Funding The Dublin City Region
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To secure ongoing funding for projects in the City Region that enhance quality of life and its competitive position with other City regions by addressing perceived deficiencies in the public realm and responding to the vision of City Region as a global leader as a place to live, to work in, and to visit.
FUNDING DUBLIN THE CITY REGION: SUPPORTING STATEMENTS

Statement 1 (The Capital Region):
The City Region has been the main engine of growth for Ireland. The economic performance of the region must be supported, protected and enhanced. Funding for Dublin to ensure that it continues to thrive, grow and maintain competitiveness is a key component of Dublin and Ireland's future success.

Statement 2 (No displacement of other Gateways):
In seeking adequate funding for Dublin as a Capital Region, there is no intention to displace funding which might be allocated to other economic regions within the State. This initiative seeks to achieve fresh funding which reflects the demands of the Capital Region.

Statement 3 (The International Gateway):
When referring to Dublin as a competitive city, it should be borne in mind that, considering quality of life, Dublin competes with Cities outside of Ireland, rather than within, for Retail, Investment, Tourism and Funding.

Statement 4 (The Capital City):
The success of the City Region is keenly influenced by the success of Dublin City. This requires that its identity remains sufficiently unique and fresh to attract investment in business and human capital. The night economy is increasing in value to the City economy.

Statement 5 (Funding Recommendations):
Funding recommendations made previously should be reconsidered:

➢ There should be a system of tax sharing between local and central government

➢ There should be a system of funding through local taxation which at the authority’s discretion could raise modest amounts in the context of local government expenditure as a whole which could be applied to the social, cultural, living and leisure environment, similar to the Polluter Pays approach. These charges should be set in the context of a nationally funded waiver scheme. A charge that might be raised by a local authority would have the status to be included by a company in its calculations for tax purposes.

➢ There should be an increase of funds to Dublin City Council through the Equalisation mechanism of the Local Government Fund.
➢ Charges for all services should be set at full economic cost, aligned with a national waiver scheme.

➢ The local authority funding base should be broadened. This should include Rates on Government properties, and user charges based on economic cost of efficient service provision alongside a national waiver scheme.

**Statement 6 (High Value):**
The City Region has a high concentration of high value jobs and consequently experiences the highest disposable income per capita in the State. This position must be maintained in a flexible manner. With upskilling of the workforce, this employment base must be strengthened and developed.

**Statement 7 (Wealth Contrast):**
Dublin also demonstrates striking levels of persistent poverty and disadvantage, which co-exist alongside high levels of wealth and opportunity. We must poverty-proof all our programmes and ensure that lifestyle choices are created and equality of participation and enhanced accessibility is our target.

**Statement 8 (Migration):**
As the Capital Region, Dublin has specific funding requirements not mirrored elsewhere within the State. The level of transient inward mobility, whether employment related or visitor based, is significantly higher in Dublin than elsewhere. This activity adds to congestion levels and increases the cost of congestion to business. Dublin is required to be accessible to the full number of individuals and organisations wishing to be there.

**Statement 9 (World Class Public Services):**
The Dublin City Region requires world-class services (transport, education, local government) to support and service the region’s population. World class public services are also a key aspect of the attractiveness and competitiveness of the City Region serving to distinguish Dublin from other City regions.

**Statement 10 (Inclusive):**
The Dublin City Region seeks to provide life opportunities for all in terms of social inclusion, cultural inclusion, economic inclusion and educational inclusion.
This Dublin we live in is a great City, great in its history, achievements, potential, and above all its people. It reaches out economically, socially, and culturally and attracts people from all walks of life to enjoy the many pleasures that make up Dublin. Dublin holds competitive advantage in many areas and not merely in terms of economics. The lifestyle, amenity, cultural, entertainment, sporting and other choices, which can be considered in the Capital, give the City its appeal.

We must look ahead to ensure that this great City in which we live, work or visit maintains, develops and strengthens in the years ahead. The members of the Finance Strategic Policy Committee have focused on how Dublin as the Capital region might be funded into the future. In doing so the members have been joined by representatives of political parties, business groups, ICTU who share a common interest in Dublin City Region.

The Funding Alliance has expressed a vision of the City, which all participants wish to develop into the future. A City of many strands – economic strengths, knowledge based, socially equitable among others with an ambition for quality and design. This vision is set out in the mission statement contained within this report and was devised by the Funding Alliance over many meetings.

The vision of Dublin into the future is further supported by submissions made to the Funding Alliance. Agencies were invited to make a submission, many choosing to do so. These submissions echo the sentiment of the Funding Alliance in that our City has many strengths, alongside some weaknesses, which are being addressed through investment and greater partnership and a joined up approach across sectors.

Having travelled so far in terms of the improvement in quality and range of all aspects of the City fabric, we must set our sights to the future and put in place the actions required to continue this momentum.

Councillor Michael Donnelly
Chairperson
Finance Strategic Policy Committee
EXECUTIVE SUMMARY

The City Region has been a major driver of growth for the Irish economy in recent years. Developing and strengthening Dublin contributes to, not mitigates against, balanced regional development. Dublin is no longer a small city on the edges of Europe. It is said, “cities play a vital role in creating growth and jobs”.

The purpose of the Funding Alliance, formed from political parties, business interest groups, trade unions and universities is: – To secure ongoing funding for projects in The City Region that enhances the quality of life in the City by addressing perceived deficiencies in the public realm and respond to the vision of The City Region as a global leader as a place to live, to work in, and to visit.

A very significant share of the output of the national economy is directly dependant on Dublin. It is not only Dublin’s economic success that is dependent on Dublin’s infrastructure but also the success of the wider Irish economy. Population figures for Dublin significantly underestimate the true number of people using Dublin’s infrastructure. Within Dublin, many communities are characterised by pockets of significant social and economic disadvantage, long-term unemployment and labour market exclusion in close proximity to areas of high wealth and high income.

The EU Commission concludes that City Regions are drivers of economic development creating growth, innovation and employment. It is recognised that sustainable urban development should integrate socio economic and environmental goals with good public services. Clear evidence has been produced that the most reliable spatial model of Ireland will be based on a single City region on the east coast serving the entire country. Dublin, the City Region, should become an overarching priority of the NDP.

Dublin must maintain and improve on competitiveness against the successful city regions of Europe and indeed globally. In some areas trends are emerging which may contribute to an erosion of competitiveness.

Local government funding requires a review so that funding allocated to Dublin reflects the level of economic, social and cultural activity supported there. An under-funded city region will undermine the ability of the national economy to compete while a stronger functioning Dublin will support a stronger functioning State.

Acknowledgements

The Funding Alliance would like to acknowledge the assistance of EPS Consulting in the compilation of this report.

“Clear evidence has been produced that the most reliable spatial model of Ireland will be based on a single City region on the east coast serving the entire country”
KEY MESSAGES

A Profile of the City Region

1 In addressing the current infrastructure deficit and in setting new priorities, account needs to be taken of the projected rise in the population of the City Region by up to 250,000 by 2013 and 440,000 by 2021, and perhaps a 50% increase in economic activity by 2020.

2 The City Region’s deficit in terms of infrastructure requires significant expenditure over what is envisaged in the National Development Plan (NDP).

3 The instances of deprivation, disadvantage and social exclusion within the Region require focused solutions.

4 New challenges are emerging including urban and community development, integrating migrants, an ageing population and measures to improve Dubliners’ quality of life.

5 Financing measures to deliver a more ambitious development strategy for the City Region should be a core requirement of a revised National Spatial Strategy.

6 Given Dublin’s economic importance and its contributions to national output, at least 60% of the public capital programme should be allocated to the City Region.

7 Social deprivation and disadvantage are as great a counter balance to sustainable economic development and growth as deficiencies in physical infrastructure.
KEY MESSAGES

City Regions Strategy

8 The City Region has articulated a clear strategy which has, inter alia, made the case for the increased public expenditure that is necessary to address the infrastructure deficits identified in the strategy.

9 The NDP’s overall strategic orientation mirrors that of the City Region.

10 However, strategic intention has not translated into expenditure commitments.

11 EU analysis states that City Regions are drivers of economic development, creating growth, innovation and employment.

12 Sustainable urban development should integrate socio economic and environmental goals with good public services.

The NDP and Dublin

13 The main strategic priorities identified by the City Region are largely reflected in the NDP.

14 There is compelling evidence to hand that the NSS should be revised to attach a much higher priority to the needs of the City Region as a main driver of the national economy.

15 There is no financial envelope for Dublin, nor is it possible to identify how much current and capital spending will be allocated to Dublin.

16 As a consequence, the Dublin local authorities cannot rely on the NDP’s funding allocations for guidance as to what is required at local level. Thus planning for capital programmes is based on an assessment of performance over a previous period and an assessment as to what is affordable going forward.

17 The case for Dublin as the City Region should become an overarching priority of the NDP.
Dublin's Competitiveness

The focus of the current debate on Ireland’s loss of competitiveness has paid less attention to Dublin’s competitive position. As the engine of growth for the whole economy, Dublin needs to be as competitive as is possible when compared to other City Regions globally. In many areas, tourism, provision of childcare and the use of ICT for example, evidence points to worrying trends which if continued will impact on the prospects for economic growth in the City Region in the short term.

The high cost of living, rising business costs and poor infrastructure are the main reasons for the City Region’s relative poor performance. If action was taken across a range of policy areas this could improve Dublin’s competitive position and the quality of life of the capital’s citizens. A concerted effort is therefore needed – a partnership between the public and private sectors – to address the City Region’s competitiveness blackspots.

The quality of life in Dublin is also below international standards with one survey ranking Dublin in a relatively lowly 47th position (of 126 cities) in the world. This should be a cause of concern as the trend line appears to be getting worse and not better.
KEY MESSAGES

Sources of Funding

21 The review of local government funding as part of the work of the Commission on Taxation is welcomed as the City Region supports much of the economic, social and cultural activity of the entire country.

22 Against the background of the expected rise in population and sustained economic activity, it is recommended that the Region’s infrastructural needs and requirements by 2020 be identified in detail having regard to international benchmarks and appropriate KPIs.

23 The strategic aim should be that Dublin’s socio-economic infrastructure deficit would be eliminated by 2020.
INTRODUCTION
DUBLIN – DRIVING FUTURE GROWTH
The City Region, which comprises the administrative areas of Dublin City, South Dublin County, Dun Laoghaire-Rathdown County and Fingal, has been a major driver of growth for the Irish economy in recent years and has also become a real node of global economic development. As the capital, Dublin occupies a unique position in the economic, social and cultural life of the country. It is important that this is recognised and supported. Developing and strengthening Dublin contributes to, rather than mitigates against balanced regional development. In the coming years, the needs of Dublin must be addressed if full national development is to occur.

The Finance Strategic Policy Committee of Dublin City Council recommended that a study of Funding for Dublin be commissioned. It was immediately evident that this study must reflect the full City Region, that it concerned all of Dublin and indeed the study could only be effective in a regional context. The Dublin Regional Authority was approached in this regard and the Chief Executive Officer Patricia Potter joined the Funding Alliance.

*Ireland needs Dublin to be a major magnet to attract certain kinds of high value investments that are needed if we are to be prosperous and also to provide an environment where world class companies, that are capable of competing on a global basis, can emerge.*
Moreover, “if Dublin is to compete internationally, it is crucial that it has the critical mass within the region to meet the needs of the knowledge-based economy. The knowledge based sectors that Ireland has decided to focus on are the kind of sectors that are always found in and around the most dynamic cities of the world, because dynamic cities, by their nature, can offer a wide range of different and necessary facilities.”

If Ireland wants to move forward there must be greater recognition that the hub of its economic activity, the City Region, has very strong competition from cities with deeper skills bases and better infrastructure than is currently available in Dublin at the moment. Therefore, as set out in the Mission Statement, when referring to Dublin in competitive terms, it should be borne in mind that Dublin competes with City regions outside of Ireland, rather than within, for retail, investment, tourism and funding. Moreover, it should also be highlighted that in seeking adequate funding for the City Region, there is no intention to displace funding which might be allocated to other economic regions within the State.

This initiative seeks to achieve fresh funding which reflects the demands of the City Region. In this context too, it is important to stress that when highlighting the need for additional investment in Dublin’s infrastructure, this encompasses not only economic infrastructure such as transport, environmental services or telecommunications, but also social infrastructure, including education, healthcare, housing, cultural and sporting amenities as well as community facilities. Indeed, it is vitally important to ensure that in striving to maintain economic prosperity and sustain economic growth, we do not lose sight of the fact that what we are ultimately trying to achieve is an improvement in the standard of living and quality of life of the people of Ireland. It is important therefore that we measure success not just in terms of economic output, or GDP per head, but also in terms of quality of life and that we strive to ensure that the benefits of economic success are equally accessible to all.

Whilst acknowledging that significant progress has been made on the implementation of public investment, it is imperative that future investment in the City Region is made to ensure sustained growth despite a difficult economic climate and to ensure that Dublin is in a position to continue to grow and prosper in coming years not only for its own good but for the good of Ireland. Dublin is extremely vibrant and lively; it has a strong historical and cultural identity and is blessed with a unique topography and geographic location and wonderful natural amenities. It is recognised that Dublin needs to constantly strive to improve whilst continuing to be attractive by building on the many positives that it possesses. Dublin is an attractive place to live, work or visit. It is suggested that by 2030, 30% of the State’s population will be concentrated in Dublin, 1.3% of the land. There has been sustained migration to the Eastern Seaboard and this is likely to continue.

Dublin is no longer perceived as a small city on the edges of Europe. In recent years, it has increased in standing, and it therefore needs world-class infrastructure and facilities to enable it to compete at this level, and in doing so, not only benefit the City Region but also the wider Irish economy. Dublin requires the resource base to reflect the population (visitors, tourists, workers, residents) who use it.

While the level of infrastructural provision clearly has a major impact on the quality of life of those living, working and visiting Dublin, it is also clear that it has far greater impacts. The National Competitiveness Council, for example, has underlined the fact that the level of infrastructural provision can affect the competitiveness and performance of the enterprise sector. Such lack of infrastructure provision can lead to increased congestion, lowered efficiency and productivity and raised costs. In addition, inadequate infrastructure also reduces the attractiveness of Dublin as an investment location for multinational companies and, as location choices are increasingly being influenced by quality of life considerations, poor infrastructural development can reduce Dublin’s attractiveness to potential immigrants, tourists, and ultimately decrease the supply of labour on which the economy is now so reliant.

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DIT Futures Academy Conclusions

The Futures Academy within the Dublin Institute of Technology (DIT) recently issued a report ‘Twice the Size’ which considered the National Spatial Strategy and potential future urban planning scenarios. The principal conclusions of the report are:

➢ The study identified a critical need to revise the National Spatial Strategy reflecting the vital and dominant role of the Greater Dublin Area in securing the future of Irish society and the continued prosperity of the national economy, as well as the progress towards spatial and economic cohesiveness with Northern Ireland. The revision of the strategy should also address the need to formulate development policy in a way that would reflect distinctiveness of the Eastern and Western regions.

➢ There is a pressing need for fostering collaborative visionary leadership at all scales and across all sectors.

➢ Finally, the study recognised a fundamental requirement for a major reform of local and regional structures of governance to be conducted based on the concepts of sustainable city regions, subsidiary and integrated policy formulation, decision-making and implementation.

See Annex 1 for the Executive Summary of the ‘Twice the Size’ report.

Dublin also has a vital role to play in relation to Europe. Indeed, Ms. Danuta Hubner, the European Commissioner responsible for Regional Policy has stated that “cities play a vital role in creating growth and jobs. They are economic centres and motors of growth both for the wider region and for the country as a whole. In fact, I would go so far as to say a region can only be successful if its cities are successful.”

3 DIT Futures Academy: Twice the Size 2007.
4 Danuta Hubner, Member of the European Commission responsible for regional policy.
Against this background this report makes the case for increased funding for the City Region, both capital infrastructural spending and day-to-day services so that by investing in Dublin the entire economy benefits. While Dublin continues to progress and improve, the country as a whole will benefit from this.

cities play a vital role in creating growth and jobs. They are economic centres and motors of growth both for the wider region and for the country as a whole.

The first section sets out the background to the Funding Alliance and its Mission Statements. The second section sets out a socio-economic profile of Dublin. Section 3 outlines the main features of the City Region’s development strategy. Section 4 identifies the potential contribution that NDP spending may make to Dublin. Section 5 assesses whether the current financial envelope addresses critical shortcomings in relation to Dublin’s competitive position and the improvement of the quality of life of Dublin’s 1.5 million citizens. In the light of the current level of under-funding for local authority spending, Section 6 examines whether alternative funding sources are realistic options. The final section of the report, Section 7, draws conclusions about setting priorities and targeting investments having regard to the on-going shortfall in Exchequer direct co-financing of capital projects. This report took account of the submissions made by a wide variety of organisations and bodies (Annex 2).
1. THE FUNDING ALLIANCE, MISSION STATEMENT AND SUPPORTING STATEMENTS
1.1 Background to Funding Alliance

The Funding Alliance membership is drawn across many sectors – political, business and others. The purpose of the Funding Alliance is to review the funding needs of Dublin as a capital region. A schedule of members is attached in Annex 3. Members of the Funding Alliance share a common objective, as separately articulated across relevant member sectors, namely the development and growth of Dublin as a centre for economic development, with employment growth, cultural and lifestyle choices in a socially inclusive environment.

1.2 Development of Mission Statement

The Funding Alliance developed a point of exchange and commonality for all members through the creation of a mission statement with supporting statements for a vision of Dublin into the future. The initial meetings of the full Alliance and the working group were focused on this task. Following deliberations, discussion and review, a mission statement with ten supporting statements was agreed.

Key Priorities of the Funding Alliance

The key priorities of the Funding Alliance as expressed through the statements are:

- Economic Competitiveness
- Transport
- Housing
- Knowledge Economy
- Cultural Choice
- Environmental Services
- Social Inclusion
- Recreation
- Amenities
- Urban Design

These statements are wide ranging and cover many aspects of Dublin life from economic to social to cultural. The statements are considered to be aspirational and achievable.
The statements point to a demand into the future for a high quality environment whether in relation to public services or transport. For Dublin’s public spaces, the statements support a design and heritage rich urban built environment, incorporating national institutions creating unique public spaces, alongside high quality public domain areas. Interlinked with the built environment are quality natural amenities which support a range of lifestyle choices for example Dublin Bay, Parks and Walkways and Waterways.

The statements support the strengthening and development of cultural and creation facilities of excellence resulting in a broad cultural offering which provides and provokes interest and intrigue for all across visual arts, literature and Performing Arts. The statements prioritise the provision of infrastructure and utilities that meet all European standards in quality along with the provision of opportunities and facilities which support lifelong learning and an appreciation for knowledge such as Wi Fi, Broadband and 4th Level Generation Education.

The statements support the provision of a wide range of services and retail offering that are unique nationally, providing choice across product and price while also recognising the demand for an inclusive society, which holds persuasions and choices at a range of economic levels without social or economic disadvantage.

Mission Statement: Funding Dublin as Capital Region

To secure ongoing funding for projects in the City Region that enhance quality of life and its competitive position with other City regions by addressing perceived deficiencies in the public realm and responding to the vision of City Region as a global leader as a place to live, to work in, and to visit.
Supporting Statements: Funding Dublin as a Capital Region

1 Dublin: The Capital Region
The City Region has been the main engine of growth for Ireland as a whole. The economic performance of the region must be supported, protected and enhanced in a sustainable manner.

Funding for Dublin to ensure that it continues to thrive, grow and maintain competitiveness that reflects the additional populations of commuters and visitors is a key component of Dublin’s and indeed Ireland’s future success.

2 Dublin: No displacement of other Gateways
In seeking adequate funding for Dublin, there is no intention to displace funding which might be allocated to other economic regions within the State. This initiative seeks to achieve fresh funding which reflects the demands of the Capital Region.

3 Dublin: The International Gateway
When referring to Dublin as a competitive city, it should be borne in mind that, considering quality of life, Dublin competes with medium size European and World Cities for Retail, Investment, Tourism and Funding, rather than with the other gateways in Ireland.

4 Dublin: The Capital City
The success of the Dublin Gateway is keenly influenced by the success of The City Region. This requires that its identity remains sufficiently unique and fresh to attract the necessary level of investment in business and human capital. Increasingly The City Region is a 24-hour city, this brings added value to the city economy.
5 Dublin: Previous funding recommendations

Funding recommendations made previously should be reconsidered:

➢ There should be a system of tax sharing between local and central government.

➢ There should be a system of funding through local taxation which at the authority’s discretion could raise modest amounts in the context of local government expenditure as a whole which could be applied to the social, cultural, living and leisure environment, similar to the Polluter Pays approach. These charges should be set in the context of a nationally funded waiver scheme. A charge that might be raised by a local authority would have the status to be included by a company in its calculations for tax purposes.

➢ There should be an increase of funds to Dublin City Council through the Equalisation mechanism of the Local Government Fund.

➢ Charges for all services should be set at full economic cost, aligned with a national waiver scheme.

➢ The local authority funding base should be broadened. This should include Rates on Government properties, and user charges based on economic cost of efficient service provision alongside a national waiver scheme.

6 Dublin: High Value

The City Region has a high concentration of high value jobs and consequently experiences the highest disposable income per capita in the State. This position must be maintained in a flexible manner. With upskilling of the workforce, this employment base must be strengthened and developed.

7 Dublin: Wealth Contrast

Dublin also demonstrates striking levels of persistent poverty and disadvantage, which co-exist alongside high levels of wealth and opportunity.

We must poverty-proof all our programmes and ensure that lifestyle choices are created and equality of participation and enhanced accessibility is our target.
8 Dublin: Migration
As the Capital Region, Dublin has specific funding requirements not mirrored elsewhere within the State. The level of transient inward mobility, whether employment related or visitor based, is significantly higher in Dublin than elsewhere. This activity adds to congestion levels and increases the cost of congestion to business.

Dublin is required to be accessible to the full number of those individuals and organisations wishing to be there.

9 Dublin: World Class Public Services
The Dublin City Region requires world-class services (transport, health, education, local government) to support and serve the region’s population. World-class public services are also a key aspect of the attractiveness and competitiveness of The City Region serving to distinguish Dublin from other Cities.

10 Dublin: Inclusive
The City Region seeks to provide life opportunities for all in terms of:

➢ Social Inclusion
➢ Cultural Inclusion
➢ Economic Inclusion
➢ Educational Inclusion
2. A PROFILE OF THE DUBLIN CITY REGION
2.1 Introduction – Sustaining Growth and Prosperity

“The success of Dublin remains critical to the performance of the Irish economy.”

Over the last ten years the Irish economy has enjoyed remarkable economic success. Between 1998 and 2007, for example, the value of GDP in real terms increased by over 75% with GNP increasing by close to 65%. Over this period too, the Irish economy generated some 645,000 additional jobs. As a result, Ireland has now become one of the richest countries in the world in terms of per capita GDP. In the current more difficult economic times, the role of the Dublin economy will be central to steering the national economy to a more buoyant future.

Ireland’s and the City Region’s infrastructural development has progressed at a slower pace than the economic development. This has placed strain on supporting socio-economic structures ranging from environmental services to social housing. Consequently, the quality of life of many Dubliners is not what it should be, although with improvements signposted for the future. It is vitally important that in the context of the economic circumstances we now face, Dublin highlights its qualities and strengths. A resilient, competitive, functioning City Region economy will be the basis on which the National Economy is led to recovery. With GDP forecasts of 0.5% for 2008, and public sector expenditure reductions, it is vitally important now to facilitate and strengthen economic growth.

Infrastructural bottlenecks are also starting to cause real problems for businesses in the City Region, which may undermine Dublin’s performance. In its report Ahead of the Curve, for example, the Enterprise Strategy Group not only highlighted the fact that the rapid expansion of the Irish economy has exposed deficits in Ireland’s physical infrastructure but stressed that “these deficiencies add substantially to business costs and impair their efficiency.” In the City Region the deficiencies are further magnified by the scale and speed of the transformation of Dublin with the consequent costs to business and subsequent threats to the quality of the economy, the environment and society.

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Dublin’s infrastructure is already struggling to support the current level of economic activity. This affects the competitiveness of the entire country as Dublin remains the driver of economic success. However, medium term growth forecasts the economy as having real economic growth averaging 3.75% annually over the next decade. However, it is also clear that a failure to deliver the necessary improvements in infrastructure could seriously affect these prospects.

Furthermore, if the economy is to continue to expand, then the City Region’s productive and innovation capacity will also need to increase significantly. This will require a sustained expansion of the labour force which, in turn, will depend on factors such as continued immigration, increased participation rates and continued increases in labour productivity.

According to the latest forecasts from the CSO Ireland’s population is expected to continue to grow rapidly over the next ten years and could reach 4.8 million in 2016 and 5.07 million in 2021 with the population of the Greater Dublin Area projected to increase by over half a million persons by 2021 to exceed 2 million.

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It should be noted, however, that these forecasts were based on the 2002 Census and in fact, population growth in the last number of years has actually been far more rapid than anticipated, with the population estimated to have reached 4.34 million by April 2007 9 – a level that was not expected to be reached until 2011.

While demographic changes of this magnitude are essential to deliver the labour force needed to sustain Dublin’s, and ultimately Ireland’s, continued economic growth, they pose major issues for Dublin’s infrastructure. Virtually every sector from healthcare, to education, transport, housing, the environment, childcare etc., will come under enormous strain unless these issues are addressed now. In short, capital investment needs to be targeted into areas where current levels of under-investment may damage Dublin’s ability to attract investment and impact on the quality of life of those living and working in Dublin.

2.2 The Significance of the City Regional Economy

Since the early 1990s, the Region has played a pivotal role in Ireland’s economic success, as a leader of economic, social, cultural and educational change, and whilst the National Spatial Strategy acknowledges the need for more balanced regional development, it also stresses that the performance of the economy of the City Region must be built upon so that its success, competitiveness and vital national role are sustained into the future.

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Moreover, as highlighted by the Chairman of the National Competitiveness Council, “in a globalising economy, Dublin competes primarily against other international competitive regions for trade, investment and people; not against other regions of Ireland. The principle guiding regional development should be about maximising the inherent growth potential of each region, not re-directing economic growth away from Dublin.”

The City Region covers an area of just 92,200 hectares but had a population, at the time of the 2006 Census, of 1.187 million, or 28% of the State’s total population. This represented an increase of 5.7%, or 64,300 persons, on the 2002 level. However, it is important to stress that Dublin provides infrastructural services not only for its own citizens and visitors but also for the citizens and visitors of other regions. For example, transport, education and health facilities are used on a frequent basis by those living outside the Region.

According to the most recent regional accounts, the value of the goods and services produced in the City Region was almost €56 billion in 2005, which was equivalent to 40% of the national total. As the following Table illustrates, regional output is heavily concentrated in the services sector. In 2005, for example, over 75% of the value of goods and services produced in the City Region was in the services sector, which compared with a national service sector share of 62%. Indeed, while Dublin accounted for almost 40% of total output in the State in 2005, it accounted for just under 48% of the State’s total service sector output. This is partly a reflection of the role of Dublin as a Capital City and the centre of Government and public sector activity, but it also serves to underline Dublin’s success in attracting and developing a wide range of service sector industries. Indeed, in the same period, there were 455 IDA Ireland client companies in Dublin, employing almost 46,500 people. This represented almost half of all IDA supported companies in Ireland and covered about one third of IDA supported employment in the country.

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12 Dublin, Building on success in the knowledge economy. Mary Buckley, Manager of Regional Development and Property Division, IDA. Paper to the City Regional Authority Conference, May 2005.
GVA at Basic Prices: City Region and National Output. 2005

<table>
<thead>
<tr>
<th>Industry</th>
<th>Output (€ million)</th>
<th>% share</th>
<th>State Output (€ million)</th>
<th>% share</th>
<th>Dublin’s share of State output %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, Forestry and Fishing</td>
<td>92</td>
<td>0.16</td>
<td>2,796</td>
<td>2.0</td>
<td>3.3</td>
</tr>
<tr>
<td>Manufacturing, Building and Construction</td>
<td>13,781</td>
<td>24.4</td>
<td>50,939</td>
<td>35.7</td>
<td>27.0</td>
</tr>
<tr>
<td>Markets and Non-markets Services</td>
<td>42,563</td>
<td>75.5</td>
<td>88,882</td>
<td>62.4</td>
<td>47.9</td>
</tr>
<tr>
<td>Total</td>
<td>56,384</td>
<td>100</td>
<td>142,486</td>
<td>100</td>
<td>39.6</td>
</tr>
</tbody>
</table>

Source: CSO, County Income and Regional GDP, 2005

In terms of employment too, the importance of the City Region as a key driver of growth in the national economy is clear. In 2005, for example, 574,000 or 30% of all people at work in the State were in the City Region, with over 80% being employed in the service sectors.13

It is obvious that a very significant share of the output of the national economy is directly dependent on Dublin. Moreover, that share is even higher if one considers the importance of access to and from Dublin’s ports and airport for businesses outside the Region. And therefore, it is essential that the infrastructure of the City Region is adequate not only to cater for its own needs but also for the needs of the wider economy as ultimately, it is not only Dublin’s economic success that is dependant on Dublin’s infrastructure but the success of the wider Irish economy. This needs to be recognised and addressed.

The economic significance of Dublin’s role as a major retail centre, not only for the region but for the country, also needs to be recognised and of course, Dublin is also the home of some of Ireland’s most significant tourist attractions and sporting and cultural venues. While at the present time, the “day economy” accounts for the majority of Dublin’s economy, Dublin’s “night economy”, which encompasses its numerous pubs and restaurants, has seen significant growth in recent years and is believed to have the potential for even stronger growth in future.

13 CSO: County Income and Regional GDP and Irish Regions Office: Socio-Economic Profile of the City Region.

“30% of all people at work in the State were in the Dublin Region”
2.3 The Outlook for the City Region

The Irish economy has enjoyed remarkable success in recent years, yet current economic parameters have narrowed and hardened. Trading is increasingly competitive in a challenging global environment. After an extended period of above trend growth, it is clear that Ireland is now facing into a far more uncertain future. This is partly a result of the deteriorating global environment arising from the international credit squeeze; the threat of recession in the US; adverse exchange rate movements; and, increased competition from the emerging economies of Eastern Europe and Asia. At the same time, however, Ireland’s rising cost base and continuing infrastructural deficiencies will impact on our competitiveness. The Irish housing sector, which has been a major engine of growth for the economy, is now going through a major re-adjustment and this is likely to act as a drag on domestic economic activity at least in the short term.

As a result, a slowdown in growth is expected this year, with GDP now expected to increase by 0.5% in 2008. However, at this point in time, it is expected that the slowdown will be relatively short-lived, with forecasters predicting a moderate pick up in growth in 2009 to 2%, as the restraining impact of the housing sector’s adjustment wanes and global market conditions improve. In the longer term the ESRI is predicting that the Irish economy could expand by 3.75% per year a year in real terms over the next decade, which would mean an increase of between a third and a half in the size of the economy compared with today’s level by 2020.

The population of Dublin has also increased dramatically and this trend looks set to continue. The population of the City and County was 1.187 million according to the 2006 Census, a 5.7% increase in just four years. However, this significantly underestimates the true number of people using Dublin’s infrastructure. For example, the number of people working in the city has increased significantly with a large number of workers now commuting from surrounding counties into Dublin City every day. The population of the State is expected to exceed 5 million by 2020 and a significant proportion of which will be in the City Region. While this growth is essential to fuel the continued growth in economic activity and prosperity, it will place further pressure on already overstretched economic and social infrastructure unless appropriate steps are taken now to address Dublin’s deficits. In addition, according to the CSO there is a projected upward trend in the 65 and over dependency ratios for Ireland’s population, which is expected to increase from 16.4% in 2006 to 25.1% by 2026. In 2006, 29.5% of persons aged 65 and over indicated they had a disability compared to 9.3% of all persons. This will necessitate the provision of age appropriate accommodation and services in the future in order to meet the needs of this ageing population. The key question is whether current spatial planning guidelines are taking account of this potential population surge; whether the infrastructure needed to sustain a thriving City Region is identified ahead of demand and delivered at least cost; and, whether supporting socio-economic infrastructure will be put in place to maintain quality of life standards.

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15 See for example, the Central Bank Quarterly Bulletin, January 2008, ESRI, Quarterly Economic Commentary, Spring 2008 and ESRI, Medium Term Review.
In addition, the number of tourist’s visiting the region has also increased sharply in recent years. According to the latest statistics from Failte Ireland there were 5.676 million tourist visits to Dublin in 2006, which represented an increase of almost a third on the 2000 level. Over 75% of all visits in 2006 were by overseas tourists, with 92% arriving by air. While foreign visitors represent the majority of those visiting Dublin, it is interesting to note, nevertheless, that visits to Dublin by domestic tourists (including Northern Ireland) increased by more than 50% since 2000. Dublin also has a very large third level student population (of over 90,000 full and part-term student), many of whom come from other parts of the country or from overseas.

It is clear too that the structure of Dublin’s economy is continuing to change, with a sustained trend away from traditional manufacturing towards one where services and high-tech manufacturing are of primary importance. The decline of traditional industries will inevitably continue, as Ireland in general, and Dublin in particular, struggles to compete with lower-cost production locations around the world. Against this background, and given the higher standards of living and wages now expected by Irish workers, it is imperative for future job creation that Ireland strives to move up the value chain by attracting and fostering higher value-added businesses, and that new and future growth areas are identified and systematic planning is undertaken regarding the infrastructural, training and other needs associated with such growth.

Central to tackling these issues is the continued development of a robust education system supporting the full range of education and knowledge supports that will allow a new generation of the workforce to take up positions in higher value added businesses. Supports must also be provided to allow existing workers to up-skill and diversify to ensure that they are well placed to prosper and succeed in this changing environment.

The Regional Planning Guidelines for the Greater Dublin Area identified four sectors as offering the best potential to contribute to the future development of the City Region. They are Life Sciences, International Services (including Financial Services and e-commerce), ICT/Software development and e-learning/Digital Media. The location of high quality third level educational institutions in the Region will therefore assist in maintaining and improving the regional, and indeed the national, economy, but again it is crucial that that adequate capital investment is targeted at achieving this strategy.

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16 This is based on figures for UCD, TCD, DLD, DIT, DBS, Griffith College, ITT, ITB, IADT and St. Patrick’s College.
If the Irish economy and the City Region are to achieve their full growth potential and lead the economic recovery, then productive capacity will need to increase significantly. This will require a sustained increase in the labour force which, in turn, will depend on factors such as up-skilling and re-training programmes for low skilled workers, expansion in the numbers of PhD graduates, continued immigration and increased participation rates.

New priorities are already beginning to emerge for Dublin and while remaining critical; the current dependence on foreign-owned industry and services may begin to decline as the traded indigenous sector and the non-traded service sectors increase in importance in line with trends in competitor City Regions. As indicated earlier, there is likely to be a continued shift away from traditional large-scale manufacturing towards high-tech manufacturing and international services, such as call centres, ICT services, e-commerce and financial services. Therefore, there will be a continued need to invest in flagship regional enterprise projects, such as the Docklands, Grangegorman and the IFSC. Research and Development will also become a more important strategic priority, not just within existing enterprises, but as a sector in its own right and one capable of significantly increasing its share of employment. The City Region will need to spearhead this new focus on R&D based employment. This, in turn, will require new high-tech centres of excellence and facilities for R&D such as applied research institutions and science and enterprise parks. While the State may play a declining role in direct investment funding, it nevertheless has a critical role to play in ensuring that these facilities are developed, are successful and located in appropriate strategic areas.

The Dublin Chamber of Commerce has identified ten initiatives to fast track the transformation of Dublin into a leading global Knowledge City Region by 2012. The Chamber has called on government to take immediate and positive action to grow Dublin’s position as a leading location for innovation and investment.

It is also important to recognise that while the economic success of the Region has been driven in large part by its success in attracting major inward investors, the value of small business in terms of employment generation and the sustained creation of wealth and local economic development must not be overlooked. For example, over 95% of businesses in Dublin City are SMEs, i.e. employing less than 50 people. Therefore, while it is important that the needs of multi-nationals are catered for, it is also vital that the continued development of a diverse range of dynamic indigenous business activities is encouraged and that appropriate physical infrastructure and a wide range of supports are provided at local level.

The Funding Alliance also recommends that arrangements arising from Landlord and Tenant legislation be considered with a view to increasing the terms of retail leases to 10 years in line with offices. In doing so, this could support greater stability and investment in retail.

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2.4 Social Exclusion

“People are living in poverty if their income and resources (material, cultural and social) are so inadequate as to preclude them from having a standard of living which is regarded as acceptable by Irish society generally. As a result of inadequate income and resources people may be excluded and marginalised from participating in activities which are considered the norm for other people in society”.

The performance of the Irish economy plays a vital role in combating poverty and social exclusion. It not only provides employment opportunities and facilitates increased participation in the workforce but also generates the resources to fund public investment in measures aimed at tackling social inclusion – including housing, health services, childcare, education inclusion, training, community development and social inclusion generally.

There is no doubt that the City Region has enjoyed enormous economic growth and prosperity in recent years and has been extremely successful in terms of high value job creation. As a result, Dublin now enjoys the highest disposable income per person of any region in the country (at 13% above the State average in 2005) and indeed, has also become one of the most prosperous regions in the EU. Clearly we are now in a more constrained economic framework yet our high value employment base and competitive workforce will be fundamental to leading growth.

At the same time, however, and in striking contrast, Dublin also suffers some of the worst social and economic disadvantage within the country and it is clear that not all social groups or areas have benefited equally from the Region’s recent economic success. Indeed, many of Dublin’s communities are characterised by pockets of significant social and economic disadvantage, long-term unemployment and labour market exclusion. The Dublin’s inner city area, for example, is a recognised unemployment black spot, with some communities experiencing 80% unemployment and where there are families in which two and three generations have never worked. In addition:

- A considerable number of people are still excluded from the labour market within the City Region. Contributing factors to this problem include the lack of affordable childcare facilities or barriers faced by other groups such as people with disabilities, or those with low-level skills.

- Ten of the twelve designated most disadvantaged areas in Ireland are located in Dublin, in communities with a combined population of 264,000 people.

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19 Department of Enterprise, Trade and Employment: The EQUAL Initiative in Ireland.
15 unemployment black spots are concentrated in The City Region alone.\textsuperscript{20}

Dublin also has a higher rate of early school leaving than the national average and the lowest rates of participation in third level education, despite the fact that the State’s foremost universities and other third level institutions are located within the City Region.

So while Dublin has experienced phenomenal employment growth in recent years, across a wide range of different sectors, some communities have effectively been “excluded” and there remain large catchments of people who suffer cumulative disadvantage.

It is well recognised at the EU level that instances of deprivation and disadvantage in a society are even greater counterbalances to sustainable economic growth and development as are deficiencies in physical infrastructure. Therefore, in light of the growing demand for labour to sustain regional economic growth, there is a particular need to address the weaknesses in the Dublin labour market and to enhance the skills and capacities of the most vulnerable to ensure that Dublin and its people can realise their full potential.

While employment and job creation are vitally important in tackling social exclusion, the scale of the challenge is far more wide ranging. For example, the 2005 report on Social Inclusion in Dublin City “Inclusion is Everyone’s Business”,\textsuperscript{21} identified the following groups as being the most critical focal points in an urban setting in general and in Dublin City in particular:

\begin{itemize}
  \item Unemployed persons
  \item Lone parents
  \item Travellers
  \item Prisoners and ex-prisoners
  \item Older persons
  \item Children and young people at risk
  \item People with disabilities
  \item Ethnic minorities
  \item Homeless persons
  \item Problem drug users
\end{itemize}

The scale of the problem facing Dublin across all of these categories is enormous.

\textsuperscript{20} 2002 Census: Distribution of unemployment blackspots by county.

\textsuperscript{21} Inclusion is Everyone’s Business: A Declaration of Understanding and Commitment for Inclusion in Dublin City. Social Inclusion Task Force, 2005.
Key Messages

1. In addressing the current infrastructure deficit and in setting new priorities, account needs to be taken of the projected rise in the population of the City Region by up to 250,000 by 2013 and 440,000 by 2021, and perhaps a 50% increase in economic activity by 2020.

2. Dublin’s deficit in terms of infrastructure requires significant expenditure over what is envisaged in the National Development Plan (NDP). 22

3. The instances of deprivation, disadvantage and social exclusion within the Region require focused solutions.

4. New challenges are emerging including urban and community development, integrating migrants, an ageing population, and measures to improve Dubliners’ quality of life.

5. Financing measures to deliver a more ambitious development strategy for the City Region should be a core requirement of a revised National Spatial Strategy.

6. Given Dublin’s economic importance and its contributions to national output, at least 60% of the public capital programme should be allocated to the City Region.

7. Social deprivation and disadvantage are as great a counterbalance to sustainable economic development and growth as deficiencies in physical infrastructure.

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22 The National Development Plan (2007-2013), Transforming Ireland – A Better Quality of Life sets out the economic and social investment priorities needed to realise the vision of a better quality of life for all.
3. CITY REGION’S STRATEGY
3.1 Introduction

In addition to the macroeconomic and social challenges facing the City Region as set out above, the Dublin Regional Authority’s NDP submission, the RPG for the Greater Dublin Area (2004-2016), and the Dublin local authorities’ strategic development and corporate plans have all set out in clear terms what is required.

3.2 Regional Strategy

The main driver is the implementation of the RPG, in particular its key recommendations. The strategic planning goals for the Region are, in summary, as follows:

➤ A robust strategic framework that clearly articulates the objectives of the National Spatial Plan.

➤ A strategy that creates a sustainable, attractive, high quality, accessible, cost effective, properly functioning Region in its physical, economic, social and cultural dimensions.

➤ Policies that strengthen the international economic competitiveness of the Region.

➤ A strategy that promotes sustainable policies that meets with the requirements of EU Directives in the areas of environmental services, social inclusion and heritage and culture.

➤ Plan and provide for sustainable infrastructure corridors.

➤ Strengthen and enhance global linkages.

23 Regional Planning Guidelines for the Greater Dublin Area (2004-2016): Implementing the National Spatial Strategy, July 2004, City Regional Authority and the Mid-East Regional Authority.
Specifically, it was expected that the NDP (2007-2013) would allocate expenditure to support the measures set out in the RPG in relation to the following actions:

- Creating an efficient and high quality system of public transport connections within the City Region to improve access to employment, education, services and amenities.

- Investing in international access through Dublin Airport and Dublin and Dun Laoghaire Ports, and the implementation of Transport 21.

- Providing efficient and cost effective water and wastewater services and waste management infrastructure.

- Concentrating employment intensive activities close to public transport corridors and road transport intensive activities close to the strategic road network.
Continuing investment in and development of Dublin’s ability to innovate in education, R&D through its third level educational institutional linkages with industry.

Protecting Dublin’s outstanding natural settings, in particular Dublin Bay, and physical amenities such as its outstanding parks.

Investing in the quality of life issues for the region, particularly in terms of education, healthcare, childcare, community, cultural, leisure and entertainment facilities.

Eliminating areas of social deprivation and ensuring integrated development of areas in the future.
3.3 National Strategy

At a national level, Ireland’s NDP sets out an agreed range of policies and initiatives, the implementation of which aims to sustain Ireland’s strong economic growth and employment performance as its overall contribution to the re-launched Lisbon Agenda. However, the NDP does not identify specific capital investment projects for the City Region.

3.4 EU Strategy

Although the NDP is predicated on the basis that no EU co-financing may be forthcoming, apart from Community Initiatives, it is important for Dublin to take account of policy developments at EU level. Of particular relevance is the Commission’s policy on cohesion and cities which has the support of Member States. The Commission’s analysis is that City Regions are drivers of economic development, creating growth, innovation and employment. Cities are therefore essential to helping governments achieve their growth and jobs agenda. Cities are the homes of most jobs, businesses and higher educational institutions and are the key actors in achieving social cohesion. The Commission also states that cities are the centres of change, based on innovation, entrepreneurship and business growth and consequently policies at national level need to have an urban dimension. The need for the City Region to have the type of integrated urban dimension as identified and promoted by the Commission is a key driver of the City Region’s strategy. It is essential also to provide safe, accessible public spaces which promote sustainable community activity and enhance the quality of life for residents of urban areas. The Region therefore subscribes to the Commission’s view that sustainable urban development should integrate socio-economic and environmental goals with good public services, and that the implementation of urban actions should be delegated to urban authorities.

3.5 The City Region’s Vision

The City Region is the pulse of Ireland’s economy and therefore, building on the hierarchy of plans under the National Spatial Strategy, the overall vision for the Region is to: enhance the quality of life and experience of the City Region for its residents, workers, commuters and visitors and to do so in conjunction with implementation of Transport21 and other public capital expenditure programmes.

This also mirrors the vision as set out in the Mission Statement for Funding the Dublin City Region which aims to secure adequate funding for Dublin to ensure that it continues to thrive, grow and maintain competitiveness as a key component of Dublin’s and indeed Ireland’s future success.

24 Lisbon Agenda: Integrated Guidelines for Growth and Jobs – National Reform Programme, October 2005, Department of the Taoiseach.
As a consequence of an accelerated public capital investment programme, the City Region will become confident in its sense of identity, creating social, economic and cultural inclusion for all and providing access to lifelong learning and health services that support self-sustaining development.

“The Region therefore subscribes to the Commission’s view that sustainable urban development should integrate socio-economic and environmental goals with good public services, and that the implementation of urban actions should be delegated to urban authorities”

The future development of the City Region needs to be phased on a more ambitious scale and a strategic adjustment in thinking is necessary to drive this ambition forward within a creative and integrated framework based on the Regional Planning Guidelines already in place.

The citizens of Dublin deserve to live and work in an area that is environmentally sustainable and where the values of equity, creativity, participation and inclusiveness inform the selection and delivery of public services.

Key Messages

1. The City Region has articulated a clear strategy which has, inter alia, made the case for the increased public expenditure that is necessary to address the infrastructure deficits identified in the strategy.

2. The NDP’s overall strategic orientation mirrors that of the City Region.

3. However, strategic intention has not translated into expenditure commitments.

4. EU analysis states that City Regions are drivers of economic development, creating growth, innovation and employment.

5. Sustainable urban development should integrate socio economic and environmental goals with good public services.
4. THE NDP – WHAT IS IN IT FOR DUBLIN?
4.1 Introduction

The NDP proposes to invest some €184 billion over the next seven years (2007-2013) to achieve a number of key objectives, namely to:

- Decisively tackle structural infrastructure deficits
- Greatly enhance enterprise development, science, technology and innovation, working age training and skills provision
- Integrate regional development with the National Spatial Strategy (NSS) framework
- Invest in long-term environmental sustainability
- Realise the opportunities of strengthened all-island collaboration in areas of mutual interest
- Deliver a multi-faceted programme for Social Inclusion
- Provide value for taxpayers’ money

Under the NDP, five investment priorities, as follows, have been identified:

<table>
<thead>
<tr>
<th>Priority</th>
<th>€ billion Investment</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic Infrastructure</td>
<td>54.7</td>
<td>29.8</td>
</tr>
<tr>
<td>Enterprise, Science and Innovation</td>
<td>20.0</td>
<td>10.9</td>
</tr>
<tr>
<td>Human Capital</td>
<td>25.8</td>
<td>14.0</td>
</tr>
<tr>
<td>Social Infrastructure</td>
<td>33.6</td>
<td>18.3</td>
</tr>
<tr>
<td>Social Inclusion</td>
<td>49.6</td>
<td>27.0</td>
</tr>
<tr>
<td>Total</td>
<td>183.7</td>
<td>100.0</td>
</tr>
</tbody>
</table>

These figures are indicative in nature; assume that the public finances are kept close to balance; and are subject to review with reallocations a possibility.
In addition to these priorities, the NDP also sets out a number of horizontal themes:

> Regional Development
> Development of the Rural Economy
> Environmental Sustainability, and
> All Island Co-operation

The NDP is based on current Government measures, including the new national agreement, Towards 2016, Transport 21, the NSS, the Energy Green Paper, and the National Action Plan for Social Inclusion.

### 4.2 Addressing the Needs of the City Region

The NDP addresses many of the core requirements of the Dublin local authorities. Indeed, the investment priorities adopted in the NDP are broadly consistent with those advocated by the Region (Annex 4). In addition, the NDP takes account of the economic arguments made about the impact of population growth and the need to address social inclusion issues in a comprehensive manner.

However, what is lacking in the NDP is any substantial detail on what the NDP will deliver for Dublin. It is also clear, that while the Region will benefit from many of the planned investment under the NDP, there is no special recognition, or special provision, for the City Region apart from that already set out in the National Spatial Strategy.

The key NDP priority is addressing deficits in Gateway towns, with Dublin only one of the nine identified in the NSS. Thus on the face of it competition for available resources will be quite intense.

In fact, in light of the NDP’s renewed focus on balanced regional development ‘of all regions’ and that the development of Ireland outside the Greater City Region must also be pursued intensively, the “Case for Dublin” as a City Region which will drive national economic development has not been demonstrated as an over-arching NDP priority, or if it has there is no transparent way to identifying capital spending in the Capital.
4.3 The Dublin Gateway

While the NDP contains few direct references to the City Region, it is considered in the context of regional development as one of the Gateways. The Plan does acknowledge that the Dublin Gateway is, in terms of scale and international significance, on a different level to that of the other Gateways. It also acknowledges that Dublin has spearheaded the growth in the Irish economy and that its rapid expansion in the performance of the Dublin Gateway has occurred despite significant infrastructural constraints.

In line with the NSS, the Plan therefore recognises “the international and national economic importance of Dublin and the need to enhance its competitiveness and quality of life. It envisages the continued development of the GDA but in a more compact and sustainable manner, anchored through higher density development around a strengthened public transport grid”.

It is also recognised that population growth and housing development being driven by the Dublin economy is occurring well beyond the boundaries of Dublin and in neighbouring counties and regions, encouraging longer distance commuting and diminution of quality of life. A critical issue for the Dublin Gateway, therefore, is that the range and quantity of housing options and transport and social infrastructure is such that the population increase and the consequent increase in housing demand, is accommodated within the Region and its key development centres served by high capacity public transport.

The NDP states that the Dublin Gateway will be the focus of significant investment to ensure that it can improve its position as Ireland’s international Gateway. The NDP’s strategy for the Dublin Gateway is to support a strong and competitive Region in order that it continues to drive its own development and that of the State through improved and more public transport based mobility, development of more compact and sustainable communities and high quality international and domestic transport connections.

Clear evidence has been produced that the most plausible future spatial model of Ireland will be based on a single City Region located on the East coast serving the entire country. The case for greater support for the City Region is based on the premise that there is a risk that continued policy support for the development of a counterweight to Dublin may not be successful. The DIT study identified a critical need to revise the NSS reflecting the vital and dominant role of the Greater Dublin Area in securing the future of Irish society and the continued prosperity of the national economy.

26 Twice The Size, Imagineering the Future of Irish Gateways, A Report for the Urban Forum, The Futures Academy, DIT, March 2008,
Key Messages

1. The main strategic priorities identified by the City Region are largely reflected in the NDP.

2. There is compelling evidence to hand that the NSS should be revised to attach a much higher priority to the needs of the City Region as a main driver of the national economy.

3. There is no financial envelope for Dublin, nor is it possible to identify how much current and capital spending will be allocated to Dublin.

4. As a consequence, the Dublin local authorities cannot rely on the NDP’s funding allocations for guidance as to what is required at local level. Thus planning for capital programmes is based on an assessment of performance over a previous period and an assessment as to what is affordable going forward.

5. The case for Dublin as the City Region should become an overarching priority of the NDP.
5. DUBLIN’S COMPETITIVENESS
5.1 Introduction

The importance of the competitive position of Dublin as a City Region has been lost in the debate about national competitiveness. By ‘competitiveness’ we mean those factors that impact on the ability of firms in Dublin to compete in international markets, in a way that provides employees with an opportunity to improve their quality of life. Competitiveness is shaped by many factors the most important of which are employee productivity, educational attainment, innovation, and the provision of infrastructure. There is therefore no single initiative which on its own could radically transform the City Region’s prospects. There is a substantial body of evidence to hand – from the OECD, the European Commission, and academic research – that in a global market which is vying for foreign direct investment, it is City Regions and not the nation States that are at the forefront of the intense competition to attract such FDI.

The OECD report Competitive Cities in the Global Economy which studied 78 of the largest metro regions in the OECD provides an assessment of the quality of life in the City Region and the below average levels of city competitiveness which are evident from many sources.27 Successful cities are ones which attract talented young highly-skilled workers, are centres of innovation and entrepreneurship and are competitive locations for global and regional headquarters. The proximity of universities to research and production facilities means cities are where new products are developed and commercialised. While Dublin shares some of these characteristics, it falls in some important rankings when compared to its competitors. It is important to emphasise that its competitors are not Cork, Limerick or any other part of Ireland, but primarily the successful City Regions of Europe.

While Dublin has some competitiveness shortcomings, these must be seen in the context of the City Region’s achievements. For example, the level of unemployment in the Region has fallen dramatically; there is a 96% employment rate among Dublin’s 555,000 workers despite persistently higher levels in unemployment blackspots. Many global players are established in the City Region. Dublin’s professional services are flourishing. Life expectancy has improved, and Dublin has contributed enormously to Ireland’s much acclaimed economic success over the past decade.

However, with reference to international benchmarks on competitiveness, there are some trends which if they go unchecked could affect Dublin’s ability to sustain the growth rates which we have become used to. Thus in addition to an assessment of indicators about physical infrastructure for example, it is also necessary to consider quality of life issues. Specifically, there needs to be an emphasis on benchmarks that can be influenced by decisions on capital expenditure by the Dublin local authorities. The primary focus therefore is that the City Region not only retains its competitive advantage but improves on the metrics where this is feasible.

5.2 Ireland’s Competitiveness Performance

This section looks at Ireland’s recent performance against a number of international benchmarks, while the next section deals with benchmarks that are specific to Dublin.

The reports as contained in Annex 5 illustrate that Ireland’s ranking in important areas is below expectations. While these reports do not provide policy recommendations as to why some countries perform better than others, they do provide useful benchmarks which facilitate a clear comparison of performance in areas which are critical for employment, high quality jobs and essential public infrastructure. As Dublin is the key driver of economic performance and competitiveness in Ireland, the ranking that Ireland attains in such reports has a much higher impact upon the City and is more relevant to its position than any other single area of the country.

5.3 Dublin: Quality of Life Issues

Mercer Human Resource Consulting has produced a survey which rates Dublin with 51 other cities in terms of ‘livability’. The criteria include: political and social environment; economic environment; socio-cultural environment; medical and health considerations; schools and education; public services and transport; recreation; consumer goods; housing; and natural environment. In 2007, Dublin ranked in 27th position, a deterioration of three points on the 2006 figure. A similar survey by the EUI takes over 40 factors into consideration which are weighted across five different categories: stability; healthcare; culture and the environment; education; and infrastructure. Dublin was ranked a lowly 47th of the 126 cities worldwide.

“51 other cities in terms of ‘livability’. The criteria include: political and social environment; economic environment; socio-cultural environment; medical and health considerations; schools and education; public services and transport; recreation; consumer goods; housing; and natural environment. In 2007, Dublin ranked in 27th position”

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28 Mercer HR Consulting, May 2007. Scores are based on a range of criteria compared to a base city.

Recent data from the European Commission concludes that in common with citizens in most European cities, Dubliners are satisfied to live in Dublin, with the prospect of finding employment being the second highest ranking of the 75 cities surveyed. On the other hand, Dublin was ranked the third lowest (of 75) as regards the prospect of finding good housing at a reasonable price. Dublin was middle ranked on the question of how well non-nationals were integrated. Some 30% of Dubliners surveyed were unhappy with the provision of public transport. Indeed, 49 cities ranked higher than Dublin, with Helsinki, Vienna, Rennes and several German cities ranked in the top ten. In terms of whether individuals feel safe in their city, Dublin came in 34th position. When questioned about the provision of healthcare, over 50% of Dubliners expressed dissatisfaction; Dublin ranks a lowly 63rd (of 75), just ahead of cities in Bulgaria and Romania. While a majority of respondents believe their city spends its resources in a responsible way, Dubliners disagree with nearly 60% dissatisfied; Dublin ranked 53rd in the ranking about value for money.

The NCC, using data from the World Values Survey (2004), an international collection of quality of life surveys, point out that Ireland scores very highly and is well above the OECD average.

These findings provide a reality check. While many may well believe that working and living in Dublin is a positive personal experience, it may well be, but when compared to competitor cities there are many aspects of ‘livability’ that can and should be improved.

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30 European Commission, Survey on Perceptions of Quality of Life in 75 European Cities, June 2007. This urban audit perception survey involved interviews with 500 individuals in each city; www.urbanaudit.org
5.4 Conclusions

Whilst acknowledging the many positives that should be recognised, Dublin:

- Is losing its competitive position
- Needs much more economic and social infrastructure and an accelerated programme of delivery if the City Region’s prospect are to improve
- Ranks somewhat poorly in relative terms as regards some quality of life indicators

Public policy and strategic investment has an influence on every ranking. Therefore the challenge is to identify the strategic investment decisions which the City Region can take or facilitate in order to drive the City Region to the Top Quartile of performance within the shortest possible timeframe. There are many examples of best practice across the world – cities which are tops in specific areas – which could be relevant to addressing Dublin’s shortcomings. These include:

<table>
<thead>
<tr>
<th>Most competitive City Region</th>
<th>Singapore</th>
</tr>
</thead>
<tbody>
<tr>
<td>Most innovative economy</td>
<td>Japan (with Tokyo as the world’s richest city)</td>
</tr>
<tr>
<td>Leading hub of new world economy</td>
<td>London</td>
</tr>
<tr>
<td>Highest ranking for livability</td>
<td>Vancouver, Canada/ Zurich, Switzerland</td>
</tr>
<tr>
<td>Best Public Transport</td>
<td>Helsinki, Finland</td>
</tr>
<tr>
<td>Housing at affordable prices (and the safest city in Europe)</td>
<td>Aalborg, Denmark</td>
</tr>
<tr>
<td>Best healthcare</td>
<td>Groningen, the Netherlands</td>
</tr>
</tbody>
</table>
Key Messages

1. The focus of the current debate on Ireland’s loss of competitiveness has paid less attention to Dublin's competitive position. As the engine of growth for the whole economy, Dublin needs to be as competitive as is possible when compared to other City Regions globally. In many areas, tourism, provision of childcare and the use of ICT for example, evidence points to worrying trends which if continued will impact on the prospects for economic growth in the City Region in the short term.

2. The high cost of living, rising business costs and poor infrastructure are the main reasons for the City Region's relative poor performance. If action was taken across a range of policy areas this could improve Dublin’s competitive position and the quality of life of the capital’s citizens. A concerted effort is therefore needed – a partnership between the public and private sectors – to address the City Region’s competitiveness blackspots.

3. The quality of life in Dublin is also below international standards with one survey ranking Dublin in a relatively lowly 47th position (of 126 cities) in the world. This should be a cause of concern as the trend line appears to be getting worse and not better.
6. SOURCES OF FUNDING
6.1 Introduction

Local Government Funding was reviewed by the Department of the Environment, Heritage and Local Government through the Indecon Report and is currently under review through the work of the Commission on Taxation.

6.2 Indecon Report

In the report several recommendations were made for the future which are outlined below to examine the extent to which progress is being made in these areas.

Recommendation

We recommend a significant increase in the level of resources available to local authorities over the period to 2010. Our estimates suggest that, based on current policies, there will be a requirement by 2010 for additional expenditure in nominal terms of the order of €1,000 to €2,000 million per annum compared to 2004 expenditures, if levels of service provision are to be maintained. When existing sources of revenue are taken into account this equates to an estimated funding gap of between €415 to €1,500m.

Observation:

In respect of this recommendation, we believe that given the local government expenditure of €4,426 million for 2006, over €870 million more than in 2004, and coupled with the substantial level of investment in infrastructure development proposed in the 2007-2013 National Development Plan, Indecon’s estimate of between €1 and €2 billion for additional funding requirements by 2010, may be quite insufficient and that a provisional increase of €3 billion would be more realistic.

Recommendation

We recommend a significant change in the system of local government financing, with a move towards more locally-based sources of funding. While this will assist in meeting the additional resources required over the period to 2010, the principal reasons why this change is essential relate to the need to improve accountability and flexibility in decision making, to facilitate an acceleration of efficiency measures and to ensure a radical realignment between the cost of providing services and the demand for such services.
Observation:
While there has been a shift from Government grants to local charges and commercial rates, many of the sources of local funding such as planning fees are controlled centrally, and local discretion is very limited.

Recommendation
We recommend that changes in the system of local government should be directed at increasing the share of local authority expenditure that is funded locally. The two key elements of this should comprise an increase in local charges and the introduction of selected targeted local taxation.

Observation:
There has been an increase in the amount of locally funded expenditure – funded by user charges and commercial rates. No local taxation sources have been introduced.

Recommendation
We recommend that local authorities should charge the full economic costs of providing services on behalf of central government.

Observation:
There has been a drive towards charging the full economic cost of providing a range of services. However, certain services, such as water provision to domestic users, is not fully funded by central sources, and some services such as planning control are not permitted to charge the level of fee required to achieve full cost recovery.

Recommendation
We recommend an increase in certain charges where less than full economic costs apply, but would caution against an overestimation of the significance of these changes as a source of increased revenues.

Observation:
The metering of non-domestic premises has been implemented. There is no intention of introducing metering to the domestic sector, which will make it difficult for the government to separate the domestic and commercial usage of water services if it is not measured.

Recommendation
We recommend the extension of water charges on an equitable basis. In particular, we recommend the introduction of water charges on non-principal private residences and water metering on all commercial properties.

Observation:
There has been no move towards the implementation of metering to any domestic residences.
Recommendation
We recommend the introduction of mechanisms to secure a contribution to local authorities’ general funding requirements from non-principal private residences and from commercial buildings not currently covered by commercial rates. There are a number of options that could assist in achieving this objective, including the extension of rates to such properties or an element of locally determined stamp duties.

Observation:
There has been no development with respect to this recommendation.

Recommendation
We recommend that the proposed restructuring of the methods of funding local government should be used as a platform to accelerate efficiency improvements in local authority expenditure programmes.

Observation:
The efficiency programme outlined in Minister Brian Cowen’s budget in 2007 is taking effect but does not appear to be linked to any funding structures or to promoting efficiency in the provision, or indeed the consumption, of local government services.

Recommendation
We recommend a radical change in the incentives facing users of local authority services to improve efficiencies and reduce the costs of local authority services. This includes a wide range of measures (for example, incentives to local authority tenants to minimise maintenance costs, the charging of services to reduce excess demand, and differential pricing to direct users to lower cost delivery mechanisms).

Observation:
In our view, charges based on levels of consumption are the most realistic means of promoting efficiency in the use of services provided by local authorities. This was demonstrated by the introduction of a pay-by-weight basis for charging for the collection of waste in the City Region. Presentation rates for bins reduced from over 90% to close to 50% on average, enabling the local authorities to redesign collection routes and develop more efficient collection systems.

Recommendation
We recommend a continuation and acceleration of the use of alternative delivery mechanisms to secure the most cost efficient delivery of local authority services. In particular, we believe there is potential for increased cost-effective contracting of services and the shared provision of services between local authorities.
Observation:
There have been strong moves towards increasing cooperation between local authorities in the Dublin, far more than in other areas of the country, and this has contributed to substantial operating efficiencies in the region.

Recommendation
We recommend that where local authority services are contracted to private sector local monopolies, that an appropriate regulatory framework is established to protect consumer interests and to prevent monopoly rents being generated (i.e. excessive profits).

Observation:
This recommendation is being pursued where appropriate in Dublin.

Recommendation
We recommend that the provision of local authority services should be delivered on the most cost effective geographic basis, which due to economies of scale, may not in many cases be aligned with current local authority structures. This will require the provision of services either on a shared basis or by tendering services on a national or regional basis.

Observation:
This is very much the approach taken in the greater Dublin area.

Recommendation
We recommend the introduction of significant structural and information changes to facilitate local authority managers and policymakers to implement on-going efficiency improvements. These include changes in, and standardisation of, information on local authority expenditures; changes in legislation to permit councils to appoint outside experienced specialists to audit committees; the establishment by all local authorities of audit committees focussed on securing on-going efficiency; and the enhancement of the Department’s audit role in promoting value for money or the extension of the Comptroller and Auditor General functions to local authorities.

Observation:
Dublin City has set up audit and review committees that continually examine ongoing efficiency and ensure proper governance.

Recommendation
We recommend that the functions of local authorities and other agencies be subject to on-going assessment to ensure that costs are minimised and that the appropriate functions are undertaken by local authorities. Specifically we believe there may be merit in reviewing current responsibility for the Disabled Persons Grant scheme and for consideration of the merits of transferring water services to a regional or a national agency.
Observation:
Dublin City Council is continually monitoring its operating costs to ensure that costs are minimised and that the appropriate functions are undertaken by it.

6.3 Commission on Taxation
This issue is currently being reviewed by the Commission on Taxation. The Finance Strategic Policy Committee has made a submission to the Commission on Taxation (see Annex 6 for a list of SPC Members). The main recommendations are:

1. There should be a system of tax sharing between central and local government, as the current system of financing of local government makes no recognition of Dublin City’s contribution to the economic development of the region or the country in general.

2. There should be local control over taxes and user charges that are generated locally.

3. The current system of local government funding, and the national system of taxation, fails to recognise that local government is a very substantial provider of social services. We recommend that a National Waiver Scheme should be established that not only funds the waivers but ensures that the nature of these services and waivers is recognised.

4. Where it is Government policy that local authorities should not charge for the provision of water to households, the State should accept and bear the full economic cost of providing those water services to households.

5. The current system of exemption for public properties from commercial rates evaluation, such as Government departments situated in Dublin city, should be changed, and a transfer payment from central Government to local authorities in respect of public buildings should be made.

6. A system of funding through local taxation which entirely at the discretion of the local authority and which could raise relatively modest amounts in the context of local government expenditure as a whole could provide a substantial amount of discretionary funding which could have significant impact on the social, cultural, living and leisure environment within the city.

7. Specific consideration regarding central funding should be provided to emergency services that are currently provided by local authorities.
6.4 Conclusions

The system of local government varies greatly from one jurisdiction to the next (some examples appear in Annex 7). The level of autonomy and funding tends to be proportional to the level of authority and responsibility given to local authorities.

The following points should be made, however:

➢ Experience of other countries and states suggest that there is a strong case for a review of how the Irish Government interacts with local authorities having regard to the responsibilities it assigns them. This is particularly true in the case of Dublin where the City and County Councils have a role to play in strategic planning and investment that has an impact on the country as a whole. It is anticipated that the forthcoming Green Paper on Local Government Reform will address this issue.

➢ There are opportunities to revise Local Government Funding through the review currently underway by the Commission on Taxation.

➢ The City Region has particular and unique problems. It acts as Ireland’s main gateway and as such impacts directly on the rest of the country. Most other developed countries do not rely so heavily on one city or region. Therefore planning for major developments and infrastructure and their funding should take a different approach in the City Region and funding needs to be allocated to the city on a basis that reflects this position.
Key Messages

1. The review of local government funding as part of the work of the Commission on Taxation is welcomed as the City Region supports much of the economic, social and cultural activity of the entire country.

2. Against the background of the expected rise in population and sustained economic activity, it is recommended that the Region’s infrastructural needs and requirements by 2020 be identified in detail having regard to international benchmarks and appropriate KPIs.

3. The strategic aim should be that Dublin’s socio-economic infrastructure deficit would be eliminated by 2020.
7. STRATEGIC OPTIONS
7.1 Introduction

The City Region has articulated a clear development strategy that is embedded in each local authority’s Corporate Plan and their respective three-year capital programmes. In addition, through the NDP there is a clear statement of strategy about national and regional investment priorities. However, the problem arises when these sweeping strategic statements have to be operationalised into specific capital projects/programmes. Within certain budget lines there is also the perennial problem of setting priorities having regard to resource constraints and the practice of top down budgeting.

7.2 Local Government Reform

The Funding Alliance commenced its work in early 2006, reviewing the demands and needs of Dublin into the future. Since then much debate has occurred around the nature of Local Government with the recent publication of a Green Paper on Local Government Reform. In addition a Commission on Taxation has been established which will review Local Government Funding within its scope of work. The Finance Strategic Policy Committee has made a submission to the Commission on this matter. The submission stated that local taxation proposals must be made in the context of full accountability for the income proposed and the value for money it yields.

In this regard the discussion on the Green Paper and the work of the Commission on Taxation should inform each other, with consistent conclusions. The work of the Commission on Taxation on Local Government Funding should be expedited to facilitate a meaningful discussion prior to the Local Government elections.

7.3 Climate Change

At the end of the year, an EU agreement is likely to be concluded that will require Ireland to reduce its greenhouse gas (GHG) emissions by at least 20% by 2020 with reference to 2005 verified emissions levels. In addition, a legally binding target will be set for the deployment of renewables. These decisions will have significant consequences for the City Region.

For example, the City Region will be expected to contribute to measures to reduce the national GHG footprint. All buildings owned by the City Regional authorities, including its housing stock, will be required to meet higher building
standards and probably to become carbon neutral by 2020. Energy efficiency measures will have to be implemented and a sharp reduction in transport emissions secured.

Very significant capital expenditure will be required, from 2012, by all the Dublin local authorities to fund projects that will reduce the City Region’s carbon footprint.

7.4 Gateway Innovation Fund (GIF)

In addition, a case could be made for additional Exchequer funding for some categories of projects, with reference to the GIF methodology that uses criteria such as ‘strategic fit’, the degree of collaborative effort with stakeholders, innovation, value for money, and deliverability. Government might be persuaded to re-consider its capital grant allocation decisions if ‘GIF’ quality projects are brought forward by the Region.

In addition, the City Region should make the case to government that a significant part of the €4.95 billion in the NDP’s unallocated reserve should be allocated to a multiannual GIF programme.

7.5 Setting Priorities

The Funding Alliance acknowledge that the proposed funding changes require a clear framework in which progress and deliverables can be monitored and evaluated. It is considered that the revised capital funding will be reviewed by existing capital evaluation mechanisms. In future, consideration might be given to the following set of proposals:

1. Determining the Quantum of Need

It is important that the City Region quantifies in some level of detail the capital costs required if the City Region is to have the required infrastructure in place by 2020 that will address the Region’s competitive deficits and the necessary improvements in the quality of life which citizens of a modern, wealthy and creative city demand.

While the current three-year arrangement might continue, the capital programme could set indicative figures for five years as this is the period used by government in terms of allocating resources under the multi-annual public capital programme. In addition, each year the capital programme could set out longer term potential priority projects where some element of current spending is needed to get projects to the stage where they might be procured, including reviewing appropriate agency involvement and capital budgeting on a multi-annual basis with recourse to the relevant authorities.
2. **Benchmarks**

In order to form a platform of consensus of where infrastructural investment is required, a benchmarking evaluation of relevant city regions will support the optimal allocation of infrastructure to maintain the Region’s competitive position in the following critical areas:

- Housing
- Road Transport
- Water Services
- Waste Management
- Environmental Protection
- Community Infrastructure
- Culture and Amenities

3. **Setting Priorities**

The key priorities of the Funding Alliance as expressed through the statements are Economic Competitiveness, Transport, Housing, Knowledge Economy, Cultural Choice, Environmental Services, Social Inclusion, Recreation, Amenities, and Urban Design. Once City Region Key Performance Indicators are in place, the local authorities will set priorities with reference to the following criteria:

- The complementary nature of the proposed investment to NDP/RPG priorities and the local authorities’ Corporate Plans;
- The leverage effect of the proposed investment in terms of definable improvements in socio-economic infrastructure;
- The extent to which the investment is capable of securing private finance;
- The extent the proposed investment would improve the Region’s KPIs; and
- The project that scores highest in terms of Value for Money criteria (in compliance with the NDFA/Department of Finance Guidelines).
8. CONCLUSIONS
CONCLUSIONS

When compared to other local authority areas, the City Region is under-funded.

An under-funded City Region, if this trend continues, will undermine the ability of the national economy to compete. Scarce Exchequer resources should be allocated to priority socio-economic projects in the City Region that have a demonstrable impact outside the region.

While the City Region has set out a clear investment strategy, the core message is that investment in Dublin is good for the national economy; a stronger functioning Dublin develops a stronger functioning State.

It is therefore recommended that the City Region:

➢ Assess the Region’s socio-economic infrastructural requirements (in relation to traditional areas of local authority capital spending only) with reference to international City Region benchmarks.

➢ When this benchmarking exercise is complete, endeavour to quantify the financial envelope needed between 2010 and 2020 to deliver a City Region infrastructure for a potential population of 1.5 million; a third of the national population.

➢ Advocate that the GIF be continued and that it be funded by the €4.9 billion unallocated reserve identified in the NDP.

➢ On the basis of the arguments set out in this report, and provided high quality projects are selected, the City Region should get 60% of available Exchequer funding.

➢ Support the conclusions of the DIT Futures Academy report that the NSS should be revised to reflect the vital and dominant role of the City Region.

➢ Prepare an indicative capital investment programme anticipating the measures that will require to be implemented as part of the government’s National Climate Change Strategy post-2012.
Annex 1: DIT Futures Academy Report: Twice the Size – Executive Summary

Introduction

➢ All areas of Irish life have been deeply transformed over the past 15 years; nonetheless, as the entire world progresses rapidly, Irish gateway cities and towns face even more profound changes that will bring radical transformations to their spatial structure and socio-cultural composition.

➢ The Futures Academy, in conjunction with the School of Spatial Planning, at Dublin Institute of Technology, and commissioned by the Urban Forum conducted this study to instigate a discussion about the long-term future of Irish gateways, explore possible future alternatives, and additionally, encourage future-oriented collaboration between the stakeholders in the gateway.

Methodology

➢ In an environment of growing complexity, heightened uncertainty and a quickening pace of change, the planners and decision-makers face a difficult and complicated task of preparing for the future. However, as failures of the traditional planning practice become more apparent, more imaginative and innovative future-orientated approaches are being increasingly used.

➢ The adoption of future methods, such as the Prospective Through Scenarios approach used in this study, and its integration into city planning offers a rigorous, systematic and comprehensive approach for the exploration of possible future alternatives; and the identification of preferred future options. It can also constitute an effective platform for collaborative planning.

Context

Places

➢ The contemporary pattern of spatial development, both globally and locally, is characterised by an uneven distribution of prosperity and well-being on a spatial and social level. Successful regions usually constitute large metropolitan regions, intermediate industrial regions or tourist regions.

➢ The prevailing economic model places localities and regions in direct competition with each other, both globally and nationally, which in turn, forces them to develop competitive advantages.

➢ In the highly urbanised parts of the world, a new phenomenon of the polycentric mega-city region is emerging.

➢ The National Development Strategy, by Colin Buchanan and Partners, published in 1968, recommended the creation of a hierarchy of growth centres into which a key infrastructure and amenities were to be directed. However, the strategy was rejected by the government of the time, leaving Ireland without a spatial policy for the country until 2002. This led to the dispersal of new investment into rural areas.
As pressures on the natural environment increased significantly during the era of rapid economic growth during the 1990s, planning professionals started to adopt the principles of sustainable development in order to reduce the impact on the environment.

The publication of the National Spatial Strategy in 2002 provided a spatial development framework for Ireland. One of the most important provisions was the designation of Gateways and Hubs, into which new investment is to be directed. This was aimed at achieving balanced regional development.

The current urban structure in Ireland is dominated by the Greater Dublin Area, where 40% of Irish population resides. The urban hierarchy of the rest of the country is relatively weak, particularly in the West and North-West.

Significant growth of Dublin’s population in recent years and an under-supply of affordable housing led to the creation of an extensive commuter belt. This resulted in greater pressure on existing transport infrastructure caused by a massive increase in private car use, which was the result of a mismatch between the location of new housing, places of employment and public transportation infrastructure.

The peace process in Northern Ireland in the 1990s that has led to a significant growth of trade across the border, and the improved transport infrastructure on both sides of the border has facilitated growth linkages between Dublin and Belfast and the development of an economic corridor on the East coast.

As a response to the economic dominance of the East coast, policy makers have designated an ‘Atlantic Corridor’, linking the cities of the South and West, to provide a counterbalance to the Greater Dublin Area. However, whether this corridor generates the necessary amount of linkages between these cities remains to be seen.

People

For the population to double by 2030, the country’s population would have to grow by 3% per annum, however, the most rapid annual growth that has been achieved to date has been 1.6% per annum. Therefore, it would be unrealistic to expect that the population of Ireland could double by 2030.

It is expected that the growth of the Irish population will continue into long-term future. Given the nine billion predicted for the world population by 2050, it is inevitable that countries like Ireland will be subjected to ever-increasing in-migration pressures.
Doubling of the population is possible at the gateway level. However, it will be rather difficult considering the modest population growth of the gateways in the period between 2002 and 2006. Only two gateways, Galway and Letterkenny, which are not in Dublin’s sphere of influence, achieved a growth rate higher than the State’s average.

Projection of the existing trends into the future shows that population concentration in the East coast will continue, unless the implementation of government policy will change the current trends. However, in the case of lack of such implementation and an economic slowdown, it can be assumed that concentration of population in the GDA will continue at an even higher rate.

Value systems of societies can be described by two dimensions: (1) traditional/secular-rational and (2) survival/self-expression values. As nations develop economically their value systems become more secular-rational and more emphasis is placed on self-expression.

At present, Irish society has a quite unique combination of fairly strong traditional values with well-developed self-expression values. As the period of cultural modernisation progresses, the values of Irish people will move away from those that emphasise traditional centralised control and concern for economic betterment towards values based on rationality and a concern for personal self-development and self-expression.

This shift in value systems will create potential conflicts between rural-based Western regions seeking to preserve the status quo and urban-based Eastern regions seeking a more autonomous, responsive, rational and effective mode of politics and government.

Potential

Global population will increase significantly during the coming decades. An adequate strategic policy focus on a robust and accelerating external demographic pressure would create the possibility of rectifying Ireland’s current low population density. This in turn would assist in sustaining economic growth.

Driving Forces of Change

The exploration of the future of the gateways in Ireland is underpinned by a recognition that the 21st century is a period of rapid change in which new discoveries, philosophies and technologies play an ever more prominent part in shaping social, economic and spatial development.
Annex 1: DIT Futures Academy Report: Twice the Size – Executive Summary

- The future will be shaped by a number of critical changes that can be summarised under these headings: “too many people”; “not enough resources”; “it takes time”; “there will be new technologies”; “what’s the risk?”; “redefining the enemy”; “economics are complex”; “détente with dilemma”; “running the show”; and “there will be surprises”.

- The changes will take place in all areas of life: demography, economy, governance, environment, society and technology and they will affect global, national and local futures.

- No single driver will dominate, but each driver will have varying impacts at different times and different locations. The drivers are not necessarily mutually reinforcing; in some cases they will work against each other.

Scenario logics

- The alternative scenarios for the future of Ireland are built around nine scenario logics: globalisation, European cohesion, Irish stability, values, people, spatial patterns, competitiveness, sustainability and learning. In each scenario these logics play out differently.

Scenarios for Ireland in 2030

- “The Sow of Liberty”
  - This scenario pictures a world of expanding globalisation and growing libertarianism that encroaches upon steady economic growth, the further opening-up of markets and rapid technological advances. The role of national governments diminishes while an increasing emphasis on international collaboration emerges, largely aiming to facilitate global competition and the enhancement of market efficiency. Developed nations are fragmented into many differentiated and competing sub-national regions and interests. The accent overall is on the individual, and the prime motivation is materialistic.

  - Europe, in this scenario, has largely been shaped by constant economic growth driven by continuing processes of globalisation, privatisation and the liberalisation of key markets, including technology, energy, air transport, pharmaceuticals, and financial services. The EU has been enlarged by the accession of new states, including Turkey. European societies are more fragmented than ever, and people are focused on their immediate associates and families.

  - Ireland is a large player at the world stage, specialising in highly advanced areas of science and technology. The Eastern region of Ireland is home to some of the wealthiest cities in Europe. The quasi-autonomous city regions, led by elected mayors, specialise in medical research and nano-technology. The Western regions are dominated by a commercialised heritage industry.
“Wild Cats of Equality”

In this scenario, the future is underpinned by a system of shared values, an equitable distribution of opportunity and a desire for sustainable development. A worldwide metamorphosis is taking place with commercial and institutional renewal accelerating across the developed world, with policy-making and decision-taking becoming increasingly delegated and expert. The overall focus is on collective, collaborative and consensual actions, shaped by commonly held attitudes and aspirations.

The EU holds a strong framework for public policy pursuing sustainable development. Economic growth is sustained due to legal certainties and market transparency. A sustainable and high quality of life is enjoyed by all, and the integration of Europe has dramatically altered the global, political and economic landscape.

Irish society enjoys a good standard of living, even though there is a greater policy intervention in both civic affairs and the market. There has been a strong growth of services and high-tech industries offering a low environmental impact and high social value, while agricultural and resource intensive sectors have declined. Irish society is divided between two strands living side by side: the ‘knowledge’ society of towns and cities and the ‘wisdom’ society of rural areas.

“The Fragility of Mé Féin”

In this scenario, the world is shaped by a socio-political backlash against the forces of change leading to regressive developments in institutions, a failure of cohesion among the wealthy nations and a dislocation in developed economies. The desire to preserve personal independence within a distinctive national identity prevails. Patriotism dictates that political power remains within the nation state in an increasingly fragmented world. The main emphasis is placed on continuance of individual freedom, protected by state security, and a consciousness of cultural difference. Overall, the world moves towards greater instability.

For Europe it is a turbulent and insecure world that has been primarily shaped by long periods of global economic instability, technological development and international competition. Europeans perceive the world beyond their border as fearsome and are highly anxious about the future. Economic integration is virtually abandoned and the EU is collapsing into a loose arrangement of separate treaties and bilateral agreements.

The Irish people value freedom to do as they choose, but within the context of closed and independent Ireland. Business is focused mainly on domestic markets, the UK, and to a lesser extent Western Europe. Dublin, although one of the most expensive cities in the world and highly divided between rich and poor, remains the economic engine of Ireland. People are proud to be Irish and much emphasis is placed on the preservation of culture and
heritage. The attitudes or personal responsibility develop, while government has been decreasing its role in the provision of healthcare, education and other social services.

The Emerging Territorial Future

➢ The most plausible future spatial model of Ireland will be based on a single city-region serving the entire country. It is likely that such a city will be located on the East coast and would be initially based on the pre-existing Dublin-Belfast Corridor. This future is likely to develop as political and economic integration between Northern Ireland and the Republic of Ireland progresses. Additionally, it is reinforced by the weak urban structure of the island outside the Dublin-Belfast Corridor, the existing strength of the Greater Dublin area and proximity to the UK and Europe.

➢ Out of three national spatial options, the Eastern Corridor (The sow of Liberty), the Atlantic Gateway (Wild Cats of Equality) and Urban Sprawl (The Fragility of Mé Féin), the Eastern Corridor is a most likely and robust option. The development of the Atlantic Corridor requires strong policy and high levels of investment and is not robust at times of uncertainty, while an Urban Sprawl pattern of development is vulnerable in an energy shortage/high prices situation and is environmentally unsustainable.

➢ Development of the Eastern conurbation would mean that a continued policy based on the radial model as exemplified by the current national road and rail infrastructure strategies, may be ill-conceived. Development of cross-transverse links between the East and the West would be a more viable and future-proof option.

➢ There are a number of risks associated with the current national planning policy. There is a risk that continued policy support for the development of a counterweight to Dublin may not be successful, as planning polices that ‘fight trends’ are often doomed to fail. Also, the shift of population from rural to urban will likely result in the loss of political support for shifting resources from the East to the West, as the political and electoral base becomes increasingly urban.

➢ Recent trends in population growth show that the counties that grew the fastest were the ones without the gateways, while the counties with gateways grew the slowest. This points to a conclusion that the NSS has focused on rather weak centres and therefore the return on investment was rather low.

➢ Although a strong possibility that urban conurbation on East coast will dominate the development of Ireland in the future may be rejected by many, it is recommended that the critical mass argument of balanced regional development is reviewed; all spatial planning and infrastructure policies should

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be tested against the possibility of a single urban centre along the Eastern seaboard; and the gateway cities outside the Eastern conurbation should be encouraged to develop ‘distinctiveness’ instead of population growth.

Preparing Ireland for Possible Futures

An analysis of the scenarios shows that some underlying drivers and outcomes are common to all scenarios. It is recommended that plans and policies should be tested by asking whether interventions will reinforce or impede the desirable outcomes identified in this report.

The key area of concern for the way forward for the gateways identified by this study is the issue of governance, and especially the lack of appropriate regional governance structures that would oversee development and implementation of strategic regional policy.

Conclusion

➢ The study identified a critical need to revise the National Spatial Strategy reflecting the vital and dominant role of the Greater Dublin Area in securing the future of Irish society and the continued prosperity of the national economy, as well as the progress towards spatial and economic cohesiveness with Northern Ireland. The revision of the strategy should also address the need to formulate development policy in a way that would reflect distinctiveness of the Eastern and Western regions.

➢ There is a pressing need for fostering collaborative visionary leadership at all scales and across all sectors.

➢ Finally, the study recognised a fundamental requirement for a major reform of local and regional structures of governance to be conducted based on the concepts of sustainable city regions, subsidiary and integrated policy formulation, decision-making and implementation.
## ANNEX 2: List of Organisations and Bodies from which Submissions were received

<table>
<thead>
<tr>
<th>Organisation/Body</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of Education &amp; Science</td>
</tr>
<tr>
<td>Department of Transport</td>
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<tr>
<td>Department of Environment, Heritage &amp; Local Government</td>
</tr>
<tr>
<td>Department of Communications, Marine &amp; Natural Resources</td>
</tr>
<tr>
<td>Department of Arts, Sport &amp; Tourism</td>
</tr>
<tr>
<td>Department of Finance</td>
</tr>
<tr>
<td>Dublin Airport Authority</td>
</tr>
<tr>
<td>Dublin Institute of Technology</td>
</tr>
<tr>
<td>University of Dublin – Trinity College</td>
</tr>
<tr>
<td>County of Dublin VEC</td>
</tr>
<tr>
<td>Labour Party</td>
</tr>
<tr>
<td>Green Party</td>
</tr>
<tr>
<td>Dublin Chamber of Commerce</td>
</tr>
<tr>
<td>IBEC</td>
</tr>
<tr>
<td>Finglas Cabra Partnership</td>
</tr>
<tr>
<td>Ballymun Partnership</td>
</tr>
<tr>
<td>Ballyfermot Partnership</td>
</tr>
<tr>
<td>Northside Partnership</td>
</tr>
<tr>
<td>National Competitiveness Council</td>
</tr>
<tr>
<td>An Óige</td>
</tr>
<tr>
<td>Irish Tourist Industry Confederation</td>
</tr>
<tr>
<td>Irish Hotels Confederation</td>
</tr>
</tbody>
</table>
### Political Party Nominees

<table>
<thead>
<tr>
<th>Name</th>
<th>Nominated by</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lord Mayor Cllr Eibhlin Byrne</td>
<td>Fianna Fáil</td>
</tr>
<tr>
<td>Cllr Michael Donnelly</td>
<td>Fianna Fáil</td>
</tr>
<tr>
<td>Cllr Gerry Breen</td>
<td>Fine Gael</td>
</tr>
<tr>
<td>Cllr Dermot Lacey</td>
<td>Labour</td>
</tr>
<tr>
<td>Cllr Killian Forde</td>
<td>Sinn Féin</td>
</tr>
</tbody>
</table>

### Business Interests’ Nominees

<table>
<thead>
<tr>
<th>Name</th>
<th>Nominated by</th>
</tr>
</thead>
<tbody>
<tr>
<td>Patricia Potter</td>
<td>Dublin Regional Authority</td>
</tr>
<tr>
<td>Aebhric McGibney</td>
<td>Dublin Chamber of Commerce</td>
</tr>
<tr>
<td>Catherine McCabe</td>
<td>Dublin Chamber of Commerce</td>
</tr>
<tr>
<td>Matt Moran</td>
<td>IBEC</td>
</tr>
<tr>
<td>Tom Coffey</td>
<td>Dublin City Business Association</td>
</tr>
<tr>
<td>John Fox</td>
<td>ICTU</td>
</tr>
</tbody>
</table>

### Finance Strategic Policy Committee Members

<table>
<thead>
<tr>
<th>Name</th>
<th>Nominated by</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cllr Julia Carmichael</td>
<td>Cllr Kevin Humphries</td>
</tr>
<tr>
<td>Cllr Edie Wynne</td>
<td>Cllr Larry O’Toole</td>
</tr>
<tr>
<td>Cllr Liam Kelly</td>
<td>Former Lord Mayor Cllr Paddy Bourke</td>
</tr>
<tr>
<td>Professor Ronnie Munck</td>
<td>Paul Smyth</td>
</tr>
<tr>
<td>Gina Quin</td>
<td>Cllr Declan Flanagan</td>
</tr>
</tbody>
</table>

### Dublin City Council Officials

<table>
<thead>
<tr>
<th>Name</th>
<th>Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kathy Quinn</td>
<td>Head of Finance</td>
</tr>
<tr>
<td>Rose Kenny</td>
<td>Executive Manager, Rates &amp; Motor Tax</td>
</tr>
<tr>
<td>Antoinette Power</td>
<td>Head of Financial Accounting</td>
</tr>
<tr>
<td>Fintan Moran</td>
<td>Head of Management Accounting</td>
</tr>
<tr>
<td>Margaret Clarke</td>
<td>Senior Accountant, Finance Department</td>
</tr>
<tr>
<td>Mary Darley</td>
<td>Senior Planner, Planning Department</td>
</tr>
<tr>
<td>Siobhan O’Connor</td>
<td>Executive Planner, Planning Department</td>
</tr>
<tr>
<td>Paul O’Halloran</td>
<td>Strategic Policy Manager, Community &amp; Enterprise</td>
</tr>
<tr>
<td>Fiona Richardson</td>
<td>Strategic Policy Manager, Community &amp; Enterprise</td>
</tr>
</tbody>
</table>
Economic Infrastructure Priority

Investment in economic infrastructure is one of the main priorities under the NDP, with an indicative budget of €54.7 billion being allocated. The Plan acknowledges that investment in economic infrastructure is a key element in the promotion of competitiveness and the generation of sustainable economic growth and employment. It also acknowledges that significant deficits still exist.

Within this priority, the Transport Programme accounts for €32.9 billion, or 60%, of the total. The transport investments set out in the NDP are derived from, and form part of, the overall investment framework under Transport 21.

Roads Sub-Programme: Under the NDP, €13.3bn has been allocated for investment in national roads and €4.3 billion in non-national roads to be funded by the Government and the Local Government Fund. In relation to road investment in Dublin and the Greater Dublin Area, the Plan refers to the completion of the M50 upgrade by 2010 (with barrier free tolling by 2008) and completion by 2010 of all Major Inter-Urban routes between Dublin and other Gateway centres. It also mentions the fact that the feasibility and planning work on the Eastern Bypass and on a new Outer Orbital Road to serve the Gateway, but fails to make any actual funding provision for these roads. There is no detail about non-national road improvements within the M50 corridor. The NDP notes that these improvements will also greatly benefit the counties in the Region adjoining Dublin.

Public Transport Sub-Programme: Again in line with Transport 21, public transport has also been identified as a key priority for the City Region, with the bulk of the €13 billion Public Transport Sub-Programme allocated to Dublin. The NDP notes that this is a quadrupling of the investment allocated in the previous Plan. The NDP states that “What is required is a complete transformation in the public transport network in the Greater Dublin Area”. The funding Alliance notes that the implementation of real-time information on public transport is not included in Transport 21 and recommends that this should be considered. Accordingly, over the period of the Plan, the following projects will be advanced in line with the timetable in Transport 21:

- Completion of the Metro North to the Airport and Swords;
- Phased development of the Metro West line;
- Enhancement and extension of the LUAS network;
- Expansion in the capacity of the suburban rail network through city-centre re-signalling, quadrupling of track on the Kildare line and re-opening of the Dublin to Navan rail link;
- Commencement of the Heuston Docklands Interconnector and the electrification of section of the Dublin suburban rail network;
- Significant expansion of the bus fleet and bus priority;
ANNEX 4: The National Development Plan: Capital Investment Priorities for Dublin

- The introduction of a fully integrated, customer-friendly, smart card ticketing system in the GDA, facilitating the use of different transport modes in single journeys;
- Construction of additional park and ride facilities;
- The mainstreaming of accessibility across all modes of public transport, in line with the Department of Transport’s sectoral plan under the Disability Act, 2006; and
- Development of enhanced cycling and walking facilities.

Air Transport Sub-Programme: The NDP contains a provision of €1.8 billion to be invested in improving air transport facilities at the country’s three national airports; no specific allocation has been made for Dublin Airport. It also acknowledges that ensuring that infrastructural capacity increases in with the growth in air services is particularly important for Dublin Airport because of its international gateway status; with a target capacity of 30 million passengers. Along with the current expansion associated with Pier D and the second terminal, the NDP states that further additional terminal capacity at Dublin Airport is likely to be required by the middle of the next decade and planning will commence during the period ahead on how best to facilitate this. The national and regional benefits of expanded services at Dublin Airport will be enhanced by the development of the road network in the environs of the airport and improved public transport connections to the Region.

Ports Sub-Programme: While €480 million is earmarked for investment in upgrading strategic port facilities and regional harbours, no indication is provided about Dublin Port’s investment needs. The Plan states that the government proposes to undertake a comprehensive study of the role of Dublin Port, taking account of locational considerations, in the context of overall ports policy on the island of Ireland, wider transport policy, urban development, the NSS and national economic policy. This review will take account of the findings of the study on the role of Dublin Bay and the Dublin Port Area commissioned by Dublin City Council. The DRA’s Dublin Bay initiative is not mentioned in the NDP.

Environmental Services Programme: Under the NDP, an indicative investment of €5.8 billion has been agreed, of which €4.75 billion, or over 80%, has been allocated to water services (other environmental services sub-programmes include €753 million for waste management and €270 million for climate change i.e. the cost of purchasing carbon credits). The NDP also states that a fundamental objective of the Water Services Sub-Programme will centre on ensuring that adequate infrastructure is in place to meet the emerging need for significant water supply improvements, due to the continuing growth and development in the economy and from a rapidly expanding population. While no specific measures are highlighted, the Plan states that the Dublin Gateway will benefit from further investment in environmental services infrastructure to facilitate the consolidated development of the GDA. The NDP notes that in the City Region, the relevant authorities will proceed with a waste to energy plant by way of a
ANNEX 4: The National Development Plan: Capital Investment Priorities for Dublin

PPP. Not one water or wastewater project in the City Region is identified as a priority. Government measures to address local authorities’ dual role in the area of waste management is mooted.

Other Infrastructure Programmes: The NDP will also finance the completion of the MANs network. An allocation of €833m has been set aside for the provision of new buildings under the Decentralisation Programme. The NDP arithmetic also includes a provision of €2.1 billion in development contributions which local authorities will use to fund services, such as local amenity and community works. No allocation for Dublin was proposed.

Enterprise, Science and Innovation Priority

Investment under this priority is indicatively estimated at €20 billion, and reflects one of the key priorities of the Dublin local authorities, namely the need to encourage and support the development of a knowledge-based economy to ensure our continued economic success going forward and to maintain Ireland’s attractiveness to Foreign Direct Investment.

The Science, Technology and Innovation (STI) Programme forms a central element under this Priority and encompasses a range of important sub-programmes such as those aimed at supporting world-class research. There is a commitment that the Strategy for Science, Technology and Innovation will be fully implemented by 2013. In conjunction with allocations under a number of other programmes, it is estimated that the total investment in STI activities under the NDP will be over €8.2 billion. While there are no specific regional breakdowns provided in the NDP, the City Region is likely to benefit significantly because of the concentration of higher educational institutions in the Capital. Indeed, the Plan envisages that some €3.5 billion will be provided under the World Class Research Sub-Programme to underpin the contribution of the higher education sector. Businesses too will be encouraged to expand their R&D activities, with €1.3 billion being allocated to promote the maximum development and usage of STI in Irish enterprise.

The Enterprise Development Programme: Under this Programme an estimated €3.3 billion investment is envisaged over the life of the NDP, with €1.7 billion allocated under the Indigenous Industry Sub-Programme and €1.6 billion under the FDI Sub-Programme. Enterprise Ireland (EI) and the County Enterprise Boards (CEBs) will continue to have an important role in enterprise development, under a range of measures, including support for High Potential Start-up Companies; increasing competitiveness and productivity initiatives; developing management and international sales capabilities; access to equity and financing and support for entrepreneurship and micro-enterprises. The focus, however, is likely to be on stimulating and supporting businesses outside Dublin – in line with EI’s and the IDA Ireland’s regional strategies i.e. to promote industrial development in all the Gateways. Under the Programme, EI will continue to focus on improving the enterprise environment in local economies by investing in local enterprise infrastructure through Community Enterprise Centres. Under the FDI Programme, the key measures will include a range of
financial products to support investments by existing or new client companies as well as client services, such as technology parks. The financial grants will support capital, employment, training and RD&I investments – with a particular focus on RD&I and also on supporting the Regional Development Strategy. EU State aid restrictions do not permit investment aid to be granted to companies located in the Dublin and Mid-East Region. Much more flexible provisions in terms of assisting the enterprise sector apply outside the City Region.

Tourism Programme: Under this Programme, an indicative investment of €800 million is envisaged, focused on three sub-programmes i.e. International Marketing; Product Development and Infrastructure and Training and Human Resources. The key marketing objective will be to increase tourism revenue and visitor yield and to help to achieve a wider regional and seasonal distribution of tourism business in line with the strategic targets set for the industry. In relation to product development and infrastructure, which has been allocated €317 million, the NDP will support a number of measures including: a fund to support tourism infrastructure; a fund for encouraging product innovation, feasibility studies and the development of a small number of major annual events; and a fund to support investment in “soft adventure” products, heritage and rural culture. The only specific mention of Dublin is in relation to the provision of the National Conference Centre, which is seen as constituting an essential element of national tourism infrastructure. This sub-programme includes provision for the PPP funded capital cost of the NCC. The Conference Centre, when fully operational, is expected to generate additional foreign earnings of between €25 million and €50 million a year.

Human Capital Priority

Investment under the Human Capital Priority is indicatively estimated at €25.8 billion, which will be delivered under three Programmes, namely; Training and Skills Development (€7.7 billion); Schools Modernisation and Development (€5 billion) and Higher Education (€13 billion).

Training and Skills Development Programme: The City Region’s submission stressed the importance of education and training to the Irish economy and society in general. The priority given to training and skills development under the NDP is therefore encouraging as is the focus on lifelong learning and the implementation of the National Skills Strategy. In addition, other important measures which are consistent with the Region’s submission include the allocation of €4.9 billion to provide targeted training and services to groups outside the workforce such as the unemployed, people with disabilities, lone parents, travellers, prisoners as well as encouraging the increased participation of women, older workers, part-time workers and migrants in the workforce.

Under the Schools Modernisation and Development Programme almost €4.5 billion will be invested in updating the physical fabric of existing facilities at first and second level as well as providing additional facilities to meet new
demands, with smaller amounts being invested in curriculum development and in ICT for schools. Again, there is no indication about the level of funds for Dublin.

The most significant allocation under this Priority is in the Higher Education Programme, where indicative investment of €13 billion is envisaged in Higher Education Infrastructure; Higher Education Development and the Strategic Innovation Fund. The priority given to higher education is consistent with the DRA submission and is vital if Ireland is to become a truly knowledge-based economy. It is envisaged that investment projects will be delivered either though conventional procurement or under the PPP initiative. While investment projects selected must be consistent with the Regional Development Strategy, Dublin should benefit significantly under this Programme. Indeed, the Plan mentions the development of the Grangegorman site that will house the new DIT Community Campus. Some 35 large scale third level infrastructure projects are scheduled to be completed by the end of 2010 but the NDP does not identify any of these.

Social Infrastructure Priority

The NDP acknowledges the vital role that social infrastructure plays in promoting social inclusion and improving quality of life – a message which is consistent with that contained in the Region’s submission. Under the NDP, therefore, investment under the Social Infrastructure Priority is indicatively estimated at just over €33.6 billion. This is designed to complement the investment under the Social Inclusion Priority. Of this total, €21.2 billion, or more than 63%, has been targeted at the Housing Programme. This Programme will be structured around two sub-Programmes – Social Housing Provision and Renewal (€17 billion) and Affordable Housing and Targeted Private Housing Supports (€4 billion). The social partnership agreement Towards 2016 and the Housing Policy Framework jointly set out the broad approach being taken to housing policy. It is estimated that some 140,000 new households (excluding persons assisted under the Social Welfare Rent Supplement Allowance – 60,000 per annum at present) will be assisted through various social and affordable housing measures over the life of the Plan. The delivery targets for Dublin were not mentioned.

Other initiatives under this Priority include the Sports, Culture, Heritage and Community Infrastructure Programme, which will provide some €3.6 billion in investment over the life of the Plan. Of particular note for the City Region under the Sports Sub-Programme is the funding to be provided for the development of Phase 1 of the Abbotstown site (consideration will be given to the further phased development of the site later in the Plan period) and Government’s funding of €191 million towards the redevelopment of Lansdowne Road Stadium. Under the Culture Sub-Programme, which will invest €1.1 billion in cultural infrastructure and the Irish language over the Plan period, funding will be provided for a new National Concert Hall, a new National Theatre and for the provision to the National Cultural Collecting Institutions of additional facilities for conservation and safeguarding of their collections. The Cultural Sub-Pro-
gramme will also take account of regional development strategy in the NDP. This Sub-Programme will contribute to the development of cultural facilities in the NSS Gateways, including by way of exploiting the potential for sharing by the Dublin based institutions of national resources with regional institutions.

Social Inclusion Priority

Promoting social inclusion is a central theme in the new NDP and as a consequence (current) expenditure of €49.6 billion will be made under the Social Inclusion Priority. This accounts for almost 27% of all proposed spending under the NDP. The Plan reiterates the Government’s commitment to a coherent strategy for social inclusion based on the life cycle approach set out in Towards 2016, with implementation supported by the National Action Plan for Social Inclusion. The focus on Social Inclusion is again broadly consistent with the Region’s submission and the scale of the investment planned under this Priority will help the Dublin local authorities and local agencies to address many of the causes of social exclusion.

Key features of the Priority include:

- €12.3 billion Children’s Programme to provide childcare services, child protection and recreational facilities for children, and educational help for children from disadvantaged communities and those with special needs;
- Over €4 billion in Working Age Education Support programmes to support further education, student support and third level access;
- €9.7 billion to help older people live independently at home and to provide investment in quality residential care facilities for older people;
- €19 billion to support the provision of programmes and services for people with disabilities;
- The strengthening of the RAPID programme;
- €1.9 billion to support the development of Ireland’s increasingly diverse communities, including voluntary community bodies, and the implementation of the National Drugs Strategy; and
- €848 million to support immigrant integration, language support, the social and economic advancement of members of the Traveller Community, the National Action Plan Against Racism and programmes and measures to combat gender inequality in Ireland.
Other Investment Opportunities:
The Gateway Innovation Fund

In addition to the funding available under the various Investment Priorities, the Plan also provides for establishment of a Gateway Innovation Fund on a pilot basis with a budget of €300m over the next three years. The Fund operates on the basis of a lead Local Authority on behalf of a Gateway bidding on a competitive basis for central funding for projects that give added value to the Gateway development, with significant other public sector co-funding and private sector investment. The deadline for the first call for proposals was 15th November 2007. It is possible that GIF funding may be available on an on-going basis and if this happens it will give the Dublin local authorities an opportunity to seek funding for priority flagship projects.
ANNEX 5: COMPETITIVENESS

Global Competitiveness Report 2006-2007: In this report Ireland ranked 21st with Switzerland, Finland and Sweden identified as the world’s most competitive economies. The rankings are drawn from a combination of publicly available hard data and the results of the Executive Opinion Survey, a comprehensive annual survey conducted by the World Economic Forum, together with its network of Partner Institutes (leading research institutes and business organisations) in the countries covered by the Report. This year, over 11,000 business leaders were polled in a record 125 economies worldwide.

The Global Information Technology Report: This report which determines national ICT strengths and weaknesses, and evaluates progress also ranks Ireland a lowly 21st. The report uses the Networked Readiness Index (NRI) to measure the degree of preparation of a nation or community to participate in and benefit from ICT developments. The NRI is composed of three component indexes which assess the environment for ICT offered by a country or community; readiness of the community’s key stakeholders (individuals, business and governments); and usage of ICT among these stakeholders. Denmark tops the ranking due to the nation’s outstanding levels of networked readiness, excellent regulatory environment, and clear government leadership and vision in leveraging ICT for growth and promoting ICT penetration and usage.

Travel and Tourism Competitiveness Index: Ireland ranks 27th in the World Economic Forum’s Travel and Tourism Index, which covers 124 countries around the world. This is a disappointing ranking as travel and tourism is a critical sector impacting national prosperity and economic growth.

IMD’s World Competitiveness Yearbook 2007: This report highlights a big shake-up in economic and business power. Emerging nations are quickly catching up in terms of competitiveness. New companies and new brands are appearing all over the world. They now contest the long-standing competitive supremacy of industrialised nations. Of the 55 economies ranked by IMD, the US still ranks No. 1 in 2007, closely followed by Singapore and Hong Kong. However, 40 economies are now increasing or maintaining their competitiveness compared to the US – in other words, “closing the gap”. Only 15 are losing ground. For the first time, the ranking indicates not only the competitive position of nations in 2007 but also their ability to catch up with the leader (the US). China, Russia, India, the Slovak Republic, Estonia, Sweden, Austria, Australia, Denmark, Switzerland and Hong Kong have displayed a strong improvement in their competitiveness performance in recent years. In contrast, Ireland fell from

31 The rankings are drawn from a combination of publicly available hard data and the results of the Executive Opinion Survey, a comprehensive annual survey conducted by the World Economic Forum, together with its network of Partner Institutes (leading research institutes and business organisations) in the countries covered by the Report. This year, over 11,000 business leaders were polled in a record 125 economies worldwide.


11th to 14th place due to a sharp decline in its economic performance, which went down from 9th to 25th place in the rankings. As well as falling direct inward investment – in terms of both US dollars and as a percentage of gross domestic product (GDP) – one of Ireland’s “weaknesses” was identified as the cost of living. Ireland’s highest position in the competitiveness rankings was fifth, which it achieved in 2000. It had fallen to 11th place by 2003 and an improvement to 10th place the following year proved short-lived.34 In order to attract Investment, Ireland as a country and Dublin in particular needs to be more competitive. However, it is important to state that we need to find new ways of ensuring competitiveness by making the capital city more accessible, and improving the quality of life and facilities available to residents.

**Innovation:** Defined as the application of knowledge in a novel way, primarily for economic benefit, innovation is becoming increasingly important for business and governments globally. In business it is a way to beat competitors. Government policy-makers see the need for an innovative environment if their economies are to prosper. Research shows that the top determinants for an economy to be innovative are the technical skills of the workforce (92% of respondents) and the quality of IT/telecommunications infrastructure (also 92%).35 Also important as key drivers are R&D spending as a percentage of GDP, broadband penetration and the quality of local research infrastructure. Ireland is ranked 20th out of 82 countries surveyed as regards its capacity to innovate. Globally, 12 of the top 25 countries have a population of less than 10 million.

**National Competitiveness Council:** Ireland’s growth performance in the past decade has almost eliminated unemployment, improved life expectancy and life satisfaction levels, and made Ireland one of the world’s most celebrated economic success stories. The economy has shifted from export-led growth in the late 1990s to a growth pattern that is far more dependent on domestic consumption and investment. The National Competitiveness Council has highlighted in some detail the scale of the adjustment and the impact this is having on the national economy.36 The NCC’s conclusion is that Irish economic performance (to end 2006) was strong, but that the contribution to growth from the exporting sectors of the economy has been lessened by international competition, as well as an increase in economy-wide pay and non-pay costs, probably associated with a debt financed boom in residential construction and in related services sectors. The NCC identified that the following factors feature on the ‘minus’ side of Ireland’s competitiveness balance sheet:

- Infrastructure
- Competition in Ireland’s utility industries
- Broadband
- Achievement in science and mathematical literacy

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ANNEX 5: COMPETITIVENESS

➢ Business expenditure on research and development (BERD)
➢ Cost environment for business
➢ Pay costs

The NCC will be undertaking research into the importance of improving competitiveness in City Region.

Dublin’s Competitiveness: Overview

Due to data limitations there are a limited number of reports which focus on the issue of competitiveness at city level. Nevertheless, the reports cited below provide an interesting perspective of the challenges facing the City Region.

The Dynamics of Global Cities and Global Commerce: A recent study by MasterCard ranked the world’s top 50 cities in terms of their performance as centres of commerce in the global economy. The rankings reveal specific areas of strengths and weaknesses for each city. Dublin was ranked in overall 31st position using the six dimensions used in the survey methodology which cover the key functional characteristics of a city. The following Table illustrates how Dublin compares to competitor cities:

<table>
<thead>
<tr>
<th>Benchmark</th>
<th>Dublin’s Ranking (overall)</th>
<th>Highest Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal and Political Framework</td>
<td>79.30 (28th)</td>
<td>Stockholm at 88.78</td>
</tr>
<tr>
<td>Economic Stability</td>
<td>86.34 (37th)</td>
<td>Barcelona/Madrid at 94.52</td>
</tr>
<tr>
<td>Ease of Doing Business</td>
<td>87.69 (6th)</td>
<td>Vancouver at 89.95</td>
</tr>
<tr>
<td>Financial Flows</td>
<td>19.24 (37th)</td>
<td>London at 82.86</td>
</tr>
<tr>
<td>Business Centre</td>
<td>41.41 (28th)</td>
<td>Hong Kong at 71.89</td>
</tr>
<tr>
<td>Knowledge Creation and Information Flows</td>
<td>20.46 (31st)</td>
<td>New York at 61.55</td>
</tr>
</tbody>
</table>

While Dublin is on a very different scale compared with many global cities, for example as regards the volume of trading in bonds and equities, this survey is a sober assessment of how Dublin ranks with many competitor cities of a comparable size. Only in terms of doing business does Dublin achieve a Top Quartile ranking. Dublin’s poor ranking in the category of economic stability (bearing in mind the weighting attached to institutional development) is a disappointment, so too is Dublin’s ranking as a business centre (which ranked cities on the criteria of the clustering effect of business formation, efficiency in logistics and transportation linkages). The low ranking as a knowledge city took account of Dublin’s relative position to its competitors having regard to the quality and quantity of education along with a general environment conducive to innovation and creativity.

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37 WorldWide Centres of Commerce Index 2007, MasterCard. This groundbreaking research effort was developed by a panel of leading economists. Details at www.mastercardworldwide.com
Inventory of World Cities: The Globalisation and World Cities (GaWC) Study Group and Network have constructed an inventory of world cities based upon their level of advanced producer services (accountancy, advertising, finance and law). Some 56 cities were rated as Alpha, Beta and Gamma; reflecting whether they were full service world cities to those categorised as ‘minor world cities’. Below this ranking were cities, including Dublin, that showed evidence of becoming a world city. While this somewhat out of date conclusion may come as a surprise, more recent research on the competitiveness of European Metropolitan Regions within the EU may improve Dublin’s position.

City Mayors: ‘City Mayors’ is an internet website of international experts committed to promoting strong cities and good local government. The group examines how initiatives are being developed to achieve solutions to urban problems such as housing, transport, education and employment, as well as environmental, technological, social and security challenges. One surprising finding of a recent survey of the world’s wealthiest cities by 2020 – bearing in mind that the Southern and Eastern Region in Ireland is currently Europe’s 13th wealthiest region – is that Dublin may fall to 77th position, just a point behind Bangalore (India).

Proyecto: Dublin City Council is actively engaged with this network of some 20 cities located in five continents. The project’s aims are to identify ‘components of excellence’ on each participating city i.e. those elements of the city that are particularly attractive from the economic, social or environmental perspective. The findings in Dublin were positive with the city scoring high in terms of: i) its capacity to attract international immigration; ii) financial services; iii) the city’s capacity to generate employment; and, iv) the quality of drinking water. Critical deficits included: lack of science and business parks, urban traffic, urban sprawl and the cleanliness of the city. Priorities for Dublin include improving the city’s public transport system, the quality of healthcare and use of ‘clean’ technologies. As part of this network Dublin City Council has given a public commitment to the improvement of life within the city and to seeking to attain a higher standard of city life.

38 These conclusions were based on 199 data which has not been updated. www.lboro.ac.uk/gawc
39 www2.fmg.uva.nl/acre
40 www.citymayors.com
Dublin’s Competitiveness: Specifics on Business Costs

While many of the indicators published by the NCC are national benchmarks, some competitiveness indicators for Dublin have also been made available. The key factors impacting on business costs are identified with rankings provided for Dublin where these can be identified:

<table>
<thead>
<tr>
<th>Competitiveness Indicator</th>
<th>Dublin’s ranking (or IRL)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay costs (overall)</td>
<td>13th highest out of EU-15 (IRL)</td>
</tr>
<tr>
<td>Wage costs for production operatives/lab technicians/financial analysts/R&amp;D Directors</td>
<td>8th highest (out of 12 incl. mix of competitor cities)</td>
</tr>
<tr>
<td>Cost (per m²) of industrial and office space</td>
<td>11th most expensive out of 12 cities</td>
</tr>
<tr>
<td>Electricity costs (per kwh) for industrial users</td>
<td>7th highest of 9 locations</td>
</tr>
<tr>
<td>Cost of mobile</td>
<td>9th most costly of 9 cities</td>
</tr>
<tr>
<td>Waste disposal/water</td>
<td>9th most expensive of 12 cities</td>
</tr>
<tr>
<td>Land–fill costs</td>
<td>IRL 8th most expensive of 10</td>
</tr>
<tr>
<td>Professional fees</td>
<td>Most expensive of 12 cities</td>
</tr>
<tr>
<td>Insurance costs</td>
<td>5th most expensive of 12 cities</td>
</tr>
<tr>
<td>Efficiency of competition legislation</td>
<td>IRL 8th of 19 countries</td>
</tr>
<tr>
<td>Overall infrastructure quality</td>
<td>IRL 22nd of OECD</td>
</tr>
<tr>
<td>Efficiency of distribution infrastructure</td>
<td>IRL 27th of OECD</td>
</tr>
<tr>
<td>Traffic congestion (speed at peak hour)</td>
<td>Dublin 28th worst of 30 cities</td>
</tr>
<tr>
<td>Quality of air transport</td>
<td>IRL 18th of OECD</td>
</tr>
<tr>
<td>Quality of port infrastructure</td>
<td>IRL 23rd of OECD</td>
</tr>
<tr>
<td>Energy infrastructure</td>
<td>IRL 26th of OECD</td>
</tr>
<tr>
<td>ICT expenditure per capita</td>
<td>IRL 9th of 15</td>
</tr>
<tr>
<td>Broadband subscribers</td>
<td>IRL 23rd lowest level in OECD</td>
</tr>
<tr>
<td>Enterprises with broadband</td>
<td>IRL 14th of 15</td>
</tr>
<tr>
<td>BERD</td>
<td>IRL 20th of OECD</td>
</tr>
</tbody>
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### ANNEX 6: STRATEGIC POLICY COMMITTEE MEMBERS

<table>
<thead>
<tr>
<th>Member Name</th>
<th>Party/Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Councillor Michael Donnelly (Chair)</td>
<td>Fianna Fáil Party</td>
</tr>
<tr>
<td>Councillor Kevin Humphreys</td>
<td>Labour Party</td>
</tr>
<tr>
<td>Councillor Killian Forde</td>
<td>Sinn Féin Party</td>
</tr>
<tr>
<td>Councillor Dermot Lacey</td>
<td>Labour Party</td>
</tr>
<tr>
<td>Councillor Declan Flanagan</td>
<td>Fine Gael Party</td>
</tr>
<tr>
<td>Professor Ronnie Munck</td>
<td>Dublin City University</td>
</tr>
<tr>
<td>Ms Gina Quin</td>
<td>Dublin Chamber of Commerce</td>
</tr>
<tr>
<td>Former Lord Mayor Councillor Paddy Bourke</td>
<td>Labour Party</td>
</tr>
<tr>
<td>Councillor Edie Wynne</td>
<td>Fine Gael Party</td>
</tr>
<tr>
<td>Councillor Liam Kelly</td>
<td>Independent Fianna Fáil</td>
</tr>
<tr>
<td>Councillor Julia Carmichael</td>
<td>Fianna Fáil</td>
</tr>
<tr>
<td>Mr. Paul Smyth</td>
<td>ICTU – SIPTU</td>
</tr>
<tr>
<td>Mr. Matt Moran</td>
<td>IBEC</td>
</tr>
<tr>
<td>Mr. Tom Coffey</td>
<td>Dublin City Business Association</td>
</tr>
</tbody>
</table>
ANNEX 7: INTERNATIONAL COMPARISON

A brief review of local government funding in a number of international jurisdictions is set out below.

Italy

There are 20 regional Governments in Italy, 103 provinces and 8,100 municipalities. Municipal authorities are responsible for:

- Local policing
- Public hygiene
- Social welfare
- Court buildings
- Education
- Local streets
- Refuse collection
- Planning
- Urban transport
- Gas and electricity

While local authorities in Ireland do carry out some of these functions it is obvious that Italy has a far more advanced system of decentralised Government. As a result the sources of funding and financing have changed in Italy. Funding measures that have been used to varying degrees of success include:

- Health service payroll tax contributions
- Automobile tax
- A share of petrol taxes
- Personal income tax surcharges
- VAT and the power to adjust VAT rates
- Local property taxes

One should note, however, that at the start of the process to decentralise Government in the early 90s local authorities received 90% of their income from central government. This has now changed dramatically; such changes in funding are as a result of the much greater responsibility and status of the local authorities.
ANNEX 7: INTERNATIONAL COMPARISON

Germany

There are 16 “Lander” or regions in Germany. They have responsibility for:

➤ Culture
➤ Health
➤ Education
➤ Public security
➤ Regional development

Within each region there are differing numbers of “Communes” and these carry out the following functions:

➤ Local public services
➤ Local healthcare delivery centres
➤ School buildings
➤ Housing
➤ Roads

The system of government is highly integrated. Lower levels of government often carry out functions on behalf of the higher levels. Policies and decisions are often taken by central government but the delivery rests with the local government. Revenue sharing is an important part of this system as all levels depend heavily on each other for implementation of policies and realisation of objectives.

One of the crucial points underpinning this is that the Lander have representation in the national parliament and therefore any measures that affect the Lander must have their consent. There is a system of equalisation in place across the regions for revenue sharing. This is based upon each region’s ability to raise funds and to ensure no region is at a disadvantage. However, because the equalisation system is based upon ability to generate revenue rather than the needs of a region it does not always tackle problems such as a disparity in living conditions. It does, however, act as a disincentive to local authorities using taxes to generate more funds.

It is important to point out the number of services that the Lander carry out that are functions of central government in Ireland.
NEW ZEALAND

There are 12 Regional councils and 74 territorial councils in New Zealand. Each of these is entirely independent of the central government. They handle the following functions:

- Environmental issues
- Public transport
- Water
- Refuse collection
- Sewage treatment
- Parks and reserves
- Street lighting
- Roads
- Libraries
- Sports and leisure
- Museums and culture

Their independence is based upon their adherence to basic planning and management disciplines covering budgets, reporting, financial strategies etc.

The main funding sources for Councils, which are very similar to the Irish model of local authority service delivery, are:

- Property rates
- User charges
- Fees
- Central government assistance
- Fuel taxes

Councils by and large implement a ‘user pays’ policy, in other words the costs of all expenditure is borne by those who benefit from it. Councils must operate a very transparent accounting system and provide long term planning for their areas combined with heavy reporting responsibilities.

AUSTRALIA

There are six states and two territories in Australia and each of these is subdivided into local council areas of varying size and population. They are not subject to Ministerial direction or federal government.
ANNEX 7: INTERNATIONAL COMPARISON

The state governments are responsible for:

➢ Public order
➢ Health
➢ Education
➢ Transport and infrastructure

Local councils are responsible for delivering:

➢ Maintenance of roads and streets
➢ Provision of water sewage and drainage facilities
➢ Leisure and recreation

Funding for both state and councils comes from property taxes and grants from the Australian Government. However, both state and local council expenditure greatly exceed their own resources and therefore, the majority of their funds come from central government.

Central government funding is made up of two distinct components:

➢ General Purpose Grants distributed according to population
➢ Identified local road grants based upon historic shares

Canada

The Canadian local government system consists of ten provinces and almost 5,000 units of local government. The provinces operate independently of the federal government and are responsible for:

➢ Education
➢ Health
➢ Social assistance
➢ Civil law and administration
➢ Licensing and resources

The main sources of funding for the provinces are personal income taxes and general sales taxes with each province having the authority to set these at the desired level. Federal grants are also available to the authorities with a complex system of equalisation in place to help to ensure a fair distribution of federal resources across the provinces, similar to Germany this equalisation is not based on needs but on the ability to raise finance.
United Kingdom

While differences exist between Wales, Scotland, Northern Ireland and England the system of financing is broadly similar.

In London most of the functions are carried out by the London boroughs or the City of London. The Greater London Authority has responsibility for strategic planning, transport, highways, police and fire services. The City of London and the boroughs are responsible for education, housing, planning, leisure and recreation, water and waste.

There are three central forms of income:

- Central government grant
- Council tax
- Business rates

Business rates are paid into a central pool and then redistributed to the council areas on a per capita basis.

A “Revenue Support Grant” aims to equalise the differences between needs and resources. The formula is however based upon the view of central government as to how much each authority should spend in each area of its remit. This results in a high level of central control in spending and resourcing of local authorities in the UK.

Other Experience

The League of Minnesota Cities produced a report entitled “A principled approach to financing city government” in January 2005. Local authorities in Minnesota relied heavily on funds distributed from central government. They made the following arguments for change:

- A reform of the state tax structure. The League argued that the tax base should be broadened to reduce reliance on corporate income and capital gains and instead to focus more control on goods and services.
- State–local Partnership; Cities in Minnesota felt that the state did not operate as a reliable partner in funding public services and this hampered planning and provision.
- An increase in the Local Government Aid, which is the main central grant in Minnesota.
- A metro-area sales tax to fund transportation.
- Revenue diversification; Different cities face different problems and the League suggested an in built flexibility to meet this challenge. This would include allowing cities to impose a sales tax for capital projects and an impact fees for certain developments.
ANNEX 7: INTERNATIONAL COMPARISON

- Enhancement of spending autonomy; Rather than imposing artificial caps on spending the state should increase the autonomy of cities to make revenue raising decisions to meet the costs and allow them to plan for the needs of their communities.

- Mitigation of excessive property tax; The state should provide adequate property tax relief to people in low property wealth and high need communities.

In the UK the Local Government Association produced “A new vision for local government finance”. This report produced three main recommendations as follows:

- A redesigned central-local government relationship based on a ‘single conversation’ about all local public spending and how it is financed.

- A new independent ‘Public Finance Commission’ to oversee and maintain a sustainable local finance regime.

- Enhanced models of local leadership and management of local finances based on the concept of a single local budget.

A paper produced by John Petersen of the Government Finance Group in Michigan, argued that central funding would become more important than ever to local authorities in Michigan as business would no longer accept carrying the tax burden. The paper also stated that a property tax would remain the future of local government funding as other forms of revenue such as payroll taxes and sales taxes only served to encourage business to move elsewhere. On this point Petersen also noted that user charges were preferable to taxes as it gave the consumer an element of choice. The paper also outlined significant difficulties in imposing a sales tax due to increasing use of the Internet.

In Scotland the Local Government Finance Review Committee made the following recommendations:

- The role and position of local government needs to be reviewed

- A local income tax should be introduced.

- The council tax should be replaced by a property tax based upon the capital value of homes with revaluations occurring annually.

- Non-domestic rates should be retained and set by the Scottish Executive. The rates should also be extended to vacant or derelict land to encourage re-development.

- Discretionary authority should be given to councils to impose a tourism tax.

- Responsibility for the distribution of central government funds should pass to an independent body.
### GLOSSARY

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Definition</th>
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<tbody>
<tr>
<td>CSO</td>
<td>Central Statistics Office</td>
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<tr>
<td>DIT</td>
<td>Dublin Institute of Technology</td>
</tr>
<tr>
<td>DRA</td>
<td>Dublin Regional Authority</td>
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<tr>
<td>ESRI</td>
<td>Economic &amp; Social Research Institute</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
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<tr>
<td>FDI</td>
<td>Foreign Direct Investment</td>
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<tr>
<td>GDA</td>
<td>Greater Dublin Area</td>
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<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
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<tr>
<td>GHG</td>
<td>Greenhouse Gas</td>
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<td>Gateway Innovation Fund</td>
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<td>International Financial Services Centre</td>
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<td>National Development Plan</td>
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<td>National Spatial Strategy</td>
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<td>Organisation for Economic Cooperation &amp; Development</td>
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<td>Research &amp; Development</td>
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<td>RPG</td>
<td>Regional Planning Guidelines</td>
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<tr>
<td>SME</td>
<td>Small to Medium sized Enterprise</td>
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<td>VAT</td>
<td>Value Added Tax</td>
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<td>VFM</td>
<td>Value for Money</td>
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<td>Conor Cleary</td>
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<td>Grangegorman Development Agency</td>
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