



Limerick CHAMBER

Committed to your business needs

Limerick Chamber Submission on the
**Review of the Capital Plan
2018-2021**

28th April 2017

1. Introduction

Limerick Chamber represents over 500 businesses in Limerick City, Limerick County, Shannon and South East Clare and is the largest chamber in the Mid-West region. The Chamber welcomes the call for submission into the Mid Term Review of the Capital Plan and agrees that the key principle underlying the Capital Plan should be to prioritise investment in a manner that will underpin growth potential while delivering value for money.

To promote continued economic growth, it is vital that critical gaps in our infrastructure are addressed and that investment supports Government policy in advancing social cohesion, environmental sustainability and effective regional development. It is also critical that the Capital Plan recognises the need to fully utilise our current stock of infrastructural assets to obtain value for money for the Exchequer and to realise its existing potential.

This submission details the key issues that Limerick Chamber believe needs to be considered for the Mid Term Review of the Capital Plan and sets out several key investment priorities for the Mid-West Region and Ireland.

2. Need for Continued Investment in Infrastructure

Despite large-scale investment in the past, Ireland and the Mid-West region has entered this upturn in economic growth with an infrastructure deficit in key areas. Inadequate road and public transport infrastructure is resulting in rising economic costs in terms of increasing commuting times and distances with knock on implications for leisure time. Likewise, a lack of investment in the areas of health and social housing is impacting on the quality of life in the region.

A key investment challenge is to ensure that emerging physical infrastructure gaps which could constitute a constraint on growth are addressed and further recognise the positive economic outcomes that will arise in terms of reducing costs, increasing productivity, improving quality of life and supporting effective regional development.

Economic Growth and Demographics is putting increased pressure on Infrastructure

Census 2016 indicates that there are 385,000 people residing in the Mid-West region. The latest population estimates suggest that this will increase by 6 per cent in the period to 2031 to reach 410,000 people. In fact, the population over 65 years will increase by over 50 per cent in the same period. These population projections are conservative given that the National Planning Framework is focused on promoting population growth in the regional cities and would suggest that the demographics are likely to put further strain on the regions

infrastructure into the future

In addition to demographic pressures, the growth in economic activity in the region is also putting increased pressure on the existing infrastructure. The latest data from the QNHS shows that 2016 was a very positive year for the region in terms of labour market growth. In Q4 2016, there was 164,000 people employed in the region, which corresponds to levels of employment previously seen in 2008. Currently, the region is experiencing employment levels that are 6 per cent lower than our peak employment in 2007 while our unemployment rate is below the National Average of 6.7 per cent and is in line with Dublin 6 per cent. This positive trend is also reflected in IDA data with the Mid West region outperforming any other region in 2016 in terms of jobs growth. While this strong performance is positive news, it must be recognised that the region has not fully returned to 2008 levels and will need to be supported to further to build on the current momentum.

Currently, strong population and economic growth is merely resulting in much of the investment maintaining a steady state rather than improving the situation.

Investment is needed to improve Ireland’s Competitiveness and Support FDI

Relative to our competitors, Ireland’s infrastructure quality is poor. According to the Global Competitiveness Index 2016/17, the most problematic factor for doing business in Ireland was an inadequate supply of infrastructure. Furthermore, the quality of our overall infrastructure ranked 38th behind the U.K., Spain, Portugal, Denmark, Austria, and Switzerland.¹ An alternative assessment in the IMD’s 2016 Competitiveness Yearbook shows that Ireland ranks 41st in the provision of ‘Basic Infrastructure.’

At a more detailed level it was noted that Ireland’s road quality is ranked 32nd in the global competitiveness index in 2016/17, again behind a range of countries including the U.K., Spain, Portugal among others.² Likewise, Ireland’s Infrastructure ranking in Railroads (35th), Ports (26th) and Air Transport (25th) is below several other European countries. Given the widespread use of such indicators, the perception is that Ireland’s stock of infrastructure is poor. If Ireland wishes to continue to attract in FDI and support the development of indigenous industry, it is vital that our infrastructure of is on par or better than our competitors, particularly now in the context of Brexit.

Capital Investment must be in line with Government Policy

It is well known that capital investment influences patterns of development and economic growth by boosting long run potential output. For this reason, it is imperative that there are clear linkages between the Mid-Term Review of the Capital Plan and other Government Policy most notably, the forthcoming National Planning Framework, which will become the

¹ World Economic Forum – Global Competitiveness Index 2016/17.

² World Economic Forum – Global Competitiveness Index 2016/17. Index 2.02 “Quality of Roads”.

blueprint for how our Country develops into the future, as well as the Regional Action Plan for Jobs.

Limerick Chamber welcomed the recognition by the Government in the NPF consultation process of the need to tap the underutilised potential of our regional cities with focused policies and investments so they are complementary to the role of Dublin as our Capital City yet also support their wider regions. This recognition is also needed within the Capital Plan and so the Government must now equip the regions with the right mix of physical and social infrastructure, recognising the need for consistency between capital investment plans and strategic planning to ensure effective regional development.

Likewise, the Mid West Action Plan for Jobs also highlights key infrastructure investment for enterprise and makes specific reference to key regional assets in terms of Shannon Airport and Shannon Foynes Port. It is imperative that the Mid Term Review of the Capital Plan recognises the potential to leverage underutilised regional assets in terms of the Ports and Airport to ensure there is Value for Money in public capital expenditure.

Many of the key factors necessary for successful cities and regions require critical investment in infrastructure. In the context of the Mid-West, the need to improve transport links, increase investment in residential property, support the development of our health and education sectors are all critical to the success of the region. The Limerick Chamber submission to the National Planning Framework set out several key investment priorities which are needed to advance the Mid-West region and the entire West Coast, many of which are further reiterated in this document.

3. Capital Projects

A coordinated investment and development strategy is needed to strengthen Ireland's second tier cities and their wider regions. A key priority for the regions should be to maximise connectivity in the most efficient and cost-effective way and leverage existing assets for the effective development of Ireland Inc. It is well recognised that creating better linkages between key centres has positive impacts on promoting the wider regions. It is imperative that we make the best use of the infrastructural assets we have both from a regional and national perspective but also to ensure that future investment addresses infrastructural deficits.

The Limerick region has significant national infrastructure assets in terms of Shannon Foynes Port, Shannon International Airport, a number of power generation stations, a range of third level institutions and a strong road and rail network. These national assets are vital to facilitating the growth not only of the Limerick City Region but also the wider western region from Cork to Galway and beyond. While there is excess capacity in some key infrastructure

assets to deliver in the medium term, such as Shannon International Airport and Shannon Foynes Port, there are a number of deficits in strategic areas which need to be addressed to develop the potential of the west coast.

Currently, population and economic growth is merely resulting in much of the investment maintaining a steady state rather than improving the situation. There are several emerging physical infrastructure gaps, in areas such as transport and housing, which could constitute a constraint on growth in the future. Furthermore, despite large-scale investment in the past, inadequate road and public transport infrastructure is resulting in rising economic costs in terms of increasing commuting times and distances with knock on implications for leisure time and the environment.

3.1 Road Investment

By providing connectivity and facilitating the movement of people and goods, transport infrastructure contributes to economic growth and social progress. Transport investment can enable productivity growth, deliver time savings, reduce congestion, save lives, and lead to better environmental outcomes. By affording access to domestic and international markets, appropriate transport infrastructure aids the competitiveness of the enterprise base and facilitates regional development.

The programme for Government expressly identifies that ‘key radial routes will be prioritised from the existing motorway network, to ensure that communities isolated by inadequate national primary roads, have direct access to ports and airports’. Several routes linking into the Motorway network are a priority for the Limerick City Region; as is the completion of the Motorway Network in terms of the M20 as set out below.

M20 Motorway

The M20 is a major infrastructure element that needs to be addressed to support our second-tier cities. The proposed route is a highly significant commercial route linking the cities for Limerick and Cork. Connecting the cities of Limerick and Cork is crucial in attracting in and sustaining investment to the cities and region, and will ensure that the two cities can benefit from each other’s individual strengths.

The proposed M20 motorway will allow easier access to international markets via their respective ports and airports, which is a necessity for firms operating on the global markets. Furthermore, by linking the two cities, the proposed M20 motorway will extend the catchment area of the two cities and support the populations in the main towns in the catchment area.

It also further improves the links between the cities on the Atlantic Corridor connecting Cork,

Limerick and Galway. An important factor in affecting the performance of the regional economy is maintaining reliable and resilient connections between the regions and key cities, as well as between the regions and international markets. Connecting regional cities to one another allows for greater regional collaboration, which is in line with good spatial policy.

The upgrade of the N20 to motorway status has a very good strategic fit with several Government Policies. These policies cover spatial planning and regional development as well as transport policies examining future infrastructure development and enterprise policies in terms of the Action Plan for Jobs. Limerick and Cork Chambers have recently commissioned a report on the Socio-Economic need for the M20 motorway which is being submitted to the consultation process as a separate document.

Northern Distributor Road

The Northern Distributor Road in Limerick could act as a catalyst for further development in our city and region. The proposed road provides a significant improvement in connectivity by improving accessibility into the city centre, business parks, the education institutes and Shannon Airport, all of which is crucial in attracting in and sustaining investment and which is also set out in the Programme for Government.

A significant proportion of education and employment opportunities are concentrated in the East and South of Limerick city. The population of Limerick needs easy access to these employment and educational opportunities. The NDR allows this by integrating the north of Limerick more conveniently with the N18 and N7; as well as allowing easy access for those in the east of Limerick access employment areas in the west of Limerick and vice versa.

Without improvements in the road network there will be limited capacity for growth within the National Technology Park (NTP). The NTP is the largest business park under the remit of the IDA in Limerick and has a significant amount of land which can be developed. Under the Action Plan for Jobs, the IDA intends to develop a 55,000 square foot office block on the site. Of course, any potential development within the NTP will be subject to a planning permission process which will take account of the receiving road network. As the current road network is suffering capacity and safety constraints the prospect of further development of the NTP is likely to be curtailed.

An inability to develop the NTP will have serious implications in terms of Limerick's ability to attract FDI with knock on implications for job opportunities for our current population of workers as well as future graduates. These concerns have been reflected by both industry leaders in the region as well as the IDA and Enterprise Ireland³. In the event that development within the NTP is curtailed, this would have serious implications for the local economy. A development of the scale proposed by the IDA would have substantial benefits for Limerick

³ <http://www.limerickleader.ie/news/home/241337/rejection-of-limerick-s-northern-distributor-road-would-be-disastrous-for-jobs.html>

City and County Council and the local business. In terms of the former, a large office development of this nature would result in a significant contribution in terms of commercial rates paid by the tenants on the site, while local authority development contributions would be made to LCCC as a result of the construction activity. A development of the scale proposed by the IDA would also result in several construction jobs within the local economy and further support jobs once completed.

Limerick is also very fortunate to have three third level centres of education which is a key factor in attracting FDI. More and more collaboration between centres of education is becoming critical to building the skills base of the region, as is collaboration between education and industry. The Limerick Institute of Technology has identified the Northern Distributor Road as key in terms of improving access to their current campus as well as their new campus at Coonagh, while University of Limerick have also stated it will be important to expansion plans at the University. Both the University and Institute of Technology are key factors in increasing educational attainment which has knock on implications for the development of indigenous industry, the expansion of current business and in attracting more high value foreign investment.

Many of the key factors necessary for successful cities require critical investment in transport links. In the context of Limerick City, the Fitzgerald report identified the need to improve transport links as a key ingredient in the regeneration of the deprived parts of the city. It is well recognised that the social and economic exclusion experienced by some residents arise from their physical isolation from employment and education opportunities and other services elsewhere in the city. Ending this isolation by investing in better transport is a key element in the regeneration of the city. Although the residents of Moyross will be the most obvious beneficiaries of the integration effects arising from the road it will generate similar benefits for all residents of North Limerick city. By improving connectivity across the city, the road will also support all areas of the city in achieving its potential. The Capital Plan must support this route as a key transport project to support our regional cities and effective regional development.

Limerick to Foynes Road (N69 Route)

The Limerick to Foynes Road is vital to the development of Shannon Foynes Port, the deepest water port in the country. The inclusion of the route in the Infrastructure and Capital Investment 2016-2021 was welcomed and it is vital that this project is progressed as soon as possible. Shannon Foynes Port is designated a Core Port as part of the European Union Ten-T Transportation Network. Consequently, the road network between, Foynes, Limerick and Dublin has been identified as part of the Core Road Network and thus is requested to meet minimum standards for such route classifications. Thus, the upgrade of this route is a nationally important infrastructure project

The proposed road upgrade will benefit businesses and commuters on the route alike,

through reduced journey times, improved journey time reliability and safety between Foynes and Limerick for all road users. However, the completion of the road will also allow SFPC to expand services not only within its hinterland but also towards the east of the country and potentially alleviate congestion in Dublin Port. Current projections for port traffic as set out in the SFPC Vision 2041 indicate that HGV volumes along the N69 could increase by an additional 1,370 HGV vehicle movements to and from the Port of Foynes per day by 2041.

3.2 Public Transport

Public Transport both in terms of Rail, Bus and Tram/Bus Rapid Transit (BRT) Schemes will become increasingly important in future years as we seek to limit the environmental damage arising from increased commuting. At present the public transport network for the Limerick City and wider region is inadequate with little integration of the various modes in the public transport system. As we move towards a low carbon economy, greater public transport investment will be necessary.

Rail investment has a role to play in supporting regional development and improving overall competitiveness. Rail travel contributes to improved productivity by allowing users to undertake work on rail journeys, reducing travel times and allowing direct travel between central business districts. Likewise Bus and BRT is important to allow the efficient movement of people within our cities. The success of these schemes in other cities shows the potential benefits for commuters. Both the rail and bus network should play a key role in supporting the growth of our regional cities and towns, taking account of the growing demand arising from their economic development.

Dublin to Limerick Intercity Rail

It is imperative that there are direct rail services from Dublin to the regional cities. Currently there are only four direct services from Dublin to Limerick, while the rest connect with the Dublin to Cork train at Limerick Junction. This results in Limerick being the only regional city without all direct services to the capital. It is well accepted that the requirement to interchange at Limerick Junction is a barrier to travel. In fact, the 2030 Rail Network Strategy Review found that that the rail market share for the Limerick to Dublin route was ‘hampered by the requirement for interchange at Limerick Junction’. In addition to a lack of direct services there is also a need to improve the travel times from Dublin to Limerick if rail is to become an attractive travel option for business, commuter and leisure users. A travel time of at least 1.30 hours between Limerick and Dublin as proposed in the Rail Review 2030 must be supported by allocations of funds in the Capital Plan. Investment in fast and reliable travel times are particularly important for promoting effective regional development. By facilitating fast direct rail links from Limerick to Dublin, the Mid West skills base will be opened up to a wider labour market, while the Tourism sector will also be supported particularly in providing access to the Wild Atlantic Way.

Limerick Commuter Rail

An increasing emphasis on sustainability will result in a greater demand for public transport. Whilst it is recognised that the current low levels of patronage pose difficulties for future investment it is important that in the long term the potential of rail to cater for commuter travel is considered. In the context of Mid-West, it is recognised that significant commuter rail travel is currently not a dominant mode of travel, however efforts should be made to further encourage commuter rail.

The Limerick Ballybrophy line, which has been mooted for closure, transits the village of Annacotty near the National Technology Park and the University of Limerick. The Capital Plan should now consider the potential of commuter travel on this line if a station could be near key education and employment centres. Likewise, the Ennis to Limerick line offers commuter travel into Limerick with a stop in Sixmilebridge. The potential for additional commuter stops needs to be investigated including reopening the station in Cratloe and new stations in Moyross and Parkway. The potential to offer a direct link from the Limerick Ennis line all the way to the University of Limerick and the National Technology Park should be explored as should a direct link to Shannon International Airport.

Foynes to Limerick Freight Rail

The reinstatement of the Foynes to Limerick freight line is critical to the continued development of Shannon Foynes Port. As the largest deep water Port in the Country, and recognised as a Ten T Port, it is vital that the Limerick to Foynes Rail Link is reopened as a nationally strategic freight link. This project should be supported under the Capital Plan as a nationally important infrastructure project.

3.3 Residential Property Investment

Limerick Regeneration

Recent trends in the residential property market in Limerick and the Mid-West show that the region is experiencing strong price growth both in transaction prices and rent levels. The strong price growth reflects the continuing lack of supply into the market. According to MyHome.ie, there were just 20,875 properties listed for sale nationwide on the website in Q4 2016, down 7.7% on last year. Likewise, per Daft.ie, there were just 21,700 properties for sale in Ireland in December 2016, the lowest since January 2007. The contracting residential market is creating housing pressure in many areas most notably the City Regions. While Limerick remains the second most affordable city to live in after Waterford, prices in Limerick have been on a consistent upward trend since 2014. The current situation is making it more difficult for many to meet their housing needs. While this will require a response from the private sector, the Capital plan must also address the need for social housing which is on the increase due to both economic and demographic reasons. Thus, it is vital that the Limerick Regeneration Project is supported under the Capital Plan not only from a housing perspective but also from a social policy perspective.

3.4 Health

Population growth is putting increasing pressure on the country's infrastructure and this is particularly clear in the Health Sector with a high birth rate and an aging population.

Colocation of the University and Maternity Hospital

The merger of the university and maternity hospital is a key priority for improving the health service not only for the Mid-West region but also for parts of Kerry, Galway and the Midlands. The collocation of the two hospitals is in line with best medical practice and the current multi-site service has long been identified as a clinical hazard that needs to be resolved.

The inclusion of the colocation project in the "Building on Recovery: Infrastructure and Capital Investment 2016 – 2021" was welcome, however, the lack of funding to date is a cause of concern. It is critical that capital funding is allocated in the Mid Term Review to progress the planning process and subsequent enabling works to prepare the campus for the ultimate delivery of the new maternity facility.

Increase Bed Capacity at University Hospital Limerick

There is a need to increase bed capacity at University Hospital Limerick which is now generally acknowledged and plans are being progressed to deliver an additional 96 inpatient beds in the short term. However, these plans are subject to funding being made available because of the current Mid-Term Capital Review. It is essential that this funding is allocated if we want our health service to meet the needs of our growing population.

Nursing Homes Investment

Demographics show that Ireland the proportion of the population over 65 is going to increase dramatically in the coming years. Nationally, the population of 65+ is expected to grow from 624,000 to over 1.13 million between 2016 and 2036. In the Mid-West region, the population 65+ is expected to increase by circa 50 per cent. While, it is essential that our elderly population are supported in a community based setting, it must also be recognised that there is a need for the provision of nursing home facilities. A study conducted by DKM Economic Consultants indicates that there is a need for 1700 bed in the Mid-West region by 2031⁴. Clearly this is a need for investment in this area in the Capital Plan.

3.5 Summary

To promote continued economic growth, it is vital that critical gaps in our infrastructure are addressed and that investment takes account of the potential to support Government policy in advancing social cohesion, environmental sustainability and effective regional development. It is also critical that the Capital Plan recognises the need to fully utilise our

⁴ file:///C:/Users/ckelleher/Downloads/2015-07-30-DoH-Nursing-Homes-Study-Final-Report.pdf

current stock of infrastructural assets to obtain value for money for the Exchequer and to realise its existing potential.

Several national important road projects need to be advanced in the Mid-West Region namely:

- The M20 is a major infrastructure element that needs to be addressed to support effective regional development, support our regional cities and complete the Atlantic Corridor
- The Northern Distributor Road is vital for the local Limerick and regional economy particularly to facilitate further development of the National Technology Park and attract additional FDI to the region as well as supporting the regeneration of the deprived parts of the city.
- The Limerick to Foynes Road (N69) is vital to the development of Shannon Foynes Port, particularly in maintaining its Core Ten-T Status.
- A travel time of at least 1.30 hours between Limerick and Dublin as proposed in the Rail Review 2030 must be supported by allocations of funds in the Capital Plan.
- Additional investment in commuter rail must be considered, particularly the potential for additional stations along the Ennis-Limerick line at Cratloe, Moyross and Parkway as well as along the Limerick-Ballybrophy line and a direct link off the Ennis Limerick to Shannon International Airport should be investigated.
- The reinstatement of the Foynes to Limerick freight line is critical to the continued development of Shannon Foynes Port.
- Limerick Regeneration Project must continue to be supported under the Capital Plan not only from a housing perspective but also from a social policy perspective.
- Funding must be allocated in the Mid Term Review to progress the planning process and subsequent enabling works to prepare the University Hospital Limerick campus for the ultimate delivery of the new maternity facility and additional bed capacity in the University Hospital Limerick.
- Funding must be allocated over the next number of years to support the delivery of 1700 nursing home beds in the Mid-West region by 2031.



Limerick CHAMBER

Committed to your business needs

Contact Details for Further Information:

Caroline Kelleher
Director of Policy
Limerick Chamber
DL: 061 217603