



Review of National Development Plan

12 February 2021



Background to NDP Review and this Document

- In June 2020, a new Government took office in Ireland and it committed to bringing forward a review of the NDP to take account of the changed environment that Ireland is now facing, including the unprecedented impact of Covid-19, and to better reflect the major priorities set out in the new Programme for Government.
- These priorities are aimed at tackling the most important challenges facing us as a nation including climate action, housing, balanced regional development, healthcare, social welfare policy, transport, education, development of our arts, culture and heritage, and the associated resourcing requirements.
- The renewed NDP will set out a capital investment framework until 2030.
- A consultation document has been provided to stakeholders who are asked to provide answers, with supporting rationale, to 7 questions.
- This document provides input from Shannon Chamber in response to these questions and the NDP review.
- The format is based on the template included in the NDP Review documentation circulated by the Department of Public Expenditure and Reform.

1. Is the overall level of public spending on capital investment correct?

Answer	Rationale
<p>In general terms it is appropriate for a well-developed economy like Ireland to spend a high percentage of income on public spending.</p>	<p>Ireland, like most high income EU and OECD countries is clustered with a group that spend circa 50% of GDP on public expenditure. https://ourworldindata.org/government-spending</p>
<p>Evidence suggests that Ireland’s combination of taxes and transfers help to redistribute income and reduce inequality.</p>	<p>OECD income distribution data shows that Ireland has been achieving around 40% reduction in income inequality after tax and transfers compared to a global average of 33% https://ourworldindata.org/government-spending</p>
<p>It is clear that Ireland’s rate of capital spending has been increasing in both absolute terms (€10bn in 2021) and as a % (12% in 2021) of public expenditure. The equivalent numbers in 2011 were €4.5bn and 8%. https://whereyourmoneygoes.gov.ie/ The absolute and % levels planned for 2021 must at a minimum be maintained and ideally increased over the remainder of the NDP.</p>	<p>Maintain or increase capital spend to generate productive and long-term investment that will accelerate post Covid and post BREXIT economic and social recovery and at the same time realise untapped potential at regional level</p>
<p>Decisions on capital spend must be based, not on absolute numbers or %s, but on the overarching economic plan, which in the case of Ireland, must have a strong regional dimension.</p>	<p>Inequality can not be reduced long term solely through transfers and tax policy. There is an opportunity to realise the untapped economic contribution of the Atlantic Economic Corridor (AEC) by investing in the enabling infrastructure required to deliver a high-value, low-carbon economy. Good time to borrow with interest rates low and easing of fiscal rules at EU level. Must align capital spend to the EU green economy/carbon programme as well as the UN sustainable development goals. Spend on communications, climate action and environment at 4.9% is very low and must be doubled if we are serious about EU and global goals.</p>

2. What should the capital budget be spent on?

Answer	Rationale
<p>Maintain or increase capital spend to redistribute activity which promotes distancing required by Covid but yet does not undermine economic or business progress.</p>	<p>Create demand for skilled services and employment at a time when we need to drive economic recovery.</p> <p>Covid working from home experience has shown, in Ireland and globally, that it is possible to maintain and grow business with a regionally distributed workforce while at the same generating high-value, low-carbon activity from workers' home community.</p> <p>Broadband connectivity at regional and rural level must be accelerated to build on the remote working opportunity – the current 7-year delivery plan is too slow to exploit this opportunity.</p>
<p>Maintain or increase capital spend to distribute sea and air access to/from the country to provide resilience and reduced dependency on single access points and Invest in infrastructure (air, road, rail, ...) to provide connectivity between regions within the AEC, the rest of the country and global markets.</p>	<p>Ensure that supply chains no longer depend on one route (UK landbridge) in a post BREXIT era.</p> <p>The rapid implementation, take-up and success of direct ferry services to the continent has shown that many supply chains value certainty over speed of delivery.</p> <p>Ensure that visitors can access the West of Ireland directly, safely and sustainably at a time when there is a premium on open spaces and activities.</p>
<p>Maintain or increase capital spend to facilitate and accelerate the growth of renewable energy generation potential across the Atlantic Economic Corridor (AEC).</p>	<p>Facilitate transportation via Atlantic ports to/from off-shore wind developments and their supply chains.</p> <p>Develop electricity super-grids to facilitate distribution of sustainable energy supply to/from Ireland and its EU neighbours.</p> <p>TEN-T designation plus TEN-E, (as well as TEN-G) provide the framework and opportunity for Ireland via AEC to contribute to EU policy goals.</p>

2. What should the capital budget be spent on? (continued)

Answer	Rationale
<p>Maintain or increase capital spend to facilitate and accelerate the growth of Unmanned Aerial Vehicles (UAV) / drones to provide European leadership in this sector of the aviation industry, while facilitating sustainable aviation and transportation across the Atlantic Economic Corridor.</p>	<p>Expand the opportunities for Shannon Airport to become a centre of drone/UAV development, testing and certification.</p> <p>A dedicated testing facility will not only create an ecosystem for this growing industry in the region but a dedicated Vertiport can also be used to offer operational services to enhance the region, including last mile logistics via drone, sustainable air transportation and air tourism.</p> <p>The test site can leverage the existing Future Mobility Campus facility and will allow the aviation regulator to understand and implement best practice in the safe management of unmanned aerial vehicle operations in conjunction with manned airspace.</p>

3. What types of capital investment should be prioritised?

Answer	Rationale
Balanced regional development	<p>Build on what we have learned from Covid and create a balanced mix of sustainable economic activity across our regions.</p> <p>Broadband reach, resilience and speed enables work from anywhere.</p> <p>Advanced technology facilities enable businesses to start, operate and expand at all scales – small, medium, large and virtual.</p> <p>Investment in infrastructure for housing, culture, leisure improves the living environment, enhances ability to attract mobile workers while at the same time maintaining the attractiveness of local and regional areas valued by the tourism sector and its international and domestic visitors.</p>
Multi-modal transport hubs and networks	<p>Move away from functional approach to transport investment to ensure that there are multiple options for connecting to global markets and supply chains.</p> <p>Focus on connections that support and enable economic activity in regional growth centres connected and bringing benefits to surrounding areas.</p>
Drivers and facilitators of high-value, low-carbon economy	<p>WHO has highlighted the link between climate impacting activity and pandemics. There is an opportunity to realise the AEC's potential as a generator of renewable wind and marine energy which will contribute to and be supported by investment in multi-modal transport referenced in the previous row of this table.</p> <p>Focus on delivery of 2050 carbon neutral goals should be driven by economic opportunity rather than compliance with international agreements.</p> <p>15% of current renewable energy goes to waste due to constraints and curtailment in the grid which, if corrected, could result in the AEC enabling Ireland to become a net exporter of energy.</p> <p>Enable the agri and tourism sectors to survive and thrive post Covid and BREXIT.</p>

3. What types of capital investment should be prioritised? (continued)

Answer	Rationale
Education and skills	<p>Decades of economic growth have been founded on a series of previous decisions that have created educated, skilled and adaptable people (free secondary education, access to higher education, investment in research, skillnets, ...).</p> <p>Transformative reinvestment (facilities, equipment, technology, ...) is required to maintain and build on this advantage.</p> <p>Focus on and investment in skills is essential to delivery of economic priorities.</p>

4. How can the management and governance of public investment be improved?

Answer	Rationale
Place greater attention on the strategic and societal benefits of proposed public projects.	Cost benefit and value for money analysis is important and well covered and catered for in the Public Spending Code. Current commentary and analysis on capital projects tends to focus more on potential deficits than public good and this must be balanced by emphasising or giving greater weight at project evaluation and approval stage to strategic benefits (e.g. alignment with NPF, economic policy goals, ...).
Weaknesses at delivery and implementation level highlight that the core problem is less about the guidelines and more about procurement, planning and checks on capability of bidders to deliver at the tendered price.	Project uncertainty and cost over-runs occur regularly. Reputable bidders tend to achieve similar scores on the economic appraisal criteria in most economically advantageous tender (MEAT) processes which means that in the end it comes down to cost and corners are cut in order to gain advantage.

5. How is the NDP affecting your region?

Answer	Rationale
There are positive elements.	Visible evidence through regeneration of Shannon Free Zone advance buildings and facilities which are attracting world class businesses and creating regional economic impact. New aviation hangar at Shannon Airport is already occupied.
There are frustrations.	Funding of €150k allocated in 2018 for a new Shannon Town Plan has not yet delivered a finished outcome and draft output to date seems to bring everything back to previous plans (2008 and 2012). Latest update is that the plan will be complete Q3 2021 (3 years after funding and 13 years after 2008 plan). The critical requirement is not a new plan but real leadership, commitment and investment to turn previous policies and plans into reality.
Limerick Shannon Metropolitan Area benefit is as yet unclear.	A lot of effort was required to ensure that Shannon was integrated into the original draft LSMAP where Shannon came across as an add-on rather than strategic component of a key economic zone. Similar effort was required with the LSMATS (transport strategy). Follow-through on urban rail services will be just one example of indicators of real commitment to the vision of an integrated metro area.
Data sources reviewed for answers to this question highlighted on right.	https://geohive.maps.arcgis.com/apps/MapSeries/index.html?appid=f05a07c5a0324b1a887cd9d5d7103e22

6. What is your feedback on Project Ireland 2040 communications??

Answer	Rationale
Communication has been strong.	Ease of access to consultation papers, draft documents, etc online.
Sometimes it feels like the consultation isn't real – is anybody really listening?	Detailed Chamber and AEC submissions have been made in response to consultations on NPF, RSES, Metro Area Plan, Transport Strategies, County Development Plans, Town Plans. These submissions have demonstrated and provided consistent references to a number of fundamental principles and themes over time. Yet draft documents published for consultation by the responsible bodies: do not take account of zones of economic influence; reflect geographic, sectoral or administrative boundaries: miss, undervalue and dis-respect voluntary efforts to deliver evidence-based and joined-up submissions and proposals.
There is a sense that activities that would be happening as part of normal government activity are included as NDP projects.	County development and local area plans are statutory activities that must happen regardless of NDP and are in reality spatial plans presented as if they are long-term visions but missing the critical requirement of a strong economic plan.

7. Is there anything else you would like to add?

Answer	Rationale
The NDP should provide funding for the delivery of the advance infrastructure (appropriately zoned and serviced land with roads, utilities, services, etc) required to encourage private sector investment in a mix of housing types.	Concentrate public sector resources on supply of serviced sites for housing development instead of house construction or acquisition.
Leave construction of housing units on serviced sites to specialist providers such as social enterprises and the private sector.	Accelerate the timely and cost-effective delivery of the mix of housing types required for achievement of Ireland 2040. This mix of public infrastructure and private building has a greater probability of delivering the balance of affordable and aspirational living solutions required in viable and sustainable communities. Social enterprises have a strong track record of delivery in the housing sector and have the potential to link with untapped community funding via credit unions.
The NDP should provide the funding or incentives required to encourage reintegration and re-purposing of older buildings.	Town centre occupancy rates in retail and services buildings have been struggling for many years and many retail units will not re-open post Covid given the shift to online shopping. There is an opportunity to re-imagine and re-purpose retail and commercial buildings for living, amenity and flexible workspaces and in the process bring life and activity back to town centres in a different form.

End

Submitted by:

Shannon Chamber, Suite 14, Shannon Airport House, Shannon, Co Clare, V14 E370

Tel: 061 475854

Email: hdownes@shannonchamber.ie