DUBLIN CITY DEVELOPMENT PLAN 2011 - 2017

BACKGROUND PAPER

ECONOMIC DEVELOPMENT AND EMPLOYMENT

Contents

1. Introduction

Cities and planning and development policies are increasingly critical factors in economic development, employment growth and prosperity. This increasingly important economic role for planning and cities is detailed in five major recent reports and these are central to this review process:

- National Economic and Social Council (NESC), *The Irish Economy in the Early 21st Century* (2008).
- Economic and Social Research Institute (ESRI), *Medium-Term Review 2008-2015* (2008).
- Organisation for Economic Co-operation and Development (OECD), *Competitive Cities in the Global Economy*, (2006).
- *Barker Review of Land Use Planning*, UK agreement, HMSO (2006)
- *Funding the Dublin City Region,* The Funding Alliance, Dublin City Council (Sept. 2008)

With unprecedented public and private[1] investment planned for Dublin, it has the realisable opportunity to become a world-class city, depending on the policies and approaches adopted and actions taken and in that sense the Review of the Development Plan is most timely.

The bulk of public transport investment of just under 12.9 billion will be in the Greater Dublin Area. There is an urgent need to optimise the flow of public benefits from the unprecedented public investment by encouraging high densities of e.g. employment and housing and policy in this regard needs to be strengthened to respond to this opportunity.

The need for planning to take economic issues into account and to be responsive to changing economic circumstances is summed up in the *Barker Review of Land Use Planning*: *'The planning system can work towards the delivery of sustainable development objectives that maximise net welfare to society. It does this by integrating and, where necessary, balancing complex sets of economic, environmental or social goals.'* The Development Plan including the Development Management section should reflect the approach it seeks to achieve the proper planning and sustainable development of the city.

[1] For example, investment in the Carlton and Arnott's amounts to about €2 billion.

2. Progress to Date

The recent NESC Report details how the economy of the Greater Dublin Area has been transformed. *'Up to the 1990s, comparative studies of European cities, generally, painted an unflattering picture of Dublin's international standing or omitted it altogether. Since the year 2000, however, Dublin has begun to register as a significant urban centre in the wider European and global context in a variety of ways'.* Not just commercial and inward investors but skilled, young workers from across the EU and wider afield find the city attractive.

At the time the National Spatial Strategy was being prepared, authoritative assessments of Dublin's performance in an international context were notably lacking (Goodbody et al, 2000: 3). It is notable then, according to NESC, that the first major study of metropolitan regions undertaken by the OECD includes the GDA.

The dynamism of Dublin is evidenced in the OECD report Competitive Cities in the Global Economy, where Dublin exceeds all other cities in employment growth, GVA[2] growth and population growth from 1995 to 2002.

According to the ESRI, *Medium-Term Review 2008-2015*, there will be a substantial slowdown in the economic activity for 2008 and 2009 but that there will be a rebound with GNP growth of 3.8% for the period 2010 to 2015. Housing demand is also predicted to bounce back with 48,000 housing units constructed per year in the period 2010-2020.

The ESRI states that its essential message is positive**.** However, because of the immediacy of current problems there is always a danger that this prospect of a brighter future may be obscured or forgotten. Such a loss of focus could be damaging if the associated planning and structural changes needed to underpin these brighter medium-term prospects were to be neglected according to the ESRI. In defining the issues for the next Development Plan a longer term view of trends needs to be taken.

Progress on implementing the current City Development Plan

Since the introduction of the current City Development Plan in 2005, the economy has performed well. Gross Domestic Product (GDP) grew at a steady pace from 4.7% in 2005 to c.4.9% in 2006. Led by the construction sector, employment increased by 4.6% and total employment at the end of 2005 stood at 1.98 million nationally. Net inward migration was c 87,000 in 2006 with almost half of new jobs created between 2004-2006 were filled by immigrant workers which benefited the economy, as there was no longer a pool of local unemployed skilled workers. As the labour force has surged, matching demand, the unemployment rate remained low at c4.4% until very recently in 2008.

Office Market

Underpinned by a strong economy, the office market saw a marked improvement in 2005. 2006 was a record breaking year with a total of 233,612 sq.m. taken up in the Dublin region. The focus of attention for occupiers, developers and investors continues to be for new office properties in the Dublin 2/4 area and the Docklands. In 2003 less than half of all take-up occurred in the city centre. By the end of 2006, however, this figure had risen to 64%. The financial services sector accounted for almost one third of all take-ups in 2006. This can be attributed to a strong expansion of business in the financial services sector. Vacancy rates remain low across the city at below 9%. Demand from occupiers for 4th Generation office accommodation continues to increase in line with Development Plan policies to encourage energy efficiency through "green design".

Retail

The vitality of the retail function in the city centre area has been maintained and enhanced in the lifetime of the current Development Plan.

[2] Gross Value Added (GVA) measures the contribution of each individual producer, industry on sector to the economy.

A Retail Framework Plan has been completed for the entire central retail core area. This sets out a series of strategies to reinforce and expand the retail land use within the city centre. The core elements of the plan hinge on identifying potential development sites outside the main shopping streets in order to expand the retail land use footprint and to provide for the expanding retail demand. In order to increase the vitality of the central area the plan seeks to encourage a greater diversity of uses in key areas while seeking to reinforce the comparison retail element in other areas. It seeks to develop a coherent pedestrian network creating improved permeability and developing key public spaces both north and south of the River Liffey. Grafton Street and environs were identified as warranting designation as an ACA resulting in a variation to the development plan. An Area of Special Planning Control is being introduced for the area allowing a more refined level of control over the proposed land uses in the south city retail core area.

The current Development Plan encourages the regeneration of radial market streets. Improvement works have commenced on Capel Street and are completed on Camden Street and Dorset Street. These initiatives combined with the implementation of development management objectives has worked towards achieving a vibrant retail environment reinforcing the traditional retail roles of the radial market streets.

There is considerable ongoing expansion of the retail sector in the suburbs. Almost 75,000 sq.m. of retail floor space had been granted permission at the end of 2006 and a further 60,000 sq.m. of potential development was been identified in the framework plan areas. Of the locations where these developments are focused, four are located in areas defined as Prime Urban Centres in the plan i.e. North Fringe, Northside Shopping Centre (Cromcastle), Ballymun and Phibsborough. It is a specific objective of these areas to create vibrant retail and commercial cores.

At a neighbourhood shopping level there is an ongoing policy to achieve a mix of uses and ensure the retention of a convenience retail function. In redevelopment sites mixed uses are encouraged, which allows the opportunity to expand retail provision in the area. There is scope to include corner shop uses in residential zoned areas, the possibility of considering expanding residential zones to include convenience stores in the context of higher density residential living and sustainability would warrant investigation.

3. Future Trends and Developments

Recent economic trends in Dublin and the Greater Dublin Area serve to highlight Dublin's increasing economic dominance in the national context and provide challenges to policy makers interested in mitigating the effects of global trends, which have been well-documented in recent months.

Notwithstanding the recent economic downturn, Irelands economy is in transition to a new phase in its development according to the recent NESC and ESRI reports and is becoming a knowledge/creative economy where the business and financial sector will be the major engine of growth. This is a great opportunity and increasing national role for Dublin, and there is a need for Development Plan policies to respond to the new challenges. This will involve planning policies that actively promote the supply of office, retail, recreational and other floorspace in sufficient quantities to meet the demands of the new economy.

According to the ESRI, this economic transformation has implications for a range of policy areas; 'public policy will need to plan for needs of the Irish and foreign firms that will provide this future growth.' We need to deliver 'an attractive location for the skilled workers in the internationally –traded services sector, be they Irish or foreign.' This includes what the Development Plan refers to as 'soft infrastructure'.

The need for flexibility and policy responsiveness to changed circumstances is stressed in many reports. Policy and institutional adaptation has been the key element in Ireland's success according to the NESC and they refer to Ireland's 'flexible developmental state'[3].

The implications of continuing radical change for cities is highlighted by the OECD: "Economies of metro-regions must constantly reinvent themselves through structural and microeconomic adjustments and respond quickly and effectively to problems in relation to the enhanced mobility of capital, skilled labour and technology innovation. If such response is inadequate or too slow to take full advantage of new endogenous resources and competencies in the face of such new challenges, it will be by-passed, leaving declining sectors and communities behind."

The rapidity of change is a challenge for the statutory six year Development Plan system in that policies can be based on assumptions made 8years previously and hence the need for in built flexibility.

The Dublin region's share of long-term unemployment has increased in recent years from 18 per cent of the national total in 2001 to 26 per cent in 2007.

With the increase in long-term unemployment rates there is a need for a very focused strategy to train and retrain low skilled workers. This will be increasingly important as Dublin focuses its long-term future on more knowledge-based sectors.

Dublin City is home to 47 per cent of all jobs in the GDA. The city continues to remain the economic engine of the country as a whole with nearly 21 per cent of all national jobs located in this area.

The economy of the GDA is particularly dependent on the services sector with 75 per cent of all employment in services compared to 61 per cent in the rest of the country.

The importance of Financial Services has grown considerably in recent years to become a leading employment sector with over 22,000 employed in the IFSC alone.

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3 The National Development Plan put this another way and states that: 'The factors which have contributed to our economic success to date will not be sufficient to sustain our recent achievements'.

Dublin is now considered as a high-cost location to do business (Forfás, 2007). In particular, property costs, utility costs, IT, accountancy and legal services, electricity, waste and professional services are all relatively high impacting on its overall competitiveness.

There is also a trend towards city economies specialising in different types of employment, e.g. green technology, digital media, biotechnology.

4. Main Issues and Challenges

4.1 Global Competitiveness

Global competitiveness is one of the key challenges for the city. Cities must compete to attract and retain mobile factors of production, namely labour and capital according to the OECD. Dublin is the capital of one of the most open economies globally and as such it is already a 'global city' and must be able to compete successfully with other cities worldwide. Dublin's relatively low population, low density of development, higher cost environment and infrastructural deficits are all challenges in terms of our competitiveness.

The competitiveness challenges of our higher cost environment has been stressed in many national policy reports. According to the National Competitiveness Council, *'Ireland has areas of significant weakness that are undermining international competitiveness,* in particular prices and costs, domestic competition, infrastructure, innovation and R&D, and sustainability and the environment.' It states that 'Irish consumer price levels are almost 20 percent higher than the EU-15 average'.

Dublin office and retail costs are amongst the highest in the world[4]. Increasing the supply of office and other commercial floor space is one way of costs. Increasing the supply of space for the various users with their different requirements so that there is greater competition and choice to reduce prices.

A related issue is that a significant amount of our office stock is outdated especially in Dublin 2 and 4 and no longer attractive to high-profile or HQ type operations and in need of improvement or redevelopment. There may be a need for a planning policy to encourage this renewal.

To generate sustainable economic growth, cities need to be attractive places to live and work. This is a broad agenda including everything from public transport, general affordability, cultural and recreational facilities, and the general quality of the environment including being 'safe, clean, and green' and this issue is a central issue in .

'Research into why certain cities and regions have a competitive economic advantage indicates that cultural diversity is one of the factors involved.' according to the DOEHLG Development Plan Guidelines. 'The areas where immigrants settle have the potential to develop a new local diversity which can re-vitalise them and support urban regeneration.'

4.2 Agglomeration Economies

Issues of agglomeration economies or the density of economic activities are critical to a city's competitiveness and success and this is recognised in numerous reports including the NESC, ESRI, OECD and others. According to the Institute for Public policy research, 'few concepts are more critical to understanding what drives urban economic performance'. Greater densities, intensity, proximity, convenience are all benefits for people and the City increased density, clustering and agglomeration economies are central issues facing the city. In order to achieve these benefits we may need to review our policies on Plot Ratio, for example.

Higher densities and a higher quality of life can and must be achieved. Failure to surmount the challenges of urban sprawl in the Greater Dublin Area, according to NESC, *'would see benefits displaced to metro-regions elsewhere in Europe to which the businesses, young professionals and migrant workers currently attracted to Dublin are more likely to move.'*

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[4] Statement on the Costs of Doing Business in Ireland, Forfás, 2006.

4.3 Regeneration Challenge

Despite the massive investment and redevelopment of the inner city, extensive regeneration areas of the inner City have not progressed as much as they could have during the long period of economic boom. On a more positive note, according to the OECD, these underperforming areas 'may constitute the next best hope for a major improvement' in a city's competitiveness'.

Responding effectively to the reasons for this lack of progress is a key challenge and priority for the City Council and planning policy and practice.

There is general agreement now including a wide range of groups from the OECD, to NESC to the Dublin City Business Association that economic and social success are linked and that problems of poverty and concentrations of disadvantage must be addressed. The new standards for apartment introduced by Dublin City Council in 2007 dealt with these issues in some detail and set out the objective of creating attractive, mixed-income, mixed-use neighbourhoods.

The Integrated Area Plans introduced since 1997 were designed to respond to issues of economic and physical decline and to encourage significant investment for example through tax incentives. An evaluation of the success of the IAPs, to learn from the achievements or otherwise, would be useful in feeding into a developing regeneration policy.

Specific economic/employment objectives for regeneration would be useful in achieveing integrated redevelopment of these areas and on articulation of an economic development approach, how to attract private investment, how to encourage jobs and market services (some policy is already set out in the Apartment Guidelines)

Each regeneration is different with different challenges and opportunities. However, they usually have common economic issues such as long-term economic decline, lack of investment, major employment loss, extensive underused areas of land, poor image/reputation, anti-social activities, concentrations of disadvantage, development delays, a lack of confidence from investors and a greater sense of (perceived) risk, a poor quality public domain and lack of parks. The Development Plan review will provide a good opportunity for a public debate on these issues.

It could be an objective of the Development Plan that the regeneration policies and objectives of the Plan be regularly monitored and evaluated to ensure the regeneration process is being driven forward, problems tackled and new opportunities seized. Regular progress reports on key regeneration sites and projects might be made to the Local Area Committees.

The City Council has a particular responsibility in promoting economic development in regeneration areas. It could be an objective to carry out local economic development studies to assess the challenges, barriers and opportunities at the micro-level.

4.4 Culture and Creative Industries

The Economic Development chapter of the current Development Plan states that Culture is one of the key growth sectors in the city's economy. 'Culture, creativity and innovation are now becoming central dynamics of the economy and society. They are the sources of new cultural and creativity based industries which are major providers of new jobs and drivers of economic development[5].'

Cultural and creative industries are a subset of the knowledge economy are a crucial factor in the economic success of the City in terms of direct wealth and job creation and making the City more attractive for investors, key skilled workers and visitors"[6] .

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[5] Paddy Walley, Building Futures: Culture and the Creative Economy, Conference Programme, IADT, 2008.

[6] UK Government Department for Culture, Media and Sport DCMS (1998), Creative Industries

According to *The Economy of Culture in Europe* (European Commission, 2006[7]), the turnover of the creative and cultural sectors – comprising film and video, radio and television, video games, book and press publishing, music, design, fashion design, architecture and advertising – amounted to €654 billion. The overall growth of the sector's value added was 19.7% in 1999–2003 – some 12.3% higher than the growth of the European economy as a whole. It employed 5.8 million people. Creative Industry turnover in Ireland is estimated to have been close to €7 billion in 2003. Ireland was ranked 13th out of the 29 countries included in the EU report. According to a recent study of creative industries by DKM Economic Consultants[8], in 2006, Dublin city was home to close to 17,000 persons in creative occupations, this number has risen by 55% over the past ten years.

In *The Rise of the Creative Class* Richard Florida outlines how the key resource for the creative economy is creative people and they are highly mobile internationally. The key dimension of competitiveness is the ability to attract, retain, cultivate and mobilise this resource. From his research he found that openness to diversity especially in relation to gay people and people from diverse backgrounds and other countries is critical to success as a creative city. He found that people were drawn to places that are diverse, tolerant and open to new ideas.

Good urban quality is of central importance in attracting these key workers. This includes the quality of the built and natural environment, the vibrancy of street life, density and intensity, café culture, arts and music, outdoor activities, public spaces, a choice of quality places to live, child friendly, tolerance and social harmony. Again this highlights how the quality of our city, its liveability, vibrancy, diversity and general attractiveness (including 'clean, safe, green') is a critical aspect of our economic infrastructure and global competitiveness and this should be reflected in the next Development Plan.

Density, proximity, clustering or agglomeration economies are critical for the success of creative industries. Producers in the creative economy benefit from clustering as the proximity of location within an urban area tends to facilitate the exchange of ideas.

This growing importance of creativity and culture is seen in the decision by the European Commission to designate 2009 as European Year of Creativity and Innovation and the adoption in 2007 by the Commission of a Communication on Culture which will define the first European strategy on culture and integrate creativity in the Lisbon agenda.

Maximising the Creative and Cultural Industries for the economic success and attractiveness of the city including building on the positive aspects of Dublin in attracting and retaining key skilled workers is a key issue to be factored into the next Development Plan.

A key challenge for the city is how to promote Dublin as a Creative and Innovative City and as such recognising (a) how Architecture is one of the Creative Industries and also (b) how innovative Architecture of excellence is a critical factor in creating a city that nurtures all the other Creative Industries and (c) promotes Dublin's image (and reality) internationally as a centre for the Creative Industries.

4.5 <u>Education, Research and Development and Innovation</u>

The Economic chapter refers to Education/Research and Development as a key growth sector. Policy E5 states that it is policy 'to identify, consolidate and exploit to their full potential the economic specialisms and drivers in the city (including tourism, education and finance)

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[7] http://ec.europa.eu/culture/eac/sources_info/studies/economy_en.html

[8] Creative Industry Analysis of Proposed HKR Headquarters, DKM Economic Consultants (2008). See also, *The creative knowledge economy in Dublin* (2008) by Declan Redmond et al. ACRE

and to adopt land use and other planning policies so as to facilitate the development of these sectors subject to compliance with the other policies and objectives of the Development Plan.

Knowledge creation is at the core of economic activity. The Enterprise Strategy Group (ESG) report, Ahead *of the Curve: Irelands Place in the Global Economy,* states that knowledge is increasingly becoming the driver of economic development and innovation. With most city regions now becoming more knowledge intensive, the challenge for Dublin is in ensuring that we are at the forefront of this transition to a competitive knowledge based economy.

Excellent Third and Fourth level education and research and development will be critical to the success of Dublin given the challenges of the knowledge and creative economy. Dublin is the national centre of third and fourth level education and research and development with numerous public and private third level colleges and research institutes such as the ESRI. Hospitals such as St. James's are also developing world-class reputations in particular research areas.

The relocation of DIT to Grangegorman will require major investment and development and will have a huge regeneration benefit for the north inner city area. NCAD requires considerable investment and development to provide for contemporary requirements and growth.

The Government's commitment to research and development is highly significant. The Strategy for Science, Technology and Innovation is being driven forward by the commitment of over €8bn in the National Development Plan (2007-2013).
A recent study, *Lead or Follow?,* puts the challenge for Irish higher education in its subtitle, *The global challenge for Irish higher education*[9]. The report recognises the critical role played by the higher education sector in Irelands success but states that 'the road ahead will be much more challenging as the world of higher education globalises at an increasing rate, the competition for talent and resources intensifies.' Significant numbers of Irish students choose to study abroad.

The international education market is growing in significance and its promotion in Ireland is Government policy[10]. Ireland's share of revenue from this market is relatively small compared to key competitors (€5.61bn in the UK, €2.99bn in Australia and €1.11bn in New Zealand). There is also significant potential in terms of language schools.

Accessing accommodation in the GDA is an ongoing concern for students attending third level institutes in Dublin. High quality, purpose built and professionally managed student housing schemes can be seen as an important part of our educational infrastructure, making the City's educational institutions more attractive to students from Ireland and abroad, and also a revitalising force for regeneration areas.

Issues of educational disadvantage and low participation rates in certain parts of the City are a major social problem and a barrier to maximising our potential in terms of the knowledge economy. While many of the solutions to these problems are the remit of other agencies, the City Council can play a significant role in pushing forward regeneration programmes, including improved primary and secondary schools, and through improved Library Services for instance.

To progress a new level of collaboration and leadership towards Dublin's development as a Creative Sustainable City, the Creative Dublin Alliance was formed as an initiative by the City Council and the leaders of Dublin's University, Business and Government Sectors in early 2008. This move reflects the value Dublin's public and private sectors place on knowledge, innovation and creativity and the Alliance will drive the development of these dynamics to realise its vision for the city.

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[9] *Prospectus* (2007).

10 The International Education Board Ireland was established by the Government with the remit to facilitate and support the development of Ireland as an international education centre and it works closely with Enterprise Ireland and Failte Ireland.

Promoting and facilitating investment in development for educational purposes and for research and development will be a key challenge in developing the City's education sector as well as related development/infrastructure such as student housing.

4.6 Financial Services

The development of the Financial Services sector is one of Ireland's and Dublin's great success stories. The IFSC now houses many of the world's premier financial institutions, together with the leading law firms and accountancy and taxation advisors who support them.

Employment in Ireland's international financial services industry continued to grow in 2007, rising 8.2 per cent in the year, to surpass 25,000 for the first time[11]. Financial services were the main driver of demand for office space accounting for 37% of all office space take up in Dublin in 2007.

Building on Success (2006), is the report of the IFSC Clearing House Group based in the Department of the Taoiseach. It sets out a framework of action for the development of the international financial services industry in Ireland. High office costs are significant problem in terms of our international competitiveness. It also dealt with infrastructure including office space, clustering and a high quality environment for workers and residents in Docklands

A *Progress Report* (June 2008) has been published and it refers to a new IDA strategy on financial services. This strategy identifies the importance of the overall operating environment or ecosystem for attracting new financial services business and developing existing investments. A number of new ideas are being examined by the IDA in this context, *'including a land use planning and infrastructural initiative in the Docklands to create a "Global City" concept.'*

The *Progress Report* also deals with the issue of the global shortage of persons with necessary high skills. The draft Docklands Area Masterplan (2008) states that *'attracting and retaining suitably experienced staff is becoming increasingly difficult'*

There is a role for planning policy to encourage and facilitate a supply of office space that would tend to reduce costs; and also to provide an urban environment that is attractive to highly mobile key high skilled workers and financial services enterprises.

4.7 Digital Hub

The Digital Hub based in Thomas Street is a Government initiative to create an international centre of excellence for the digital media industry. Forfas states that the international digital media industry worth $965 billion in 2004 is projected to grow to $1.5 trillion by 2009. The Digital Hub could be an IFSC for the 21st century, a major economic engine for the regeneration of the Liberties and the city.

The Hub now has in the region of 10,000m2 of enterprise space housing 90 companies. There have been some delays in developing the two sites on either side of Thomas Street but planning permission was recently granted for the first phase of both schemes. The National Digital Research Centre, a €25m project, is located off Thomas Street. Google with 1,500 employees is located in Docklands.

Recognising the growth and expansion of the Digital Hub the existing Development Plan policy should be strengthened in order to promote and facilitate of a critical mass of development and support infrastructure for the Digital Hub, a national project, crucial to the regeneration success of the Liberties and the global competitiveness of the City. The forthcoming draft Liberties Local Area Plan will provide an opportunity to focus on these issues in more detail.

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[11] Finance Dublin.com. http://www.financedublin.com/

4.8 Health

Health is also an important economic area in terms of research and development, innovation and commercial applications. The Health Research Board (HRB) has just published a study on these issues, *Health Research -Making an impact: the economic and social benefits of HRB-funded research.*

There are fundamental changes underway in the Irish health services and it is critical that planning policy ensures that these changes are to the optimum benefit of the City. Major new hospitals and facilities will be constructed and the planning policy should be positively set out, for example in relation to height and density, and be responsive so that these facilities will locate/stay in the City. Equally a positive planning approach should continue to be taken to Primary Care Centres.

4.9 Small Businesses/Entrepreneurs

According to the Global Entrepreneurship Monitor, Ireland is the most entrepreneurial country in the EU. The Dublin City Enterprise Board states that their research indicates that there is a significant shortage of small enterprise and incubation space available at reasonable cost to entrepreneurs in Dublin City. Small and Medium sized Enterprises represent over 97% of businesses in Ireland employing 777,000 with a new generation of indigenous companies emerging that have the potential to grow and expand into international markets[12]. Promoting enterprise space and entrepreneurship is a key issue for the next Development Plan in order to maximise this sector's impact on the city economy.

The growing multi-cultural nature of Dublin has also led to a growing number of ethnic shops and services which add to the vibrancy of the city and regenerate particular areas. Is there a need for a particular planning policy to encourage and facilitate these?

4.10 Strategic Industrial Zoned Lands

Six major areas of the city which are designated (zoned) for industrial and/or employment in the outer city were identified in *Maximising the City's Potential* as having significant potential for intensification and growth. Preliminary work has been carried out in studying issues involved.

Taken together these six areas represent a significant land bank of about 350 hectares of land well served by public transport and present a great opportunity for the economic and social development of the city and offering investors and enterprises a new and wide choice of locations. In addition, in some cases renewal will lead to significant environmental improvements; for example, the redevelopment of the Naas Road presents a great opportunity to create a very high quality and visually attractive boulevard-style entrance into the city.

In the meantime Guinness has decided to consolidate part of its brewing operation north of Thomas Street releasing lands south of Thomas Street and along Victoria Quay for other uses and development.

One of the issues to consider is rezoning from the employment industrial zone to one that allows a greater mix of uses. A related issue is whether the zones should be clarified to ensure that on extensive sites/areas a wide mix of uses is provided over the 18 hour day in the interests of economic and employment attractiveness, providing the support infrastructure for office employment such as hotels etc, and proper planning and sustainable development. Another issue is how to ensure the integrated development of particular areas given their difference in scale, character, ownership, availability for development etc. and whether a

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[12] Report of the Small Business Forum 'Small Business is Big Business, 2006 and a key strategy of Enterprise Ireland supporting High Potential Start-Ups

framework plan is necessary in every case or whether principles for development might be set out. A further issue to be considered is whether particular areas present particular opportunities for particular types of enterprise such as, for example, green technology or bio-technology.

4.11 Tourism and Visitors

A detailed and comprehensive Tourism Plan for the period 2008-2010 has been published by Dublin Tourism. Strategic goals include promoting Dublin as a world-class tourist destination for leisure and business travellers; addressing weaknesses in the delivery of the visitor experience; and enhancing the range of attractions and activities available both for tourists and residents.

During the past ten years the numbers of overseas visitors has almost doubled and there has been a very high level of investment in tourism infrastructure[13]. Dublin's strong performance has seen it rise up the ranking of European cities for tourism and is now competing with Amsterdam, Vienna, Prague, Barcelona and Budapest.

Targets set out include increasing the overseas visitors from c4.5 million in 2007[14] to c5.5 million in 2010 with an overseas revenue increasing from approximately €1500 million to €1,800 million.

However, the Tourism plan states, *'we cannot afford to be complacent. The competition from other European destinations continues to intensify and every year, new destinations come on to the market.'* The continuing success of Dublin's tourism industry is essential for the city's economy.

Dublin's success as a leisure tourist destination has not been matched by its performance as a business tourism destination. The potential of business tourism is stressed; the Business Tourism Forum has set an ambitious target of doubling business tourism to Ireland by 2013. The opening of the Convention Centre at Spencer Dock will be a great boost to business tourism. The plan expresses concerns that the benefits of the Convention Centre may be limited because of the shift in hotel capacity away from the city centre and the prospective loss of key large business 4 and 5 star hotels and banqueting venues. A Report for the Irish Tour Operators Association by CHL Consulting states that Dublin will remain a long distance behind its competitors in the supply of 4 and 5 star accommodation and this affects the city's ability to compete for major conferences.

Studies for the draft Liberties Local Area Plan identified the lack of hotels in the area as a major issue which also has a negative impact on other economic sectors such as the Digital Hub as hotels are a part of the economic infrastructure supporting such enterprises. There is a lack of 4 and 5 star hotels in the north and west inner city. The recent grant of planning permission for the Clarence Hotel for upgrading from a 49 room facility to a 140 room 5 star hotel is a significant boost in this regard. Encouraging and facilitating business/conference tourism and its related infrastructure including large 4 and 5 star hotels and banqueting facilities, is an issue to be dealt with in the next Development Plan.

In a weighting of Dublin's weaknesses and strengths in the Dublin Tourism Plan, urban decay is given the highest weighting in terms of weaknesses followed by high costs and lack of conference facilities. Highest strengths are 'gateway' into Ireland, young population and proximity to UK market. There is a need to provide new character area attractions, for example to significantly improve the attractiveness of the Smithfield and Liberties areas, and to promote the development of the Heuston area.

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[13] Between 2004 and 2007 the number of hotels grew from 143 to 152 and the number of rooms from 13,100 to 16, 800.
[14] For reference purposes, the figure for 2001 was c3.3 million.

One of the attractive aspects of Dublin for visitors is that it has a compact city centre with many attractions in walking distance. However, there is a need to make attractions such as Guinness Storehouse, IMMA, Collins Barracks and the Phoenix Park more easily and attractively accessible and so disperse the benefits of tourism. ‘Safe, clean and green’ pedestrian routes is one option. Regeneration progress is another so that there is a range of interests along the route and places to relax.

Dublin is set to benefit from an unprecedented level of investment in its cultural infrastructure – there are 23 major projects in planning or already underway, including theatres and major extensions to the National Cultural Institutions. Further support to encourage and facilitate this investment as well as support infrastructure nearby such as restaurants, cafes, shops, galleries, hotels and environmental improvements is a challenge for the city.

This analysis of the City’s challenges and potentials again highlights the interdependence of the three objectives of making the City a great place to invest and locate business, a great place to live, and a great place to visit. Each of these elements supports and drives the others forming a self-reinforcing loop.

4.12 Retail Development

Is there a need to add ‘related services’ or ‘leisure’ to this title to include all those uses that have great potential in our more affluent economy, such as leisure, recreation, cafes, restaurants, etc

Introduction

The current Development Plan states that retail/leisure is one of the key growth sectors for the city’s economy. The overall policy of the Development Plan is set out as follows: ‘The role of retailing in its widest context in the overall economic life of the city will be recognised.’ The Development Plan stated that it is policy to support the introduction of the Business Improvement District (BID). The BID for the city centre is now operating.

Consumer, Choice and Competition

The DOEHLG *Development Plan Guidelines* state that the needs of consumers should be taken into account in terms of facilitating a competitive retail environment and planning authorities should take a proactive role in seeking out and supporting development opportunities. The City Council should consult with consumer groups and the Competition Authority in the review period.

The *Retail Planning Guidelines* (DOEHLG 2005) sets out guidelines for the preparation of development plans and for development management and state that *‘It is not the purpose of the planning system to inhibit competition, preserve existing commercial interests or prevent innovation.’*

The Government has asked the Competition Authority to review and monitor the structure of the grocery trade on an ongoing basis. The Competition Authority has published the first two reports in the initial phase of the project. The third report to be published in the current phase of the project will be *The Retail Planning System as Applied to the Retail Grocery Sector: 2001 to 2006.*

Make Consumers Count: A New Direction for Irish Consumers (2005), the report of the Consumer Strategy Group (now the National Consumer Agency), states that: ‘The retail market is one of the fastest changing sectors of the economy, in that it has to directly respond to changes in consumer preferences, expenditure and lifestyle habits.’ There may be a need to review planning policy and take a more positive approach towards certain uses. ‘Internet cafes’ are a case in point as they are an important service for tourists/visitors, people from other countries living here, business people, and can be seen as an important part of the city’s communication infrastructure and a means to popularise the digital media sector.

Draft Regional Retail Strategy

The *Retail Strategy for the Greater Dublin Area 2008-2016* was prepared by the Dublin and Mid East Regional Authorities. It states that there are potential threats from the increasingly competitive 'regional centres', which are becoming very accessible now by public transport as well as by car, with critical mass, quality retailing environments and, most importantly, strong tenant mixes.

The Strategy discusses the problems facing traditional high streets and older inner-suburban centres which are no longer strongly competitive, and do not attract top line retailers because of the poor retail environment, uncompetitive tenant mix and inadequate floorplates, yet are often modes for community infrastructure such as businesses, schools and post offices. Supermarkets are getting larger and a common feature of inner suburban centres and suburban high streets is that the existing supermarkets are too small to offer the full range of super goods at low prices and so people are driving unnecessary distances to more attractive shopping centres for their daily shopping needs. 'These centres need to be revitalised, extended and in some instances, re-invented'. The Apartment Guidelines (Variation 21) set out policy regarding facilitating contemporary retail formats.

A draft retail hierarchy is set out which contains a 5-tier hierarchy of retail centres with Dublin City Centre as the only Level 1 Centre and no Level 2 or major town centres in the City Council area. Level 3 or town and/or district centres are set out for the City including Finglas, Northside, Ballymun, Ballyfermot, Rathmines, Crumlin, Donaghmede and Omni. It is stated that it is up to each Council to set out the details of Levels 3, 4 and 5.

Is there a need to review the retail hierarchy and to consider new criteria that would allow for an additional significant quantum of retail; for example at Ballymun, where such is possible, appropriate (e.g. in terms of good public transport) and desirable in terms of regeneration impacts. Consideration might also be given to encouraging and facilitating significant convenience and comparison shopping in the Framework Development Areas such as Park West/Cherry Orchard, Newmarket etc.

Dublin City Centre

The City Council's current retail policy is designed to address challenges and to reposition the City as 'a world class shopping destination, supported and nourished by a rich diversity of leisure and cultural uses'.

This will require the reinvigoration and expansion of the two prime shopping areas, Grafton Street and Henry Street, as well as the reinforcement of linkages across the city, to ensure that the city centre provides a combined retail offer that surpasses any other shopping alternative. It deals with the need to be internationally competitive and refers to innovative city centre improvement projects in Sydney, Toronto and Manchester.

The quality of public domain is a key issue and, while significant progress has been made in relation to O'Connell Street, further improvements are necessary.

The key guiding strategy of the City Council's current policy is to increase the amount of retail floorspace in the city and in particular to provide the larger shop units required by the mainstream fashion outlets. There continues to be a lack of development opportunities for the larger multiples with a typical floor area of between 550-1,850m2.

There are a number of challenges to achieving the objectives for Grafton Street and the consequence is that when all matters are taken into account, it is usually not economically viable to undertake a redevelopment which would include large floor plates. Opportunities do however exist on the street itself and on side streets to provide larger floor plates. Incentivising these desirable redevelopments is a key challenge for future Development Plan policy.

Markets

Dublin has a tradition of street markets and, in recent years there has been the addition of the Temple Bar weekend markets. The City Councils Events Office has also promoted markets in

Smithfield and Jervis Park as well as the annual Chinese New Year Festival. Many developers are incorporating programmes of events and markets in order to enliven the new public spaces in their schemes. There is considerable potential for initiatives, including Farmers Markets, and in new locations such as Newmarket, as a regeneration driver. Continued promotion and development of these markets adds to the City's retail diversity.

5. Summary of Key Issues

1. Dublin is already functioning as a global city in that it is the capital of one of the most globalised economies in the world and is now competing to attract and retain highly mobile investment and key skilled workers. The challenges of global competitiveness, including cost competitiveness.

2. The challenges and opportunities of the Regeneration of extensive areas of the city is another key theme both for economic growth and competitiveness, and social equity reasons. How should localised unemployment in the city be tackled through regeneration.

3. The ‘next economic transformation’ is another key theme. This is the continuing move towards the knowledge and creative economy, where business and financial services will increasingly be the engine of economic growth. According to the ESRI, these jobs will be concentrated in large urban centres, presenting a great opportunity for Dublin and an increasing national economic role. Should the role of the strategic employment (26) areas, (Naas Road) be reviewed in this context.

4. Agglomeration economies, or the benefits of the density of economic activities in an area, is another key theme. The benefits of a high density of economic activities is stressed in a number of recent reports including NESC. The ESRI make a related point and state that there needs to be a move towards much denser development if good value is to be obtained from the huge investment in infrastructure.

5. An overarching theme is the interdependence of the three objectives of making Dublin a great place to invest and locate business, a great place to live, and a great place to visit. Each of these elements supports and drives the others creating a positive self-reinforcing cycle. Qualities such as a ‘clean, green and safe’ urban environment can now be seen to be part of our economic infrastructure.

6. The continuing, rapid and sometimes unforeseen nature of economic change means that planning and other policies must be adaptable and agile in quickly responding to new challenges and opportunities, while promoting sufficient certainty of land use to encourage long-term investment.

7. In terms of Retailing, there are significant challenges and opportunities including international ones. The northside of the city centre will experience a massive improvement inn its retail offer with in the region of €2b invested in Arnotts and Carlton alone. The challenge for the south inner core is to develop large floorplates on suitable sites without compromising the prestige and character of Grafton Street. The challenge for outer areas is to bring the retail offer up to contemporary requirements.

8. In terms of Tourism and Visitors, there are related challenges and opportunities including competition form other cities internationally. There is a need to continually improve the city’s attractions the opening of the Convention Centre in 2010 will be a significant boost. Suitable hotel capacity is a challenge; however, the fall in land values provides an opportunity for greater supply. Another issue is how to dispense the benefits of tourism from the city core.

9. Given the high percentage of SME’s in a rapidly changing economy, we need to explore the promotion of a range of start-ups/ incubators in large commercial schemes so that businesses can grow locally.

10. How can the Development Plan maximise economies specialising in different types of employment, e.g. green technology, financial services, digital media, biotechnology. How can high speed broadband be promoted?

11. What can be done to further develop and support the Dublin Creative Alliance, including the educational/research sectors, to foster entrepreneurial activity.

12. How can the role of the city centre and other sustainable hubs be promoted in the Development Plan?