, publish and act upon Planning Authorities' key performance indicators, as well as establish Development Support Teams to expedite and facilitate sustainable development.

There is potential to redeploy resources from Development Management-related functions within Local Authorities to be used in strategic planning and initiatives to support investment and economic development. This can be done by streamlining the planning application process, use of IT and changes to management structures and work practices, including the redeployment of staff where feasible.

Whether it be perception or reality, or a combination of both, many people engaging with the development management process believe that the system is one that is characterised by time delays, unnecessary



bureaucracy, inconsistency, poor customer service and an anti-development bias. This will require a range of initiatives, but most importantly what is needed is management, adequate training and resourcing of planning departments, and a general change in culture and ethos to make the system more customer-oriented and pro-business and investment.

The continuing move towards a plan-led system should enable more and more decisions of principle to be addressed as part of the plan-making process and leave the Development Management process to deal with more detailed aspects of development proposals. The Government needs to make it clear that the planning system should seek to facilitate and not impede economic growth, and that there should be a presumption in favour of sustainable development.

## 6.6 Proactive Use of Existing Planning Tools

A number of existing tools are available for use by planners and policy makers within the planning system that can be utilised in a more positive manner to reduce the adversarial nature and bureaucratic of the current system.

### Strategic Development Zones (SDZs)

SDZs were introduced under Part IX of the Planning and Development Act 2000 and were designed to facilitate development of social or economic importance to the State. Whilst it is considered that SDZs are a particularly useful planning tool, there have been significant problems with their implementation.

The main issue in relation to SDZs relates to the timeframe for the delivery of development. In almost all cases the timeframe has exceeded that of the 'traditional' planning route. Many of these time lags are the result of delays within the various Local Authorities, particularly in preparing and publishing a draft scheme in the first instance. Aligned with this, many of the SDZs currently in place are out-of-date and not in a position to respond to current market requirements.

Local Authorities need to examine ways in which to expedite the process whereby Planning Schemes for designated SDZs are produced. For example, SDZs were intended to be used as a means of creating certainty and fast-tracking development, particularly where this involved strategic infrastructure and large-scale employment zones. In practice, this has not been the case and the majority of the seven SDZs designated to date have been used for residential and retail purposes with no real benefits in terms of expediting projects or facilitating economic growth.

The fundamental premise underlying the Dublin Docklands' Planning Schemes is one that has a role in the future delivery of large greenfield and brownfield development projects throughout the Country and should be considered as an appropriate means to deliver better planning outcomes.

Therefore, the concept of SDZs need to be reviewed to establish whether it could have greater application in delivering certainty for proposed developments particularly those promoted by the IDA aimed at attracting foreign direct investment. In addition, the purpose of SDZs and experiences to date could be reviewed in considering other forms of development such as development around airports and ports.

### Special Planning Control Scheme

As a further example, it is considered that the mechanism of the Special Planning Control Scheme could be used effectively as a tool for the regeneration of urban areas by facilitating and guiding development in a positive manner rather than merely serving to stop development or creating an additional bureaucratic barrier to economic growth.

## **Strategic Infrastructure Development (SID)**

Delays in determination, together with the application and Oral Hearing Fees encourage developers to promote sub-threshold development to avoid the SID route. Greater clarity is necessary in respect of SID Applications. For example, applicants are required to consult with An Bord Pleanála for even the most minor of applications where they relate to airports and hospitals. In addition, even the most basic of changes to an SID consent can take in excess of 18 weeks to determine (s. 146A of the Planning and Development Act) and then the applicant could be required to undertake an amendment application under Section 146B, resulting in a further minimum 18 weeks for determination. These issues should be clarified in Guidance or a Circular which calls for 36 week maximum.

The pre-application process for SID needs to be amended to allow for a more meaningful engagement process. Items of detail or principles agreed at pre-planning stage should not be reversed during the application process. The cost of applying through the Board should be no different that if the application were made to the planning authority in the first instance. All planning authorities (including An Bord Pleanála) should ensure that planners (at the appropriate level or seniority for a particular project) are available to engage in meaningful pre-Planning discussions within a reasonable period after a request for a meeting.

Many planning permissions require a submission to the planning authority demonstrating how the permitted development will comply with conditions attached to the permission. As there is no statutory timeframe governing when the planning authority must respond to the compliance submission, where such a response issues, it regularly takes months to receive a response from the planning authority. This issue needs to be addressed, particularly as it leads to considerable difficulties of due diligence.

## **The SEA, AA, SFRA Processes**


The Government is required to carry out a number of environmental assessments of the proposed Framework. These include a Strategic Environmental Assessment (SEA), an Appropriate Assessment (AA) and also a Strategic Flood Risk Appraisal (SFRA). These assessments are undertaken so the impact of the proposed objectives on the environment can be evaluated and used to inform the direction of the National Planning Framework, to ensure that the built environment responds to the sensitivities and requirements of the wider natural environment.

We hope that the environmental assessment process will be a means of deterring dilution of the plan through political interventions, as impartial and difficult decisions will have to be made. We hope that these assessments will support the plan, rather than hinder its potential.

## **Integration of Planning Consents with Foreshore and Aquaculture Licensing**

The interface of the multiple consenting processes needs to be reviewed with the aim of simplification and improvement, with one consent from one authority to allow construction to commence. As a general comment, there is a sense of frustration amongst our members due to the nature of the consent process and separation of the applications. Where a project requires both a foreshore license and planning consent, these usually result in different determination dates and consequential delays to project commencement. The issue of the significant delay in the processing of foreshore license applications must be addressed. Some applications, yet to be determined, have been in the 'system' for several years.

The current system whereby an applicant for development on the foreshore must negotiate their way through two separate and lengthy consent processes, one after another, is unsatisfactory and is a major impediment to investment in Ireland's marine economy. This process is time consuming and involves excessive cost and uncertainty for prospective investors. Integration of the foreshore consent process into the existing planning system would be the optimal course of action as it would be most beneficial and economical to utilise the skills and resources of the existing planning authorities, i.e. local authorities and An Bord Pleanála, to administer this system. Timelines need to be put onto the aquaculture licensing process. A realistic timeframe should be comparable to the time it takes in Scotland, which up to now has been dealing with the same



EU environmental directives as Ireland and where typically the application process takes 18-20 months, maximum. Specifically in relation to the aquaculture sector, foreshore licensing and permissions for associated activities (e.g. freshwater pipe across foreshore) could tie in as part of local aquaculture license.

This is further exacerbated due to the fact that the Irish aquaculture sector has been regressive over recent years, when compared to an international trend of expansion, particularly in other European countries. As a more expedient use of time and resources of department officials, the Department of Agriculture should establish a separate office that deals solely with licensing. This would be similar to the way in which the EPA has both a separate office for enforcement and the office for licensing. The licensing agency needs to be well equipped by staff with both the necessary skills and a sound, technical understanding of the industry. This will enable it to set both direction and standards, particularly define standard of EIS and applications. Anecdotally, feedback from our members would suggest that the Aquaculture Foreshore Management Division (AMFD) relies on other agencies for technical advice, which it finds difficult to interpret. The AMFD can often get entangled in legal technicalities and interpretations of Irish and European law.

The proposed licensing office will need people with vision and ambition for the industry, something which has been an impossible challenge to address in recent memory. The office would have a defined role and remit and would not be concerned with items governed by other authorities, such as planning permission or effluent discharge licenses.

### **EIS process and IED Licensing**

The EPA licences certain large-scale industrial and agricultural activities that are also subject to a separate planning consent determination. The EPA licensing process can also result in an oral hearing. This is separate to an oral hearing for the same development, in relation to planning matters under the aegis of An Bord Pleanála.

Projects that require an EIS and an IED Licence, the Application be referred upon receipt to the EPA. The EPA would then be required to review the EIS to determine whether the development proposed would be likely to have a significant detrimental effect on the environment. The EPA's recommendation would then require to be conveyed to the relevant planning authority within a five week period and no later than two weeks' prior to the 8-week determination date. In this way assessment could be conducted more expeditiously concurrently rather than sequentially delayed.

## 6.7 Ibec recommendations on effective planning

### **Ibec Recommends:**

- Greater regulatory oversight of the planning system, which ensures that all future development and zoning decisions will be both plan-led and evidenced-based
- Guidance should be issued to planning authorities in respect of the preparation of local area plans and strategic development zone planning schemes, as well as regional spatial and economic strategies. More specifically the timeframe for the preparation of such plans, prior to the public display period, should hold greater certainty for project investors and stakeholders
- The work of the Office of the Planning Regulator, combined with the work of the Office of the Ombudsman, should ensure that national priorities are implemented at a local level and are not diluted through the successive layers of the planning hierarchy
- The Government needs to make it clear that the planning system should seek to facilitate and not impede economic growth, and that there should be a presumption in favour of sustainable development.
- The concept of SDZs needs to be reviewed to establish whether it could have greater application in delivering certainty for proposed developments particularly those promoted by Ireland IDA aimed at attracting foreign direct investment
- Special Planning Control Schemes could be used effectively as a tool for the regeneration of urban areas by facilitating and guiding development in a positive manner rather than merely serving to stop development or creating an additional bureaucratic barrier to economic growth
- Greater clarity is necessary in respect of SID applications, particularly regarding timelines
- The SEA, AA, SFRA process for the development of the NPF will be a means of deterring dilution of the plan through political interventions, as impartial and difficult decisions will have to be made. We hope that these assessments will support the plan, rather than hinder its potential
- The interface of the multiple consenting processes needs to be reviewed with the aim of simplification and improvement, with one consent from one authority to allow construction to commence. This includes overlaps between the planning and EIS process, foreshore and aquaculture licensing and IED/IPPC licensing.



## 7. Equipping Ireland for Future Development- Infrastructure Provision

### 7.1 Energy and climate

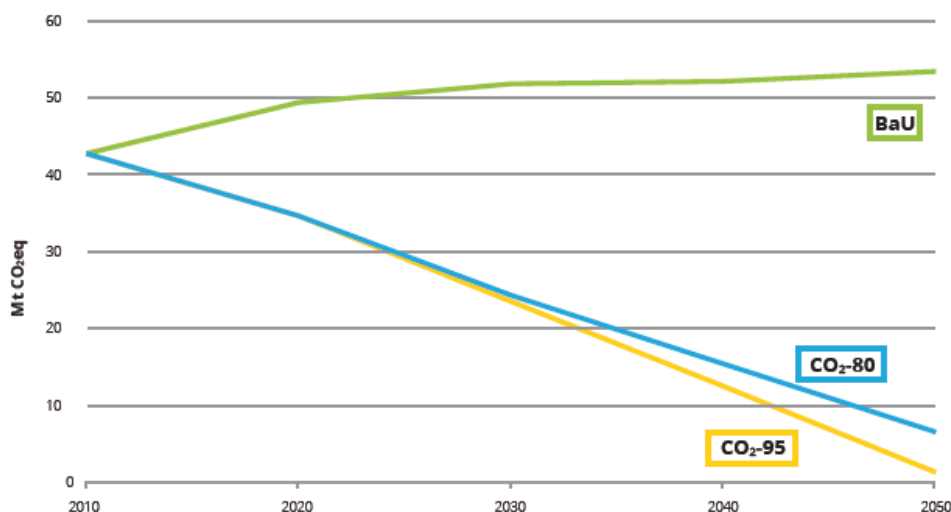
#### Planning for a low carbon future

The theme of Irish energy policy over the next twenty years will be one of transition as the country follows through on its international commitments and targets the delivery of a low carbon, climate resilient, and environmentally sustainable economy. In practice this will mean greater integration with the rest of Europe through the Internal Energy Market (IEM) and an 80%-90% reduction in greenhouse gas emissions compared to 1990 levels by 2050.

How we meet these ambitious objectives in the context of a growing economy and an increasing population while also addressing concerns around energy security and affordability will be one of the greatest challenges of our time.

The path to a low carbon energy system is not straightforward. Projections and cost optimal scenario planning by the Sustainable Energy Authority of Ireland (SEAI) and the Energy Policy and Modelling Group (EPMG) based in University College Cork offer no single solution. Instead a combination of efforts and technologies will be required including a significant increase in the share of renewables, greater investment in energy efficiency, smarter land-use management, a modal shift in transport and a more engaged and empowered energy citizen.

Whatever course is taken – it is clear that the transition will have far reaching implications for all sectors of the economy and not just the GHG emitting sectors like transport, heating, power generation, agriculture and heavy industry. All of society will have a role to play and must share responsibility for its delivery.



**Figure 7.1: CO<sub>2</sub> emissions scenario results for Ireland 2010 to 2050: Three scenarios are shown: business-as-usual and emissions constrained to 80% or 95% below 1990 levels**

Until now progress towards decarbonisation has been mixed. Fossil fuel energy represented 90% of total energy used in 2014 and Ireland is falling behind on its binding 2020 EU GHG emissions reduction targets. Provisional energy and emissions data for 2015 show a 5% increase in CO<sub>2</sub> emissions and a re-coupling of energy and economic growth. While great gains have been made in renewable electricity, the deployment of renewable technologies in transport and heating has been limited. Meanwhile it has been estimated that around 75,000 homes and businesses may need to be upgraded every year to reach our national energy efficiency target for 2020.

Long-term planning and early action will be required to correct the mistakes of the past, decouple emissions activity from economic growth, build the necessary infrastructure and place Ireland on the right trajectory to 2050. In recent years we have witnessed growing community resistance to vital grid expansion and renewable energy infrastructure projects, hindering national climate and energy policy. There have also been significant missed opportunities for cost effective mitigation and energy efficiency savings across the agriculture, built environment, transport and heating sectors.

These policy failures stem from poor spatial planning, a lack of foresight by successive governments and an overriding temptation by decision-makers to adopt a populist stance on long-term problems for short-term expediency. The NPF with its long-term outlook, cross-sectoral scope and statutory footing is the ideal instrument to address many of these issues and give energy policy a clear, consistent and predictable pathway. The NPF can bring coherence to existing climate and energy strategies, set climate-smart ground rules for all future planning and infrastructure investment and create the conditions for a cost-effective transformation of our energy system.

The recommendations and priorities outlined below take into account the demographic and economic projections outlined in chapter 1 of this submission, the energy modelling work done by the EPMG and the State's climate and energy commitments to 2050.

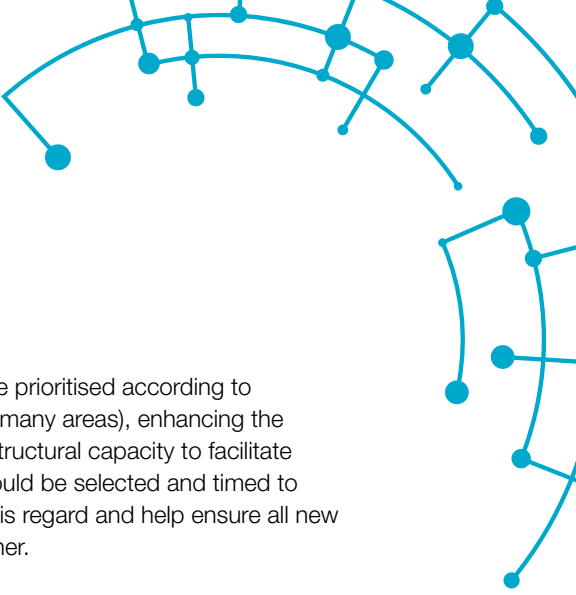
### **The role of the NPF**

In the absence of a unified long-term national spatial strategy, the planning and roll-out of strategic energy infrastructure has been driven and shaped by a complex mix of EU and national legislation, capital plans, climate mitigation strategies, building regulations, local authority development plans, network development plans and sectoral planning guidelines.

The publication of the 2015 Energy White Paper – Ireland's Transition to a Low Carbon Energy Future – and recent efforts by the Department of Communications, Climate Action and Environment (DCCAE) have brought much needed clarity, direction and joined-up thinking to this critical policy area. Ibec expects that the forthcoming statutory National Mitigation Plan (NMP) with its cross-sectoral application will provide additional focus in the years ahead and the NPF should support (and be informed by) its findings.

### **Balancing energy security, sustainability and affordability**

Strategic energy infrastructure investments both by the network operators and private developers are typically funded by end-users rather than by the exchequer. For example, the costs of grid enhancement, interconnection, and electricity support schemes all make their way onto electricity bills. Therefore policymakers need to be mindful of the inherent trade-offs in energy policy; to ensure our energy system remains secure, sustainable and competitive. The completion of the IEM and a low carbon energy system cannot be pursued at the expense of economic development. Energy is a public good and a vital enabler of economic growth. The cost and availability of energy is a major factor for FDI firms and investors looking to base operations in Ireland. Energy costs account for a significant proportion of production costs for Irish SMEs and energy-intensive sectors such as chemicals, food and cement. On average, expenditure by SMEs on electricity accounts for approximately 9% of non-wage costs.



Therefore all future infrastructure projects and technology selection should be prioritised according to the impact they have on reducing Ireland's cost base (which remains high in many areas), enhancing the economy's productive capacity by removing bottlenecks or expanding infrastructural capacity to facilitate demographic change and balanced regional development. Infrastructure should be selected and timed to balance security of supply and cost. The NPF should set explicit criteria in this regard and help ensure all new projects are delivered in a socially acceptable, timely and cost effective manner.

### **Efficient and effective planning**

More effective land and marine spatial planning will be needed to increase the country's resilience to the impacts of climate change, support the delivery of vital energy network infrastructure and the integration of new renewable and low carbon energy technologies.

Recent experience with the planning process and with public resistance has highlighted the difficulties we can expect in upgrading and expanding Ireland's vital energy infrastructure. Ibec recognises the need for extensive, inclusive and meaningful engagement between developers and local communities. Local governments have a vital role to play in the dissemination of clear and reliable information to the local community. They can also help adapt national policies to the characteristics of the local community. However planning decisions ultimately need to be better coordinated, streamlined where possible and always based on available evidence. The recommendations for more effective planning outlined in chapter 6 of this submission should be taken into account in this regard.

As noted above, there have also been significant missed opportunities in the area of decarbonisation and energy efficiency. Too often major infrastructure projects and developments are pursued without considering – in advance – the carbon footprint, current and future energy requirements and the opportunities for mitigation. For instance, high efficiency district heating networks could be ideal for some housing, commercial and industrial developments – especially if there is an existing heat source nearby. Alternatively, project locations may be determined by the opportunity to take advantage of waste heat availability. A planned National Heat Strategy and associated heating mapping may help address some of these missed opportunities and the NPF should be informed by its findings.

Ibec welcomes the proposal to create Strategic Energy Zones or Corridors as areas of national priority for renewable energy investment, as well as to provide a test bed for new technologies and developing solutions for carbon capture and storage (CCS). However this approach should supplement and not replace the existing processes and procedures. As noted in chapter 6 of this submission, the Strategic Development Zone (SDZ) model has had mixed results. Many SDZs have experienced significant delays. These issues would need to be rectified if the SDZ model is to be used.

EirGrid and SONI, as joint Transmission System Operators, regularly publish long range projections of supply and demand for electricity on the island. These help to inform the capital investment decisions not only of energy providers, but also of large users such as data centres. An increasing proportion of new generation capacity consists of large scale windfarms in rural areas, some of which require grid reinforcement. The TSOs have so far managed the allocation of network access through a series of offer rounds known as 'Gates'. Project developers have a commercial imperative to seek a connection offer before gate closure occurs. In some cases, this has resulted in applications being submitted in haste, and being subject to delays or objections. Ibec believes that the connection offer process should be better integrated with the wider planning and consents framework. It is important for project developers to conduct environmental impact assessments on potential sites and to engage thoroughly with local communities who might be impacted.

## Electricity infrastructure requirements

Significant investment in our electricity system will be required over the next 20 years if we are to meet projected demand levels, remove bottlenecks, build greater efficiency into the network and allow for additional renewable energy capacity. The delivery of this infrastructure must contribute to the delivery of a low carbon society, and avoid the lock in of technologies which rely heavily on fossil fuels. Many infrastructure decisions are effective over a number of decades and hence decisions on infrastructure in the 2020s could affect Ireland's emissions profile in 2050. The NPF will need to facilitate the incorporation of long term emissions considerations in infrastructure decisions.

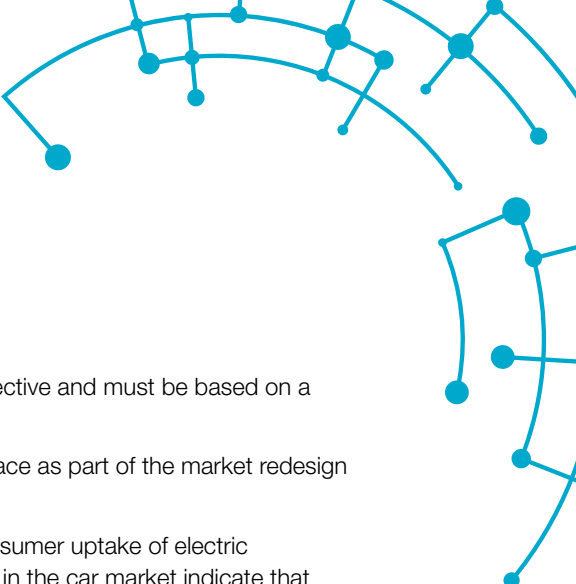
Under the Renewable Energy Directive 2009/28/EC, Ireland is legally bound to deliver 16% of its final energy requirements from renewable sources by 2020. Ireland plans to meet this overall target by achieving a 40% share in renewable electricity (Res-E), a 12% share in renewable heat (Res-H) and a 10% share in renewable transport (Res-T) by 2020. The total amount of renewable generation connected to the grid in December 2016 was 3,120MW (2,796MW from wind, 238MW from hydro and 86MW from biomass). This leaves a requirement for a further 880MW to be installed by 2020, requiring an increased rate of installation. Looking beyond 2020 – while not required under current European Commission proposals – a move beyond 40% renewable electricity may be necessary to maintain a reasonable trajectory to 2050. This may also prove necessary as decarbonisation of large scale electric power generation provides options to decarbonise sectors such as heating and transport through electrification.

Onshore wind is the most cost-effective renewable electricity technology available and will remain so for the foreseeable future. This is an important consideration given that electricity support schemes are funded by the end-user through the Public Service Obligation (PSO) levy. The integration of alternative technologies like bioenergy, solar PV and offshore wind is desirable from a diversification perspective and should be done on a phased basis as such technologies become cost-effective. An immediate large-scale roll-out of costly technologies could undermine industrial competitiveness. For example, consumers in Germany and Queensland Australia are paying inflated costs for the premature deployment of renewable technologies. Decisions regarding infrastructure investment for offshore wind and bioenergy should be informed by the 2014 Offshore Renewable Energy Development Plan (OREDPP) and the state's forthcoming Bioenergy Plan respectively. From a planning perspective the NPF should facilitate repowering and co-location at existing generation sites to make best use of available infrastructure.

The electricity grid itself will also need to be updated and expanded if we are to accommodate the projected increase in renewable generation. While considerable enhancement of Ireland's electricity grid has already taken place, further investment will be required. It is crucial that all such investments made are proportionate to demand growth projections and reflect the reality of renewable energy projects' out-turns. EirGrid's new Grid Development Strategy (GDS), the DS3 Programme and the Tomorrow's Energy Scenarios project will all be central to this effort. Ibec welcomes the GDS's commitment to cost-effective grid development and stated preference for existing grid optimisation over new construction.

Electricity interconnection and the reinforcement of internal lines are considered necessary by the EU in order to complete the single energy market. Greater grid interconnection is needed on the island to prevent regional electricity supply deficits, increase efficiencies, reduce costs and facilitate the rising levels of intermittent renewables. The proposed over ground 400kV North-South Interconnector is a vital piece of infrastructure in this regard. The all-island market currently relies on a single set of high-voltage wires to connect the two systems North and South. This single 275kV interconnector is inadequate to allow major power flows between the South and the North. The proposed 400kV interconnector is the quickest, safest and most cost-effective effective means to averting a security of supply crisis on the Island. A 2013 ESRI study also estimates annual savings of about €30 million, or about 1% per cent off the retail price. Ibec has major concerns regarding the counter-proposal to build an underground DC interconnector. The associated costs and technical limitations would be disproportionate to the social and environmental benefits.

It has been suggested that in the event of a "Brexit", there would be greater incentive to connect directly with a member state of the EU. Given the substantial capital investment this would entail and in order to mitigate cost increases, policymakers must ensure that Irish based consumers receive a net benefit. The IEM should



not disproportionately burden either interconnected party from a cost perspective and must be based on a clear business case.

This will be difficult to assess given the significant changes that are taking place as part of the market redesign project (I-SEM).

Supporting infrastructure will also be required if Ireland plans to increase consumer uptake of electric vehicles. Recent advances in battery technology and increasing competition in the car market indicate that electrification will be the predominant low carbon option for private cars, taxis and small commercial vans in the near future. Ireland has a number of characteristics which make it a suitable country for the deployment of EVs - not least the short distance between major cities. The NPF should support the installation of charging infrastructure around the country. The NPF should also be cognisant of current European Commission proposals that will require EV charging points be installed across 10% of parking spaces in existing commercial buildings with 10 spaces or more by 2025 and in all new residential builds and major renovations after 2020. The NPF should be informed by the 2016 draft National Policy Framework for Alternative Fuels Infrastructure for Transport in Ireland.

### **Gas infrastructure requirements**

Natural gas and liquefied petroleum gas (LPG) account for over 30% of Ireland's primary energy needs. This reflects the role of gas in generation, industrial processing and heating use. Given its relatively low greenhouse gas and particulates emissions profile, gas will play an increasingly important role in the transition to a low carbon economy.

GNI's 2016 Network Development Plan (NDP) includes low, median and high demand scenarios which forecast gas demand across the power generation, industrial/commercial, residential and transport sectors. In the median demand scenario annual ROI natural gas demand is expected to grow by 28% between 2015/16 and 2024/25.

Conventional gas-fired generators on the island will continue to play a vital role in providing baseload and mid-merit generation as well as spinning reserve and other ancillary services. Developing and upgrading to modern high efficiency thermal generation will be necessary to support the transition to a new low carbon generation portfolio.

As a country we should take advantage of the 13,000km of gas pipelines managed by Gas Networks Ireland (GNI). The transmission network serves all major cities and is a valuable piece of infrastructure with multiple additional applications. There is also huge potential to supplement the network with renewable gas or bio-methane which could help Ireland meet its renewable heat (RES-H) and renewable transport (RES-T) targets. Bio-methane can be produced from a range of organic materials and upgraded to a standard which is identical to natural gas and then injected into the grid. This will present direct employment opportunities and economic development opportunities for rural Ireland. The NPF should consider research undertaken by the MaREI Centre on the optimal locations for bio-methane injection from Centralised Anaerobic Digestion (CAD) facilities processing wastes, into the Irish gas network.

Infrastructure investment will also be required to support the gasification of transport which could play an important role in the transition. Compressed natural gas (CNG) is an established alternative fuel for heavy goods vehicles (HGVs), buses and freight transport over short-medium distances and is widely used in other countries. Ibec welcomed the EU Commission decision last year to help fund the deployment of 14 out of 70 planned CNG stations around the country and a renewable gas injection point. The NPF should be informed by the 2016 draft National Policy Framework for Alternative Fuels Infrastructure for Transport in Ireland.

Successive International Energy Agency reviews of Ireland have noted that Ireland has no strategic gas storage, and very limited operational gas storage capacity. In the medium term this security of supply concern is addressed through the Corrib gas field and the two gas interconnectors to the UK. Cost-effective storage options should be considered.

### **Oil, biofuels and energy security**

Oil has long been a significant input to Ireland's energy mix and will continue to do so for a considerable time to come. Ireland's primary energy mix continues to be dominated by oil (45%) and 57% of final energy demand. Whitegate refinery in Cork is Ireland's only oil refinery and delivers one third of final demand with the balance imported from the UK and elsewhere. Even as we move to a low carbon energy system, the continued operation of Whitegate refinery, on a commercial basis, is highly desirable from a strategic energy security perspective. It also presents an opportunity for further decarbonisation through the development of novel biofuel mixtures with multiple potential applications.

Under the EU's Oil Stocks Directive 2009/119/EC, Ireland is required to maintain 90 days of the previous year's net imports of oil stocks and these must be physically accessible and available for use in the event of a supply disruption. Considerable progress has been made in locating physical oil stocks in Irish jurisdiction or on the island of Ireland. The National Oil Reserve Agency (NORA) may need to accelerate this following Brexit given that 29% of our oil stocks are physically kept in the UK.

### **Climate-smart land-use management**

The move towards a low carbon system will also require a major rethink on how we use land resources. Depending on how it is used, soil can be either a source or a sink for carbon. Under the proposed new EU Climate and Energy Framework for 2020-2030, Ireland has an opportunity to partially offset agricultural GHG emissions through sustainable farming, afforestation and better land management. This does not necessarily require radically new policy initiatives, rather a tailoring of existing land-use policy instruments towards soils and regions where they can be applied most effectively. In this regard the NPF should take into account research and soil mapping done by Teagasc.

### **Enhancing citizen engagement**

Widespread behavioural change is crucial if we are to increase energy efficiency and reduce GHG emissions throughout the economy. Where people live, work and socialise all have an impact on the country's emissions profile. Smart spatial planning and changes to the built environment can play an instrumental role in boosting climate awareness among energy users and incentivising a modal shift in the passenger transport sector. The recommendations made in Chapter 5 of this submission covering cities, placemaking and population density should be taken into consideration in this regard.

It is also national policy to replace all existing electricity (and gas) meters with smart meters to help users respond positively to price signals, reduce their bills and achieve greater energy efficiency. Smart metering will also be key to enabling demand side management in the electricity sector whereby users can be financially rewarded for reducing their energy usage at times of peak demand. A cost benefit analysis on the roll out of a national programme on smart metering is due at the end of 2017 and its findings should be incorporated into the NPF.



#### **Ibec Recommends:**

- The NPF should support the transition to the low carbon economy and take direction from the forthcoming statutory National Mitigation Plan, the 2015 Energy White Paper and Ireland's forthcoming – EU mandated -Integrated National Energy and Climate Plan.
- The NPF should bring coherence to existing climate and energy strategies, set climate-smart ground rules for all future planning and infrastructure investment and create the conditions for a cost-effective transformation of our energy system
- Local government authorities should be encouraged by the NPF to play a more proactive role in the transition and adapt national climate and energy policy to the characteristics of the local community.
- The NPF should be mindful of the inherent trade-offs in energy policy; to ensure our energy system remains secure, sustainable and competitive.
- Future infrastructure projects and technology selection should be prioritised according to the impact they have on reducing Ireland's cost base, removing bottlenecks and/or expanding infrastructural capacity to facilitate demographic change and balanced regional development.
- To prevent the lock-in of emissions, the NPF should ensure major infrastructure investments are subject to advanced carbon footprint analysis.
- The NPF should incentivise developers to consider potential mitigation and decarbonisation options at the planning stage.
- The NPF should be informed by the forthcoming National Heat Strategy to ensure there are no missed opportunities for district heating and/or the utilisation of waste heat capture.
- The NPF should help better integrate the connection offer process with the wider planning and consents framework.
- To incentivise investment in the sector, the NPF should develop a clear, coordinated and streamlined planning process for developers.
- Decisions regarding infrastructure investment for offshore wind and bioenergy should be informed by the 2014 Offshore Renewable Energy Development Plan (OREDPP) and the state's forthcoming Bioenergy Plan respectively.
- The NPF should consider research undertaken by the MaREI Centre on the optimal locations for bio-methane injection from Centralised Anaerobic Digestion (CAD) facilities processing wastes, into the Irish gas network.
- The NPF should make provisions for greater uptake of both CNG and EV vehicles and be informed by the forthcoming National Policy Framework for Alternative
- Fuels Infrastructure for Transport in Ireland.
- The NPF should consider research undertaken by Teagasc on how Ireland can tailor existing land-use policy instruments towards soils and regions where they can be applied most effectively.
- The NPF should support greater coordination with Northern Ireland on all-island issues including the maintenance of the single wholesale electricity market, the delivery of the North South Interconnector and joint climate change mitigation efforts.

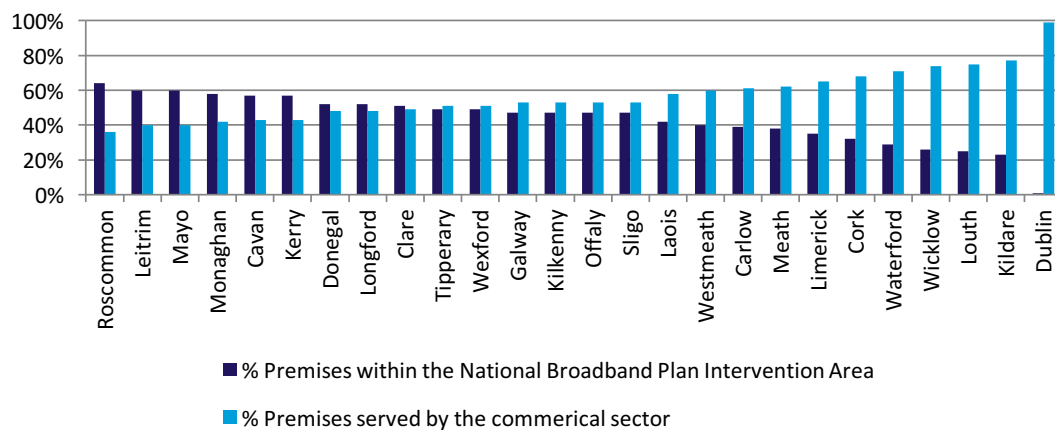
## 7.2 Telecoms & Broadband

Ireland's telecoms sector currently invests €500m per annum in network capital investment. This is used to provide a range of services including high speed broadband through fixed, cable and mobile networks.

### Broadband connectivity

In November 2014, the Department of Communications, Climate Action and Environment published the results of a detailed mapping exercise high speed broadband availability across the entire country. It identifies premises as being either served by the commercial sector and those that will require state intervention to access high speed broadband in their area. Approximately 57% of premises either can or will be able to access high speed broadband from commercial operators by 2016. The remaining premises (43%) fall within the National Broadband Plan intervention area. The requirement for state intervention rises as you move westwards across the country, with the Western region having the most premises within the planned intervention area.

High speed broadband provision



The digital economy plays an increasingly crucial role in the exchange of goods and services. Households that are unable to easily access online marketplaces are at a disadvantage. This is more acutely felt in rural areas. Insufficient broadband connectivity leaves local businesses and householders at a significant disadvantage. The opportunities the digitalisation offers cut across sectors and play to the strengths of both urban and rural areas. Data intensive industries are increasingly mobile and have provided vital boosts in job creation around the country. We need to encourage continual investment in broadband and telecoms infrastructure (e.g. national broadband plan, 5G) over the lifetime of the NPF.





## High Speed Broadband

Achieving universal access to high speed broadband is a key target under the EU Digital Agenda for Europe which envisages that by 2020 all EU citizens will have access to speeds of 30Mbps, and that 50% of citizens will be subscribing to speeds of 100Mbps.

Further to this, the Commission adopted a strategy on Connectivity for a European Gigabit Society in September 2016. This strategy addresses the availability and take-up of very high capacity networks, which will enable the widespread use of products, services and applications in the Digital Single Market. The three main strategic objectives for 2025 are:

- Gigabit connectivity for all main of socio-economic drivers,
- uninterrupted 5G coverage for all urban areas and major terrestrial transport paths, and
- access to connectivity offering at least 100 Mbps for all European households.

Ireland should achieve this through a combination of commercial investment by telecoms operators and a proposed State intervention (National Broadband Plan) to provide high speed broadband to those parts of the country where there is no certainty that the commercial sector will invest. High Speed Broadband Map 2020 is available at [www.broadband.gov.ie](http://www.broadband.gov.ie) shows the extent of industry commitments regarding high speed broadband provision.

To ensure that citizens and businesses have access to reliable, future proofed services for 2020 and beyond the intervention strategy requires the build-out of a wholesale, open access network is capable of meeting defined minimum standards and that is future proofed.

## National Broadband Plan

The telecoms industry is very supportive of and shares Government's commitment to accelerate the rollout of improved telecoms services to Irish consumers both by the private sector and the National Broadband Plan (NBP).

In the short-term the Government Taskforce on Mobile and Broadband has identified a number of actions to facilitate its objective of providing immediate solutions to alleviate telecommunications service deficits, particularly in rural Ireland prior to the full build and rollout of the network which is planned under the National Broadband Plan.

### Ibec recommends:

- Government to support the speedy rollout of commercial and State intervention high speed broadband and better mobile coverage
- Consistent and timely decisions regarding road opening applications and planning permission for telecoms infrastructure within agreed national deadlines
- Avoid 'gold plating' of specifications for road reinstatement
- Regular updating of planning and planning regulations/exemptions
- Improved access to road infrastructure and surrounding publicly owned lands for mobile telecoms infrastructure
- Development contributions should be waived if a telecommunications mast is to address rural mobile coverage
- Consistent application of planning fees and contributions areas across all local authorities

## 7.3 Transport

As a trade-intensive island at the edge of Europe, Ireland is heavily reliant on efficient land, marine and aviation transport infrastructure. The quality of our transport systems is arguably a key determinant of tourism, inward investment and associated job creation. It also exerts a huge influence on where commuters choose to live; hence it is an indirect driver for investment in other public services such as energy and water.

Modern comprehensive networks are now so embedded across all other advanced economies that that they are largely taken for granted. This is not the case on this island as the network remains incomplete, and unevenly developed. For example, the North West of Ireland is currently poorly connected to Dublin. For this reason, it is important to highlight some of the benefits for business, public services and society in general of a modern transport infrastructure that reliably and efficiently moves people and goods between primary urban centres.

The All-Island Investment Project (AIIP) is an initiative launched by the Joint Business Council (JBC) of Ibec and CBI Northern Ireland in 2015. Its purpose is to scope the infrastructure needed to enhance connectivity for an island of 10 million people by 2050. This initiative has developed a fresh and inclusive economic vision from the business community on the island of Ireland, aiming to spread the benefits across society, sectors and regions. The “Connected” document<sup>12</sup>, which was launched in 2016, proposed to extend the current road network beyond a radial model dominated by getting to and from Dublin and/or Belfast. In practice, this means having a motorway/high quality dual carriageway ring road around the island to deliver equivalent joined up access to all urban centres. That is a C ring from Belfast to Wexford via the north, west and south coasts with multiple link roads in between. The North West currently does not have high quality road access to Dublin, which needs to be addressed.

Primary road connections to and from the capital have improved enormously in recent years, due in no small part to the complementary roles of the National Transport Authority and Transport Infrastructure Ireland. Over recent years, Ibec has advocated that additional investment is needed to provide safe, rapid intermodal transport routes between our secondary cities. The tables in chapter 3 of this report highlight examples of projects that our members would like to see proceeding as soon as possible. Some involve tackling local bottlenecks, for example the Dunkettle Interchange in Cork. Others involve upgrading national or regional roads to dual carriageway or motorway specification, in line with the long term vision presented in a recent Ibec-CBI report. Several of these, or parts of these, (N4, N5, N22, N17/18, N11 and N25) are already in the Capital Plan and need to be completed but several other national roads now need to be included. Ibec believes that the majority of these additional projects would score highly against the criteria for priority project selection that Ibec previously proposed in its 2015 submission to the Government’s Capital Plan. For example, they leverage the value of existing assets, and are amenable to PPP financing.


Ibec calls on the Government to set out an indicative timescale for the expedited development of an Atlantic Corridor linking Waterford, Cork, Limerick, Galway, Sligo and Letterkenny. The motorway connection between Cork and Limerick is urgently needed and should be included as a PPP project in the forthcoming review of the Capital Plan. The NPF can play a pivotal role in promoting more effective economic development in all of these cities and their surrounds, while tackling the twin problems of urban sprawl and ribbon settlements.

### **A well connected intermodal land transport system**

By encouraging better co-ordination between private and public transport in our cities, as well as the uptake of cleaner road fuels, the NPF could also make a positive contribution to reducing traffic congestion and associated air quality problems. Dublin city centre is badly congested, and the M50 ring road operates at full capacity for increasingly long periods of the day. The Greater Dublin Area component of the €3.6 billion allocation for public transport envisaged in the Capital Plan needs to be accelerated. In particular, the timescale for Metro North project is too long. Quality bus corridors, supported by affordable park and ride facilities, need to be established on the main radial commuter routes.

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12 | Connected: A prosperous island of 10 million people, Ibec-CBI Joint Business Council, July 2016



The proposed redesign of the DART Underground project needs to be completed and published for consultation, as does the promised feasibility study of options to expand freight transport on the railways. In the longer term, if the above measures are not sufficient, it may be appropriate and cost-effective to construct a new orbital motorway outside the M50. The NPF should address this issue, as well as the economic case for commencement of the Dublin Eastern Bypass.

Several other regional cities are increasingly congested during morning and evening rush hours. The NPF should provide a framework for sustainable settlement patterns through densification, thereby reducing commute distances and travel time, while making public transport easier to finance. The NPF should include guidance for local authorities on the appropriate principles to apply for zoning high rise development and should stipulate that the provision of car parking spaces in apartment blocks should be optional rather than mandatory. The NPF should also set out an ambition for progressively reducing pollutant emissions from the bus fleet in our main cities in line with the emerging National Clean Air Strategy. It should also include a long term vision for bus rapid transport systems in smaller cities, where investment in light rail would not be economic.

Given the increasingly likely prospect of a 'hard' Brexit, it will be essential to improve the road connection to border counties in the North West region of Ireland. The NPF should consider how the proposed A5 upgrade could be expedited after the UK leaves the EU. It should also provide guidance on what customs infrastructure may be needed to minimise road and rail congestion at the main border crossings, especially on the Dundalk-Newry corridor.

## **Ports**

Our coastal ports play a vital role in supporting Ireland's economy. Substantial capital projects are either planned or are already in progress at our three Tier 1 ports (Dublin, Cork and Shannon-Foynes) as well at Rosslare, Galway and Dun Laoghaire. Due to the nature of port developments, the planning process tends to be more complex. This can result in the process being both slower and costlier than would be the case for inland infrastructure of comparable scale. It typically involves multiple consents from different agencies and Departments. The bureaucracy is largely driven by EU environmental legislation, but it is also partly due to avoidable duplication of procedures for projects involving foreshore development. Ibec believes that the effective implementation of the NPF in coastal regions will be contingent on more formalised engagement between the Irish Ports Association and the National Parks and Wildlife Service, consistent with the 2013 National Ports Policy.

## **Aviation**

Ibec foresees a growing volume of long haul business for each of the country's three main international airports. The NPF needs to be fully aligned with the vision set out by DTTAS in the 2015 National Aviation Policy. The smaller regional airports play a complementary role, helping to open up the more remote regions. The NAP only provides for very limited capital subvention of these airports but the NPF could set out criteria for facilitating their growth through better road and rail access where the benefit-cost assessment is favourable. Ibec also notes that support for regional airports is one of the recommendations of the Action Plan for Rural Development. It will be important to ensure consistency between the framework and this action plan.

Dublin Airport is particularly important for our economic prosperity. However, the main runway is already operating close to full capacity and an additional terminal will also be needed in due course. A number of other airports of national and/or regional significance have also identified a need for investment to ensure adequate international connectivity. Such projects must not be hindered by unduly restrictive planning conditions. The NPF should provide guidance to the relevant planning authorities, consistent with ICAO's Balanced Approach to Aircraft Noise Management.

**Ibec Recommends:**

- Implementation of recommendations highlighted in the “Connected” document, as a 2040 vision for road infrastructure on an all-island scale
- Instil the necessary scale of ambition envisioned in Connected, which allows for a comprehensively connected network with adequate access to our cities, ports and airports
- Inclusion of the C-ring from Belfast to Wexford via the north west and south coasts with multiple link roads in between
  - Effectively connect our regions and regional cities to each other
  - Connect poorly accessible regions, such as the North West, to Dublin
- Acceleration of projects in the Greater Dublin Area Transport Strategy
- Ambitious milestones for the remaining sections of the Atlantic Corridor
- Early publication of studies on DART Underground and rail freight
- Long term strategy for an outer orbital road
- A strategy to reduce transport-related air pollution in our urban areas
- Public investment and regulatory guidance for aviation and marine projects that improve regional connectivity and economic resilience



## 7.4 Water and Wastewater

The supply of clean, affordable water and reliable sewage treatment services are vitally important to businesses in Ireland. However, there are numerous infrastructure bottleneck and quality problems throughout the country. These reflect decades of capital underfunding compounded by a somewhat fragmented approach to asset management across the 34 local authorities.

Despite strenuous efforts to reduce water leakage, both upstream and downstream of meters, the supply/demand balance, particularly in the Greater Dublin region remains tight. Billions of Euros will need to be invested over the coming decade to rationalise the fleet of water purification plants and to refurbish the ageing network of pipes around our cities and towns.

There are also dozens of underperforming sewage treatment plants throughout the country. The EPA is calling for urgent, sustained investment to deliver a system that is fit for purpose, thereby protecting our water bodies and estuaries - and avoiding the imposition of EU penalties. The amount of capital funding that this will require is substantial.

Ibec welcomed the creation of Irish Water as a publicly-owned unitary authority. The company has made considerable progress in establishing a nationwide asset register to help inform future investment priorities. Its six year business plan is aligned with a 25 year strategic plan, based on up-to-date statistics and conservative demographic projections. Its proposed capital investment programme is subject to public consultation as well as regulatory scrutiny – both economic and environmental. In principle, it should be straightforward to reconcile the public water regime with the aims and objectives of the NPF. There are, however, a few obstacles that the NPF will need to address in order to maximise the societal benefit.

Firstly, the funding of public water infrastructure needs to be put on a much more secure footing. Ibec is increasingly concerned about the heavy reliance on Exchequer subvention in the absence of domestic user charges. One obvious risk is that vital projects will be delayed or scaled back due to competing demands from other investment-hungry sectors such as healthcare and social housing. It will be essential for the company to retain access to innovative sources of finance such as PPP.

Secondly, the company may experience fierce resistance from local interests, particularly for any proposals to construct new sewage treatment infrastructure involving sludge management or bio-solids production. It will be vital for Irish water and its parent Department to undertake effective community engagement at both regional and local levels.

Thirdly, Irish Water does not own all of the country's water assets. The NPF will need to take due account of existing Group Water Schemes.

Fourthly, the NPF needs to consider the environmental implications of unconstrained one-off housing. Hundreds of thousands of rural homes rely on septic tanks rather than mains sewage.

### **Ibec Recommends:**

- Ring-fenced exchequer funding for strategic water projects
- An agreed framework for regional and local community engagement
- A strategy for coordinated planning between public and group water schemes
- National minimum standards for non-mains sewage treatment

## 7.5 Housing

Ireland is currently undergoing a housing crisis, where the annual supply of homes will still not have met annual demand by the end of 2017.<sup>19</sup> This crisis arose from an oversupply of housing. This led to the collapse of the housing market in 2008, which resulted in a serious and ongoing undersupply of housing. Nothing illustrates the need for a National Planning Framework more than the recent experience of the property market boom, bust and now increasing levels of activity. Not only does sufficient housing ensure adequate homes for Ireland's citizens, but it is also important to ensure Ireland's competitiveness as an attractive location to do business in.

There are a number of separate elements that need to be factored into planning for Ireland's housing needs to 2040. Demographic forecasts rely on assumptions about the future but with returning and relatively high migration rates the Irish population could be near 6.5 million people in the Republic by 2046. Coupled with this increase in population; Ireland is experiencing changing age demographics with increased longevity and household formation occurring later in the life cycle. This, combined with challenges for many in entering the owner-occupier market, has increased the attractiveness of the rental market. This is either as a temporary solution or on a more permanent basis as a lifestyle choice.

The private housing market however, either rental or owner-occupied, is not suitable for all people and it is important also to plan for suitable and adequate social and affordable housing. A workable National Planning Framework will need to take into account the following changing factors;

### Density and housing

To avoid urban sprawl and the pressure that it puts on both the environment and infrastructure demands, increased densities in our urban centres will be required. In certain locations this will necessitate greater height allowances for residential and mixed-use developments, in particular in the urban centres of Dublin, Cork and Limerick. Such a need should be reflected in the National Planning Framework from the start.

Densification does not necessarily mean greater building heights alone. For example, there are many infill developments in the Dublin suburbs, which achieve densities between 75 and 130 units/hectare with 3 or 4 storeys. A suitable balance needs to be found, taking into account existing, adjacent heights. In particular, better co-ordination of adjacent development plans or local area plans is needed. This is to allow for a smooth transition between differing height limits when crossing plan boundaries.

Similarly, proper infrastructure planning needs to take into account population growth, where this growth is occurring and where increased densities are necessary. This infrastructure includes access to proper school facilities, healthcare, municipal green spaces and transport.

An increased population, with increased densities in strategic locations, will mean an increased requirement for efficient use of space. As such, on-street and sub-ground floor car parking requirements in residential units needs to be re-examined in locations that are accessible to amenities, either by foot or bicycle, or with adequate public transport infrastructure such as bus routes, light rail or rail connections.

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<sup>19</sup> | Kieran McQuinn; Future Housing Needs; Social Housing Summit February 8, 2017



## Household size

Household size in Ireland over the years has continued to decrease. The expectation is that household size will continue to decline, with the National Planning Framework assuming the average household size will be 2 in 2040. Since 1981 the number of households with 2 persons or less grew from 371,000 to 867,000 by 2011. On the other hand, households with 5 or more residents shrank from 292,000 to 217,000. Trends in marriage, cohabitation, fertility and ageing will mean this trend is likely to continue in the coming decades.

## Aging population

Housing for over 65s was highlighted in a recent paper, which suggested there is a need to house an additional 20,000 people in this age category each year<sup>21</sup>. The requirements of a retired or semi-retired population that may no longer want or need full independent living or may need some specific support that falls far short of full nursing care should be addressed. The National Planning Framework and in particular the planning system, should take account of these requirements by facilitating the development of this housing in both existing communities and in dedicated assisted living communities. Services that are needed include:

- Concierge for collection of parcels, shopping,
- Special access requirements,
- Increased security,
- Access to local medical care/pharmacy,
- Community requirements,

In addition to providing these necessary services, the development of housing that provides for the population as it ages would help to free up much of the existing housing stock for families, particularly those with children.

### Ibec Recommends:

- Increased co-ordination between Local Authorities and Regional Assemblies when adopting Development and Local Area plan to address cohesive planning at planning boundaries, overseen by Minister for Housing, Planning, Community and Local Government
- Active engagement, including through guidance, by Office of the Planning Regulator where increased density/height is needed in Local Authority areas to meet national interests
- Regional Spatial and Economic Plans and Development Plans to take into account changing demographics on house size and requirement for smaller units and social infrastructure.
- Introduction of special planning category for retired/semi-retired population's needs with aim to promote this sector

21 | Housing For Older People – Thinking Ahead; Research Report by Amárach Research, Ronan Lyons, Lorcan Sirr and Innovation Delivery

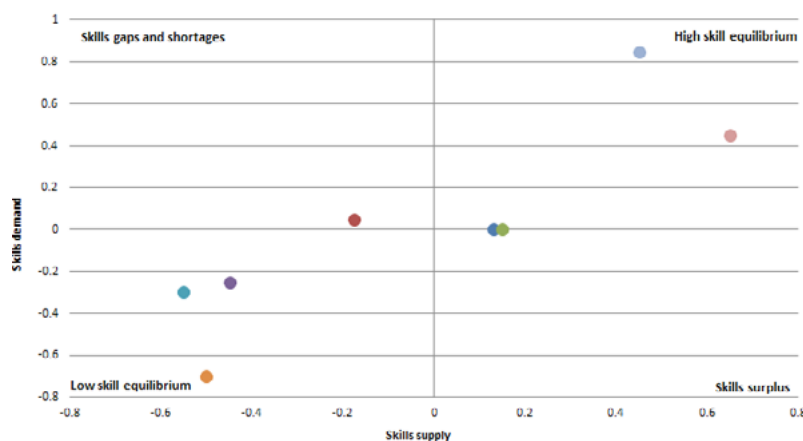
## 7.6 Education, Skills and Innovation

Ibec welcomes the NPF consultation document's identification of human capital as a robust determinant of regional growth. Citing OECD evidence<sup>22</sup>, the document points out that regional policy often focuses too much on physical infrastructure which is a necessary but, without investment in education, skills and innovation, an insufficient condition for growth. The creation of high-skilled jobs can have a strong 'local multiplier' effect on job creation while the 'drag' on regional economic growth of large numbers of low-skilled worker can be significant. Therefore the National Planning Framework should be attuned to the differences in regional skills profiles and have regard to regions' distinctive characteristics.

### Local labour markets and skills supply

During the economic crisis, the OECD Local Economic and Employment Development (LEED) programme<sup>23</sup> developed a statistical tool to understand the balance between skills supply and demand within local labour markets. In the top-left corner (skills gaps and shortages), demand for high skills is met by a supply of low skills, a situation that results in reported skills gaps and shortages. In the top-right corner, demand for high skills is met by an equal supply of high skills resulting in a high-skill equilibrium. This is the most desired destination of all high performing local economies.

At the bottom-left corner the demand for low skills is met by a supply of low skills resulting in a low-skill equilibrium. The challenge facing policymakers is to get the economy moving towards the top-right corner. Lastly, in the bottom-right corner, demand for low skills is met by a supply of high skills resulting in an economy where what high skills are available are not utilised. This leads to the out migration of talent, under-employment, skill under-utilisation, and attrition of human capital, all of which signal missed opportunities for creating prosperity.




**Fig 7.2 OECD Statistical Tool, Local Economic and Employment Development (LEED) programme**

The results from this analysis show variations across the regions. Two regions in Ireland (Mid-East and Dublin) occupy the high skills equilibrium quadrant, while two (South-West and West) are on the axis between the high skills equilibrium and skills surplus quadrants. The remaining regions are in the low skills equilibrium quadrant or in the skills gaps and shortages quadrant. The regions in the high skills equilibrium quadrant also had unemployment rates below the national average, indicating that in a region where there is a relatively high demand for and supply of medium-high skills, there is lower unemployment. Those regions found in the low skills equilibrium quadrant (South East, Midland and Border) had an unemployment rate above the national average.

<sup>22</sup> | OECD (2012), Promoting Growth in All Regions, OECD Publishing.

<sup>23</sup> | Froy, F. and S. Giguère (2010), "Putting in Place Jobs that Last: A Guide to Rebuilding Quality Employment at Local Level", OECD Local Economic and Employment Development (LEED) Working Papers, No. 2010/13, OECD Publishing,





Investing in the skills supply can help to transform the kinds of employment on offer, as employers can more easily recruit skilled workers who, in turn, improve the quality of the work. In order to support longer-term economic development, policy makers therefore have an interest in helping to increase the demand for skills. There is a need to “shape” demand, as opposed to merely respond to it.

### **The regional skills ‘pipeline’**

Ensuring strong school performance is the single most important driver of productivity differences across regions, according to the Confederation of British Industry (CBI)<sup>24</sup> which looked at a range of measures of school outcomes and performance as well as internal migration patterns. Since education is a fundamental building block for success – for individuals, companies, regions and nations – it is vital that schools focus on long-term outcomes.

In this regard, high quality in-school career guidance is crucial in preparing young people for life beyond the classroom. Young people need to be well-informed when making education and career decisions. Career guidance helps students reflect on their ambitions, interests and abilities and make the right decisions about their future. This in turn prevents early leaving, delivers greater social equity, improves labour market outcomes and enhances the overall efficiency of education pathways.

ESRI research<sup>25</sup> has raised issues regarding time constraints for guidance, particularly for personalised one-to-one discussion, the absence of information on options other than higher education, and the absence of information on future employment opportunities following on from third level education.

### **Basic and intermediate skills**

The labour market for high-skilled workers tends to be global and dominated by cities and large metropolitan areas, given the opportunities and amenities they offer through the presence of economies of agglomeration. In contrast, the market for low and technical skills is much more locally driven. There are strong productivity and growth benefits from reducing the share of low-skilled workers in the regional labour force. This approach is particularly important for rural regions, where policy should focus on retaining youth in schools, matching the supply of skills to available jobs in the labour market and to prioritise technical skills

It is worth bearing in mind that that 14% of all jobs are currently held by workers who have completed less than secondary education and a further 24% by those who entered the labour market immediately after completing school. Many work in traditional industries and the large domestic service sectors such as retail, transport and personal care. Their level of earnings and security in employment are adversely affected by low levels of proficiency in basic skills.

It is also a mistake to assume that all the science and technology employment opportunities are just open to holders of advanced degrees. A large percentage of the workforce in these industries and occupations are technicians and others who enter and advance in their field through diplomas and certificates, or through workplace training.

This has provoked questions about driving too many unprepared students into higher education or specific programmes for which they are either unsuited or for which there is no direct employment. There is also a growing acceptance that we have neglected vocational education and undervalued professional education because of insufficient opportunity and prestige factors. These developments have led to renewed attention on the differentiated roles of further education and higher education within a ‘whole of education’ approach in a post-secondary framework. They have also led to a particular policy focus on Further Education and Training (FET).

<sup>24</sup> | Confederation of British Industry, Unblocking Regional Growth, December 2014

<sup>25</sup> | <https://www.esri.ie/publications/leaving-school-in-ireland-a-longitudinal-study-of-post-school-transitions>

There was an absence of co-ordinated strategic direction for FET until about five years ago. At central level, different government departments were responsible for Vocational Education Committees (VECs) and for the national training body, FAS. The response of government was to streamline 33 existing VECs into 16 Education and Training Boards (ETBs) and to transfer the training function of FAS into the ETBs with the aim of bringing local and regional coherence. A new training authority, SOLAS, was established to oversee strategic coordination and funding of the sector.

One of the first major tasks undertaken by SOLAS was the development of a five year strategy in 2014<sup>26</sup>. The strategy highlights the fact that a significant amount of state funding for FET has tended, in many instances, to be determined by legacy formulae than by evidence-based needs. It argues that the current funding model around FET needs to change and respond to demonstrable demand and need as well as reflecting the local, regional and socio-economic profiles of ETBs. The aim is to replace current funding arrangements for all FET provision, on a phased basis, with a new outcomes-based funding model.

Another of the strategy's stated goals is to improve the standing of FET to ensure a valued learning path, leading to agreed employment, career, personal and social outcomes. If this is to become a reality, it is important that SOLAS and the ETB sector work closely with higher education institutions to deliver more seamless progression pathways for their students.

They also need to learn, at first hand, from employers about the effectiveness and relevance of FET programmes. The arguments set out on employer engagement apply particularly to ETBs. Typically, higher education institutions feature prominently in forums and processes seeking to ensure the optimum conditions at regional and county levels for attracting inward investment and to frame broader regional and local economic development strategies. It is less usual that ETBs are prominent participants. NESC has argued<sup>27</sup> that the larger scale of the ETBs and the fact that their remit includes training for their regions' workforces, requires that they should become more prominent participants in ensuring that Ireland's export-led growth model supports regional economic development

## Higher education

The contribution of higher education institutions (HEIs) to regional development can be broken down into four areas – business innovation which is closely linked, although not exclusively, to the research function of the institution, human capital development linked to the teaching function and community development linked to the public service role of HEIs. The fourth area is the contribution of the institution to the institutional capacity of the region through engagement of its management and members in local civil society.

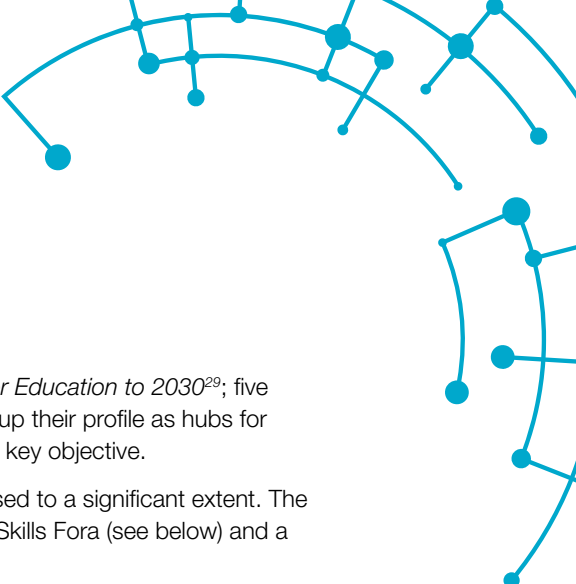
In Ireland, there is also significant potential for institutional collaboration on a North-South basis to advance cross-border regional development and strategically advance Irish higher education on an all-island basis.

There is a growing body of theory and practice about the role of HEIs in regional development. The OECD has identified why regional authorities across the OECD countries are seeking to mobilise HEIs in support of their regional development strategies and why, for their part, many HEIs are engaging with the development of their regions (the drivers)<sup>28</sup>. A key message from the OECD is that successful partnerships depend on both HEIs and regional authorities understanding each other's drivers. Too often partnerships fail because HEI leaderships do not understand the challenges of regional development and regional authorities do not understand the core mission of institutions and the constraints within which they work. However, once mutual understanding is reached, it is possible to put in place structures and procedures which overcome the barriers to collaboration.

26 | <https://www.education.ie/en/Publications/Policy-Reports/Further-Education-and-Training-Strategy-2014-2019.pdf>

27 | <https://www.education.ie/en/Publications/Education-Reports/A-Strategic-Review-of-Further-Education-and-Training-and-the-Unemployed.pdf>

28 | [http://www.heai.ie/sites/default/files/national\\_strategy\\_for\\_higher\\_education\\_2030.pdf](http://www.heai.ie/sites/default/files/national_strategy_for_higher_education_2030.pdf)



Regional development was a central plank of the *National Strategy for Higher Education to 2030*<sup>29</sup>; five regional clusters of higher education institutions were identified and building up their profile as hubs for regional, national and international growth and innovation was identified as a key objective.

However, six years after the strategy's launch, the clusters have not progressed to a significant extent. The process has been further complicated by the establishment of the Regional Skills Fora (see below) and a lack of direction around how HEIs engage with their regional structures

The strategy also recommended the consolidation of the institute of technology sector and the creation of multi-campus technological universities. This has the potential to further strengthen higher education in regions, supporting indigenous enterprises through skills development and innovation, and becoming an important differentiator in attracting foreign direct investment.

HEIs also face significant challenges with regard to capital funding. The Expert Group on Future Funding for Higher Education<sup>30</sup> estimated that in the region of €5.5 billion is required over the course of the next fifteen year period - or approximately €370 million per annum - to sufficiently cater for increased student numbers, capital upgrades, health and safety issues, equipment renewal and ongoing maintenance. While private funding will meet some of this, the majority will need to come from the state. This is significantly higher than envisaged in the capital investment plan, which provides for €150 million over the next six years along with an additional provision of €200 million through public private partnerships.

## Business engagement

There are examples of colleges exchanging information on the skills needs of the local labour market; employer involvement in the design and delivery of programs; and placement of students in local businesses. National programmes such as Momentum, Springboard, the ICT Skills Action Plan, and JobBridge have incentivised this activity. But they are not happening on a systematic basis and we are missing important opportunities. Many employers find it hard to engage with the education and training system. From the outside looking in, the system of providers, programmes and services on offer at times appears to be impenetrable.

The importance of business engagement has been acknowledged through a series of strategy documents from the Higher Education Authority (HEA), Qualifications and Quality Assurance Ireland (QQI) and SOLAS. There are opportunities to put this engagement on a more systematic basis through initiatives such as the recently developed Higher Education Authority's (HEA) performance framework. Each institution has now entered a compact with the HEA, undertaking how it will contribute to national and regional objectives from the position of its particular mission and strengths. The compacts provide for how performance is to be measured and a proportion of funding will, in future years, be contingent on performance. Enterprise engagement should be a key metric. The Further Education and Training (FET) Services Plans are at an earlier stage but should include similar metrics.

There are particular opportunities in developing engagement with employers at a regional and local level. Deepening links with Education and Training Boards, HEIs, employment services, and local communities, creating internships, strengthening recruitment and communication strategies, and improving vocational training and life-long learning opportunities are all methods which hold great potential for better jobs and inclusion at a regional level. The Government's decision to establish regional skills fora acknowledges this potential. However, the initiative is in its infancy and should be formally integrated into local planning frameworks.

29 | [http://www.heai.ie/sites/default/files/national\\_strategy\\_for\\_higher\\_education\\_2030.pdf](http://www.heai.ie/sites/default/files/national_strategy_for_higher_education_2030.pdf)

30 | <https://www.education.ie/en/Publications/Policy-Reports/Investing-in-National-Ambition-A-Strategy-for-Funding-Higher-Education.pdf>

# Innovation

## National Policy Development

Ireland has taken significant steps over the past fifteen years in order to become a more knowledge and innovation-intensive economy. According to the 2015 Innovation Union Scoreboard Ireland remains an innovation follower, but the Scoreboard recognised the progress that the country has been making in a number of key areas: scientific publications; IP revenues and licensing options; level of the population with tertiary education; employment in knowledge-intensive services; and knowledge-intensive services exports. However, future improvement will largely depend on our ability to maintain favourable innovation framework conditions.

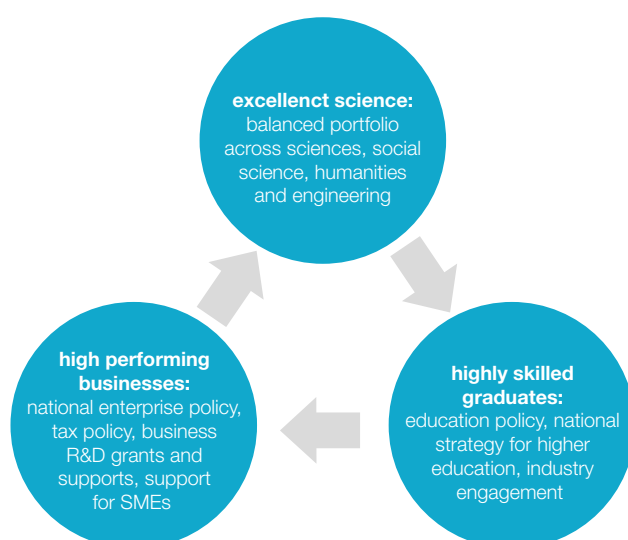
Ireland should strive to join the ranks of European innovation leaders. While Ireland had originally signed up to meeting the ambitious European target for total R&D expenditure to reach 3% of GDP by 2020, we are now committed to a revised R&D investment target of 2.5% GNP (equal to 2.0% of GDP) by 2020<sup>31</sup>.

Our innovation target for 2020 will be achieved by both public and industry direct contributions, and it also assumes that industry's total investment will represent approximately two-thirds of total expenditure.

The launch of Innovation 2020, the national strategy for science, technology and innovation in late 2015, pivoted Government focus to embed high-value research, development and innovation activity across Ireland and to improve the chances of successful commercialisation of R&D conducted in Ireland.


Key targets include increasing levels of co-funding by industry to publicly performed R&D, increasing the number of start-ups, broadening the base of research performing enterprise, and greater employment of researchers by the enterprise sector. In addition, the commercialisation of publicly-funded research will be assisted by the roll-out of a new national intellectual property protocol, ensuring that all enterprises, from small businesses to multinationals, get appropriate access to intellectual property arising from such research.

Such activities should be protected and enhanced to ensure that public research continues to benefit from private investment. Government must embed innovation across national and regional policies that support private and public R&D activity. This requires an integrated approach across the policy spectrum from building capacity in basic and applied science, delivering highly skilled and knowledgeable graduates, to support significant enterprise investment and job creation.



**Fig 7.3 Investment in Innovation: Delivering the Knowledge Triangle**

31 | Innovation 2020: Ireland's five year strategy on research and development, science and technology.



In recent years, increased public R&D funding has stimulated increased business research expenditure and has been a significant factor in activating high value research based projects, including significant foreign direct investment (FDI) projects. This highlights the complementary nature of public and private investment, where one can act as a catalyst for the other.

The key priorities to underpin such investment should be:

- Knowledge creation
- Knowledge transfer
- Human capital

Success is derived from having a strong research capacity, a diverse industry base (including favourable environment for enterprise creation) and necessary supporting infrastructure.

Investment in knowledge development is a key factor in driving sustainable economic growth. The aim is to drive innovation at the business level, build human capital and maximise the return on R&D investment for economic and social progress.

As a priority, Ireland must continue to invest in research, development and innovation in order to boost its national productivity and economic competitiveness. It is also vital for a small, open economy to remain an attractive place to conduct research, development and innovation.

### **Innovation across the regions: Greater than the sum of its parts**

Innovation plays a key role in determining productivity at enterprise and national level. Recent evidence from Department of Jobs, Enterprise and Innovation highlights that RD&I activity is strong feature of business that have been driving growth in sales, exports and value added since 2003. This indicates a positive and strong return on investment from public funding into R&D at business level, increasing their contribution between 2003 and 2014 from 48% to 80% for sales, 48% to 82% for exports and 43% to 76% for value added.<sup>32</sup>

A focus on productivity and growing exporting industries of scale is needed in the regions. There are both structural (differences in industry mix) and within firm drivers of the productivity divergence between regions. The Border, Midlands and West accounts for only 20% of Business R&D expenditure, for example. The new planning framework must be the basis underlying a more cohesive 'vertical' industrial development policy into the future. This must drive policy across areas such as infrastructure, R&D and education.

Given the relatively small size of city regions in Ireland it is imperative that regions specialise in areas in which they have a comparative advantage. This advance has been advocated by the OECD, European Commission and adopted as a driver of Irish R&D policy. This approach must continue and intensify – identifying the potential strengths of the regions and aligning industrial, educational and innovation policy with a limited number of priority areas.

Policy targeted a regional development should focus on developing and fostering local environments that encourage a collaborative approach for science, technology and innovation.

Regions will only become empowered by appropriately identifying the potential advantages and driving forces behind their unique innovation ecosystem and processes.

A regional lens on innovation can encourage high level interactions between research organisations, public bodies, business and education institutions to cluster and network to become more engaged in the social-economic development of their region. A successful cluster can monitor the external structures to draw on the experience and skills of others to their benefit. In turn, knowledge, idea and experience exchange with other regions, underpinned by the appropriate direct and indirect supports, can embrace innovative performance.

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<sup>32</sup> | Department of Jobs, Enterprise and Innovation: Economic and enterprise impacts from public investment in R&D in Ireland, 2017.

The Enterprise Ireland Clustering Programme is a positive step in this direction. The programme would benefit from a increased rollout and heightened awareness.

In addition, successful regions must be sufficiently flexible to withstand and take advantage of significant changes in a region, for example, the decline of an industry and or enable a new social or economic outcome. Early stage collaboration can stem the impact of disruption to allow business to reskill, diversify products, services and markets and innovate to meet a different demand.

The nature of the regional contribution of the education and research institutions should not be underestimated. It includes more than education and training delivery, but also strongly contributes to job creation and sustainability and strategic regional investment and skilling. In addition, the institutions play a central leadership role with the regional community, including cultural and social activity, all of which underpin and embed a strong innovation system.

Institutions must demonstrate they are the institution of choice for the regional population, including students, research programmes, business and other social activities. To support theses innovation imperatives, strategic and long term capital expenditure is required. The contribution of higher and further education campuses to the local environment, as a hub for innovation, needs to be maintained and enhanced. To that end, capital investment to enable only term planning and developing of the campus facilitates greater engagement between education, research, business and public bodies with the wider community.

#### **Ibec Recommends:**

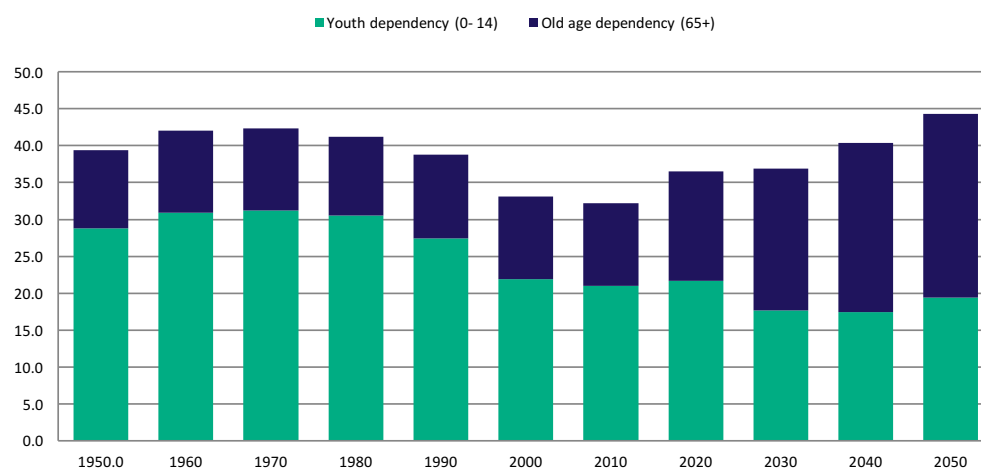
- The Department of Education and Skills should work with business to develop a local contracted-in service to provide one-to-one advice on education options and careers to post-primary school students.
- SOLAS should undertake a review of the implementation of the further Education and Training Strategy (2014-2019) to validate its alignment to the forthcoming National Development Framework.
- The Department of Education and Skills should develop a series of specific proposals to make the continuum between further and higher education more systematic. These should include specific measures to ensure that the Higher Education Authority and Solas collaborate more closely through joint funding programmes for upskilling.
- The effectiveness of ETBs in engaging with employers to define local and regional skill requirements should be evaluated.
- The Department of Education and the Higher Education Authority should reevaluate the effectiveness of higher education regional clusters
- The Higher Education Authority should review cross-border institutional partnerships and develop a strategy to support deeper all-island engagement.
- The development of a coherent strategy for funding higher education capital development and robust oversight mechanisms through the Higher Education Authority strategic dialogue process is required.
- The power to borrow for capital requirements should be extended to Institutes of Technology.
- The enabling legislation for the creation of technological universities should be implemented and the required funding should be allocated to support the process.
- Employer engagement should be a key metric in the HEA performance compacts and FET service plans.
- The position of the Regional Skills Fora should be formalised at the centre of National Planning Framework implementation structures
- Continue to implement Innovation 2020, while continue to plan and invest in future R,D&I opportunity for beyond 2020.
- Identify appropriate policy options to encourage Ireland to become an innovation leader.

- Focus on how Ireland can build scale to become a world class research hub attracting increased indigenous and FDI investment across Ireland.
- Develop targeted regional policies plans to enable high level network to foster collaborative research, development and innovation.
- Specific innovation support should be available to encourage regional cluster and convergence across industries, research partners and public bodies.
- Significant investment is regard to develop the information infrastructure that facilitates the flow of knowledge. This includes investment to access high quality broadband and strategic capital expenditure on equipment, technology and facility platforms.
- Increase the level of resources provided to SMEs to participate in the global sourcing programmes and in the networks of research and technologies centre to provide opportunities for indigenous enterprise to benefit from closer, early stage collaboration with multinational corporations and access to their global supply chains.

## 7.7 Health & Wellbeing

### Analysis of our Ageing Population

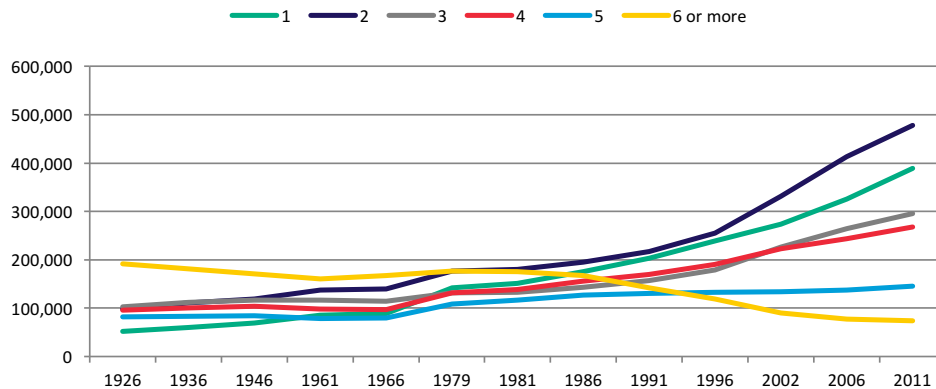
Along with a much greater and more urban population Ireland's population will have a very different profile in 2040. Ireland currently has by far the youngest population in Europe with half of the population under the age of 35. The proportion of dependants (those aged under 14 or over 65) as a proportion of the population has fallen from 42% of population in 1970 to 32% in 2010. This will begin to rise again as the population ages. The proportion of the population aged over 65 will increase from 11% in 2010 to 25% in 2050 driving the dependency ratio to a record 45% in 2050.



**Fig 7.4: Dependency (aged 14 or over 65) as a proportion of population, 1950 - 2050**

This will have an impact on public resources available and service delivery. Public expenditure in Ireland is equivalent to that of other countries across the board; with the exception of our demographic linked expenditure. For example, the absolute sum of the difference between Irish government expenditure and that of other European countries (6% of GDP) is accounted for by lower expenditure on pensions. The OECD<sup>33</sup> has estimated the health and long-term care spending as a proportion of GDP will increase by between 3% (in a cost containment scenario) and 7% by 2060 due to population growth and ageing.

33 | <http://www.oecd.org/eco/growth/Health%20FINAL.pdf>



**Figure 7.5: Number of households by persons per household**

Another age linked trend which has and will continue to grow in Ireland is demand for units of housing for smaller family sizes. Since 1981 the number of households with 2 persons or less grew from 371,000 to 867,000 by 2011. On the other hand households with 5 or more residents shrank from 292,000 to 217,000. Trends in marriage, cohabitation, fertility and ageing will mean this trend is likely to continue in the coming decades. Allied to urbanisation this means that Ireland will need much more houses in urban or peri-urban areas suitable for a very different type of family than traditionally has been the case.


Both the built environment and current development trends influence how we live, work and play. How our towns and cities are planned can have a direct impact on both our physical and our mental health. An ageing population will have far-reaching implications for all aspects of society. How we plan for this societal shift needs to be carefully considered in the NPF. Provisions for mental health services are vital, as enjoyment of health is not evenly distributed in society. In addition, the cost of early childhood care and education in Ireland for parents is among the highest in Europe and directly impacts labour market participation. Planning has an important part to play in tackling physical health issues, such as obesity, diabetes and heart disease.

## Mental Health

Mental health problems are growing societal problems which can affect an individual's performance and interactions in every area of their lives, including the workplace and are shaped by our social, cultural, economic and physical worlds. They are very common – one in five people of working age experience a mental health problem, such as anxiety or depression (OECD, 2011) and account for 20% of all ill health in Europe. It affects 30% of the EU population and the World Health Organisation estimates that by 2020 depression will be the second greatest contributor to disability in the world. By 2030 it will be the largest contributor to disease burden.

In Ireland, mental health and suicide prevention services are in crisis yet the investment in this sector is poor. While funding for mental health and suicide prevention has increased in the last decade, Budget 2017 promised €35 million of expenditure yet only €15 million will be spent in 2017. The low level of funding is both inefficient given the benefits offered by prevention and treatment and the high return on investment; as well as inequitable given that mental health accounts for at least 1 in 5 of all health problems in Europe.





Data from the CSO was examined by the RTE Investigations Unit - they reviewed fourteen years of data (2000-2013) in an effort to understand the problem of suicide in Ireland. Where a person lives appears to have an enormous impact on the rate of suicide, with two of Ireland's largest cities recording extremely high rates. The rate of suicide was remarkably low in some areas of the country with an average rate of just 6.7 per 100,000 recorded for the Dublin region of Dún Laoghaire-Rathdown over the fourteen years examined while the highest average rates recorded were in Limerick City, 16.7 and Cork City, 18.5 but the numbers can fluctuate dramatically from year to year. In 2013 Cavan, 20.4, Carlow, 20, Kerry, 19.4 and Roscommon, 18.6 were the highest.

A holistic approach to mental health across society is essential to tackle this socio-economic challenge which appears to be increasing today. This includes actions at societal, organisational, community and individual levels. This means a consistent approach to raising awareness, educating and training people about their own mental health, what preventative measures to take, where to go for support and how to support family, colleagues and friends who may be experiencing a challenge to their mental health. This approach needs to consecutively start with the youngest in society, those in employment or looking for employment and broadly across our communities.

In 2006 following a review of mental health policy, the Department of Health and Children published A Vision for Change which laid out a blueprint for mental health services in Ireland. The reforms outlined in the Vision for Change strategy and the suicide prevention framework Connecting for Life need to be urgently implemented – particularly pressing is the need for quality 24/7 crisis supports which currently leave a potentially fatal gap in service provision and primary care psychological interventions. In addition community based support is essential particularly in regions and areas where suicide rates are growing. The strategy which still has not been fully implemented proposed a community-based mental health service which would be coordinated and delivered through Community Mental Health Teams (CMHTs). Within this multidisciplinary team, skilled professionals would provide integrated care to service users in the context of their local community. Working, planning and training becomes a joint activity. The CMHT coordinates a range of interventions for individuals in a variety of locations, including home care treatment, day hospital, outpatient facilities and in-patient units, and interacts and liaises with specialist catchment or regional services to coordinate the care of individuals who require special consideration.

### **Interaction with the Built Environment**

Research by Tikhoniouk (2015) on the built environment and mental health found that there is a growing body of evidence that shows a relationship the two. Well-kept streets, more greenery and green spaces, maximum amounts of daylight, sound insulation, shared common spaces, adequate personal space in housing; all these factors can be used to create built environments that have a healthier mental impact on their occupants.

Research has shown that mental health and physical health are inexorably linked. This strongly suggests that, while it is important to build buildings that promote good physical health, perhaps more emphasis should be placed on making sure that our buildings, streets and neighbourhoods have the best possible impact on our mental health and emotional wellbeing too.

Research has shown that greenery and green spaces have a considerable impact on mental health. An association between depression and lack of adequate daylight has been found, as well as a correlation between noise pollution and increased stress levels. Visual aesthetics also have an influence on our mental states. Bleak, run-down or littered environments have been shown to increase anxiety among residents and decrease mood. The surrounding built environment has an even larger impact on a child's mental health than on an adult's. Children who live in high rise housing, with restricted access to play areas, may be linked to behavioural problems, increased mental health problems and generally poorer health than children living in low rise or single family housing. Researchers Well and Evans have shown that having nature close to a home protects the psychological well-being of children, as well as boosting their cognitive functioning.

## An Ageing Population

Globally we are experiencing a decreasing birth rate and ageing populations. While the age of the Irish population is increasing (the number of 65 year-olds is set to increase by over 50% by 2046<sup>34</sup>), it has a median of 36 years which remains well below the average in the EU of 42.2 years. However the increase of older people in society has significant implications for the pool of skilled labour in the workforce as well as the sustainability and future funding of Ireland's pension, social welfare and healthcare systems.

Across Europe, Governments have sought to extend the working life through a range of policy changes; including increases in the statutory retirement ages and improved access to training and skill development (European Commission 2010). While these policy changes have led to reductions in the age at which state pensions are paid throughout the EU, they have also resulted in an increase in the level of unemployment in later life (Staubli 2011). It cannot therefore be assumed that simply changing the state pension age, in the absence of other policy changes or support measures, will result in an increase in the numbers of older people who remain in the workforce or who see self-employment as an alternative to retirement or as a late-career choice.

In the past, policy relating to older people tended to deal almost exclusively with health and social care issues, focusing on burden and costs. The population of older people does not form a homogeneous group. The reality is that increasing numbers of older people are remaining active and independent into very old age, although, there are also smaller sub-groups of older people who are more vulnerable and in need of special support, whether due to reasons of ill-health, low income, social isolation or vulnerability to crime.

Across the board promoting and supporting universal design, which can be accessed and used to the greatest possible extent by persons of any age or with any particular physical, sensory, mental health or intellectual ability or disability is essential.

Research states that transport for all ages, and especially for older people, is closely linked to independence, autonomy and quality of life. Transport and mobility are key factors in facilitating active ageing. TILDA (2011) states that 76% of older people drive themselves, 14% are driven primarily by a family member and 5% used public bus most frequently. The TILDA study also found that attitudes to public transport were linked to location with the negative perception of public transport systems increasing as an individual's geographic location became more rural. Over 70% of the rural population reported the local public transport system as poor, compared to 20% in Dublin.

The availability of transport is essential to sustaining rural life and maintaining social connections between people living in rural areas.

The prevalence of dementia represents another crucial consideration when estimating the increasing demand for carers. According to Donnelly et al (2016), though dementia is not a normal part of the ageing process, age is the main risk factor. Therefore, the number of people living with the condition is expected to increase alongside population ageing and, if current trends continue, could rise from 48,000 people in 2011 to 94,042 by 2031 (Pierce and Cahill, 2014 in Donnelly et al, 2016, p.10).

The National Carers' Strategy Monitoring Group's 2016 assessment of the Government's third National Carers' Strategy Report established that "the provision of home care services and of centre-based respite is well short of demand across the country", with only one respite bed for every 450 people with dementia in Ireland (p.3). Similarly, Home Help and Home Care Package provision "falls well short of the hours required" (p.3). The Monitoring Group cites a study by Care Alliance Ireland in June 2016 suggesting a deficit in home care support of "between 8% and 20%, equating to several million home care hours, depending on which baseline year is used" (National Carers' Strategy Monitoring Group, 2016, p.43).

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34 | [http://www.cso.ie/en/media/csoie/releasespublications/documents/population/2013/poplabfor2016\\_2046.pdf](http://www.cso.ie/en/media/csoie/releasespublications/documents/population/2013/poplabfor2016_2046.pdf)



## Physical wellbeing

Modern indoor lifestyles are associated with reduced levels of exercise, increasing rates of obesity, diabetes and cardiovascular disease. Planning can play an important part in tackling these areas by encouraging people to make healthier, more active choices. Considerations such as location, density and land use, as well as provisions for safe cycling and pedestrian accessibility are essential to encourage these decisions.

Provision of well integrated public transport systems and services also assist in this process. Reduced car dependence will assist with both physical and mental health, realign a healthy live-work balance and potentially reduce commute times and vehicle congestion.

### Ibec Recommends:

- The “Vision for Change” strategy and the suicide prevention framework “Connecting for Life” need to be urgently implemented. Particularly pressing is the need for quality 24/7 crisis supports, which currently leave a potentially fatal gap in service provision and primary care psychological interventions on a national basis
- Community based support is essential, particularly in regions and areas where suicide rates are growing. The provision of a community-based mental health service, which would be coordinated and delivered through Community Mental Health Teams (CMHTs.) These provisions are vital, particularly in poorly connected or isolated rural communities
- Ensure that in instances of high density developments that suitable external space can be provided for residents and the community, particularly green areas and play facilities for children
- Provide out-of-school hours services in existing school buildings, making greater use of the facilities available out of hours and reducing the complexity of care for working parents
- A priority needs to be given to improving the transport options/provisions for people particularly those in poorly connected or rural communities.
- A significant increase in the availability of respite, home help or care services is urgently needed as people with complex needs in increasing numbers are being cared for at home
- Facilities that assist in offering alternative modes for travelling to school and work should be supported, both to reduce car dependence and improve on quality of life
- Policies and investment should be aligned for implementation of planning, transport and health strategies to promote sustainable and active travel alternatives to the private car
- The recommendations of The National Guidelines on Physical Activity for Ireland from The Department of Health & Children should be taken into consideration during the formulation of the National Planning Framework

## 7.7 Waste

### Waste and Hazardous Waste Planning in Ireland

Waste planning in Ireland is primarily informed by the waste management plans for the Southern, Eastern-Midlands and Connacht-Ulster regions. These Plans provide the framework for the prevention and management of waste in an environmentally safe and sustainable manner for each constituent region. Waste management practices in Ireland must comply with the principles enunciated in the Waste Framework Directive.

These Regional Plans have called for further investment in treatment infrastructure for inert, non-hazardous and hazardous wastes. In addition, the National Hazardous Waste Management Plan 2014-2020 has also made this call and highlighted the need for increased self-sufficiency in the management of hazardous waste and the need to minimise hazardous waste export. Such forecasts are of even greater significance given the population increase projected to take place over the period until 2046. The necessary policy environment and infrastructure needs to be put in place imminently in order to deliver the prevention and recycling targets as set out in these regional waste management plans.

### The Case for an All Island Approach

Of equal importance is the need to address waste management in the National Planning Framework in terms of an Ireland as seen in an all island context. The North South Ministerial Council (NSMC) has agreed to optimise North-South joint planning and engagement on many key issues following on from this decision. The Council was established to develop consultation, cooperation and action within the Ireland of Ireland.

In the waste management sphere, the Environmental Sector of the Council meets in order to make decisions on common policies and approaches in areas such as environmental protection, pollution, water quality management and waste management in a cross-border context and seeks to identify strategies and activities which would contribute to a coherent all-island approach to the achievement of sustainable development.

Further collaboration in the context of the waste sector and sustainable waste management policy, would serve to ensure that all disposal and treatment options available on the island would be firstly exhausted before relying on export. The export option is unlikely to be available into the long term given the increasing difficulties with securing outlets on continental Europe for waste exported from Ireland. Thus, the availability of sufficient domestic waste management capacity is necessary in order to reduce Ireland's vulnerability to external forces due to dependency on the export market for the treatment of recyclable waste. Moreover, the export of municipal waste for recovery abroad represents a lost economic and resource opportunity and is at odds with the envisaged transition to a circular economy whereby such waste streams should be regarded as valuable material resources and the principles of self sufficiency. An all island approach to waste management is a key element of a sustainable waste management solution to 2040 and beyond.

Practical examples of all-island cooperation in waste management include the joint procurement of services by the Department of Health and Children and the Department of Health and Social Services. The contract, devised under the auspices of the Joint Waste Management Board, included the removal, treatment and final disposal of risk waste produced by publicly funded hospitals on the island.

#### Recommendations:

- A strategic coordinated approach to waste planning which is reflective of both national and regional requirements is required.
- This should also be aligned with an all Island approach to planning as detailed above
- The development of a National Waste Strategy / Plan which informs the regional waste plans should be considered in order to facilitate an all Island approach to sustainable waste management to 2040 and beyond
- The entering into of a bilateral agreement between the two jurisdictions should be given due consideration

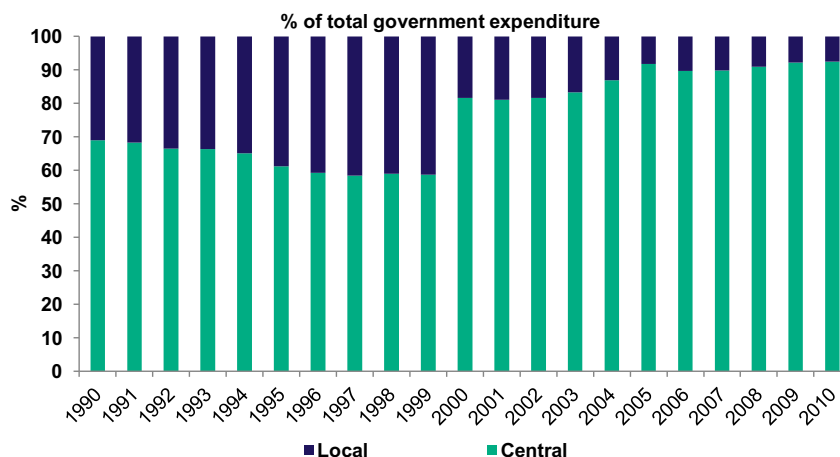
## 8. Agency Co-Ordination, Implementation and Governance

The National Planning Framework is to be put on a statutory footing through the Planning and Development (Amendment) Bill 2016. This alone does not guarantee successful implementation. The consultation document correctly recognises that the legislative framework must be accompanied by additional implementation arrangements: interdepartmental drive, administrative structures to respond to 'real-world' issues, investment', monitoring and policy feedback.

The overall governance framework must be given careful consideration. Delivering on this high-level vision requires administrative and cultural changes. Some will be quite extensive and will require changes to legislation. Adequate governance structures will require sufficient time to bed-in and cannot be implemented overnight. Clear expectations need to be established on the roll-out new arrangements, with clear timelines. For example, whilst the expectation is for the NPF to be firmly grounded in each of the next wave of local authority development plans, the governance structures and administrative buy-in should be tighter by the time successor plans are being finalised. A phased approach would allow for lessons to be learnt, identification of blockages in the system and to allow for changes to be made.

### 8.1 Connecting central government to regional and local policy development

Ireland's public administration system is the most centralised in the OECD. Much of policymaking and funding delivered locally is channelled from individual government departments. This can be further frustrated by departments operating independently rather than with the buy-in from other departments, with the limited exception of sectoral strategies and guidelines. This can exacerbate the incoherence of focusing on place-making and regional economic development.



**Fig 8.1: Centralisation of Ireland's system of public administration as % of total government expenditure**

The NPF must add a layer of coherence to the implementation and monitoring the impact of national policies locally. It should also establish a firm blueprint to guiding funding initiatives locally. This requires a strong governance framework together, underpinned by the integration national and local policymaking and economic delivery functions. These aspects have been lacking over previous plans. It would also require a significant change in relationship management with all stakeholders (public & private) in addition to improved management and accountability structures.

### **Time to take stock of existing strategies so they support local growth**

Implementing the NPF should be viewed as a welcome opportunity to take stock of existing government policies from the viewpoint of their impact on planning and regional economic development. All existing sectoral strategies and/or reviews must be consistent with the NPF. If gaps exist or obstacles preventing delivery of this national strategy are identified, corrective action must be taken. Current strategies and approaches (e.g. regulation, planning etc) by the myriad of government actors should be reviewed so they do not become obstacles to achieving the goals set out in the NPF.

Themes under the NPF such as health and well-being, place-making, environment and sustainability, and infrastructure should be examined against existing government policies and strategies. Any support strategies currently or not currently in place should be identified and relevant departments or agencies requested to rectify this matter. The NPF should have a clear, transparent reference site detailing all relevant strategies and guidelines currently in place that would complement implementation of the plan. As new guidelines are developed, they should be published on this reference site.

Medium-term sector strategies (e.g. Food Wise 2025) should be strongly tied to the NPF. This includes ensuring that adequate resources are available. Government must also continue to proactively engage with enterprise sectors in planning for the future. Monitoring their implementation of these sector strategies may provide important information that could inform regional and local development.

### **Plan for economic growth**

Our parliamentary system limits planning for our economic future beyond five-year increments. Spatial planning has been the exception to date but implementation has been incoherent and inconsistent. This is insufficient for effecting lasting and necessary long-term change. The NPF would benefit from the establishment of a National Growth Commission, charged with the formulation and implementation of a long-term growth strategy. The new body would be based on the current National Competitiveness Council and be independently chaired.

Ireland will benefit because now is the time to identify priorities that will underpin Ireland's long-term economic development. In recent years, the focus was on short-term crisis management. A growth commission would develop an overall policy framework that would address structural weaknesses in the economy, reposition Ireland to better respond to the global pace of change.

### **Government must mandate regular national reviews of the NPF**

Ireland's policymaking regime can be characterised as complex and vague. There appears to be an implicit reluctance to monitor effectiveness and to take corrective measures when required. The NPF must be immune from this. It is not sufficient just to involve stakeholders in policy development. An effective strategy must encourage and actively seek feedback throughout the entire life-span of the plan. Ireland generally does not use policy innovations such as sunset clauses or insert review periods into legislation. Given the long-term objectives of the plan and the fact it is being put on a statutory basis, inserting mandatory review periods and mechanisms would be beneficial to ensuring successful implementation.

Ex-post evaluation or systems allowing ongoing monitoring must become the norm in effective policy making. However, Ireland is third lowest in the OECD for conducting ex-post evaluations. The NPF requires an accompanying culture of ongoing evaluation. Government and the Oireachtas should be required to scrutinise legislation for consistency with the NPF and to monitor whether the NPF delivers on national priorities.

The NPF should be embedded into the policy making process through the following tools:

- Stakeholder consultations during the policymaking process should invite comments on policy consistency with the NPF.
- Where applicable, regulatory impact assessments for new legislation should include reference to the NPF.

- All Oireachtas committees should be mandated to examine legislation laid before it for consistency with the NPF.
- All Oireachtas committees should conduct reviews of implementation of the NPF for their areas of responsibility.

A comprehensive review of the NPF should be conducted at a minimum of five-year intervals. Reviews should be scheduled to allow regional and local development plans to be prepared and to continually inform national capital expenditure programmes. Formal reviews should be in addition to regular performance monitoring metrics being put in place.

### **Develop comprehensive local and regional indicators**

The NPF requires an accompanying culture of ongoing evaluation. Assumptions form the basis of decisions being made at this stage. However, monitoring actual performance against set objectives can and should be based on empirical evidence. We need to pay close attention on local and regional performance throughout the lifetime of the NPF to ensure the right conditions exist to allow the entire country to succeed. A dedicated portal should be established to allow people to monitor progress of the plan over its lifetime and to see its implementation right down to the local level.

Performance indicators or scorecards need to be developed to monitor progress in implementing the NPF commitments. They would provide unique economic and social insights. We need a transparent assessment of the relative strengths and weaknesses of local areas and regions. An effective scorecard should be a blend of indicators, beyond policy areas controlled by local and regional administrations, and provide a reflection of the performance and impact on the ground of national policies covered under the NPF. This would encourage public debate and better decision-making throughout the course of the plan.

Local and regional indicators should include, but not be limited to, the following:

- Demographic insights;
- Productivity;
- Housing;
- Skills;
- Connectivity;
- Enterprise development;
- Employment;
- Local/regional governance performance.

Regional and local indicators should rely on 'open data'. Many of the open data portals (e.g. Dublinked) and other public repositories set out clear, accessible and concise indicators. The NPF should take advantage of data analytics to transform the way development is planned, delivered, managed and monitored. The NPF should also develop indicators based on the data available from the census at five-yearly intervals. Such insights would demonstrate how localities and regions have progressed.

The National Oversight and Audit Commission publishes annual performance indicators covering all local authorities. It should be requested to broaden its focus to data that could be used to monitor local progress on implementing the NPF. It already collects data on planning decisions, enforcement and appeals, as well as jobs created by local enterprise offices. However, the NPF should not simply rely on local and regional authorities to compile such indicators because economic activity crosses administrative areas.

### **Monitor developments internationally**

The National Planning Framework is planning for Ireland's future in 2040. However, we are basing this strategy on the tools and practices of today. Provision needs to be made in the plan to encourage the monitoring of planning policies in other countries and city regions to see if any new approaches over the strategy's lifetime that may be more suitable or effective to achieving the desired results.

Global indicators and rankings can provide valuable insights into national, local and regional performance. Local authorities and regions must be encouraged to collaborate internationally on NPF prioritised areas through EU-funded initiatives. Local authorities should also leverage existing 'twinning' networks, for example Dublin City Council is twinned with the City of San Jose (i.e. Silicon Valley), to facilitate knowledge exchange and transfer this information across our entire local authority network.

## **8.2 A twenty-first century approach to regional and local government structures**

We need to be cognisant of local authorities and regional assemblies being structured around administrative, not economic boundaries. This is a challenge recognised by Ireland's Enterprise 2025 strategy. Collaboration on economic development is essential. Successful implementation of the NPF will require a new approach to regional and local government structures. Government must be prepared for a new risk sharing partnership with local and regional authorities.


### **Local government reform in the context of the NPF**

Our economic circumstances over recent years necessitate that all areas of public services be made more effective and efficient. A programme of reform for the local government sector has changed the structures of local authorities, staffing levels, services delivered and a reduction in the number of local authorities. Beginning with the work of Local Government Efficiency Review Group in 2009, Government developed specific plans for reforming local government. The sector also featured in more general public sector reform strategies such as the *Public Service Agreement 2010-2014* (Croke Park) and successor *Public Service Stability Agreement 2013-2016* (Haddington Road). These agreements governed workplace issues such as pay, productivity improvements and public sector staffing levels. For example, staff numbers in local government have fallen by 25% since 2008, from 37,243 to 28,100.

*Putting People First: Action Programme for Effective Local Government* published in October 2012 is the national framework for re-structuring and transforming local government. The strategy focused on the following four areas: doing more for the economy, enterprise and the local community; a 21st century local government system; a new funding model; improved governance, strong leadership and democratic accountability. The Local Government Reform Act 2014 gave the legislative basis to enact the strategy's key reforms. To underpin the reform of the sector and to ensure high performance, a National Oversight and Audit Commission for Local Government was established to provide an independent, high quality scrutiny of local government performance in fulfilling national, regional and local mandates.

Subsequently, the number of local authorities was reduced from 114 to 31, including the abolition of all 81 town councils. Councils merged in Limerick (city and county), Waterford (city and county) and Tipperary (north and south). The number of elected representatives across Ireland fell from 1,627 to 949 seats. The future local governance arrangements for four local authorities in Cork (city & county) and Galway (city & county) has yet to be finalised. Municipal districts were established in all 31 local authority areas to provide sub-regional governance. It is too soon to assess the effectiveness of the 142 districts currently in place. Their powers are extremely narrow when compared to the town council model (e.g. no revenue raising powers etc). However, they have the potential to fragment the coordination of planning and economic development policies further through Local Area Plans, land use zoning maps and associated policy objectives.





Local authorities deliver social housing, local transport infrastructure, planning services, fire and emergency services, public libraries, cultural services, voter registration, motor tax collection and a myriad of other services (e.g. recreational facilities). However, recent reforms have seen a number of service areas and responsibilities being removed from local authorities on efficiency grounds. The establishment of Irish Water has resulted in principal responsibility for water and waste water services and associated charges being transferred to the new utility company. Local authorities now provide water services on behalf of Irish Water, governed by service level agreements. Administration of higher education grants has been centralised and outsourced (i.e. Student Universal Support Ireland). Also, local authorities no longer administer the provision of new or replacement learner-permits or driving licences. This previous function of local authorities has also been centralised and outsourced (i.e. National Driver Licence Service).

Public sector reform places strong emphasis on the need for a collaborative approach to deliver quality service outcomes despite scarce resources. This is not to say that local authorities did not collaborate before. Cork city and county for example have a long-standing track-record in collaborating on spatial and economic development. The 'lead authority' approach is becoming a new feature of local government. It sees one local authority providing services on behalf of others: Kerry County Council (public procurement), Offaly County Council (waste collection permits) and Dublin City Council (hazardous waste). Galway County Council operates the libraries, fire services and civil defence on behalf of Galway City Council. More services should be identified and delivered via this mechanism for efficiencies and a better quality service to be achieved. Local authorities should take advantage of the NPF roll-out to examine more areas for a collaborative approach.

### **Address the risk of fragmentation in local and regional planning**

As a high level strategic document, the NPF will provide a guiding framework for the development of localities and regions across the country over the next 20 years. The three regional assemblies are expected to coordinate the implementation of the NPF within their respective areas. This will include providing guidance to each local authority within the region and vetting city/county development plans for consistency with the NPF priorities.

Each local authority develops short-term (six year) development plans. They develop these separately and at different times. A further complication is the devolved powers to local authorities to develop smaller and specific local area plans. These could limit the available delivery of NPF objectives due to local objections and exposure to parochial interests. These local plans will in turn have to be checked for consistency by both the responsible local authority and the relevant regional assembly. Take for example, if each municipal district in Ireland were to have a specific local area plan, this would result in a total of 176 plans (local and regional) being checked against the one overarching national plan.

For more effective implementation of the NPF, the process for checking each local plan, including sub-county plans, needs to be streamlined. The number of plans being developed independently and out-of-sync needs to be substantially reduced. Local authorities should be encouraged to develop more collaborative development plans with neighbouring authorities. In fact, the Minister for Housing, Planning Community and Local Government can direct local authorities (e.g. Dublin) to prepare one unified development plan for their combined areas.

### **Boosting local economic development**

Local authorities now have an active role in promoting economic development. The new Local Enterprise Offices (LEOs) will play a key role in supporting local entrepreneurs and helping existing local businesses to grow. This presents a problem in the need to balance the burden of rates with two key priorities - economic growth and localism. A network of 30 LEOs is currently in operation across the country, with a shared office between Galway city and county. On a per capita basis, Longford is 1<sup>st</sup> and Fingal 30<sup>th</sup> for LEO-supported jobs.

The sole metric used by the National Audit and Oversight Committee to measure the effectiveness of the LEOs is jobs created. This needs to be expanded to include long-term development and mobility of businesses supported. For example, start-up or expanding businesses supported by Dublin City's LEO may have to relocate across a local authority boundary and to another LEO due to lower operating costs.

Local authorities should be formally allowed to use the commercial rates system to direct investment in specific areas (e.g. regeneration), to assist in promoting entrepreneurship (e.g. start-up relief scheme similar to the UK), and to encourage productive investment (e.g. incubation space). This would require legislative approval. Precedence already exists, as certain early childhood care facilities have been excluded from commercial rates through the Valuation (Amendment) Act 2015.

Strategic interventions, not just zoning, can make a significant contribution to improving social and economic life in a local authority area. Initiatives such as Living Over The Shop (LOTS) not only address housing requirements but also contributes to town centre renewals. Examining building regulations needs to occur in order to convert vacant commercial premises or parts thereof into domestic dwellings. A single national local authority asset register should be compiled and made available publicly. Asset disposals occur in a piecemeal approach and vary between local authority areas. Businesses and aspiring entrepreneurs should be given information on what is potentially available to develop for economic use. Existing local authority premises should be examined for suitability to be used as much needed incubation space for start-ups or cultural activities.

### **Local authorities must not frustrate delivery of vital infrastructure**

Transparency is needed on the impact local authorities can have in frustrating the delivery of national policies, commitments and infrastructure. Little attention has been given the impact that commercial rates can have on the competitiveness of the sector. Local development plans through zoning/re-zoning can reduce the availability of land for infrastructure development. This must not be allowed to occur under the NPF. Ireland is costly and overly-restrictive when it comes to road openings for utility networks.

Direct local authority costs and charges can also frustrate much needed infrastructure provision. There is no consistency in the application of planning fees and development contributions across all local authorities. For example, changes to development contribution schemes for wind farms from a per turbine to a per 1MW or part thereof has increased the costs associated with meeting Ireland's renewable energy needs. This is separate to the issue of the revaluation process and commercial rates model that has already been seen to substantially affect the cost base of existing energy generation sites or undermine the attractiveness to develop new infrastructure projects. Yet, investment in the energy sector is vital to Ireland meeting its obligations under the EU2020 targets. Ireland is committed to meeting its obligations and failing to do so would result in the imposition of fines on the country.

The NPF must strike a better balance to ensure that national infrastructure and commitments are not derailed by local authority approaches or charges. Separately, the Valuations Office needs to examine its methodology for valuing infrastructure assets, including network rates, to ensure they are consistent with approaches in the UK and elsewhere. Finally, Government should follow other countries by allowing exemptions from commercial rates and development contributions (e.g. UK exemption for 5G fibre-network roll-out) to encourage commercial investment in economically productive infrastructure.

## 8.3 Funding

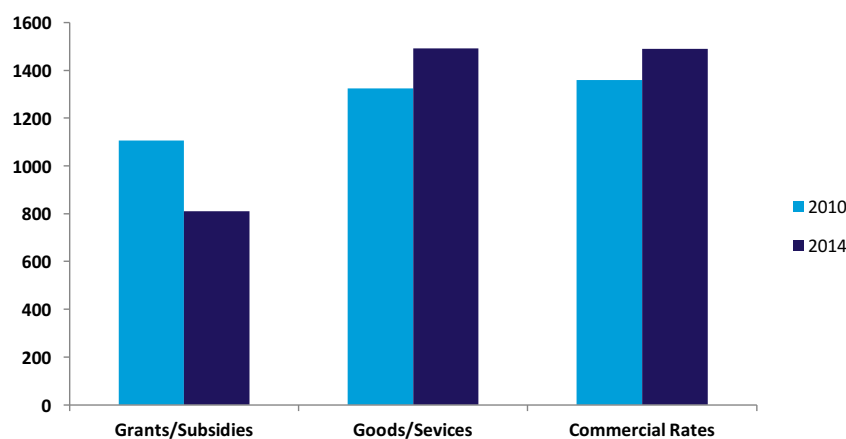
The objective of the NPF is to provide a coherent spatial blueprint to guide economic and physical development across the island. While there may be variances in economic or social development requirements between regions, the future spatial strategy should in essence be the overall framework from which future capital infrastructure investment decisions are derived from. Assurances have been given that the Mid-Term review of the Capital Plan (2016-2020) will account for some of the early priorities identified during the NPF preparation process. Over time, if we get the governance and scale-right, city regions should be encouraged to raise their own investment to fund key projects in their region.

In terms of successfully implementing the NPF, funding for local and regional services and capital provision should not solely come from capital expenditure programmes. Other funding mechanisms benefitting delivery of local and regional initiatives should be developed. Competitive funding streams are used internationally to encourage effective regional development. Additionally, the sustainability of local government finances has the potential to deliver on NPF priorities.

### Make local government finances sustainable

In 2017 business contributions will directly account for €1.47 billion or 34% of the total local government budget. This represents a 10% increase in the total value of commercial rates collected since 2010. In terms of a change in the share in percentage points of total local authority income, there has been an almost 10% increase in commercial rates contributions between 2008 and today.

Local authorities merely use business to balance their books. In other words, business picks up the tab for any expenditure gaps or funding shortfalls that arise in their annual budgets. Reductions in central government contributions and other revenue sources have resulted in local authorities becoming ever more reliant on local business for their revenue. This is not sustainable.



**Fig 8.2: Sources of local authority income (€m's) 2010-2014**

Commercial rates are a form of local taxation, mostly to fund services that businesses do not consume. This has become all the more apparent in recent years with the transfer of water and wastewater services to Irish Water following on from commercial waste services no longer being provided by local authorities. Besides addressing the cuts in central government expenditure, the local property tax (LPT) must make a fairer contribution.

Government has attempted to alter how local authorities are funded. The LPT replaced the short-lived household charge and the non principal private residence charge and provides an additional source of funding for local services. It was introduced to offset the reductions in central government allocations to local authorities. For example, 80% of the LPT revenue remains within the local authority and allocates 20% of the collected income to a national redistributive fund. In 2017, the Equalisation Fund is worth over €140 million and will supplement the income of 21 local authorities.

In 2017, the four local authorities in Dublin continued their pattern of reducing the LPT rate by 15%. The approach taken by these local authorities is unsustainable. The perception of the LPT being an anti-Dublin tax needs to be tackled. It amounts to a combined revenue loss of €30 million. On a positive note, there has been a rise in local authorities voting against cutting the LPT rate since its introduction. This year 23 local authorities refrained from reducing it and three even increased it between 5% and 10%. This has resulted in approximately €10 million additional income coming from the LPT when compared to 2016. Even if no local authority reduced the rate, the total LPT revenue would only be approximately a third of the income that local businesses contribute through commercial rates.

A new system of user charges needs to be introduced. A fairer, more transparent system of local charges would recognise the significant contribution being made by businesses in each of the 31 local authority areas. Reducing the burden of commercial rates would support job creation and boost employment, particularly in the SME community.


### **Introduce competitive funding streams built on local partnerships**

Competitive funding streams can improve the effectiveness of regional development. These would be separate to direct allocations to regions/local authorities and akin to the Gateway Innovation Fund. As a €300 million initiative postponed in 2008, the fund aimed to promote public and private co-funded competitive bids to develop local and regional economic infrastructure across the country. Eligible projects were to include key local economic infrastructure; integrated physical and socio/economic regeneration; transport initiatives; and quality of life investment.

A separate fund should be established to help revitalise town centres, underpinning future growth across the regions. Funding should be sourced from increased revenues from the Local Property Tax over the lifetime of the National Planning Framework. Projects should only be funded following a competitive bidding process, and be supported by a 50% local contribution. For example, allocating €25 million from increased revenues from the Local Property Tax revenues could seed a significant town growth fund. Based on a matched funding principle, this competitive fund could unlock a minimum of €250 million investment over five years. It should be based on a genuine partnership between local authorities and local business, which would identify projects that would best support growth in their towns.

### **A strong focus will be needed on sourcing EU regional development funding**

Ireland is eligible to participate in 8 INTERREG programmes across Europe. They have a combined value of €1.3bn in funding assistance from the European Regional Development Fund (2014-2020). Two programmes in particular will be exposed to Brexit due to their specific remit to promote UK-Irish collaboration and cooperation - the Ireland/Northern Ireland/Scotland Programme and the Ireland Wales Programme. These programmes fund cross-border and research linkages between researchers, SMEs and public bodies (national, regional and local). The future of these programmes, which are directed towards regional actors, is now in doubt post-Brexit.



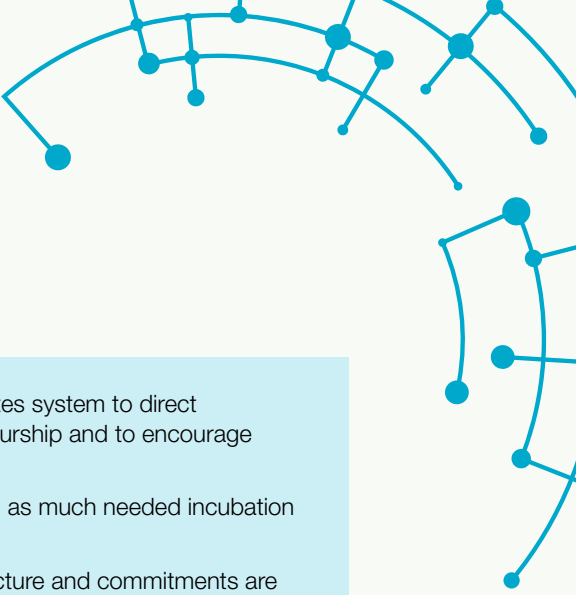
Funding for cross-border projects involving our border counties will be particularly exposed over the long-term. The EU's Programme for Peace and Reconciliation (PEACE IV Programme) and the Cross-border Programme for Territorial Co-operation, Northern Ireland, the Border Region of Ireland and Western Scotland (INTERREG VA Programme), managed by the Special EU Programmes Body, have a combined value of €550 million (2014-2020). The EU budget accounts for 85% of the available funding with the remainder coming from the Irish and British governments. These programmes have underpinned the Northern Irish Peace Process, supporting cross-border collaboration and economic development over the years. Projects awarded before Britain leaves the EU will continue to be funded until their completion. Successor programmes of adequate scale are unlikely without a commitment from the EU post-2020.

Government will need to push hard for specific regional development funds to be made available during forthcoming negotiations on the EU's Multiannual Financial Framework (2020-2026) and indeed successor budgets over the lifetime of the NPF. We should push for Northern Ireland to be given a status akin to the European Neighbourhood Partnership so that the EU continues to support the Peace Process and regional economic development. This could allow future EU budgets to contain specific allocations under regional/cohesion funding to maintain cross-border initiatives like the PEACE programme. The British Government should also continue its financial support, and make-up shortfalls, to cross-border regional development schemes.

## 8.4 Ibec recommendations on agency co-ordination, implementation and governance

Ibec Recommends:

- The NPF must add a layer of coherence to the implementation and monitoring the impact of national policies locally. It should also establish a firm blueprint to guiding funding initiatives locally. This requires a strong governance framework together, underpinned by the integration national and local policymaking and economic delivery functions. It would also require a significant change in relationship management with all stakeholders (public & private) in addition to improved management and accountability.
- All existing sectoral strategies and/or reviews must be consistent with the NPF.
- Themes under the NPF such as health and wellbeing, place-making, environment and sustainability and infrastructure should be examined against existing government policies and strategies. Any support strategies currently, or not currently, in place should be identified and relevant departments or agencies should rectify this matter.
- The NPF should have a clear, transparent reference site detailing all relevant strategies and guidelines currently in place that would complement implementation of the plan, which should be updated continuously.
- Establishment of a National Growth Commission, charged with the formulation and implementation of a long-term growth strategy. This would be based on the current National Competitiveness Council and be independently chaired.
- Inserting mandatory review periods and mechanisms will ensure successful implementation of the NPF
- Stakeholder consultations, regulatory impact assessments and all Oireachtas committees should be mandated to examine legislation for consistency with the NPF, as well as conduct reviews of implementation.
- Reviews should allow regional and local development plans to be prepared and to continually information national capital expenditure programmes.
- Performance indicators or scorecards to be developed, allowing people to monitor progress of the plan over its lifetime and see its implementation right down to local level. A transparent assessment of the relative strength and weaknesses of local areas and regions should be provided with a blend of indicators, beyond policy areas controlled by local and regional administrations and provide a reflection of the performance and impact on the ground of policies covered under the NPF.
- The NPF should take advantage of data analytics to transform the way the development is planned, delivered, managed and monitored.
- The National Oversight and Audit Commission should broaden its focus to data that could be used to monitor local progress on implementing the NPF- as economic activity crosses administrative areas
- Local authorities should leverage existing 'twinning' networks to facilitate knowledge exchange and transfer this information across our local authority network.
- Successful implementation of the NPF will require a new risk sharing partnership approach to regional and local government structures.
- Local authorities should take advantage of the NPF roll out to examine more areas for a collaborative approach to service delivery.
- Local authorities should be encouraged to develop more collaborative development plans with neighbouring authorities.

- 
- Local authorities should be formally allowed to use the commercial rates system to direct investment in specific areas (e.g. regeneration), to assist in entrepreneurship and to encourage productive investment. This would require legislative approval.
  - Local authority premises should be examined for suitability to be used as much needed incubation space for start-ups, cultural activities or other local economic activity.
  - The NPF must strike a better balance to ensure that national infrastructure and commitments are not derailed by local authority approaches or charges.
  - The Valuations Office needs to examine its methodology for valuing infrastructure assets, including network rates, to ensure that they are consistent with approaches in the UK and elsewhere.
  - Funding for local and regional services and capital provision should not solely come from capital expenditure programmes. Other funding mechanisms, such as competitive funding streams, are used internationally to encourage effective regional development.
  - Government will need to push hard for specific regional development funds to be made available during forthcoming negotiations on the EU's Multiannual Financial Framework (2020-2026) and indeed successor budgets over the lifetime of the NPF.

## 9. Conclusion

Ibec believes that the proposed National Planning Framework offers the potential to support greater ambition for targeted public investment. Effective implementation of the Framework will help to improve the quality of life for citizens in every region on the island. It will also help Irish businesses to create opportunities for continued growth and prosperity in the challenging post-Brexit era.

For the NPF to be fully effective, policymakers must avoid repeating any of the mistakes that undermined the National Spatial Strategy. The Framework's legal status must be complemented by strong regulatory oversight. The Government must ensure that local and regional plans remain consistent with key national policies as well as our EU obligations. The consultation process itself must secure buy-in from multiple stakeholders. In this regard, Ibec looks forward to further engagement with the Department of Housing, Planning, Community and Local Government on the draft Framework document following its publication.

## 10. Appendices

### Cork

#### Regional overview

|                                  |  |
|----------------------------------|--|
| <b>Population:</b>               | 542,196 (11.4% of national)                  |
| <b>Population density:</b>       | 1,655.8 per km <sup>2</sup>                  |
| <b>Under 35:</b>                 | 50% (National average 50%)                   |
| <b>Over 65:</b>                  | 13% (National average 12%)                   |
| <b>Average household income:</b> | €72,051 (101.5% of national average)         |
| <b>Average rent/house price:</b> | €900pm/€210,078 (€1,037pm/€215,000 nat' av.) |
| <b>Largest town/city:</b>        | Cork City (125,622)                          |

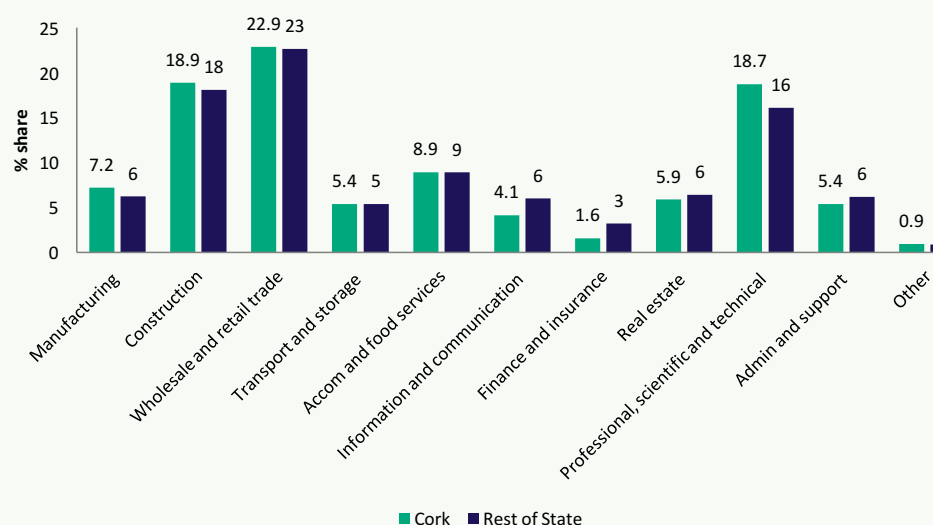
**Table A : Regional Indicators for the Cork Region**

| Indicator                    | Cork Region | Out of 8 regions | Nat' Average | Highest              | Lowest             |
|------------------------------|-------------|------------------|--------------|----------------------|--------------------|
| <b>Skills</b>                |             |                  |              |                      |                    |
| Participation rate (% LF)    | 60.6%       | 5                | 61.9%        | GDR (63.6%)          | North West (58.7%) |
| Third level graduates (% LF) | 34.5%       | 2                | 33.4%        | GDR (39%)            | Midlands (26.5%)   |
| STEM-related grads (% LF)    | 9.4%        | 1                | 7.8%         | Cork Region (9.4%)   | Midlands (6%)      |
| <b>Connectivity</b>          |             |                  |              |                      |                    |
| Broadband (% premises 2016)  | 68%         | 2                | 57%          | GDR (83%)            | West (43%)         |
| Minutes to state airport     | 12 (ORK)    | 1                | 62           | North West (135)     | Cork Region (12)   |
| Minutes to regional airport  | 84 (KIR)    | 5 (Joint)        | 76           | North East (134)     | North West (12)    |
| Minutes to Tier 1 or 2 port  | 6 (C)       | 1                | 61           | North West (141)     | Cork Region (6)    |
| Road quality (IRI)           | 4.5         | 8                | 3.9          | North East (3.4 IRI) | Cork R' (4.55 IRI) |
| <b>Tourism</b>               |             |                  |              |                      |                    |
| Overseas € per 10,000 pop.   | €10.29m     | 3                | €6.40m       | West (€12.68m)       | Midlands (€2.60m)  |
| Hotel beds                   | 10,180      | 5                | 5,017        | GDR (47,808)         | Midlands (4,421)   |



| Enterprise agencies and local government |       |   |     |                     |                  |
|--|-------|---|-----|---------------------|------------------|
| Commercial rates % budget                | 43%   | 7 | 36% | GDR (44.4%)         | NW (20.1%)       |
| IDA jobs per 10,000 (LF)                 | 1,284 | 1 | 685 | Cork Region (1,284) | North East (289) |
| LEO jobs per 10,000 (LF)                 | 113   | 7 | 183 | Midlands (271)      | GDR (76)         |
| EI jobs per 10,000 (LF)                  | 964   | 3 | 836 | North East (1,045)  | North West (517) |

There are 19,457 registered businesses in Cork. This equates to 12.2% of the national total. About 12.4% of Irish SME's are located in Cork with 8.6% of its large companies (those with 250 employees or more) based in the region. In company number terms the largest sector in Cork is wholesale and retail companies followed by professional services and construction firms. On the other hand manufacturers and financial firms make up proportionately less of Corks business community than the rest of the country.



**Fig B: Sectoral breakdown**

The economy in Cork is the second largest Ibec region in terms of its contribution to the state's overall tax take. Cork contributed €4 billion (12.3% of the total) in VAT, taxes on income, corporation tax and capital gains in 2015. Corks pays a large proportion in particular of Corporation tax at 23.3% reflecting the larger industrial base in the region compared to other regions in the country.

# Dublin and Mid East Region

## Regional overview

|                                  |  |
|----------------------------------|--|
| <b>Population:</b>               | 1,709,864 (35.9% of national)                  |
| <b>Population density:</b>       | 1,427.3 per km2                                |
| <b>Under 35:</b>                 | 52% (National average 50%)                     |
| <b>Over 65:</b>                  | 10% (National average 12%)                     |
| <b>Average household income:</b> | €77,855 (110% of national average)             |
| <b>Average rent/house price:</b> | €1,331pm/€293,640 (€1,037pm/€215,000 nat' av.) |
| <b>Largest town/city:</b>        | Dublin City (553,165)                          |

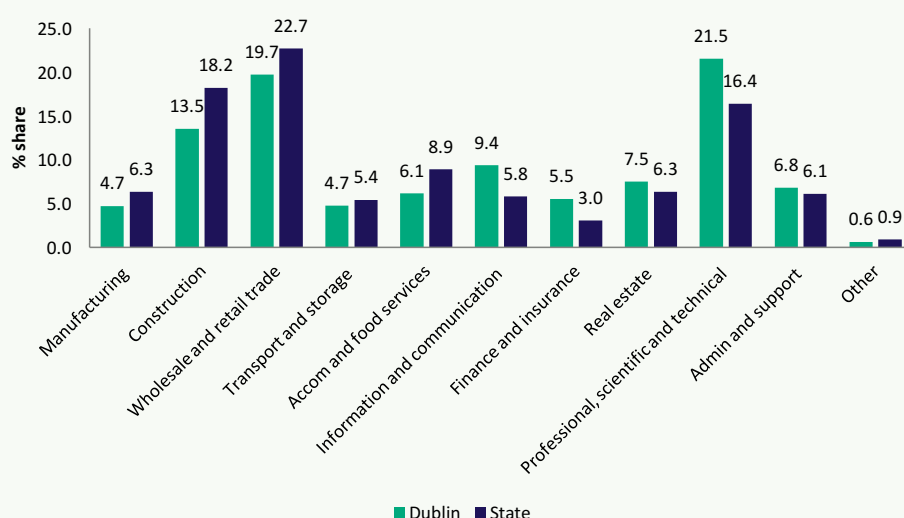
**Table C: Regional Indicators for the Greater Dublin Region**

| Indicator                    | GDR       | Out of 8 regions | Nat' Average | Highest              | Lowest             |
|------------------------------|-----------|------------------|--------------|----------------------|--------------------|
| <b>Skills</b>                |           |                  |              |                      |                    |
| Participation rate (% LF)    | 63.6%     | 1                | 61.9%        | GDR (63.6%)          | North West (58.7%) |
| Third level graduates (% LF) | 39%       | 1                | 33.4%        | GDR (39%)            | Midlands (26.5%)   |
| STEM-related grads (% LF)    | 8.9%      | 2                | 7.8%         | Cork Region (9.4%)   | Midlands (6%)      |
| <b>Connectivity</b>          |           |                  |              |                      |                    |
| Broadband (% premises 2016)  | 83%       | 1                | 57%          | GDR (83%)            | West (43%)         |
| Minutes to state airport     | 14 (DUB)  | 2                | 62           | North West (135)     | Cork Region (12)   |
| Minutes to regional airport  | 114 (WAT) | 7                | 76           | North East (134)     | North West (12)    |
| Minutes to Tier 1 or 2 port  | 10 (D)    | 2                | 61           | North West (141)     | Cork Region (6)    |
| Road quality (IRI)           | 3.8       | 4                | 3.9          | North East (3.4 IRI) | Cork R' (4.55 IRI) |
| <b>Tourism</b>               |           |                  |              |                      |                    |
| Overseas € per 10,000 pop.   | €11.09m   | 2                | €6.40m       | West (€12.68m)       | Midlands (€2.60m)  |
| Hotel beds                   | 47,807    | 1                | 5,017        | GDR (47,808)         | Midlands (4,421)   |

| Enterprise agencies and local government |      |   |     |                     |                  |
|--|------|---|-----|---------------------|------------------|
| Commercial rates % budget                | 44%  | 8 | 36% | GDR (44.4%)         | NW (20.1%)       |
| IDA jobs per 10,000 (LF)                 | 1092 | 2 | 685 | Cork Region (1,284) | North East (289) |
| LEO jobs per 10,000 (LF)                 | 76   | 8 | 183 | Midlands (271)      | GDR (76)         |
| EI jobs per 10,000 (LF)                  | 962  | 4 | 836 | North East (1,045)  | North West (517) |

There are about 58,000 registered businesses in the Dublin region. This equates to 36% of the national total. About 35.8% of Irish SME's are located in the region with 57.3% of its large companies (those with 250 employees or more) based in the region.

In company number terms the largest sector in the Dublin region is wholesale and retail companies followed by professional services and construction firms. On the other hand accommodation and food along with manufacturing firms make up proportionately less of the region's business community than the rest of the country.



**Fig D: Sectoral breakdown**

The economy in the Dublin region is by far the largest Ibec region in terms of its contribution to the state's overall tax take. It contributes 61.4% of all VAT, taxes on income, corporation tax and capital gains collected annually. This is some way ahead of the second region Cork which contributed just over 12.3. The Dublin region pays a large proportion in particular of Corporation tax at 61.4% reflecting the larger industrial base in the region compared to other regions in the country. These figures may be, however, skewed by corporate headquartering in Dublin. On the other hand residents of the region pay 56.8% of all PAYE and USC with many more earning the living in the region but paying tax elsewhere.

# Mid West and Kerry

## Regional overview

|                                  |  |
|----------------------------------|--|
| <b>Population:</b>               | 621,797 (13.1% of national)                  |
| <b>Population density:</b>       | 44.9 per km <sup>2</sup>                     |
| <b>Under 35:</b>                 | 48% (National average 50%)                   |
| <b>Over 65:</b>                  | 13% (National average 12%)                   |
| <b>Average household income:</b> | €69,951 (99% of national average)            |
| <b>Average rent/house price:</b> | €669pm/€155,649 (€1,037pm/€215,000 nat' av.) |
| <b>Largest town/city:</b>        | Limerick City (102,161)                      |

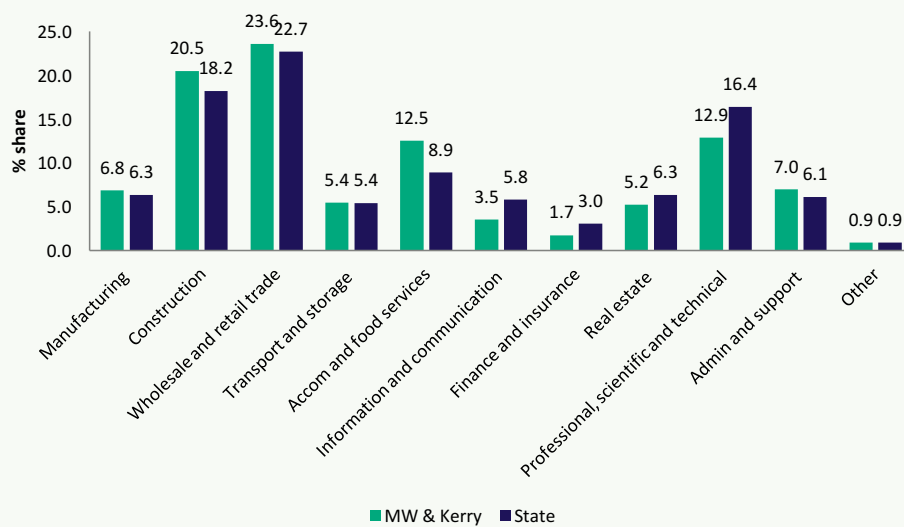
**Table E: Regional Indicators for the Mid West and Kerry**

| Indicator                    | Mid West/<br>Kerry | Out of 8<br>regions | Nat'<br>Average | Highest              | Lowest             |
|------------------------------|--------------------|---------------------|-----------------|----------------------|--------------------|
| <b>Skills</b>                |                    |                     |                 |                      |                    |
| Participation rate (% LF)    | 59.9%              | 7                   | 61.9%           | GDR (63.6%)          | North West (58.7%) |
| Third level graduates (% LF) | 29.3%              | 4                   | 33.4%           | GDR (39%)            | Midlands (26.5%)   |
| STEM-related grads (% LF)    | 7.1%               | 4                   | 7.8%            | Cork Region (9.4%)   | Midlands (6%)      |
| <b>Connectivity</b>          |                    |                     |                 |                      |                    |
| Broadband (% premises 2016)  | 52%                | 6                   | 57%             | GDR (83%)            | West (43%)         |
| Minutes to state airport     | 24 (SNN)           | 3                   | 62              | North West (135)     | Cork Region (12)   |
| Minutes to regional airport  | 75 (KIR)           | 4                   | 76              | North East (134)     | North West (12)    |
| Minutes to Tier 1 or 2 port  | 38 (SF)            | 5                   | 61              | North West (141)     | Cork Region (6)    |
| Road quality (IRI)           | 4.1                | 7                   | 3.9             | North East (3.4 IRI) | Cork R' (4.55 IRI) |
| <b>Tourism</b>               |                    |                     |                 |                      |                    |
| Overseas € per 10,000 pop.   | €10.28             | 4                   | €6.40m          | West (€12.68m)       | Midlands (€2.60m)  |
| Hotel beds                   | 24,082             | 2                   | 5,017           | GDR (47,808)         | Midlands (4,421)   |

| Enterprise agencies and local government |     |   |     |                     |                  |
|--|-----|---|-----|---------------------|------------------|
| Commercial rates % budget                | 29% | 5 | 36% | GDR (44.4%)         | NW (20.1%)       |
| IDA jobs per 10,000 (LF)                 | 655 | 4 | 685 | Cork Region (1,284) | North East (289) |
| LEO jobs per 10,000 (LF)                 | 226 | 3 | 183 | Midlands (271)      | GDR (76)         |
| EI jobs per 10,000 (LF)                  | 740 | 6 | 836 | North East (1,045)  | North West (517) |

There are about 21,750 registered businesses in the region. This equates to 13.6% of the national total. About 11.9% of Irish SME's are located in the Mid-West and Kerry with 8.9% of its large companies (those with 250 employees or more) based in the region. This makes it the regions with the second highest proportion of large companies in Ireland after Dublin (58.3%).

In company number terms the largest sector in the Mid-West and Kerry is wholesale and retail companies followed construction firms. On the other hand manufacturers and financial firms make up proportionately less of the regions business community than the rest of the country.



**Fig F: Sectoral breakdown**

# Midlands Region

## Regional overview

|                                  |  |
|----------------------------------|--|
| <b>Population:</b>               | 291,941 (6.1% of national)                   |
| <b>Population density:</b>       | 44.5 per km <sup>2</sup>                     |
| <b>Under 35:</b>                 | 51% (National average 50%)                   |
| <b>Over 65:</b>                  | 11% (National average 12%)                   |
| <b>Average household income:</b> | €62,417 (88% of national average)            |
| <b>Average rent/house price:</b> | €645pm/€140,261 (€1,037pm/€215,000 nat' av.) |
| <b>Largest town/city:</b>        | Portlaoise (20,145)                          |

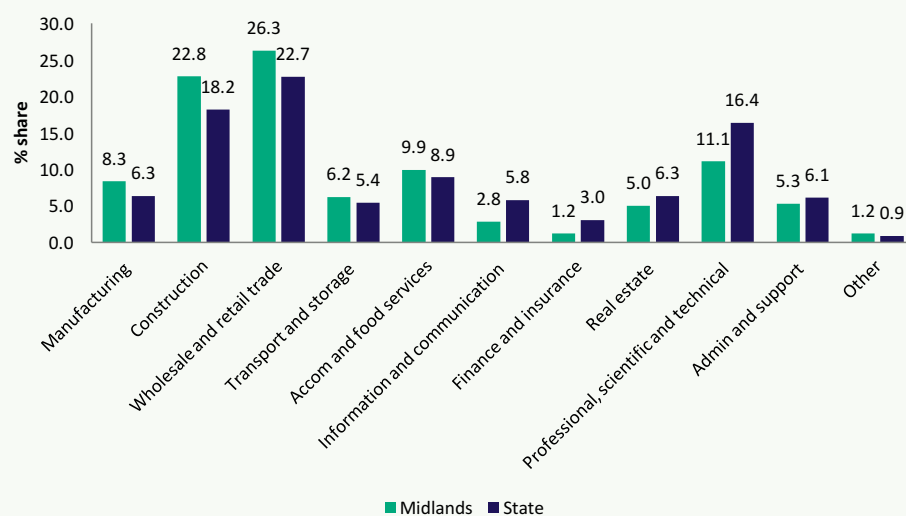
**Table G: Regional Indicators for the Midlands Region**

| Indicator                    | Midlands | Out of 8 regions | Nat' Average | Highest              | Lowest             |
|------------------------------|----------|------------------|--------------|----------------------|--------------------|
| <b>Skills</b>                |          |                  |              |                      |                    |
| Participation rate (% LF)    | 61.9%    | 3                | 61.9%        | GDR (63.6%)          | North West (58.7%) |
| Third level graduates (% LF) | 26.5%    | 8                | 33.4%        | GDR (39%)            | Midlands (26.5%)   |
| STEM-related grads (% LF)    | 6%       | 8                | 7.8%         | Cork Region (9.4%)   | Midlands (6%)      |
| <b>Connectivity</b>          |          |                  |              |                      |                    |
| Broadband (% premises 2016)  | 55%      | 4                | 57%          | GDR (83%)            | West (43%)         |
| Minutes to state airport     | 62 (DUB) | 5                | 62           | North West (135)     | Cork Region (12)   |
| Minutes to regional airport  | 84 (WAT) | 5 (Joint)        | 76           | North East (134)     | North West (12)    |
| Minutes to Tier 1 or 2 port  | 63 (D)   | 6                | 61           | North West (141)     | Cork Region (6)    |
| Road quality (IRI)           | 3.7      | 2                | 3.9          | North East (3.4 IRI) | Cork R' (4.55 IRI) |
| <b>Tourism</b>               |          |                  |              |                      |                    |
| Overseas € per 10,000 pop.   | €2.60m   | 8                | €6.40m       | West (€12.68m)       | Midlands (€2.60m)  |
| Hotel beds                   | 4,421    | 8                | 5,017        | GDR (47,808)         | Midlands (4,421)   |

| Enterprise agencies and local government |     |   |     |                     |                  |
|--|-----|---|-----|---------------------|------------------|
| Commercial rates % budget                | 24% | 2 | 36% | GDR (44.4%)         | NW (20.1%)       |
| IDA jobs per 10,000 (LF)                 | 315 | 7 | 685 | Cork Region (1,284) | North East (289) |
| LEO jobs per 10,000 (LF)                 | 271 | 1 | 183 | Midlands (271)      | GDR (76)         |
| EI jobs per 10,000 (LF)                  | 991 | 2 | 836 | North East (1,045)  | North West (517) |

There are about 9,000 registered businesses in the Midlands region. This equates to 5.6% of the national total. About 5.6% of Irish SME's are located in the region with 3.7% of its large companies (those with 250 employees or more) based in the region.

In company number terms the largest sector in the Midlands region is wholesale and retail companies followed by construction and manufacturing firms. On the other hand accommodation and food along with ICT and professional services firms make up proportionately less of the region's business community than the rest of the country.



**Fig H: Sectoral breakdown**

# North East Region

## Regional overview

|                                  |  |
|----------------------------------|--|
| <b>Population:</b>               | 460,682 (9.7% of national)                   |
| <b>Population density:</b>       | 82.1 per km²                                 |
| <b>Under 35:</b>                 | 51% (National average 50%)                   |
| <b>Over 65:</b>                  | 11% (National average 12%)                   |
| <b>Average household income:</b> | €64,863 (91% of national average)            |
| <b>Average rent/house price:</b> | €757pm/€171,216 (€1,037pm/€215,000 nat' av.) |
| <b>Largest town/city:</b>        | Drogheda (38,578)                            |

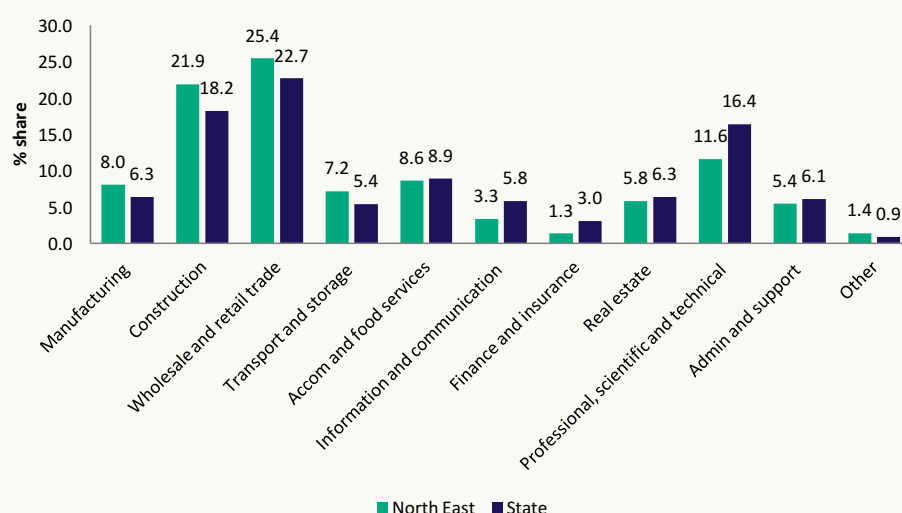
**Table I: Regional Indicators for the North East Region**

| Indicator                    | North East | Out of 8 regions | Nat' Average | Highest              | Lowest             |
|------------------------------|------------|------------------|--------------|----------------------|--------------------|
| <b>Skills</b>                |            |                  |              |                      |                    |
| Participation rate (% LF)    | 63.4%      | 2                | 61.9%        | GDR (63.6%)          | North West (58.7%) |
| Third level graduates (% LF) | 28.3%      | 6                | 33.4%        | GDR (39%)            | Midlands (26.5%)   |
| STEM-related grads (% LF)    | 6.4%       | 6                | 7.8%         | DLR (12.3%)          | Offaly (5.1%)      |
| <b>Connectivity</b>          |            |                  |              |                      |                    |
| Broadband (% premises 2016)  | 62.4%      | 5                | 57%          | GDR (83%)            | West (43%)         |
| Minutes to state airport     | 28 (DUB)   | 4                | 62           | North West (135)     | Cork Region (12)   |
| Minutes to regional airport  | 134 (WAT)  | 8                | 76           | North East (134)     | North West (12)    |
| Minutes to Tier 1 or 2 port  | 35 (D)     | 4                | 61           | North West (141)     | Cork Region (6)    |
| Road quality (IRI)           | 3.4        | 1                | 3.9          | North East (3.4 IRI) | Cork R' (4.55 IRI) |
| <b>Tourism</b>               |            |                  |              |                      |                    |
| Overseas € per 10,000 pop.   | €3.36m     | 7                | €6.40m       | West (€12.68m)       | Midlands (€2.60m)  |
| Hotel beds                   | 6,447      | 7                | 5,017        | GDR (47,808)         | Midlands (4,421)   |



| Enterprise agencies and local government |      |   |     |                     |                  |
|--|------|---|-----|---------------------|------------------|
| Commercial rates % budget                | 29%  | 3 | 36% | GDR (44.4%)         | NW (20.1%)       |
| IDA jobs per 10,000 (LF)                 | 289  | 8 | 685 | Cork Region (1,284) | North East (289) |
| LEO jobs per 10,000 (LF)                 | 166  | 5 | 183 | Midlands (271)      | GDR (76)         |
| EI jobs per 10,000 (LF)                  | 1045 | 1 | 836 | North East (1,045)  | North West (517) |

There are 14,895 registered businesses in the North-East. About 9.3% of all companies are located in the North-East with 5.6% of its large companies (those with 250 employees or more) based in the region. In company number terms the largest sector in the North-East is wholesale and retail companies followed by construction firms. On the other hand professional services and financial firms make up proportionately less of the North-East's business community than the rest of the country.



**Fig J: Sectoral breakdown**

# North West Region

## Regional overview

|                                  |  |
|----------------------------------|--|
| <b>Population:</b>               | 256,084 (5.4% of national)                   |
| <b>Population density:</b>       | 30.4 per km <sup>2</sup>                     |
| <b>Under 35:</b>                 | 47% (National average 50%)                   |
| <b>Over 65:</b>                  | 14% (National average 12%)                   |
| <b>Average household income:</b> | €57,647 (81% of national average)            |
| <b>Average rent/house price:</b> | €537pm/€124,861 (€1,037pm/€215,000 nat' av.) |
| <b>Largest town/city:</b>        | Sligo Town (19,452)                          |

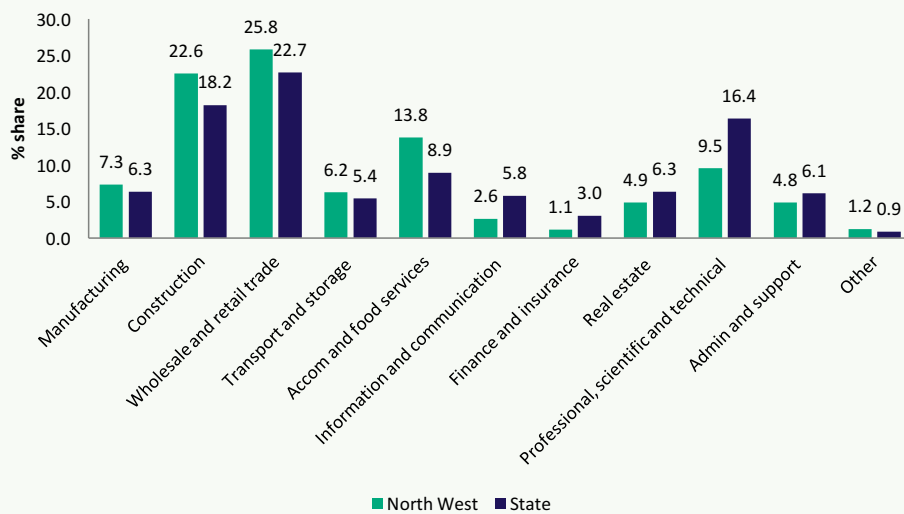
**Table K: Regional Indicators for the North West Region**

| Indicator                    | North West | Out of 8 regions | Nat' Average | Highest              | Lowest                 |
|------------------------------|------------|------------------|--------------|----------------------|------------------------|
| <b>Skills</b>                |            |                  |              |                      |                        |
| Participation rate (% LF)    | 58.7%      | 8                | 61.9%        | GDR (63.6%)          | North West (58.7%)     |
| Third level graduates (% LF) | 29%        | 5                | 33.4%        | GDR (39%)            | Midlands (26.5%)       |
| STEM-related grads (% LF)    | 6.6%       | 5                | 7.8%         | Cork Region (9.4%)   | Midlands (6%)          |
| <b>Connectivity</b>          |            |                  |              |                      |                        |
| Broadband (% premises 2016)  | 47%        | 7                | 57%          | GDR (83%)            | West (43%)             |
| Minutes to state airport     | 135 (DUB)  | 8                | 62           | North West (135)     | Cork Region (12)       |
| Minutes to regional airport  | 12 (SXL)   | 1                | 76           | North East (134)     | North West (12)        |
| Minutes to Tier 1 or 2 port  | 141 (D)    | 8                | 61           | North West (141)     | Cork Region (6)        |
| Road quality (IRI) (0= best) | 3.9        | 6                | 3.9          | North East (3.4 IRI) | Cork Region (4.55 IRI) |
| <b>Tourism</b>               |            |                  |              |                      |                        |
| Overseas € per 10,000 pop.   | €5.82m     | 5                | €6.40m       | West (€12.68m)       | Midlands (€2.60m)      |
| Hotel beds                   | 9,956      | 6                | 5,017        | GDR (47,808)         | Midlands (4,421)       |

| Enterprise agencies and local government |     |   |     |                     |                    |
|--|-----|---|-----|---------------------|--------------------|
| Commercial rates % budget                | 20% | 1 | 36% | GDR (44.4%)         | North West (20.1%) |
| IDA jobs per 10,000 (LF)                 | 454 | 6 | 685 | Cork Region (1,284) | North East (289)   |
| LEO jobs per 10,000 (LF)                 | 219 | 4 | 183 | Midlands (271)      | GDR (76)           |
| EI jobs per 10,000 (LF)                  | 517 | 8 | 836 | North East (1,045)  | North West (517)   |

There are about 7,872 registered businesses in the North-West. This equates to 4.9% of the national total. About 5% of Irish SME's are located in the region with 2.6% of its large companies (those with 250 employees or more) based in the region.

In company number terms the largest sector in the region is wholesale and retail companies followed by accommodation and food and construction firms. On the other hand manufacturers and financial firms make up proportionately less of the region's business community than the rest of the country.



**Fig L: Sectoral breakdown**

# South East Region

## Regional overview

|                                  |  |
|----------------------------------|--|
| <b>Population:</b>               | 421,999 (8.9% of national)                   |
| <b>Population density:</b>       | 59.3 per km <sup>2</sup>                     |
| <b>Under 35:</b>                 | 49% (National average 50%)                   |
| <b>Over 65:</b>                  | 12% (National average 12%)                   |
| <b>Average household income:</b> | €63,269 (89% of national average)            |
| <b>Average rent/house price:</b> | €691pm/€167,421 (€1,037pm/€215,000 nat' av.) |
| <b>Largest town/city:</b>        | Waterford City (51,519)                      |

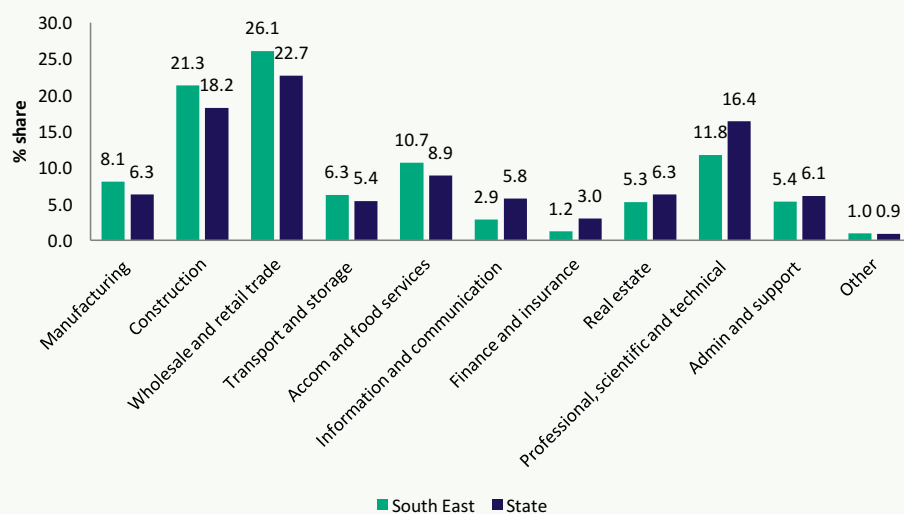
**Table M: Regional Indicators for the South East Region**

| Indicator                    | South East | Out of 8 regions | Nat' Average | Highest              | Lowest             |
|------------------------------|------------|------------------|--------------|----------------------|--------------------|
| <b>Skills</b>                |            |                  |              |                      |                    |
| Participation rate (% LF)    | 60.6%      | 6                | 61.9%        | GDR (63.6%)          | North West (58.7%) |
| Third level graduates (% LF) | 27.8%      | 7                | 33.4%        | GDR (39%)            | Midlands (26.5%)   |
| STEM-related grads (% LF)    | 6.1%       | 7                | 7.8%         | Cork Region (9.4%)   | Midlands (6%)      |
| <b>Connectivity</b>          |            |                  |              |                      |                    |
| Broadband (% premises 2016)  | 59%        | 3                | 57%          | GDR (83%)            | West (43%)         |
| Minutes to state airport     | 98 (ORK)   | 7                | 62           | North West (135)     | Cork Region (12)   |
| Minutes to regional airport  | 14 (WAT)   | 2                | 76           | North East (134)     | North West (12)    |
| Minutes to Tier 1 or 2 port  | 14 (W)     | 3                | 61           | North West (141)     | Cork Region (6)    |
| Road quality (IRI)           | 3.8        | 3                | 3.9          | North East (3.4 IRI) | Cork R' (4.55 IRI) |
| <b>Tourism</b>               |            |                  |              |                      |                    |
| Overseas € per 10,000 pop.   | €5.14m     | 6                | €6.40m       | West (€12.68m)       | Midlands (€2.60m)  |

|   |        |   |       |                     |                  |
|---|--------|---|-------|---------------------|------------------|
| Hotel beds                                      | 11,083 | 4 | 5,017 | GDR (47,808)        | Midlands (4,421) |
| <b>Enterprise agencies and local government</b> |        |   |       |                     |                  |
| Commercial rates % budget                       | 29%    | 6 | 36%   | GDR (44.4%)         | NW (20.1%)       |
| IDA jobs per 10,000 (LF)                        | 497    | 5 | 685   | Cork Region (1,284) | North East (289) |
| LEO jobs per 10,000 (LF)                        | 270    | 2 | 183   | Midlands (271)      | GDR (76)         |
| EI jobs per 10,000 (LF)                         | 884    | 5 | 836   | North East (1,045)  | North West (517) |

There are about 14,756 registered businesses in the South East. This equates to 9.2% of the national total. About 11.2% of Irish SME's are located in the South East with 6.3% of its large companies (those with 250 employees or more) based in the region.

In company number terms the largest sector in the South East is wholesale and retail companies followed by construction firms. On the other hand professional services and financial firms make up proportionately less of the South East's business community than the rest of the country



**Fig N: Sectoral breakdown**

# West Region

## Regional overview

|                                  |  |
|----------------------------------|--|
| <b>Population:</b>               | 453,413 (9.5% of national)                   |
| <b>Population density:</b>       | 417.9 per km <sup>2</sup>                    |
| <b>Under 35:</b>                 | 49% (national average 50%)                   |
| <b>Over 65:</b>                  | 13% (national average 12%)                   |
| <b>Average household income:</b> | €62,076 (87.5% of national average)          |
| <b>Average rent/house price:</b> | €670pm/€165,611 (€1,037pm/€215,000 nat' av.) |
| <b>Largest town/city:</b>        | Galway City (103,031)                        |

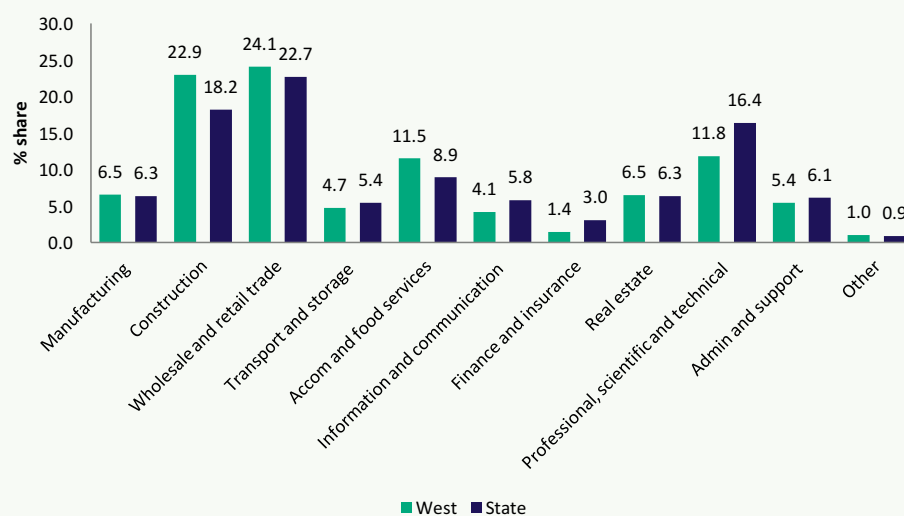
**Table O: Regional Indicators for the West Region**

| Indicator                    | West     | Out of 8 regions | Nat' Average | Highest              | Lowest                 |
|------------------------------|----------|------------------|--------------|----------------------|------------------------|
| <b>Skills</b>                |          |                  |              |                      |                        |
| Participation rate (% LF)    | 60.9%    | 4                | 61.9%        | GDR (63.6%)          | North West (58.7%)     |
| Third level graduates (% LF) | 32.9%    | 3                | 33.4%        | GDR (39%)            | Midlands (26.5%)       |
| STEM-related grads (% LF)    | 8.1%     | 3                | 7.8%         | Cork Region (9.4%)   | Midlands (6%)          |
| <b>Connectivity</b>          |          |                  |              |                      |                        |
| Broadband (% premises 2016)  | 43%      | 8                | 57%          | GDR (83%)            | West (43%)             |
| Minutes to state airport     | 65 (SNN) | 6                | 62           | North West (135)     | Cork Region (12)       |
| Minutes to regional airport  | 71 (NOC) | 3                | 76           | North East (134)     | North West (12)        |
| Minutes to Tier 1 or 2 port  | 98 (SF)  | 7                | 61           | North West (141)     | Cork Region (6)        |
| Road quality (IRI) (0= best) | 3.9      | 5                | 3.9          | North East (3.4 IRI) | Cork Region (4.55 IRI) |
| <b>Tourism</b>               |          |                  |              |                      |                        |
| Overseas € per 10,000 people | €12.68m  | 1                | €6.40m       | West (€12.68m)       | Midlands (€2.60m)      |
| Hotel beds                   | 16,479   | 3                | 5,017        | GDR (47,808)         | Midlands (4,421)       |

| Enterprise agencies and local government |     |   |     |                     |                    |
|--|-----|---|-----|---------------------|--------------------|
| Commercial rates % budget                | 29% | 4 | 36% | GDR (44.4%)         | North West (20.1%) |
| IDA jobs per 10,000 (LF)                 | 896 | 3 | 685 | Cork Region (1,284) | North East (289)   |
| LEO jobs per 10,000 (LF)                 | 126 | 6 | 183 | Midlands (271)      | GDR (76)           |
| EI jobs per 10,000 (LF)                  | 589 | 7 | 836 | North East (1,045)  | North West (517)   |

There are about 14,196 registered businesses in the West. This equates to 8.9% of the national total. About 9% of Irish SME's are located in the West with 7% of its large companies (those with 250 employees or more) based in the region.

In company number terms the largest sector in the West is wholesale and retail companies followed by construction firms. On the other hand professional services and financial firms make up proportionately less of the West's business community than the rest of the country.



**Fig P: Sectoral breakdown**







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