

STRATEGIC DEVELOPMENT FRAMEWORK FOR THE MIDLANDS GATEWAY

Developing a World Class Knowledge-Based Competitive Gateway

Volume 1: Key Findings, Recommendations and Implementation



Indecon



**Strategic Development Framework
for the Midlands Gateway**

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Competitive Gateway**

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and Implementation**

Prepared for

Westmeath and Offaly County Councils

By

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1 Introduction, Background and Vision

Introduction

This report is submitted to Offaly and Westmeath County Councils by Indecon and Keith Simpson & Associates. The report presents an effective strategic development framework for the linked Midlands Gateway. The proposed strategy will provide the basis for the development of a world-class, knowledge-based and competitive Gateway. The strategy is designed to create an integrated, linked Gateway comprising Athlone, Tullamore and Mullingar together with the other towns in the region to realise its potential as an internationally competitive gateway. The designation and development of the Midlands Gateway is of key importance and will provide the basis to develop a range of high quality employment and educational opportunities centred on first-rate accessibility and mobility. The strategy has been formulated to ensure the availability of choice in residential, retail, leisure and tourist facilities based on the principles of quality of life and environmental enhancement. The strategy, when implemented, will support economic development in adjoining counties to the Gateway. [In this volume of the report we present key conclusions and recommendations. In Volume II we present detailed supporting analyses.]

Background and Terms of Reference

The background to this study is the Government's National Spatial Strategy, which has the objective of engendering a more balanced approach to regional development across the State. The purpose of this Strategic Framework is to focus more directly on the role of the Midlands Gateway in acting as the spatial and economic driving force for the development of the Midlands region.

The region is currently implementing measures to enhance its viability in developing its retail and growing residential sector, in supporting major investment in hotels and in improving transport and communications infrastructure. However, major challenges exist which this Framework is designed to overcome. The key objective of this Framework is to outline:

"A long-term economic and land use-transport-environmental planning strategy for guiding future developments and the provision of strategic infrastructure in the Midlands Gateway and to indicate how this should be implemented in a spatial form."

This Strategic Development Framework for the Midlands Gateway includes:

- ❑ A spatial development strategy for the linked Gateway and its surrounding area that, taking account of existing planning commitments and trends, sets out a strategic and sustainable development framework that will support the implementation of the NSS;
- ❑ An analysis of infrastructure priorities that flows from the spatial development strategy outlined above, including short, medium and longer term prioritisation;
- ❑ A strategy to facilitate the development of a dynamic enterprise sector within the Gateway, building on its comparative advantage and a distinctive offer for the enterprise sector;
- ❑ A marketing strategy to build identity for the Gateway and visibility at national and international levels; and
- ❑ Proposals for the effective implementation of the overall Strategic Development Framework.

Vision for the Midlands Gateway

The development strategy set out in this study is designed to achieve a radical change in the economic performance of the Gateway and to ensure the effective implementation of a vision for the Midlands Gateway for the period to 2020.

The Regional Planning Guidelines (RPGs) for the Midlands Region includes objectives for the Gateway as follows:

- ❑ “Enhancing the critical mass of the region by combining the strengths of the linked gateway as envisaged in the NSS with those of the county towns of Portlaoise and Longford;
- ❑ Developing the full potential of rural areas in the region in a manner that is compatible with the strengthening of the urban structure of the region;
- ❑ Offering a distinctive lifestyle rooted in a high quality living environment, rich in heritage and landscape value; and
- ❑ Harnessing the central geographical location of the region at the “heart” of Ireland with more inter-regional links than any other region in Ireland to build a strategically focused network of transport and communications links.”¹

Our Vision for the Midlands Gateway builds on that contained within the RPGs and is summarised in the figure overleaf.

¹ Midlands Regional Authority, *Regional Planning Guidelines*, May 2004, Page 15.

VISION FOR THE MIDLANDS GATEWAY TO 2020

"THE DEVELOPMENT OF A WORLD-CLASS, KNOWLEDGE-BASED AND COMPETITIVE GATEWAY, UNDERPINNED BY A QUALITY URBAN STRUCTURE AND ENVIRONMENT, EXCELLENT INFRASTRUCTURE AND A VISIONARY LEADERSHIP, WHICH MAXIMISES QUALITY OF LIFE FOR ITS CITIZENS"

Achieving the Vision

In order to ensure that the Vision for the Midlands Gateway is fully achieved, the following points are of critical importance:

- Involvement and participation of most important stakeholders/agencies responsible for achieving the Vision, including Government Departments, IDA (Ireland), Enterprise Ireland, the National Roads Authority, the Higher Education Authority/Science Foundation Ireland, and local agencies;
- Development of a long-term strategic approach regarding the development, advancement and promotion of the Midlands Gateway;
- Clear integration of the three principal Gateway towns of Athlone, Tullamore and Mullingar so as to form a seamless 'linked gateway';
- Incorporation of the Strategic Development Framework for the Midlands Gateway into the Regional Planning Guidelines for the Midlands Region;
- Ongoing monitoring and review of the Strategic Development Framework to ensure its success.

Reflecting the extensive cross-sectoral discussions and analyses undertaken during this exercise, this Vision is underpinned by the strategic objectives for the Gateway. There are five key elements to this Vision, which are summarised in the figure overleaf and expanded in the subsequent paragraphs.

Key Elements of Vision for the Midlands Gateway to 2020

-) A GATEWAY WHERE KNOWLEDGE-BASED ENTERPRISE AND INNOVATION, SUPPORTED BY CLOSE LINKAGES BETWEEN INDUSTRY AND THE 3RD AND 4TH LEVEL SECTOR, ARE CENTRAL TO ACHIEVING COMPETITIVENESS AND ECONOMIC PROSPERITY
-) A GATEWAY WITH WORLD-CLASS INFRASTRUCTURE AND SERVICES WHICH MAXIMISE INTERNAL AND EXTERNAL ACCESSIBILITY AS A LOCATION FOR INVESTMENT AND TOURISM
-) A GATEWAY ENTAILING SPATIAL PLANNING WHICH REINFORCES THE ROLE OF THE GATEWAY TOWNS WHILE DEVELOPING STRONG LINKAGES BETWEEN THESE TOWNS AND TOWNS IN THE SURROUNDING MIDLANDS REGION
-) A GATEWAY WHICH HAS STRONG VISIBILITY AS A WORLD-CLASS LOCATION TO LIVE AND WORK, BASED ON SUSTAINABLE DEVELOPMENT AND A HIGH QUALITY ENVIRONMENT
-) A GATEWAY WHICH IS DRIVEN BY A VISIONARY LEADERSHIP AND EFFECTIVE MANAGEMENT

- (1) A GATEWAY WHERE KNOWLEDGE-BASED ENTERPRISE AND INNOVATION, SUPPORTED BY CLOSE LINKAGES BETWEEN INDUSTRY AND THE 3RD AND 4TH LEVEL SECTOR, ARE CENTRAL TO ACHIEVING COMPETITIVENESS AND ECONOMIC PROSPERITY

Global economic forces have moved to an environment where survival and success in a high income country such as Ireland are dependent on the ability to compete on the basis of higher-value added, knowledge-based activities. This means that if the Midlands Gateway and surrounding region is to prosper economically, the focus of development must be on knowledge-based enterprise and innovation activities which capitalise on strong linkages between industry and high quality 3rd and 4th level sectors in the region.

Promoting Ireland and the Midlands as the Knowledge Economy, has also become a key message for IDA Ireland and other development agencies. The ability to use knowledge quickly, flexibly and creatively is a distinguishing feature of Ireland for many companies. The unprecedented changes in the economy reinforce the need for the Midlands to develop a knowledge-based strategy for industry. This means building relevant skill sets and developing closer cooperation between the third and fourth level sectors nationally and regionally and, in particular, the Athlone Institute of Technology. The AIT needs to grow its capabilities as a leader in innovative business-oriented research and development for new technologies, through upgrading its research centres and expanding the level of interaction with the industry base in its catchment area. Our analysis demonstrates that major initiatives, which we detail later in this report, will be required to achieve the objective of development of a high value-added knowledge sector.

(2) A GATEWAY WITH WORLD-CLASS INFRASTRUCTURE AND SERVICES WHICH MAXIMISE INTERNAL AND EXTERNAL ACCESSIBILITY AS A LOCATION FOR INVESTMENT AND TOURISM

Development of a knowledge-based economy and high quality of life in the Midlands Gateway must be supported by a world-class transport, energy, environmental services, and telecoms/broadband infrastructure and services which maximise accessibility and connectivity both within the region and externally. Our analysis highlights the need for improved connectivity particularly in transport infrastructure and this will require prioritisation in relation to infrastructural decisions in the National Development Plan.

(3) A GATEWAY ENTAILING SPATIAL PLANNING WHICH REINFORCES THE ROLE OF THE GATEWAY TOWNS WHILE DEVELOPING STRONG LINKAGES BETWEEN THESE TOWNS AND TOWNS IN THE SURROUNDING MIDLANDS REGION

The vision for a successful and prosperous Midlands Gateway by 2020 is also dependent on the achievement of a coherent gateway structure and a growth in urban population resulting in compact urban form. One of the principal aims of the National Spatial Strategy is the achievement of a more optimal balance of social, economic, physical development and population growth between the regions of Ireland through the attainment of required levels of population and employment, particularly in regional gateways. The Midlands Gateway currently consists of a number of dispersed and low density settlement patterns, resulting in the development of a non-compact urban form, which conflicts with the requirements for a successful gateway. By 2020, it is essential that rapid growth in population in the Midlands takes place and that a significant improvement is evident in the urban form of the Midlands Gateway and surrounding region.

(4) A GATEWAY WHICH HAS STRONG VISIBILITY AS A WORLD-CLASS LOCATION TO LIVE AND WORK, BASED ON SUSTAINABLE DEVELOPMENT AND A HIGH QUALITY ENVIRONMENT

The Midlands Gateway and surrounding region possesses a number of distinct advantages in relation to the quality of the region's environment, low congestion and lower housing costs. Through a focus on sustainable, high quality development, these features will, over the next decade, form a highly visible aspect of the attractiveness of the Midlands Gateway as a location. Policy initiatives are, however, required to make this a reality.

(5) **A GATEWAY WHICH IS DRIVEN BY A VISIONARY LEADERSHIP AND EFFECTIVE MANAGEMENT**

If the Midlands Gateway is to achieve the foregoing elements, a visionary leadership will be needed, supported by effective management structures, to drive forward this vision in a way which recognises and addresses the particular challenges facing the region, while marketing the strengths of the Gateway as a location to live and work. This will require action at national and local levels, which we identify in Section 4 dealing with implementation.

Spatial Planning and Key Criteria for Successful Gateways

Our vision for the gateway is consistent with Government policy concerning spatial planning and international experience of the criteria required to ensure the successful operation of the gateway concept. In formulating a Spatial Development Strategy for the Midlands Gateway, the National Spatial Strategy (NSS) provides a significant reference point, which has identified the towns of Athlone, Tullamore and Mullingar as a 'linked gateway'. The spatial policies, objectives and concepts contained within the NSS specifically inform the Gateway's spatial strategy. The NSS has identified areas that will enhance regional performance, these being strategically placed engines of growth or 'gateways', whose location and scale support the achievement of the type of critical mass necessary to sustain strong levels of job growth in the regions. If successfully implemented, these will create the conditions necessary to drive economic growth and contribute to more balanced patterns of development. Other towns, villages and rural areas will directly and/or indirectly benefit from the effective development of the Midlands Gateway.

National and international best practice examples of gateways

In terms of national and international examples of best practice approaches to gateway development, while we believe the concept of a linked gateway, in terms of the 3-town model espoused for the Midlands, to be very innovative and challenging and perhaps unique, a good example of an existing 'linked' development model is that of the Dublin-Belfast Economic Corridor, where targeted interventions to achieve improved cross-border transportation connectivity and the introduction of a variety of measures to facilitate expanded economic relations have played an important role in the development of an all-island economy.

Internationally, there have been many examples of effective regional development and the criteria needed for successful regional development also apply to gateway development. An example of the application of the gateway concept is the Thames Gateway in the UK, which is one of Europe's largest regeneration projects. The development of the gateway is overseen by a special purpose vehicle to deliver jobs and housing as part of the government's Sustainable Communities Plan.² This initiative is securing the regeneration of the Thames Valley area through:

- Bringing land and buildings into effective use;
- Encouraging the development of existing new industry and commerce;
- Creating an attractive environment;
- Ensuring that housing and social facilities are available to encourage people to live and work in the area.

What is more important than attempting to adapt any specific international gateway model is to recognise that gateways are clearly defined geographical areas of sufficient scale in strategic locations where economic functions are maximised and are served by transportation modes which allow for linkages to other hubs or gateways. There must be a critical mass so as to ensure that the gateway is self-sustainable. At present this does not exist in the Midlands. The criteria for the operation of successful gateways, as set out in the National Development Plan (2000-06), and based on best international practice, are identified in the figure overleaf.

² See <http://www.odpm.gov.uk/index.asp?id=1139868>

Key Criteria for Operation of Successful Gateways

- Ease of access to domestic and foreign markets
- A modern telecommunications system
- Back-up research and technology infrastructure
- A well developed educational system
- A highly qualified and skilled workforce
- High quality physical infrastructure
- Adequate supply of housing
- Good quality of life
- High quality and sustainable environment
- Quality urban structure, with good relationship between urban and rural areas

Source: National Development Plan, 2000-2006

It is essential to translate these overarching criteria into a framework which is based on a rigorous examination of the particular socio-economic characteristics of the Midlands. Our analysis of socio-economic performance is presented in Section 2, which outlines the key challenges for the Midlands Gateway. How to realise the objectives and address the challenges identified is examined in Section 3, which presents strategic recommendations supported by the specific actions required. Section 4 addresses the critical issue of implementation and delivery.

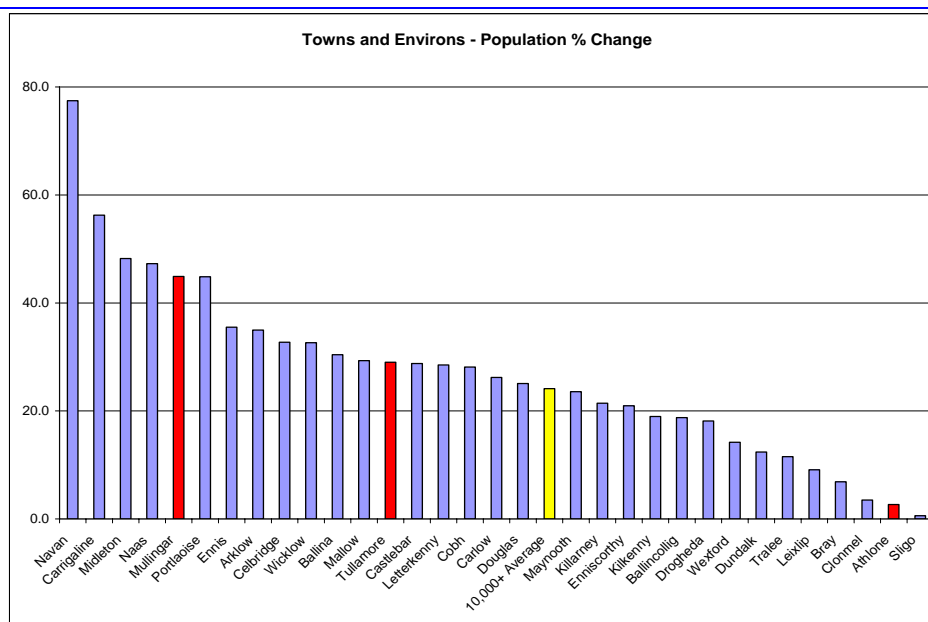
2 Analysis and Key Challenges

Before formulating a spatial and economic development framework for the Midlands Gateway, an important requirement is to first assess the existing position of the Gateway and surrounding region in terms of the real strengths, weaknesses, opportunities and threats facing the Gateway/region. We have completed a detailed and impartial review of the existing position of the Gateway towns and the surrounding Midlands region. While a superficial analysis might mistakenly lead one to conclude that things are not too bad in the Midlands, our analysis suggests that fundamental challenges must be overcome in terms of population scale, the low productivity and value added of the underlying economic base, and deficiencies in infrastructure, skills and research and development facilities. There is, however, strong support in the region for measures to be taken to build on the strengths of the Gateway and to address these underlying challenges.

Spatial Structure / Population Scale

- The Census of 2006 indicated an overall population in the Midlands region of 251,380 persons, equivalent to 5.9% of the population of the State. The recent comparative changes in the population of the main towns in the gateway are described in the chart below. Given the scale needed for an effective gateway, the small scale of individual towns in the Midlands and the long term ten year rate of population growth, the size of the challenge in terms of expanding urban populations is evident. This is despite the encouraging increase in population in Mullingar and Tullamore over the past four years.

Spatial Structure - Comparative Population Growth in Towns and Environs with Populations of 10,000+ - % Change - 1996 to 2006



Source: Indecon analysis of CSO, Census of Population

- The NSS states that one of the main characteristics that a gateway should aspire to is the achievement of an urban population of 100,000 plus. The urban population of the three principal Midlands Gateway towns of Athlone, Tullamore and Mullingar totals some 45,500 persons and is significantly below the NSS gateway threshold. **It is therefore evident that there is a need to significantly expand urban population and thereby improve the existing urban form of the region and Gateway.**
- A weakness of the Midlands Gateway at present is the lack of scale in terms of urban population and how to develop the region in a way which supports a significantly expanded population while ensuring that infrastructure and other services are developed in a co-ordinated way to facilitate this, is a key challenge for the strategy.

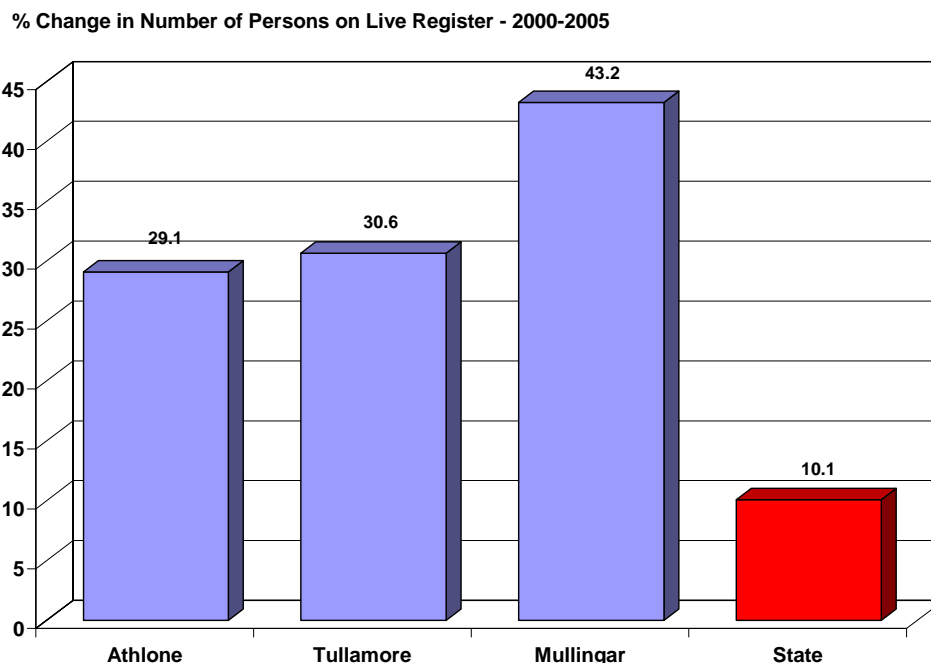
Economic and Labour Market Performance

We have undertaken a detailed rigorous review of the existing position of the Midlands Gateway and surrounding region in relation to economic prosperity. This highlights some potential strengths but raises fundamental issues concerning the extent of value added in the economic base of the region.

Labour force and unemployment developments

- The labour force in the Midlands region has expanded from 93,800 persons in 2000 to 114,600 in 2005, representing an increase of 22.2% over this period. [This compares with an increase across the State as a whole of 16.5%.] The availability of this growing labour force is a potential strength for the Gateway. The overall number of persons in employment in the Midlands increased by 24% between 2000 and 2005, compared to an increase of 15% across the State. **However, as indicated below, a significant percentage of those in employment represent employees commuting long distances to work, including to areas outside of the Gateway.**
- In relation to the population age structures of the Midlands Gateway towns and their respective counties, all three of the Gateway towns (and their environs) have an above-average population in the 25-44 age group compared to the Midlands region and the State as a whole.
- **The rate of increase in unemployment, as measured by the Live Register, in the Midlands Gateway towns was above national levels over the last 5 years.** While the figures point to a potential opportunity in the existence of a large available pool of employable labour in the region, they also highlight the need for action to address the high levels of unemployment in the Gateway (see chart overleaf).

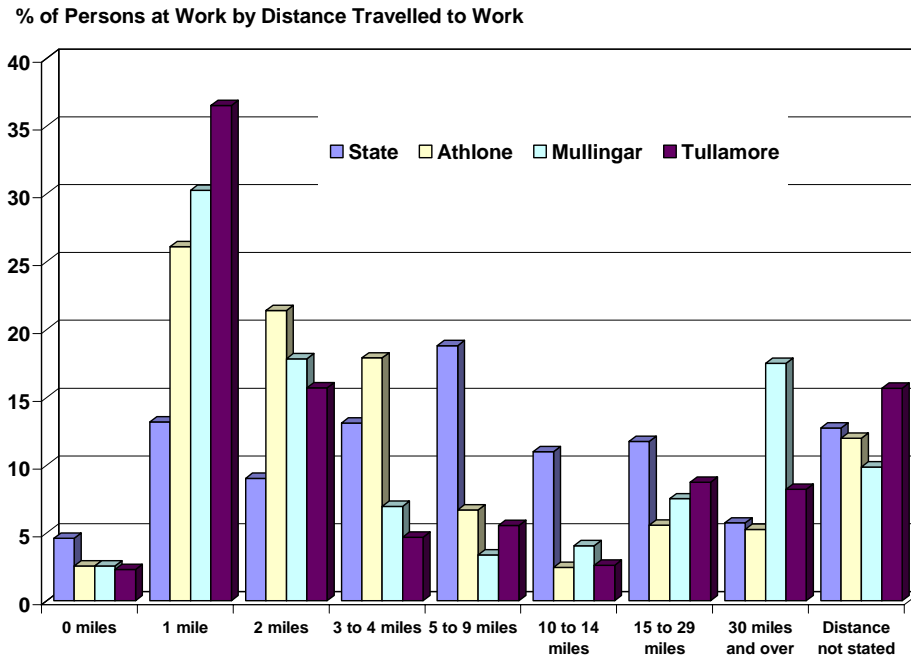
Labour Market Performance - Live Register Unemployment - % Change in Number of Persons on Live Register - 2000-2005



Source: CSO, Live Register

- As noted earlier, a high proportion of residents in the Midlands region in employment travel 30 miles or more on a daily basis to their place of employment - 12.8% versus 5.8% across the State. In particular, 17.5% and 8.2% of residents in Mullingar and Tullamore respectively travel 30 miles or more to work on a daily basis, compared to 5.8% across the State (see chart overleaf). This provides potential opportunities for the Midlands Region if measures are taken to build the enterprise sector.

Comparative Commuting Patterns in Midlands Hubs - 2002 - %

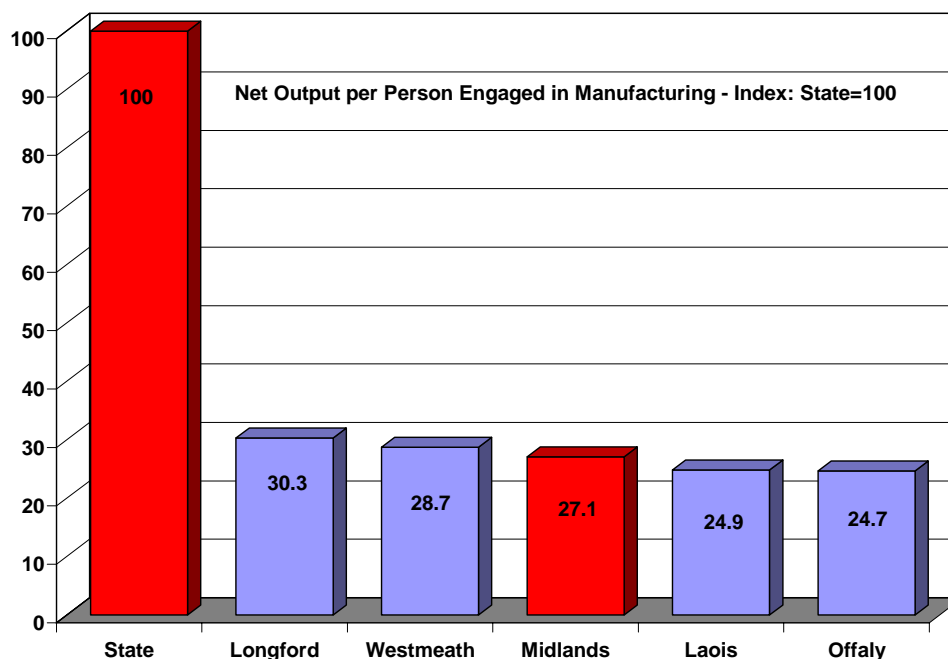


Source: CSO, Census of Population

Productivity and Incomes

- **The Midlands region has the lowest levels of average disposable income of all the regional authority areas in the State.** Improving this fundamental measure of economic performance represents a key challenge which should not be underestimated. **Across the Midlands as a whole, average disposable incomes are 17.9% below the average across the State.**
- **The Midlands has the lowest level of output per head of population of all the regions in the State, being 36.8% below that across the State.** This highlights the extent of the productivity /economic challenge facing the Midlands if it is to catch up with other regions in Ireland. It also suggests that the extent of the vulnerability of the underlying economic base in the region may be greater than recognised to-date. Unless action is taken to address this productivity gap, the effective development of the Midlands Gateway will remain an aspiration. A similar conclusion is evident from our analysis of labour productivity in the manufacturing sector, as measured by net output per person engaged, which is 73% lower on average across manufacturing local units in the Midlands than the average across the State as a whole. This reflects the comparative lack of very high value-added knowledge based industries although there are some notable exceptions as discussed below.

Productivity in the Manufacturing Sector - Net Output per Person Engaged in the Midlands Counties relative to the State - Index: State=100



Source: CSO, Census of Industrial Production, 2003

Existing Internationally Traded Activities

- ❑ In Athlone, permanent employment in IDA Ireland-assisted companies totals over 2,000 persons and is concentrated in the ICT, Pharmaceuticals and Medical Technologies sectors, which accounted for 674, 591 and 483 jobs respectively in 2004. In addition, foreign-owned companies in the international services and engineering & consumer products sectors employ over 150 persons and over 100 persons respectively in the town.
- ❑ Tullamore also has a diversified foreign-owned sector. The town has a particular strength in the medical technologies area (with foreign-owned companies employing 880 persons in 2004). The ICT sector employed 137 persons in the town, while there were 24 employees in engineering & consumer products and 19 employed in pharmaceuticals. Overall, foreign-owned firms employed 1,060 persons in Tullamore in 2004.
- ❑ In Mullingar, the foreign-owned, IDA Ireland-assisted sector employed a total of 705 persons on a permanent basis in 2004. Of this total, the largest proportion of employment (370 employees) was located in the engineering & consumer products sector, followed by international services (218 jobs) and pharmaceuticals (117 jobs).

- Among the major international companies operating in and adjacent to the Midlands Gateway towns of Athlone, Tullamore and Mullingar are:
 - In Athlone: Elan Pharma, Athlone Pharmaceuticals, Mapics Europe, Alienware, Athlone Optical, Conor Medsystems Inc., Eurotel Marketing, IO Systems, LM Ericsson (R&D Ireland), Lund International B.V., M&C Specialties Co., Nexans Ireland, Tyco Healthcare, Utah Medical Products, Ward International Manufacturing Company, and the recently announced AXA Assistance SA;
 - In Tullamore, Boston Scientific, Genemedix plc, Isotron/Gammaster Ireland, Sennheiser Ireland, Snickers Production, Tyco Healthcare, and Zannini Ireland; and
 - In Mullingar, GMAC Commercial Mortgage, Iralco, Oakley Ireland Optical, Patterson Pump, and Taconic International.
- A number of the above firms operate in IDA Ireland's Athlone Business and Technology Park at Garrycastle, which is a 40 hectare park with serviced sites and advance buildings. In addition, IDA Ireland also has a Business and Technology Park in Tullamore, while Offaly County Council Technology Park (60 acres) is located on the N80 at Tullamore.
- Among the more recent developments in the region include the important announcement during March 2006 that Georgia Tech Research Institute (GTRI), of Atlanta, Georgia, US, will establish an applied research institute, with support from IDA Ireland. The institute, which will focus on industry translational R&D needs, will be based at the IDA Business and Technology Park in Athlone. GTRI is the applied research arm of Georgia Institute of Technology and Georgia Tech Research Institute Ireland will be GTRI's first research facility outside of the US³. This initiative, combined with the existence of the Athlone Institute of Technology, provides a base for developing R & D infrastructure in the Midlands.
- In the indigenous sector in the Midlands, some 1,545 net new permanent jobs were created in EI-assisted indigenous firms between 2000 and 2004. The largest proportion of this expansion took place in Westmeath (1,035 jobs).
- Across the Midlands region as a whole, the strongest growth in employment across EI-assisted firms has been in the Food, Mining, Quarrying & Indigenous Services and Metals & Engineering sectors (creating 728, 499 and 243 net new jobs respectively).

³ See http://www.idaireland.com/home/news.aspx?id=9&content_id=558

- At county level, employment creation in the EI-assisted indigenous sector was strongest in the food, metals & engineering and furniture sectors in Offaly (242, 79 and 39 jobs respectively) and in the Food sector (169 jobs), Mining, Quarrying & Indigenous Services (542 jobs), Metals & Engineering (188 jobs) and Internationally Traded Services (98 jobs) in Westmeath. In Longford, the food sector accounted for the majority of jobs created during the 1999-2004 period.
- The existing sectoral/industrial pattern of foreign-owned investment and related employment constitutes an important input in relation to the identification of specific clusters or areas of activity for further development in the Midlands Gateway going forward. The existing picture in relation to investment, in addition to the existing skills base form key ingredients in our formulation of an enterprise sectoral development strategy for the Midlands Gateway.

Physical and Tourism Assets

- The Midlands region has underlying tourism strengths in terms of its natural environment and recreational amenities such as golf and water-based activities on the River Shannon. The NSS has also identified the Grand Canal as an undeveloped tourism area with significant potential for tourism based development in the Midlands.
- We believe that there are significant opportunities for the Midlands region arising from untapped tourist and amenity value, including in relation to its peatlands and myriad lakes and waterways. Some of the last remaining tracts of peatland in Europe can be visited at Clara and Mongans Bog. The Grand Canal joins the River Shannon at Shannon harbour and Edenderry is a noted angling centre. The Shannon water meadows, where the Corncrake can still be heard, are of European importance. The monastic ruins of Clonamacnoise and Durrow, and the Slieve Brooms are both attractions for the region. Golf and equestrian facilities provide a wide range of appeal, while in Offaly major attractions include Birr Castle and Science Park, Tullamore Dew Heritage Centre, Charleville Castle Demesne and the Shannon waterways.

Tourism Branding/ Image

- Despite some underlying strengths of the physical and tourism assets, overseas tourism visits to the Midlands counties account for a very small proportion of the overall visits to the State and there are opportunities for growth. It is also notable that the Midlands share of the overseas visitors market has declined since 2001. The Midlands-East region is also among the least visited regions in the State, accounting for just 8% of domestic holiday trips during 2004, while it was the second least popular region in Ireland in terms of the proportion of holiday nights spent by domestic holidaymakers. **Our analysis suggests the need for a more effective branding for the Midlands.**

- As part of this study, Indecon undertook a survey of a representative sample of adults across the Irish population and sought respondents' views on a range of aspects of their experiences with and perceptions of the Midlands region as a destination for tourism. Our research concludes that:
 - 48% had not visited the region; and
 - Of those that had not visited the Midlands during the last 5 years, 47.9% stated that they would be interested in considering the region as a potential destination. This highlights the potential for domestic tourism in the area if the product is enhanced and if there is effective marketing.

Infrastructure, Connectivity and Mobility

- From an economic perspective, one of the most important strategic issues concerns infrastructure required to link the Gateway with major national routes and with centres of economic activity, and with international ports and airport access points. Our analysis suggests the need for enhanced investment if adequate infrastructural connectivity is to be achieved, which we know from Irish and international experience is one of the essential pre-conditions for an effective gateway.
- The Midlands Gateway transport network is characterised by a number of national strategic roads (M4/N4, N6, N52, N55, N62, N80) and rail routes (Dublin-Galway and Dublin-Sligo) that traverse the Midlands Region and provide key external and internal linkages for the Gateway particularly to Dublin, Galway, Sligo, Portlaoise and Longford. With the exception of the M4, these national roads are generally in need of upgrading, with road quality between the principal Gateways towns being particularly poor.
- In relation to road network conditions, the findings of a major survey on Irish road conditions undertaken by EuroRAP in 2005 are notable in that one of the ten poor quality and high risk road stretches highlighted in the study was the N52 route between its junction with the R400 south of Mullingar to Tyrrellspass.
- The typical drive time between the Midlands Gateway towns varies between 35 minutes in the case of Mullingar to Tullamore and 50 minutes from Athlone to Mullingar. Each of the Midlands towns is also less than a 2 hour drive from Dublin Airport and Dublin Port, and Athlone is also close to three other regional airports.
- The Midlands Gateway is served by main line inter-urban rail, having access to two lines. However, there is no connectivity between the two rail lines with the rail line between Athlone and Mullingar being closed. There is also good access to the national bus network and service; however there are limited internal bus service links.

- Rail infrastructure is an issue in terms of mobility to and within the Midlands Gateway. One specific project which was seen as particularly important in Westmeath during our consultation programme concerned a potential Mullingar-Athlone rail link. This was identified in the RPGs. Westmeath County Council suggested that this infrastructure was of potential major benefit to the development of the Gateway, and argued that the social and environmental as well as economic aspects of this project should be considered. This project, if proceeded with, would need to be complementary to initiatives that relate to the Portarlington link. In the Strategic Rail Review undertaken by Booz Allen Hamilton, the Mullingar-Athlone rail project was considered as a potential new scheme under their Going for Growth scenario and initial capital costs of €154 million were identified for this project. In the Booz Allen Hamilton review, a negative NPV for this project was estimated, but we would be supportive of future consideration of the issue of whether the underlying economics of this project has changed, and we would recommend the completion of an updated, fully costed feasibility study and economic appraisal for this project in view of its role in linking parts of the Midlands Gateway. The impact of rising population required to meet the targets for the Gateway in the NSS should be taken into account in this review as well as the possibilities for connectivity with the wider National Rail Network.
- The Midlands Gateway is currently making significant advancements in the implementation of broadband infrastructure. The Midlands Broadband Project focuses on the construction of an advanced network throughout the urban centres of Athlone, Mullingar, Portlaoise, Roscommon and Tullamore. Metropolitan Area Networks (MANs) have now been completed in these 5 towns, and the towns are served by broadband infrastructure in the form of metro rings within which broadband is available. In addition, Tullamore is to be developed as an e-commerce centre of excellence.
- The rolling out of broadband will play a significant part in the attraction of business and industrial enterprises to the Midlands Gateway.
- At present, treated water supply and sewage treatment for the Midlands Gateway is primarily undertaken at local level, with sources of water supply including Lough Owel and the River Shannon. Sources of water supply for Tullamore include groundwater and a variety of other sources. Mullingar sewage disposal takes place at Lough Ennell. In Tullamore, sewage disposal is via the Tullamore River, though there are some remaining issues in relation to capacity in the area.

- In relation to water and sewage treatment, the following aspects can be highlighted in relation to the existing position:
 - In the Athlone and the eastern region, water supply is almost at capacity;
 - There are proposed improvements planned for the Mullingar and greater area regarding the reduction in leakage rates, with the development of a new water treatment plant for Athlone and eastern region being planned for completion by 2010 which will result in an unlimited increase in the supply of treated water;
 - Treated water supply for Tullamore is at present significantly under the required demand, with the remainder of the population centres in Offaly being at or having sufficient capacity;
 - With the exception of Ferbane, which is satisfactory, there are planned treated water supply capacity increases for the other population centres of Offaly, with Tullamore's capacity increasing significantly (Phase I upgrade giving total capacity of 30,000 PE and proposed Phase II giving an additional 15,000 PE capacity. Phase I is nearing completion);
 - Capacity for sewage treatment in Mullingar and greater area is at present significantly under the required demand. However, there is spare capacity in the treatment plant serving Athlone and the eastern region;
 - There are proposed improvements planned for the Mullingar and greater area, with the increase in treatment plant capacity being planned for completion by 2010. In addition, the capacity of the Athlone and eastern region treatment plant can be increased as required, particularly in line with planned increase in the supply of treated water;
 - Tullamore has deficiencies at present in relation to sewage treatment capacity, though works are under way to address these deficiencies;
 - With the exception of Ferbane sewage treatment capacity, increases are required for the other population centres of Offaly.

- Fast-tracking of water sewage and other infrastructural projects is needed in order to facilitate progress on the development framework within the timescale envisaged.

- An important aspect of infrastructure is the availability of zoned and serviced land to facilitate the increase in residential population and the expansion of the entire sector. **Additional lands will need to be zoned for residential and other uses.** There is also a need for an increase in completion rates at higher densities to improve the level of compactness of the Gateway.

- Other key elements of infrastructure relate to educational infrastructure and social infrastructure required to maintain quality of life.

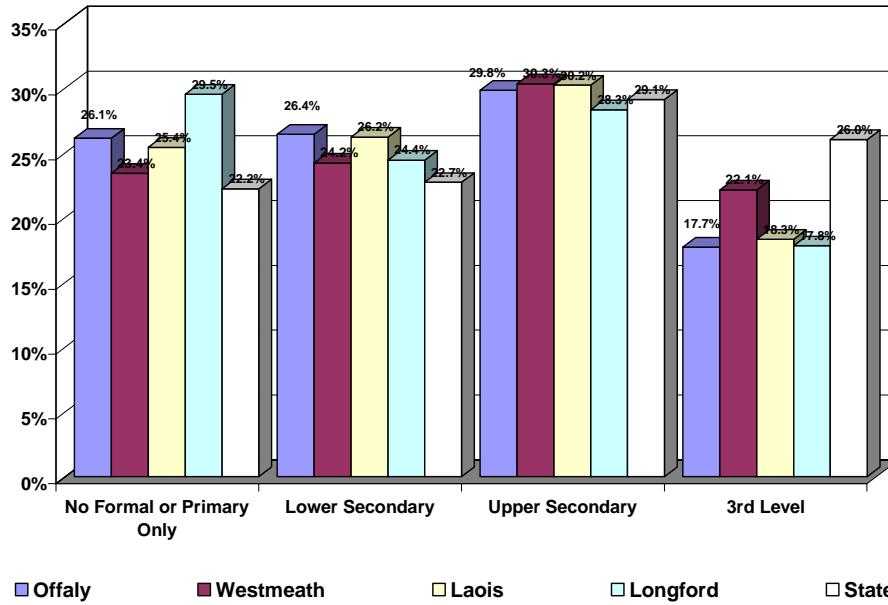
Education and Skills Base

One of the key strategic conditions required to achieve critical mass and to ensure that the Midlands Gateway and surrounding region can compete successfully with other regions as a location for investment and as a place to live concerns the provision of a high quality education and skills base. The key findings from our analysis suggest the need for prioritisation of major initiatives in this area:

- ❑ **Across each of the Midlands counties the proportion of the population with no formal or primary-only education is noticeably higher than the pattern across the State as a whole.** This is also the case in relation to those with lower secondary level education only and is likely to reflect the current low value added of the economic base;
- ❑ The proportion of the resident populations of the Midlands counties having attained 3rd level education ranges between 17.7% in Offaly and 22.1% in the case of Westmeath. **In all counties, the proportion with 3rd level education is substantially lower than that across the State (26%)** (see chart over page);
- ❑ In Offaly, 27.3% of the population had ceased formal education at or under 15 years, compared with 24% across the State, pointing to a high incidence of early school leaving among young people in the county and particularly outside of Tullamore;
- ❑ The principle 3rd level educational provider and research institution in the Midlands Gateway and surrounding region is the Athlone Institute of Technology (AIT). Graduate output from AIT totalled 1,945 in 2004, after 1,962 in 2003 and 1,739 in 2002. The majority of graduates come from the 'Business Management & General' school (920), followed by the humanities (524), engineering (354) and science/health science (147 graduates in 2004);
- ❑ There is a strategic need to increase the number of individuals securing 3rd and 4th level education, while there is also a need to address the high numbers of early school leavers.

Education and Skills Base in the Midlands – % of Persons by Comparative Highest Level of Education Attained

% of Persons by Highest Level of Education Attained



Source: CSO, Census of Population, 2002

Quality of Life and the Environment

- The Midlands Gateway has a number of recreational and community facilities, such as public swimming pools, parks, a regional sports centre, a 15,000 seat stadium, a greyhound stadium, an arts centre, and a number of tourist attractions including Belvedere House, Tullamore Dew Heritage Centre, the ancient monastic sites of Clonmacnoise and Durrow, the River Shannon and Lough Ennell.
- The Gateway’s recreational and community facilities will, however, need significant investment to facilitate what is required for the Gateway to serve a population of 50,000-100,000+ and for the three principal towns to move from the 'Medium Town' to the 'Large Town' category.

- It is also instructive to consider the views of companies on the overall quality of life for employees and in relation to perceptions of the Midlands as a place for investment and to live/work. The findings from our survey of firms in the Midlands on these aspects are summarised below. **It is notable that the quality of life for employees is seen as a strength of the Midlands by the vast majority of respondents (79.5%).** A smaller percentage indicated that perceptions of the Midlands as a place for investment and to live/work constituted a strength, which highlights the need for implementation of an effective marketing strategy.

Views of Firms on Strengths/Weaknesses of the Midlands Region as a Location for Business and Investment – Quality of Life and Perceptions of the Midlands as a Location

	Strength	Neither a Strength or a Weakness	Weakness	Don't know
Quality of life for employees	79.5	11.4	7.1	2.0
Perceptions of the Midlands as a place for investment and to live/work	42.1	22.5	30.1	5.3

Source: Survey of Companies/Businesses in the Midlands

- The quality of life in the Gateway is enhanced by an attractive position in terms of underlying cost competitiveness in a wide range of areas including labour costs and house prices. **House prices in the Midlands counties remain very competitive in comparison with those elsewhere in the State and particularly relative to Dublin.** The average house price in the Midlands in 2004 was €209,040. This figure represents just 62.4% of the average Dublin price. It is, however, essential that measures are taken to enable the Midlands to remain competitive on costs.
- The Midlands Gateway and surrounding region possesses potential significant advantages in terms of its environment, lower levels of congestion and general quality of life. There is, however, an ongoing need to enhance the attractiveness of certain areas within the Gateway and to improve the perceptions of the gateway. **The provision of recreation and community facilities and their role in the relative attractiveness of places to live is a very important issue and must be an integral part of the development plans for the region.**

Summary of Strengths and Weaknesses of Midlands Gateway

In the table below we outline the key strengths and weaknesses of the Midlands Gateway.

Summary of Strengths and Weaknesses of Midlands Gateway

Strengths

- Quality of Life as a place to live and work
- Existing Strengths in Certain Developing Internationally Traded Niches
- Cost Competitiveness for Business and Residents
- Available and Growing Labour Force
- Infrastructure Base for Developing Third and Fourth Level Education
- Base for Developing R & D Centres
- Excellent Physical / Tourism Assets
- Strong Support for Gateway Development
- Consistent with National Strategic Plans

Weaknesses

- Lack of Scale in terms of Urban Population
- Deficiencies in Infrastructural Connectivity with Key Markets
- Major Productivity Gap Reflecting Characteristics of Current Economic Base
- Limited 3rd and 4th Level Educational Infrastructure
- Gaps in Educational Attainment/Skills
- High Unemployment and High Levels of Commuting
- Lack of Tourist Brand and Underdeveloped Tourism Resources

Implementation Issues

- Spatial Planning Primarily at County rather than Gateway Basis
- Funding Constraints locally to make Infrastructure Investments for Significant Growth

Source: KSA/Indecon analysis

Of key importance in our judgment is that all of these weaknesses are amenable to being overcome by appropriate policy responses supported by community and private sector interests although we would not underestimate the scale of the challenge. In the following section we summarise what is needed to realise an effective gateway for the Midlands which overcomes the weaknesses and builds on the strengths of the region.

3 Realising the Objective of an Effective Midlands Gateway

Priority Areas to be Addressed to Achieve Effective Gateway Development

The figure below identifies the key challenges that we believe must be overcome if the vision and objectives for the Midlands Gateway are to be realised. Unless policies and programmes are implemented to address each of these issues, an effective gateway for the Midlands will remain an aspiration. A determined policy to address these priority areas will, however, provide the basis for the development of a successful Midlands Gateway. These ten areas will build on the strengths of the gateway and address the weaknesses identified. **In addition to the priority areas, measures are needed to deal with the historical position that spatial planning has been undertaken primarily at county level and that there are funding constraints locally to make infrastructure investments. These are discussed under implementation.**

Priority Areas to be Addressed to Achieve Effective Gateway Development

- (1) Achievement of Rapid Population Growth and Critical Urban Mass
- (2) Improving Infrastructure and Connectivity
- (3) Addressing the Productivity Gap and Building on Developing Strengths in International Traded Niches
- (4) Upgrading Third and 'Fourth' Level Infrastructure
- (5) Enhance Educational Attainment and Skills Base
- (6) Development of Tourism Sector
- (7) Development of Retail and Distribution Activities
- (8) Maintaining Quality of Life in Region
- (9) Ensuring Cost Competitiveness
- (10) Developing Effective Marketing and Branding to Build Identity and Visibility for the Gateway/Region

Source: Indecon/KSA

Spatial Development Strategy to Support Rapid Population Growth and Critical Mass

There is a need to increase and develop the current levels of population and employment within the Gateway to the levels required to achieve critical mass. *Critical Mass* relates to the size and concentration of population that enables a range of services and facilities to be supported. This in turn can attract and support higher levels of economic activity and improved quality of life. To achieve these levels, and to address the other critical mass insufficiencies, there is a need for a clear Spatial Development Strategy. This strategy is presented in this report, based on the analysis of a number of spatial options.

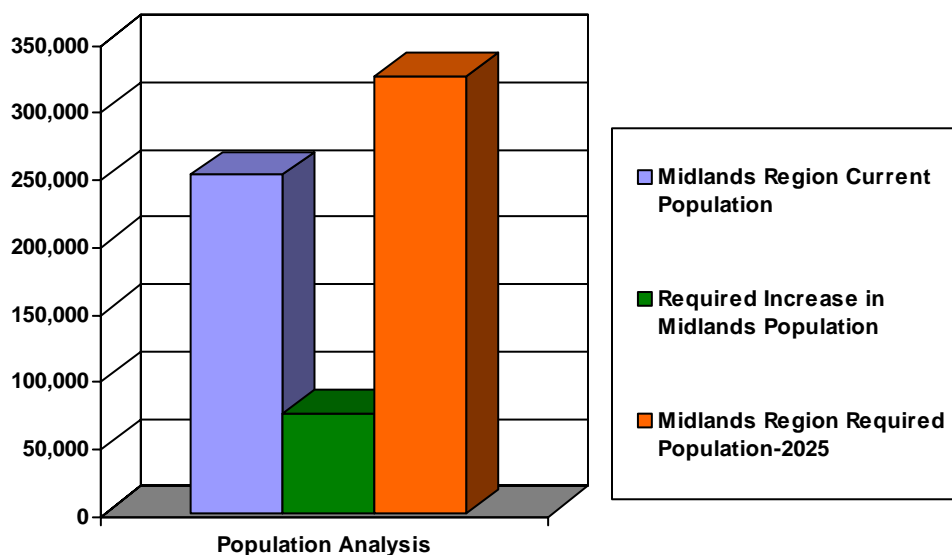
A detailed assessment was undertaken in relation to the requirements to achieve an effective and sustainable Midlands Gateway. The assessment was based on the application of the seven key themes of Strategic Spatial Structure, Economic Prosperity, Dynamic Urban Form, Transportation, Accessibility and Mobility, Infrastructure Facilities, Education and Skills Base and Quality of Life and Environment, and using these as thematic indicators to allow for the assessment determination. Based on the assessment, it is clear that there are currently deficiencies across all themes.

A primary aim of the formulation of a Spatial Development Strategy for the Midlands Gateway is to overcome identified deficiencies in relation to critical mass and other features of the Gateway which are hindering the region in developing its potential. Based on an assessment of all options, we recommend a Spatial Development Strategy which is considered the most appropriate in delivering the required levels of critical mass for the Gateway. This option subsequently forms the basis for our identification and prioritisation of key infrastructure requirements.

An important element in the analysis of spatial options and the formulation of the Spatial Development Strategy is to ensure that the Midlands Gateway will be of sufficient regional size/status and in terms of its employment base to provide the infrastructure and facilities required to attract and retain activities in target sectoral areas, including ICT related activities (which will require the development of high quality broadband facilities), internationally traded services (including financial), education and research, retail centre/retail warehousing, storage and distribution logistics, specialised medical and pharmaceutical, high value-added manufacturing, recreational and community facilities.

The following figure illustrates the current (2006) and required (by 2025) populations for the Midlands Region. There is a requirement by 2025 for the Midlands Region to increase its population by approximately 73,600, or in percentage terms by just over 29%, so as to achieve the required level set out in the Regional Planning Guidelines for the Midlands Region.

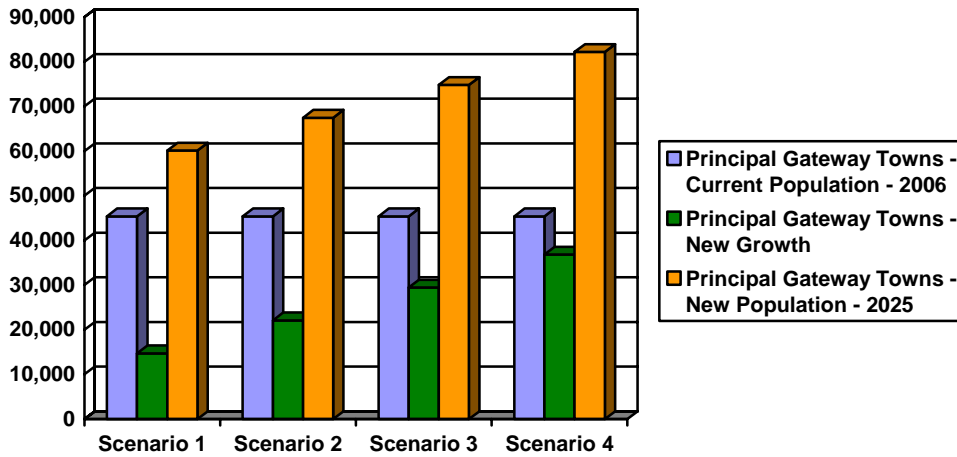
Midlands Region Population Analysis



Source: Indecon/KSA

In developing our spatial strategy for the Midlands Gateway four scenarios were used to allocate the determined additional 73,600 regional population growth to the principal Gateway towns of Athlone, Tullamore and Mullingar (i.e. Scenario 1 = 20% allocation, Scenario 2 = 30% allocation, Scenario 3 = 40% allocation, Scenario 4 = 50% allocation), which is shown in the graph below. In summary, Scenario 1 reflects the current position with Scenario 3 being a potential option that needs to be achieved in order to ensure sustainable critical mass within the principal Gateway towns.

Allocation of Projected Regional Population to Principal Midlands Gateway Towns of Athlone, Tullamore and Mullingar



Source: Indecon/KSA

We outline below our strategic recommendations for the spatial development of the Midlands Gateway which involves the development of the 3 principal towns as interlinked strategic development towns, combined with a new strategic development zone with the Gateway.

Strategic Recommendations: Spatial Development Strategy

- ❑ A principal Gateway Town Development to be Pursued to Facilitate an Increase in Population of the order of 55,000 in 3 Key Towns giving them 'Large Town' status
- ❑ Population Expansion in significant Villages/Small Town to also be pursued
- ❑ New Strategic Development Zone or equivalent initiative to be provided to support Gateway and Wider Regional Needs

Source: Indecon/KSA

PREFERRED SPATIAL DEVELOPMENT OPTION FOR GATEWAY:

PRINCIPAL GATEWAY TOWN DEVELOPMENT INVOLVING DEVELOPMENT OF THE 3 KEY TOWNS AS INTERLINKED STRATEGIC DEVELOPMENT TOWNS, COMBINED WITH A NEW STRATEGIC DEVELOPMENT ZONE WITHIN THE GATEWAY

Our recommended spatial development option will build on the existing urban form of Athlone, Tullamore and Mullingar, but will focus on ensuring that planning supports an integrated Gateway. The future minimum required population growth will need to be sufficient to achieve a population of the order of 100,000 and this will require an increase on current levels of the order of 55,000. A significant percentage of this growth will be accommodated within these towns giving them 'Large Town' status. There will also be population expansion occurring in the towns of Kilbeggan, Moate and Clara. Each of the principal Gateway towns will provide for future commercial, industrial, recreational and community development to support local needs. We also recommend providing a new Strategic Development Zone (SDZ) (or some equivalent initiative) to support Gateway and wider regional needs. This 'gateway/SDZ' will be strategically located to ensure maximum internal and external accessibility. This will facilitate the Gateway to secure an additional 20,000 jobs. Through the proposed upgrade and development of road infrastructure, together with improvements in rail and bus services, both internal and external Gateway linkages will be significantly enhanced.

In addition to the triangle formed by the three principal Gateway towns, there are three significant villages/small towns in the Gateway region, namely Kilbeggan, Moate and Clara. These three smaller urban centres, given their strategic location within the Gateway area, have also been incorporated into the spatial framework of the Gateway strategy. This plan will also support growth in neighbouring towns such as Portlaoise and Longford and contribute to the overall development of the region.

The strategic actions for implementation of the recommended overall spatial development option are presented below. Further implementation issues are dealt with in Section 4.

Specific Actions for Implementation – Population Growth and Critical Mass

Action (1): Westmeath and Offaly County Council to prepare individual but co-ordinated Development Plans for the Gateway incorporating the development of the 3 key towns of Athlone, Tullamore and Mullingar as interlinked Strategic Development Towns

Action (2): The three villages/towns of Killbeggan, Moate and Clara to be incorporated into spatial framework for development as part of the development plans

Action (3): A new Strategic Development Zone (SDZ) to be located to the east of Athlone and between Athlone and Tullamore with linkages to Mullingar

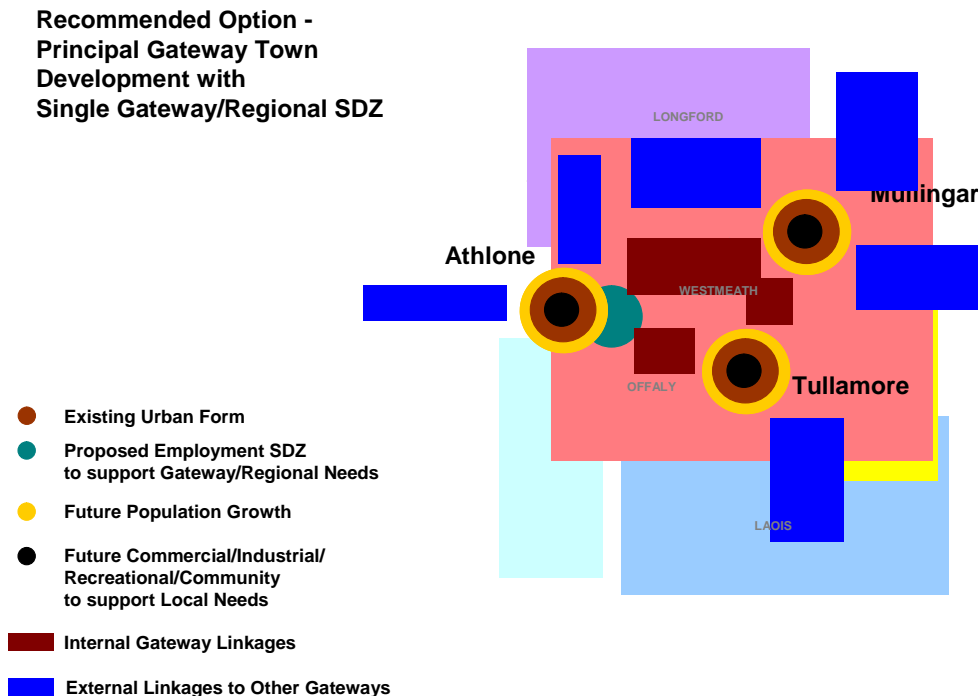
Source: Indecon/KSA

In terms of the timing of these actions we see action 1 as a short term initiative with work on this to commence over the next 6 months. The individual plans should be complimentary and reflect the overall gateway objective. In terms of implementation of the development plans and the development of a new strategic development zone we envisage these as immediate priorities to be undertaken over the period 2006–2010. As is specified in the implementation section, the development of a new strategic development zone or an equivalent initiative cannot be implemented by the local authorities and the Department of Environment, Heritage and Local Government without support from IDA (Ireland) and Enterprise Ireland, in partnership with the private sector.

As part of the implementation for the recommended spatial development, we believe that the new SDZ or equivalent initiative should be located to the east of Athlone and between Athlone and Tullamore, with linkages to Mullingar. This strategic location will ensure maximum internal and external accessibility resulting from transportation improvements. The on-going and proposed upgrades and renewals of other key infrastructural facilities (i.e. water treatment, sewerage treatment and surface water) will be sufficient to cater for the proposed population and employment critical mass increase. The location of the SDZ will minimise the need for additional infrastructure investment and will support higher end technological and life science type enterprises. The three existing urban centres will be developed into new strategic development towns and this will involve the development of sectoral activities based on existing economic strengths.

The figure below illustrates in broad schematic form the preferred spatial development option but we do not believe it is appropriate to be any more specific re location at this framework stage. A detailed set of maps/schematics describing the Midlands Gateway and the layouts of each of the Gateway towns is also presented in the annex to this volume. The pattern of future population growth should reflect the need to integrate development within the gateway.

SCHEMATIC DESCRIPTION OF PREFERRED OPTION FOR SPATIAL DEVELOPMENT STRATEGY - PRINCIPAL GATEWAY TOWN DEVELOPMENT INVOLVING DEVELOPMENT OF 3 KEY TOWNS AS INTERLINKED STRATEGIC DEVELOPMENT TOWNS, COMBINED WITH NEW STRATEGIC DEVELOPMENT ZONE WITHIN GATEWAY



Source: KSA/Indecon

Improving Infrastructure and Connectivity

As part of this project, we assessed the existing infrastructure and connectivity of the Midlands and examined a wide range of proposed infrastructure projects, including road, and other infrastructure. We believe that road infrastructure is a key priority for the Midlands Gateway and we discuss below what we believe to be the key road network projects. Investment in other infrastructure including educational, R+D infrastructure, water and sewage and social infrastructure is also essential.

In the table below we outline some strategic recommendations in relation to infrastructure in the Midlands and we subsequently identify specific projects/areas for action in terms of implementation.

Strategic Recommendations: Infrastructure

- ❑ Increased transport investment to enhance the interconnectivity of the Midlands with key national roads and with ports/ airports
- ❑ Investment in water, sewage and communications investment as well as in transport to improve internal mobility within the Gateway
- ❑ Investment in social infrastructure (including recreational and community infrastructure) to enhance quality of life in Gateway

Source: Indecon/KSA

The proposed infrastructure priority projects recommended takes account of our assessment that the routes of critical importance to the Gateway in terms of significantly enhancing internal and external linkages are the N4, N6, N52, N80, N55 and N77. The road development proposals contained in Transport 21 will see the completion by 2015 of the four key national inter-urban routes to dual-carriageway/motorway standard, namely, Dublin-Cork (N7/N8), Dublin-Limerick (M7), Dublin-Galway (M4/M6) and Dublin-Waterford (M7/M9). Therefore, by 2015 the current N4 and N6 will be fully upgraded to dual-carriageway/motorway status. In addition, the NRA have committed to following road upgrades/improvements: Tullamore/Kilbeggan (N52), Belvedere/Tyrrellspass (N52), Tullamore/Moate (N80) and the N52 Tullamore By-Pass. We believe these must be completed as a priority.

For the Midlands Gateway to attain maximum benefit from the above national road network improvements it is critical that additional necessary road improvements are undertaken, which will ensure direct access for the Gateway to the national inter-urban motorways. As part of this assignment, numerous road investments were proposed to the consultancy team and, while we can understand the local benefits of many of these projects, we do not believe that most of these projects would produce a net economic return for the Gateway. Of the road investment projects that were suggested to us, we believe that there are only three projects which should be viewed as having an immediate priority. In addition, there is one additional project which should be viewed as a medium-term priority, to be completed post 2010, and the role of the N62 route may need to be reviewed within the context of the proposed location of the SDZ, as described above. These proposed road network upgrades constitute critical routes in ensuring connectivity between the Gateway, national infrastructure and key economic centres. It will also be important that substantial inner relief road networks are developed to accommodate the traffic which will arise from the type of urban growth envisaged.

The specific recommendations for action are presented in the table below.

Specific Actions for Implementation: Improving Infrastructure and Connectivity

Action (1): Immediate Priority completion by NRA of All Specific Road Investments for Gateway included in Transport 21

Action (2): Investment by NRA in a small number of important additional road investments as outlined below:

Proposed Key Immediate and Medium-Term Priority Road Upgrade Projects

Proposed Project	Immediate Priority (2006-2010)	Medium-Term Priority (Post 2010)
Portlaoise/Tullamore (N80)	☐	
Mullingar/Ardee (N52)	☐	
Athlone/Cavan (N55) and Athlone/Roscrea (N62)		☐
Durrow/Kilkenny (N77)	☐	

Source: Indecon/KSA

Action (3): Completion of the Midlands Broadband Project

Action (4): Investment in selected Strategic Non National Roads to facilitate urban growth (e.g. inner relief roads etc.) and in social infrastructure in the Gateway including the development of recreational and community facilities in each of the principal Gateway towns.

Action (5): Fast Tracking by Local Authorities of Planned Water and Sewage Capacity in the Midlands and Completion of all Projects Within Planned Timescale

Source: Indecon/KSA

The forecast population in this new plan, which is essential to achieve NSS targets for the Midlands Gateway, will significantly push up AADT forecasts, triggering an accelerated requirement to advance these investments.

Indecon/KSA realise that these infrastructure prioritisations may not meet all local expectations, but we believe that ensuring scarce economic resources are prioritised is essential if the Gateway is to be developed. The implementation of these priority projects, together with the completion of the inter-urban motorways and the other national road upgrades/improvements, will establish direct linkages to the urban centres of Dublin, Galway, Limerick, Cork and Waterford, and therefore also to their ports and airports.

In terms of timescale, we recommend that there is no slippage in the timescale for the NRA projects for the Gateway included in Transport 21. Timescales for new road projects are as presented above. The investment in strategic non national roads and social infrastructure also represent immediate priorities over the period 2006 – 2010 although we also envisage investments in these areas will be needed post 2010 to accommodate the targeted population increases.

Addressing the Productivity Gap

If the Midlands Gateway and surrounding region is to attain critical mass and achieve economic prosperity, the spatial development framework and infrastructural investments, set out above, must be supported by an effective strategy to develop a dynamic enterprise sector within the Gateway. As part of this study, we undertook a detailed impartial review of the existing strengths and weaknesses of the Midlands Gateway and the surrounding region in terms of its industrial and wider economic base. This analysis, combined with our detailed consultations undertaken as part of this assignment, forms the basis for our formulation of a sectoral enterprise development strategy for the gateway towns and surrounding region.

We set out in the figure overleaf what we believe to be the priority recommendations for sectoral enterprise development in the Midlands Gateway and surrounding region. There are also a number of specific measures supporting these priority areas, which are described in the subsequent figures. Each of our proposed development priorities and supporting measures for the sector are discussed in detail in Volume II of the report.

In the figure overleaf we set out our strategy for sectoral enterprise development within the Midlands Gateway. We believe that if the Midlands Gateway towns are to successfully develop their economic bases, there must be a clear focus on the development of higher value-added industrial and internationally traded activities, which build on the existing strengths and emerging sectoral industrial clusters within each of the towns. The potential for tourism is discussed later in this section. The strategy will involve targeting by the development agencies, development of closer linkages between the third and fourth level educational sectors, and implementation of measures to enhance educational levels and the skills base.

STRATEGIC RECOMMENDATIONS: ADDRESSING THE PRODUCTIVITY GAP

- ❑ Development agencies to promote development of foreign-owned and indigenous sector higher value-added, knowledge based industrial and internationally traded activities in key Gateway towns. Supporting measures including an SDZ or equivalent initiatives are also needed.
- ❑ Priority be given to targeting the development of activities which capitalise on the existing and emerging strengths in each of the Gateway towns

Source: *Indecon/KSA*

We highlight below the specific actions that we believe should be implemented to address the productivity gap evident in the industrial base in the Midlands Gateway.

Specific Actions for Implementation: Addressing the Productivity Gap

Action (1): IDA Ireland and Enterprise Ireland give priority to incentivising and supporting private enterprises to invest in higher productivity and higher value activities in the Midlands

Action (2): Priority to be given by IDA (Ireland) and Enterprise Ireland to developing and expanding sectoral clusters as follows:

In Athlone:

- A. ICT-related activities
- B. Pharmaceuticals and related activities
- C. Education

In Tullamore:

- A. Medical devices/medical services
- B. Other Medtech
- C. Consumer Foods

In Mullingar:

- A. Engineering
- B. Consumer Products
- C. Financial Services

Source: *Indecon/KSA*

Source: *Indecon/KSA*

The specific sectoral clusters recommended are based on our detailed analysis of the existing internationally traded strengths of the three main towns and the pattern of existing industrial and services activities and support infrastructure. While these are suggested as priority areas, other suitable activities should also be promoted and these activities are by no means bounded and other high value added projects should also be pursued.

The development of a knowledge-based economy involving the attraction of new value-added activities and the expansion of existing such firms is in many ways the most urgent and important challenge for the Midlands and significant action is needed over the period 2006 – 2010.

Upgrading Third and Fourth Level Educational and Research Infrastructure

In the table below we set out our strategic recommendations for addressing the productivity gap in relation to the development of the third and fourth level education and research sector in the Midlands Gateway towns and surrounding region. This highlights the importance of ensuring that the Athlone Institute of Technology and other third level institutions in the region move up the value chain in relation to the provision of undergraduate and postgraduate courses, while also developing a world-class research capability in research areas that are aligned with and build on the region sectoral industrial strengths.

STRATEGIC RECOMMENDATIONS FOR EDUCATION AND RESEARCH INFRASTRUCTURE

- ❑ The Government and its agencies to ensure that the Midlands secure an adequate share of Government expenditure of €3.8 billion to 2013 announced in the new science strategy
- ❑ Athlone Institute of Technology and other third-level institutions in the Midlands to continue to move up value-chain in developing world-class undergraduate and post-graduate courses that are aligned with the skills needs and R&D activities of targeted industry sectors
- ❑ AIT to continue to develop capabilities and reputation in research activities which are aligned with existing and emerging sectoral strengths in the region and which maximise scope for collaborative linkages with other institutions and industry including with GTRI.

Source: Indecon/KSA

We highlight overleaf the specific actions that we recommend for implementation to upgrade third and fourth level educational and research infrastructure and to develop closer linkages with between the third and fourth level sectors and industry in the Midlands Gateway. The specific actions will require support for higher education research infrastructure including buildings and equipment, enterprise support and research and commercialisation programmes and for measures to enhance educational attainment which are discussed later in this section.

Specific Actions for Implementation: Upgrading Education and Research Infrastructure

Action (1): AIT in conjunction with other 3rd/4th level institutions in Ireland and internationally to formulate high quality proposals to develop and enhanced world class research facilities. This should include the attraction of key personnel/talents and infrastructural supports

Action (2): AIT to specifically develop and expand research capabilities in the following areas

- (a) Med tech;*
- (b) Pharma;*
- (c) Health/Life Sciences;*
- (d) ICT-related research.*

Source: Indecon/KSA

It is proposed that action is taken in the above areas within the period 2006 – 2010 and this should be facilitated by the new funding available in the Government's recently announced new science strategy.

Enhancing Educational Attainment and Skills Base

A specific challenge facing the Midlands Gateway and surrounding region concerns the education and skills base within the region. In particular, our analysis of educational attainment highlighted the worryingly low levels of progression among the resident populations of the Midlands counties to upper secondary level and third level education. This is a critical weakness facing the Midlands and one which must be addressed if the region is to attract investment and achieve economic prosperity. We believe this may be significantly influenced by the nature of historical employment in the Midlands but if the gateway is to develop this must be addressed. There are no easy solutions to this challenge but determined initiatives can impact on outcomes. The figure below sets a range of strategic recommendations designed to boost educational attainment to third level and ensure that the Midlands Gateway and surrounding region can compete successfully with other regions in relation to its skills base.

STRATEGIC RECOMMENDATIONS FOR ENHANCE EDUCATIONAL ATTAINMENT AND SKILLS

- A series of initiatives to be undertaken to enhance educational attainment in the Midlands.
- Continued promotion and development of 3rd level 'Outreach' programmes to improve awareness and value of 3rd level education
- Greater focus to be given to provision of supports to further education colleges to develop courses in non-traditional subject areas, including mentored and distance learning courses targeted at excluded groups

Source: Indecon/KSA

The figure below sets out what we believe are the key specific actions that need to be implemented to support our recommendations in relation to enhancing the level of educational attainment and the skills base in the Midlands Gateway. There are a number of well tried outreach programmes which involve promotion of opportunities, funding support and mentoring assistance. While AIT /VECs will need to take a leadership role in this area this is also a matter for the primary and secondary educational sector and for the wider community. Significant progress on this is essential over the period 2006 - 2010 but this will be a long term challenge and on-going initiatives post 2010 will be required.

Specific Actions for Implementation - Enhancing Educational Attainment and Skills

Action (1): AIT to target increased resources at development of 'outreach' programmes and initiatives targeted at 2nd level students and socially excluded groups, to highlight potential entry to and benefits of 3rd level education and training in the region

Action (2): Westmeath and Offaly VECs to form strategic linkages with AIT in development of initiatives to boost progression of 2nd level students into 3rd level education

Action (3): VEC's, AIT and other education & training institutions to form closer linkages in the Midlands region and to work with together with State agencies including FAS to develop FETAC and other courses and to set regional targets for progression of students into 3rd level

Source: Indecon/KSA

Development of Tourism Sector

One sector that we believe has failed to fully develop in the Midlands is the tourism and leisure sector. In our review of the existing position of the Midlands Gateway and surrounding region we highlighted the very low proportion of overseas tourism visits and associated revenues generated in the Midlands counties. Our analysis and survey research among the general Irish public also highlighted some deficiencies in relation to the tourism product and the relative paucity of high quality accommodation facilities in the region as well as the image of the region. There are a number of specific measures that we believe are required as a priority if the Midlands Gateway and surrounding region is to fully exploit its natural and positional advantages as a destination for holidaymakers and business visitors, which are set out in the table below.

STRATEGIC RECOMMENDATIONS RE DEVELOPMENT OF TOURISM

- Key elements of strategy to include:
 - Tourism strategy for ATM and Midlands region to place increased focus on developing and promoting region as a high quality, short-stay destination for domestic visitors
 - Tourism agencies to develop and promote special interest activities which capitalise on specific strengths of Midlands region, particularly water-based sports within the Shannon waterway catchment including cruising, sailing, angling, monastic, historical and walking and other activities
 - Development of hotel accommodation and conference facilities in ATM towns
 - Implementation of branding and product development strategy for tourism sector

Source: *Indecon/KSA*

The specific actions that we believe need to be implemented to support our recommendations to develop the tourism product and tourism infrastructure in the Midlands Gateway are set out in the figure below. While the relevant statutory agencies should take a lead in these areas a key determination will be the response of private sector investors. A collaborative approach is therefore envisaged.

Specific Actions for Implementation – Development of Tourism

Action (1): Regional tourism agencies to undertake comprehensive inventory of potential flagship and other attractions in Midlands region

Action (2): Regional tourism agencies, Westmeath and Offaly local authorities and local Chambers of Commerce to develop joint strategy to develop and promote flagship tourism attractions in Midlands region

Action (3): Waterways Ireland, regional tourism agencies and local authorities in the Midlands counties to fast track development and marketing of regional canal and other waterways

Source: Indecon/KSA

Action 1 should be completed with 6 – 12 months and marketing initiatives under Action 2 should also be targeted within a short time frame. The product development initiatives will however require a timescale within the period 2006 – 2010 and some larger projects are likely to be only developed post 2010.

Development of Retail and Distribution Activities

In addition to the specific recommendations and supporting actions for implementation in relation to the development of higher value added, internationally traded activities, we believe that the Midlands also has significant potential to further develop as a retail and distribution gateway. The gateway towns constitute important regional retail centres in their own right and we also believe that the gateway's central geographic location presents an important opportunity to develop the area as a regional distribution and logistics hub. However, to fully capture the development potential of the retail and distribution sectors, a number of strategic initiatives and measures are required, which we set out in the figure below.

STRATEGIC RECOMMENDATIONS RE DEVELOPMENT OF RETAIL AND DISTRIBUTION

- Promotion of Midlands Gateway towns as locations for large-scale retail establishments
- Midlands to be promoted as a location for appropriate regional uses supported by world-class communications infrastructure

Source: Indecon/KSA

Specific actions that we recommend should be implemented to facilitate the further development of retail and distribution activities in the Midlands Gateway are identified in the figure below.

Specific Actions for Implementation – Development of Retail and Distribution Activities

Action (1): Development agencies and local authorities to utilise recent revisions in planning guidelines to actively promote Midlands Gateway towns as locations for large-scale retail establishments

Action (2): Local authorities to combine with local business groups to develop and implement measures to boost attractiveness of Gateway towns as locations for retailing

Action (3): Local authorities to ensure adequate zoning to support retail activities including those serving wider catchment area

Source: Indecon/KSA

The above actions are envisaged over the timeframe of 2006 – 2010 although on-going initiatives will be required post 2010.

Maintaining Quality of Life in Region

The Midlands Gateway and surrounding region possesses potential significant advantages in terms of its environment, lower levels of congestion and general quality of life. There is, however, an ongoing need to enhance the attractiveness of certain areas within the Gateway. The provision of recreation and community facilities and their role in the relative attractiveness of places to live is a very important issue and must form an integral part of the development plans for the region. In the table below we outline our strategic recommendation to maintain and improve quality of life in region.

STRATEGIC RECOMMENDATION TO MAINTAIN QUALITY OF LIFE IN REGION

- Increased Investment in key infrastructure of roads, water, sewage and measures to reduce congestion in towns to facilitate expanded population
- Increased Investment in social infrastructure to enhance quality of life of Gateway

Source: Indecon/KSA

The specific actions proposed are presented below. The specific actions highlight the need for initiatives at local level but for co-operation in terms of funding support at national level. This is discussed further in Section 4.

Specific Actions for Implementation re the Maintenance of Quality of Life in Region

Action (1): Offaly County Council and Westmeath County Council to develop a series of proposals for investment in social and other infrastructure

Action (2): The Government to provide support for any gaps in local funding to undertake requirement investment.

(Specific details included in implementation)

Source: Indecon/KSA

It is envisaged that action will be taken in relation to actions (1) and (2) within a short term timescale of 6-12 months and that projects will be delivered over the period 2007 – 2010.

Ensuring Cost Competitiveness

In developing the Midlands Gateway an important requirement will be to ensure that the existing strengths highlighted in relation to cost competitiveness for business and residents are preserved and that any policy actions implemented to facilitate the realisation of the vision and objectives of the Gateway do not adversely impact on competitiveness. For example, while we believe that there is a potential role for the application of development contributions and levies to fund specific areas of infrastructure (discussed in Section 4 in relation to funding), the impacts of such schemes on the competitiveness of the Gateway and the wider region must not run contrary to the principle of making the Midlands Gateway equally or more attractive than the eastern region in the interests of counteracting the magnetic pull of the eastern region.

The strategic recommendations to ensure cost competitiveness are presented below. The envisaged timescale for these actions is over the period 2006 – 2010.

STRATEGIC RECOMMENDATIONS TO MAINTAIN COST COMPETITIVENESS
<input type="checkbox"/> Local Authority and national policies to be adjusted to facilitate the Midlands to maintain its cost competitiveness advances
<input type="checkbox"/> Priority to be given to assisting enterprise sector to maintain cost competitiveness
<i>Source: Indecon/KSA</i>

The specific actions to ensure cost competitiveness are presented below:

Specific Actions for Implementation – To Maintain Competitiveness

Action (1): Firms in the Midlands area to develop proposals to gain a share of Enterprise Ireland's Productivity Fund

Action (2): Development Agencies to provide finance for viable initiatives to improve productivity within existing enterprises

Action (3): Offaly County Council and Westmeath County Council to ensure local water pricing and other charges are designed in a manner which ensures competitiveness is maintained

Action (4): Local Authorities to zone sufficient land to ensure expanded housing and other construction can be achieved without undue inflationary pressures

Action (5): The Irish Government to ensure that competitiveness is maintained for national Local Authority pricing policies on areas such as Water Services where these impact on cost competitiveness

Source: Indecon/KSA

Marketing and Branding Strategy to Build Identity and Visibility

Our enterprise development strategy is supported by a marketing and branding strategy designed to build identity and visibility for the Gateway at national and international levels. We believe that an effective marketing and branding strategy constitutes an important element in an overall economic development framework for an area such as the Midlands Gateway, if the area is to attract investment and tourism and maximise its attractiveness as a place to live. This is also evidenced by the findings from our research with companies/businesses in the Midlands, the findings of which are summarised below in relation to the issue of the existence of an identifiable brand for the region, and people's perceptions of the Midlands as location for investment and as a place to live and work. In particular, it is notable that a high proportion (37.6%) of firms operating in the Midlands are of the view that the absence of an identifiable Midlands brand constitutes a weakness facing the region.

We have formulated a number of specific recommendations and supporting measures as part of our marketing/branding strategy, which are identified in the figure below.

STRATEGIC RECOMMENDATIONS RE MARKETING AND BRANDING STRATEGY

- Marketing strategy to be implemented to comprise of:
 - Branding of the Gateway to highlight the physical attractions, competitiveness and lack of congestion
 - Separate initiatives to be implemented for tourism and enterprise development
 - Development of a marketing initiative to co-ordinate the marketing and branding of the Gateway towns and surrounding region, building on the recent innovation of an ATM logo
 - Priority to be given to developing a unique 'Brand' identity for the Midlands Gateway, which carries high visibility nationally
 - National and international marketing and branding to position and highlight strengths of Gateway towns and Midlands region as destinations to invest and to visit, based on Quality of Life and Competitive Cost Base

Source: *Indecon/KSA*

A number of specific actions are required in relation to the implementation of the above recommendations for marketing and branding for the Midlands Gateway. These are identified in the figure below. The proposed initiatives should be undertaken by the end of 2007.

Specific Actions for Implementation: Marketing and Branding Strategy

Action (1): Local authorities, development agencies and local Chambers of Commerce to co-ordinate development of a targeted marketing and branding strategy for the Midlands Gateway towns and surrounding region

Action (2): Development agencies and local authorities to develop detailed database and collaborative marketing outputs which provide information on available industrial and commercial sites, services and other facilities, the regional skills base and comparative labour and housing costs in the Midlands Gateway

Action (3): Development agencies to undertake research to identify skills profile and skills base among commuters from Midlands region

Action (4): Development and dissemination of improved data and information on available developable land/sites, services and other facilities, the regional skills base and comparative labour and housing costs in the Midlands Gateway

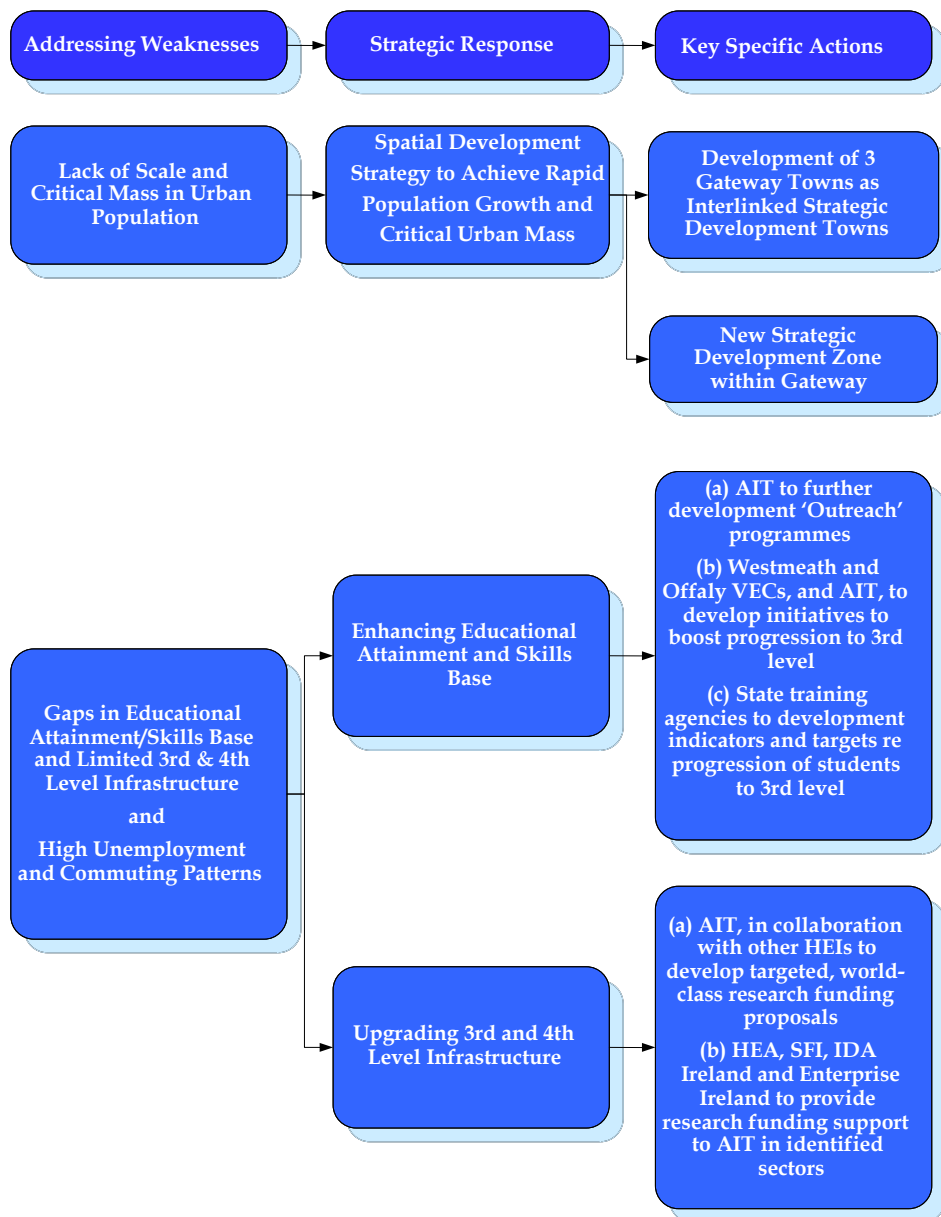
Action (5): Specific initiatives to promote Gateway towns and Midlands region to include Invest in Midlands campaigns, with supporting websites which highlight specific comparative strengths of towns and surrounding region

Source: Indecon/KSA

Summary of Recommendations and Actions

A schematic summary of our recommendations and supporting actions designed to address identified weaknesses and to support the realisation of the vision and objectives for the Midlands Gateway is set out in the figure below, focusing in this case on the weaknesses evident in relation to lack of scale and critical urban mass, and deficiencies in relation to the educational attainment/skills base and third/fourth level education and research infrastructure. These relate to priority areas 1, 4 and 5 as identified on p.22.

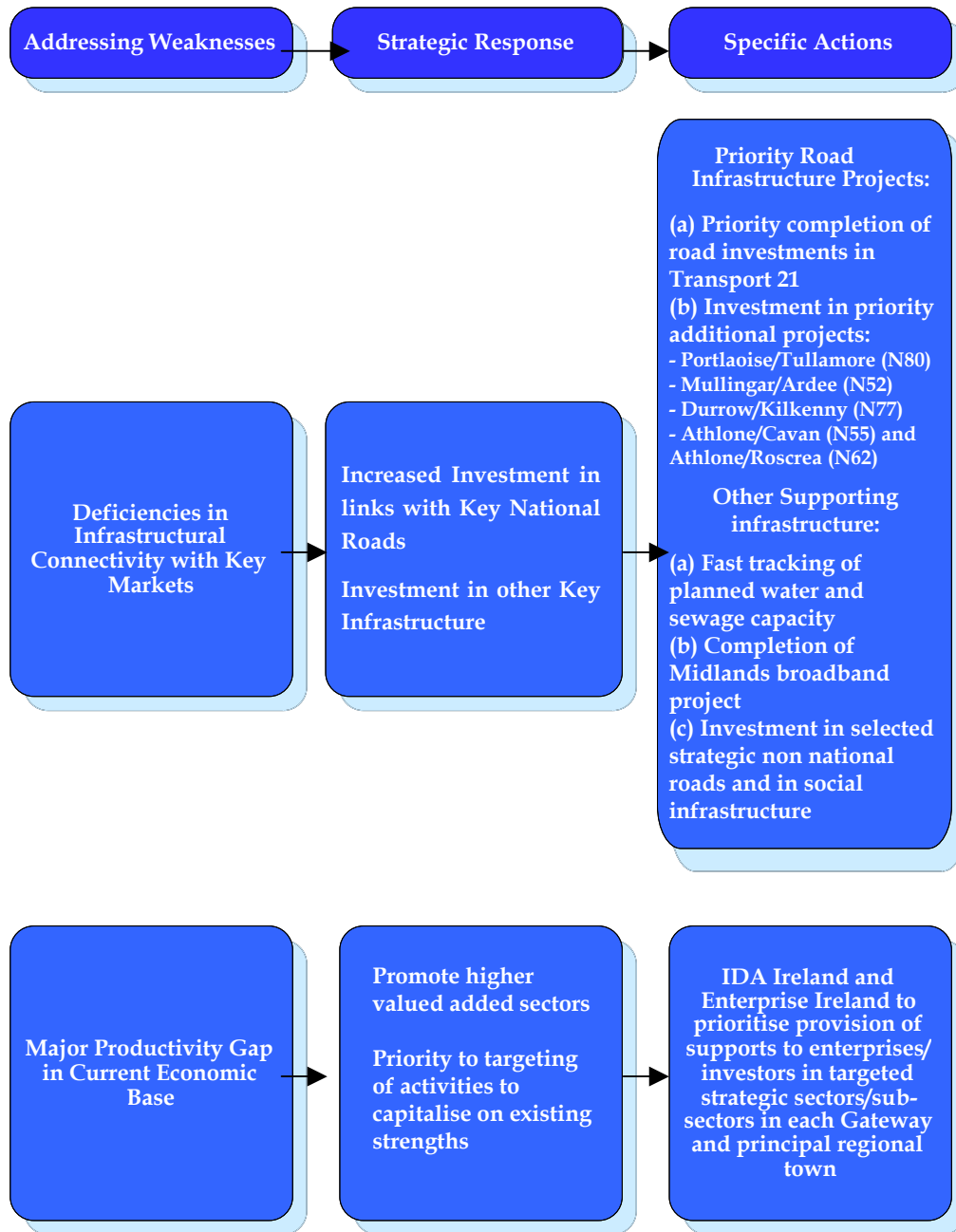
Summary of Recommendations and Supporting Actions to Address Key Identified Weaknesses in Midlands Gateway



Source: Indecon/KSA

A schematic summary of our recommendations and supporting actions designed to address identified weaknesses in relation to deficiencies in infrastructural connectivity and the productivity gap in the current economic base in the Midlands is presented below. These relate to priority areas 2 and 3 as identified on p.22.

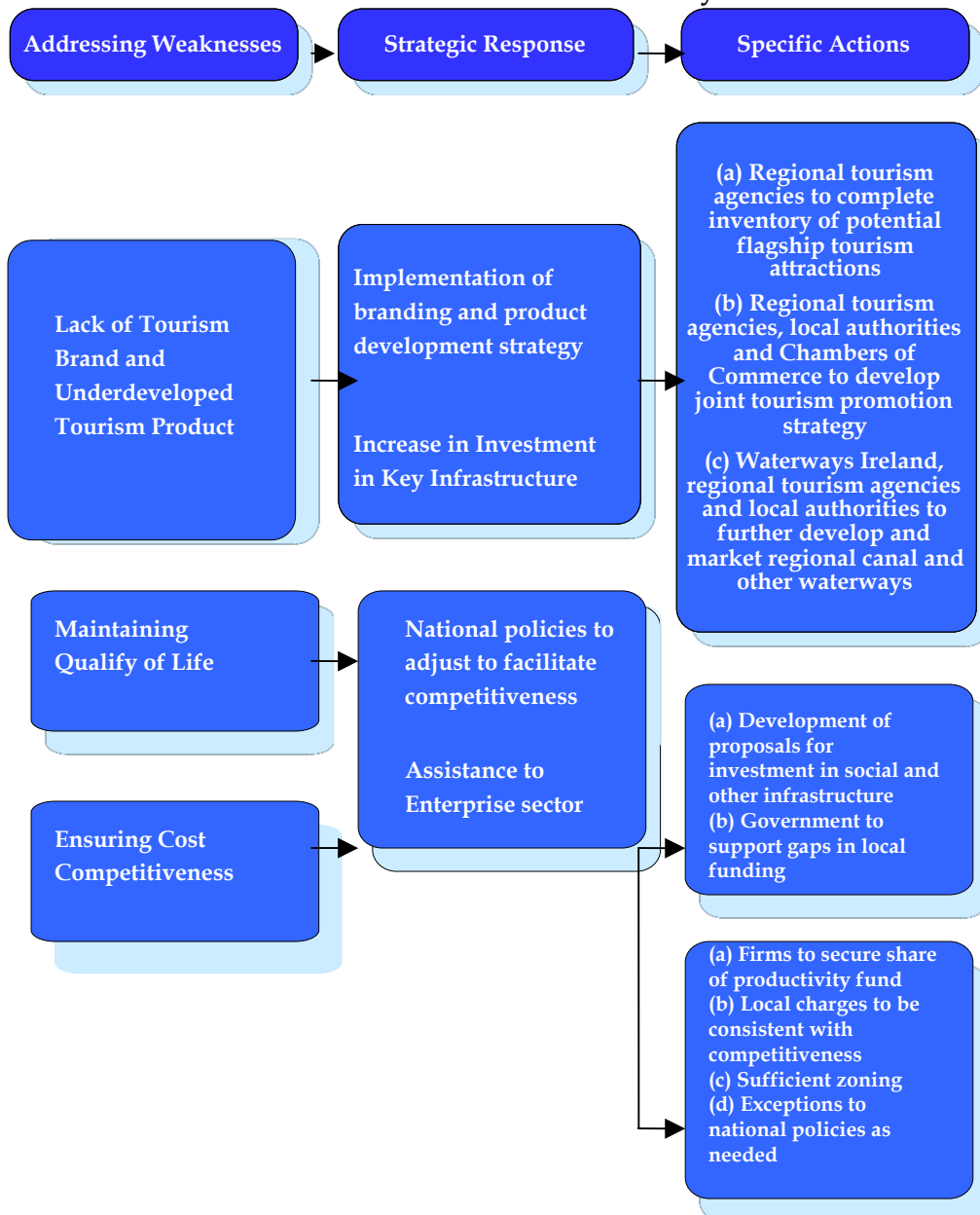
Summary of Recommendations and Supporting Actions to Address Key Identified Weaknesses in Midlands Gateway - Continued



Source: Indecon/KSA

A schematic summary of our recommendations and supporting actions designed to address identified weaknesses in the lack of a tourism brand and underdeveloped tourism product and image of gateway is shown below. The recommended strategic responses to maintaining the quality of life, ensuring cost competitiveness, is also summarised. The issue of constraints on local funding needed to support required infrastructure investments is discussed in implementation section. These relate to priority areas 6, 8, 9 and 10 of the priority areas identified on p. 22. In addition to these key areas we also recommend the development of retail and distribution activities, the success of which will be interlinked with the other key priorities.

Summary of Recommendations and Supporting Actions to Address Key Identified Weaknesses in Midlands Gateway - Continued



Source: Indecon/KSA

4 Implementation, Delivery and Review

Introduction

Unless changes in priorities and policies are implemented, the effective development of the Midlands Gateway will not be achieved. We believe however that if this plan is implemented there is sustainable growth potential for the region involving the creation of an internationally competitive Gateway. There are, however, major challenges facing the realisation of this objective and only the co-ordinated and targeted implementation of initiatives will be successful in achieving a viable and effective development of the Midlands.

Measures are currently being implemented at both local and national levels to drive economic progress in the gateway and adjoining counties and there is a dynamism in areas of local development and opportunities associated with the changing economic and demographic profile of the region.

Of particular significance are the growing young population and the population inflows to the region. Addressing the challenges of boosting the levels of innovation and valued added in the internationally traded sectors and in developing skills is, however, critical. Unless this is achieved, the best strategic planning decisions at local level will not be successful. Measures to address skills and productivity are among the highest priority initiatives for the Gateway.

There are also opportunities in capitalising upon a quality of life agenda in promoting the gateway and there is a need for critical infrastructure issues to move up the agenda and for the gateway to adopt an integrated approach to planning and co-ordination. If these measures are taken the Midlands Gateway can develop as a world-class knowledge based region.

Policy Development Framework / Priorities

The Government's National Spatial Strategy is a landmark development in spatial policy. A key step in its implementation for the Midlands is the commissioning and preparation of this strategic development framework for the Midlands overseen by a steering committee of the two relevant authorities and by the Department of Environment, Heritage and Local Government. It is however essential that this local and national co-operation is also applied to the implementation of this plan and the implementation of the key recommendations. This will require that priority is given at National level to the projects and policies recommended for the Gateway.

Institutional Implementation Issues

Historically, spatial planning for the Midlands was undertaken primarily at a county level rather than on a Gateway or regional basis. This meant that individual counties would prepare county development plans focussed on their individual county's planning needs and requirements rather than on those of the Gateway or region. The commissioning and oversight of this framework plan marks an important development in terms of co-ordinated strategic spatial planning, with the steering committee led by the county managers of Offaly and Westmeath as well as a Senior Representative of the Department of the Environment, Heritage and Local Government. A potential weakness of the current structures in terms of gateway development is however the historical focus on planning at a county level and new mechanisms will be needed to ensure enhanced co-ordination. Potential projects in the Gateway regions have tended to also be evaluated on the basis of historical patterns of economic performance and not on the requirements to achieve success in these regions.

In relation to implementation issues, our consultations as part of this study highlighted specific challenges in relation to the effective implementation of the National Spatial Strategy in the Midlands region. This includes the need for inter-departmental co-ordination in relation to the delivery of required investments and other priorities. Also of key importance is the need for central government to support the small number of key priority investments proposed and for local authorities, development agencies and private sector interests to work closely together to deliver on the specific recommendations. It is also essential to emphasise the principle that the development of a Gateway of the nature envisaged requires an integrated approach across all sectors including education, industry, tourism and the services sectors.

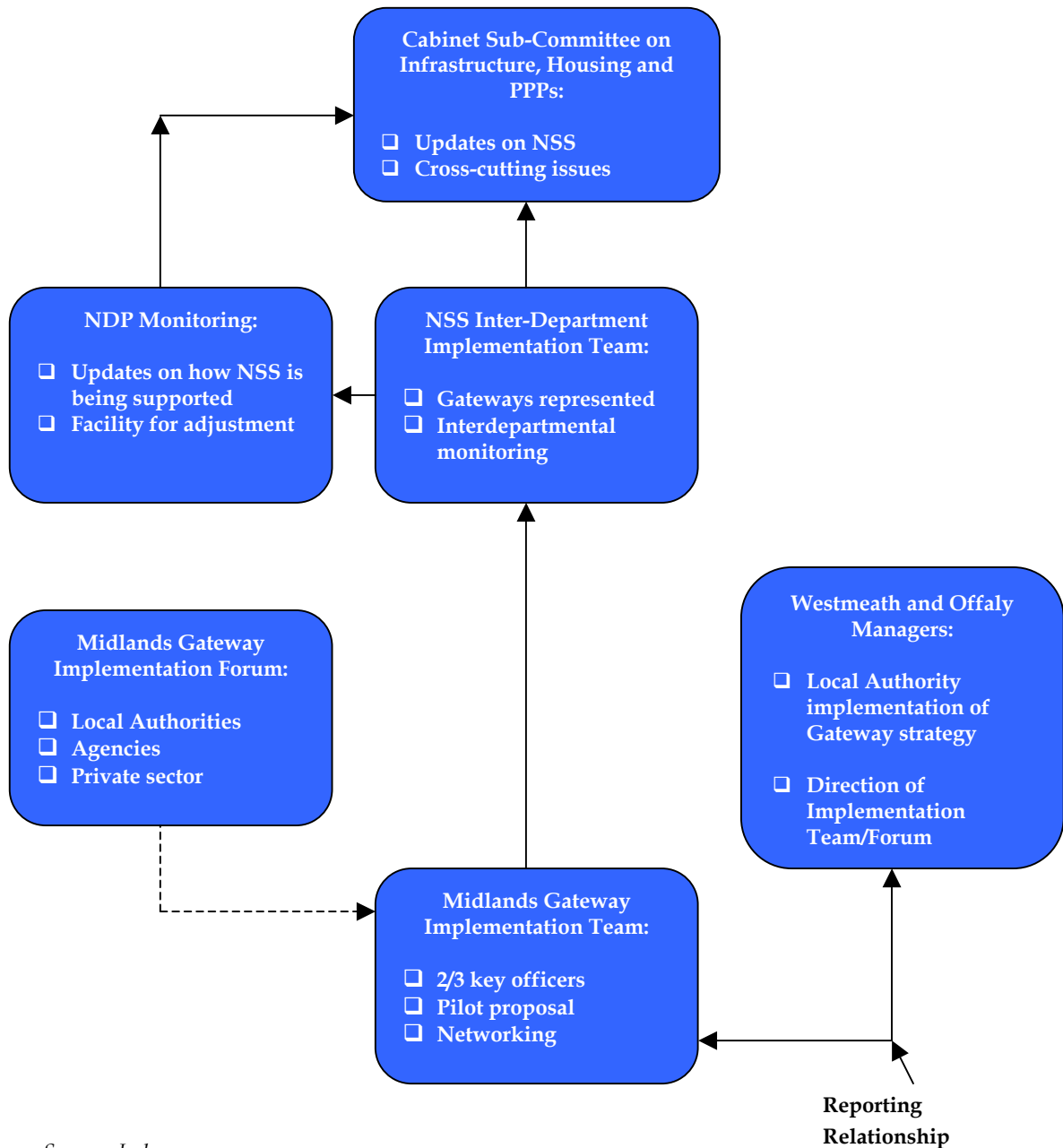
We believe the appropriate mechanism to ensure this takes place should be at Cabinet level in setting national priorities and to ensure that specific priorities/initiatives for the gateway are implemented. To this end, we recommend that an annual report is presented to Cabinet on the progress in addressing the challenges facing the Midlands Gateway and also on the progress in implementing the specific actions proposed. This will enable any remedial actions to be taken.

We are also aware of the need for a mechanism at local level to be found to facilitate a dedicated and integrated focus on developing the suggested plan for the Midlands Gateway. We believe that an approach involving the local authorities operating independently is not appropriate for successful implementation. **We are, however, not in favour of costly, new organisations or elaborate structures, but believe that a small, focused team involving two or three senior experienced officials is needed to effectively manage implementation of this plan and to drive initiatives forward in a co-ordinated manner.** This is particularly important given that there are three key towns, five planning authorities and two counties directly involved in developing this Gateway. **A collaborative implementation exercise is needed to follow on from this report including local actions such as reviews of development plans and National support for key infrastructural investments. As is indicated below seed capital to facilitate this will be required.**

A schematic summary of the recommended Midlands Gateway ATM implementation/reporting structure is presented in the figure overleaf. This structure highlights the recommended implementation channels and reporting relationships between the Midlands Gateway/ATM and central government. Key elements of these reporting relationships include the Gateway local authorities and the Westmeath and Offaly Managers, and the Gateway Implementation Forum, which both feed into the Gateway Implementation Team. This team then reports to the National Spatial Strategy implementation team and the National Development Plan monitoring process, which in turn feed into the Cabinet Sub-Committee on Infrastructure, Housing and PPPs. This key cabinet committee provides updates on progress on implementation of the NSS and also considers relevant cross-cutting issues.

It is vital that a clear implementation and reporting structure is instituted to ensure that the strategy for the Midlands Gateway ATM is successfully implemented, and we believe that the structure outlined below, if followed, will facilitate the effective development of the Gateway.

Summary of Midlands Gateway ATM Implementation/Reporting Structure



Source: Indecon

Funding Ability and Requirements

The development of the Midlands Gateway, if it is to be effective, will require a major growth in the urban population and a radical upgrading of the economic and social base in the region. At present there is limited local funding available to invest in the scale of infrastructure and other initiatives required to make this a reality, which we have set out above.

In addition to ensuring priority within existing and national funding programmes, there are a number of measures that we believe need to be addressed in implementing this framework plan. These concern national and local funding of infrastructure and other development supports to enable the realisation of the objectives and vision of the Midlands Gateway, as set out in this report. Our recommendations in relation to specific implementation funding mechanisms are set out in the figure below.

RECOMMENDATIONS FOR FUNDING MECHANISMS TO SUPPORT INFRASTRUCTURE AND OTHER INVESTMENT REQUIREMENTS FOR DEVELOPMENT OF MIDLANDS GATEWAY
<input type="checkbox"/> Establishment - on a pilot basis and supported by detailed evaluation criteria - of Strategic Gateway Development Fund to support strategic investments and address funding requirements including in relation to: <ul style="list-style-type: none"> ➤ Investments required in social and physical infrastructure ➤ Shortfalls in funding due to adjustments in areas such as water pricing policy if needed ➤ Investments required in a small number of strategic non-national urban and other regional roads
<input type="checkbox"/> Application of Supplementary Development Contribution schemes to funding of specific infrastructure
<input type="checkbox"/> Provision of Seed Funding for mechanisms required to achieve implementation of development priorities and measures
<i>Source: Indecon/KSA</i>

The proposed strategic gateway development fund is needed to provide flexibility in funding to reflect the specific needs of the development of the Gateways. The allocation of funds under this initiative should of course be rigorously evaluated and subject to detailed evaluation criteria.

Given the scale of the infrastructure challenge facing the Midlands Gateway, there is a need for funding contributions to come both from central government and local funding. One area of local funding that we believe should be considered is the role of Supplementary Development Contribution schemes. The Planning & Development Act, 2000, provides for the drawing up of a Supplementary Development Contribution scheme in order to facilitate a particular public infrastructure service or project which is provided by a local authority or a private developer on behalf of and pursuant to an agreement with a local authority (e.g. through Public Private Partnership), and which will directly benefit the development on which the levy is imposed. However, in the context of the Midlands Gateway it is crucial that such levies do not damage one of the key challenges for the Gateway, namely to maintain competitiveness.

There is also a need as indicated in our review of initiative implementation issues for targeted resources to facilitate local co-ordination of the gateway strategy. We are therefore supportive of some seed capital to support the two local authorities initiatives in this area.

Allocation of Responsibilities for Implementation

The allocation of responsibilities is critical to ensuring that the plan is implemented. Responsibilities were clearly stated in specific actions in Section 3. A key feature of the proposed allocations is that significant responsibilities are with Government at a national level and with national institutions. Another key characteristic is that most of the elements require co-operation/action by a number of government departments and agencies. This reinforces the importance of Cabinet level prioritisation to support the plan as well as effective local co-ordination.

In the table below, the recommended allocation of responsibilities are summarised for the ten key elements of the plan.

Recommended Responsibilities re Implementation of Key Elements of Strategic Development Plan for Midlands Gateway	
<p><u>1. Population Growth and Critical Mass</u></p> <ul style="list-style-type: none"> ➤ Development of 3 key towns as Interlinked Strategy Development Towns and Development of a new Strategic Development Zone ➤ Development of Balanced Residential Growth in each of the 3 principal Galway Towns in an Inward Direction into Gateway 	<ul style="list-style-type: none"> ➤ Department of Environment, Heritage and Local Government in association with IDA (Ireland) and Enterprise Ireland, Offaly County Council and Westmeath County Council ➤ Offaly County Council and Westmeath County Council
<p><u>2. Infrastructure and Connectivity</u></p> <ul style="list-style-type: none"> ➤ Priority Investments 	<ul style="list-style-type: none"> ➤ Department of Transport, Department of Environment Heritage and Local Government Local Authorities/NRA
<p><u>3. Productivity Gap</u></p> <ul style="list-style-type: none"> ➤ Development agency to promote high value added activities ➤ Development of ICT, Pharmaceutical and education sectors in Athlone ➤ Development of medical devices / medical skills, Medtech, Consumer Foods in Tullamore ➤ Development of engineering, consumer products financial services in Mullingar 	<ul style="list-style-type: none"> ➤ IDA (Ireland), Enterprise Ireland, Department of Enterprise, Trade and Employment ➤ IDA (Ireland), Enterprise Ireland, and Department of Education and Science/ HEA ➤ IDA (Ireland), Enterprise Ireland supporting responsibility, Department of Health and Children ➤ IDA Ireland, Enterprise Ireland
<p><u>4. Third and Fourth Level Institutions</u></p> <ul style="list-style-type: none"> ➤ Increase investment in Athlone Institute of Technology / other third level institutions ➤ Building 4 research centres in Gateway in Medtech, Pharma, Health. Life Services / ICT 	<ul style="list-style-type: none"> ➤ AIT, Department of Education and Science, Department of Enterprise Trade and Development, HEA / SFI, IDA (Ireland), Enterprise Ireland ➤ HEA / SFI Department of Enterprise, Trade and Employment
<p><u>5. Skills / Educational Attainment</u></p> <ul style="list-style-type: none"> ➤ Implementation of Plan to Increase progressive students into 3rd level 	<ul style="list-style-type: none"> ➤ VECs / AIT/ FAS Department of Education and Science/Local Authorities
<p><u>6. Tourism Development</u></p> <ul style="list-style-type: none"> ➤ Development of Tourism Product and Infrastructure 	<ul style="list-style-type: none"> ➤ BFE, Tourism Ireland, Local Authorities, Private Sector
<p><u>7. Retail and Distribution Activities</u></p>	<ul style="list-style-type: none"> ➤ Local Authorities
<p><u>8. Quality of Life</u></p> <ul style="list-style-type: none"> ➤ Investment in recreational and community facilities in Gateway 	<ul style="list-style-type: none"> ➤ Department of Environment, Heritage and Local Government/Local Authorities
<p><u>9. Cost Competitiveness</u></p> <ul style="list-style-type: none"> ➤ National policies to facilitate Competitive Assistance to Enterprise Sector ➤ Competitive Disadvantage to remove insufficient zoning needed 	<ul style="list-style-type: none"> ➤ Department of Environment, Heritage and local Government ➤ Enterprise Ireland ➤ Local Authorities
<p><u>10. Effective Branding</u></p> <ul style="list-style-type: none"> ➤ Implementation of Marketing and Branding Strategy for Region 	<ul style="list-style-type: none"> ➤ Local Authorities / Development Agencies / Local Chambers of Commerce

Source: Indecon/KSA

Review Mechanisms / Key Performance Indicators

The need for co-ordinated implementation suggests the importance of a review mechanism to input to the highest levels of Government. We therefore recommend that an annual progress report is prepared by the two local authorities and by the Department of Environment, Heritage and Local Government. This should obtain inputs from other relevant statutory Departments / Agencies as required. We would recommend that this report is presented annually to the Cabinet and any revision required identified as well as any obstacles to implementation. In terms of timescales, the proposed timescales for key infrastructure investments were specified in this document. While the overall plan will be applicable for the period to 2020, we believe that significant progress on all of the key challenges must be made in the short term within the next 3 - 5 years if the Gateway is to develop. In relation to other funding and policy decisions, we believe that decisions should be made where possible within the next 6 months. The key performance indicators for each of the main elements of the plan are presented in the table overleaf, and we would support the preparation of an Annual Implementation Report regarding achievement of balancing objectives.

PROPOSED PERFORMANCE INDICATORS	
Key Elements in Plan	Performance Indicator
<u>1. Population Growth and Critical Mass</u> <ul style="list-style-type: none"> ➤ Development of 3 Key towns Interlinked Strategic development Towns and Development of a new Strategic Development Zone ➤ Development of Balanced Residential Growth 	<ul style="list-style-type: none"> ➤ Co-ordinated Development plans with a common gateway chapter ➤ Development of new Strategic Development Zone ➤ Increase in population as per Agreed Targets for Gateway
<u>2. Infrastructure and Connectivity</u> <ul style="list-style-type: none"> ➤ Priority Investments 	<ul style="list-style-type: none"> ➤ Funding approval for investments ➤ Planning Permission / Commencement of Construction
<u>3. Productivity Gap</u> <ul style="list-style-type: none"> ➤ Development Agencies to promote high value added activities ➤ Development of ICT, manufacturing and educational sectors in Athlone ➤ Development of engineering, consumer products financial services in Mullingar ➤ Development of engineering, consumer products financial services in Mullingar 	<ul style="list-style-type: none"> ➤ Significant increase in value added per employee in manufacturing and international services in gateway ➤ Increase in number of new projects in sectors ➤ Expansion of existing projects
<u>4. Third and Fourth Lower Institutions</u> <ul style="list-style-type: none"> ➤ Increased investment in Athlone Institute of Technology / other third level institutions ➤ Building 4 Development Research Centres in Gateway 	<ul style="list-style-type: none"> ➤ AIT/ other third level entities to secure an increased share of R&D / Research Funding ➤ Funding Approval for Projects from AIT
<u>5. Skills / Educational Attraction</u> <ul style="list-style-type: none"> ➤ Implementation of Plan to increase progression of Students into 3rd Level 	<ul style="list-style-type: none"> ➤ Increase in percentage of population studying at 3rd level
<u>6. Tourism Development</u> <ul style="list-style-type: none"> ➤ Development of Tourism Product and Infrastructure 	<ul style="list-style-type: none"> ➤ Increased Investment in Tourism
<u>7. Retail and Distribution Activities</u> <ul style="list-style-type: none"> ➤ Promotion of Midlands Gateway for retail 	<ul style="list-style-type: none"> ➤ Increased investment in retail and distribution
<u>8. Quality of Life</u> <ul style="list-style-type: none"> ➤ Investment in recreational and community facilities in Gateway 	<ul style="list-style-type: none"> ➤ Establishment of separate sub-heading ➤ Support for specific projects
<u>9. Cost Competitiveness</u> <ul style="list-style-type: none"> ➤ Policies to Ensure Midlands do not Fail Competitive Disadvantage 	<ul style="list-style-type: none"> ➤ Comparative costs facing residents and businesses
<u>10. Effective Branding</u> <ul style="list-style-type: none"> ➤ Marketing and Branding Strategy for Region 	<ul style="list-style-type: none"> ➤ Implementation of Marketing Plan

Source: Indecon/KSA

Overall Conclusions

The scale of the economic challenges facing the Midlands Gateway is, in our view, very large. The analysis in this report has highlighted the following challenges in particular:

- ❑ The absence of a critical mass of population, employment and infrastructure in the Gateway;
- ❑ The extremely low levels of value-added and productivity in the existing manufacturing base in the region, which leaves the Gateway vulnerable to significant further job losses;
- ❑ The persistence of socio-economic barriers, including noticeably higher unemployment, lower educational attainment, and social deprivation/exclusion in certain areas in the Midlands counties;

- ❑ The failure of the region to capture a higher share of tourism activity and to develop higher value tourism product areas; and
- ❑ The absence of a strong, identifiable 'brand' for the Midlands Gateway, which gives the Gateway and surrounding region strong visibility as an attractive location for live and work.

We strongly believe that unless the strategies recommended in this report are implemented, the potential for the area to develop as a significant Gateway is limited and this element of the NSS would remain aspirational. If, however, the recommendations in this report are implemented, we believe there is a real opportunity for significant progress to be made.

This report represents a major step in collaboration between the Westmeath and Offaly County Council in developing the Gateway. While there will be significant challenges in implementing the gateway concept, this framework represents the key first step forward and, when followed by the other actions recommended, will see the full implementation of this element of the NSS. This will provide the basis the basis for developing a successful competitive gateway.

Acknowledgements and Disclaimer

The consultancy team would like to acknowledge the invaluable assistance given to the team by the members of the steering group for this study. We would like to acknowledge the extensive inputs of Niall Sweeney (Offaly County Manager), Daniel McLoughlin, Westmeath County Manager, Ray Kenny, Westmeath Acting Manager, Ann McGuinness ((former) Westmeath County Manager), Declan Kirrane (Offaly County Council), Barry Kehoe (Westmeath County Council) and Niall Cussen (Department of the Environment, Heritage and Local Government).

We would also particularly like to thank Roger Timlin ((Acting) Longford County Manager), Peter Carey (Laois County Manager) and John Tiernan (Roscommon County Manager) for their inputs during the study.

We would like to thank all the public representatives from relevant county council and town councils who contributed to the study throughout the assignment.

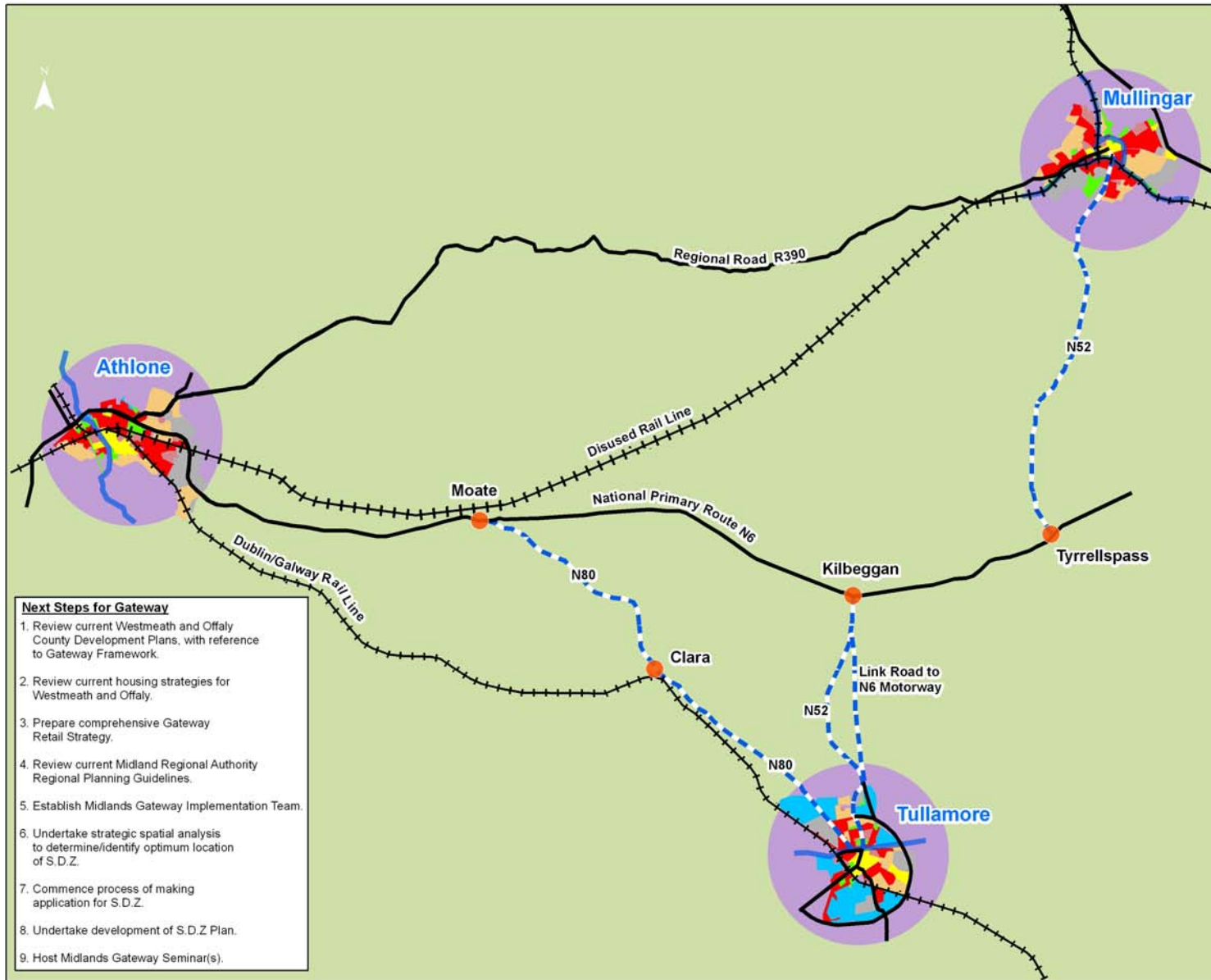
We like to thank the members of the consultative group overseeing this study for their invaluable inputs during the course of the assignment, in particular Dominic Doheny (John Flanagan & Sons), Gerry Gibson (Laois County Council), Patrick Gaule (IDA Ireland), Brian Kenny (Tullamore & District Chamber of Commerce), Cllr. Tom Cowley (Westmeath), Cllr. Paddy Belton (Longford), Cllr. Marcella Corcoran-Kennedy (Offaly), Frank Sheridan (Longford County Council), Dr. Marian Fitzgibbon (AIT), Sean T. Ahern (Boston Scientific (Tullamore)), Cllr. Constance Hanniffy (Midlands Regional Authority), Robin McKay (Department of Transport), Pat Byrne (Enterprise Ireland), and Cllr. Martin Phelan (Laois).

Detailed submissions and inputs were received from a range of organisations and individuals as part of this study and we would like to acknowledge their invaluable inputs. These include the Midlands Regional Authority, IDA Ireland, Enterprise Ireland, the Athlone Institute of Technology, the Quest Campus, and Diarmuid O'Neill (CEO, Offaly VEC). In addition, we would like to thank Siobhan Bigley (Athlone Chamber of Commerce) and Healy Hynes (Hynes Real Estate, Athlone) for their valuable inputs to this assignment.

Finally, we would like to acknowledge the invaluable inputs provided by respondents to our survey of companies/businesses in the Midlands.

The usual disclaimer applies however, and the independent views and analysis in this report are the sole responsibility of Indecon.

ANNEX 1: DETAILED MAPS/SCHEMATICS



Schematic Gateway Map

Legend

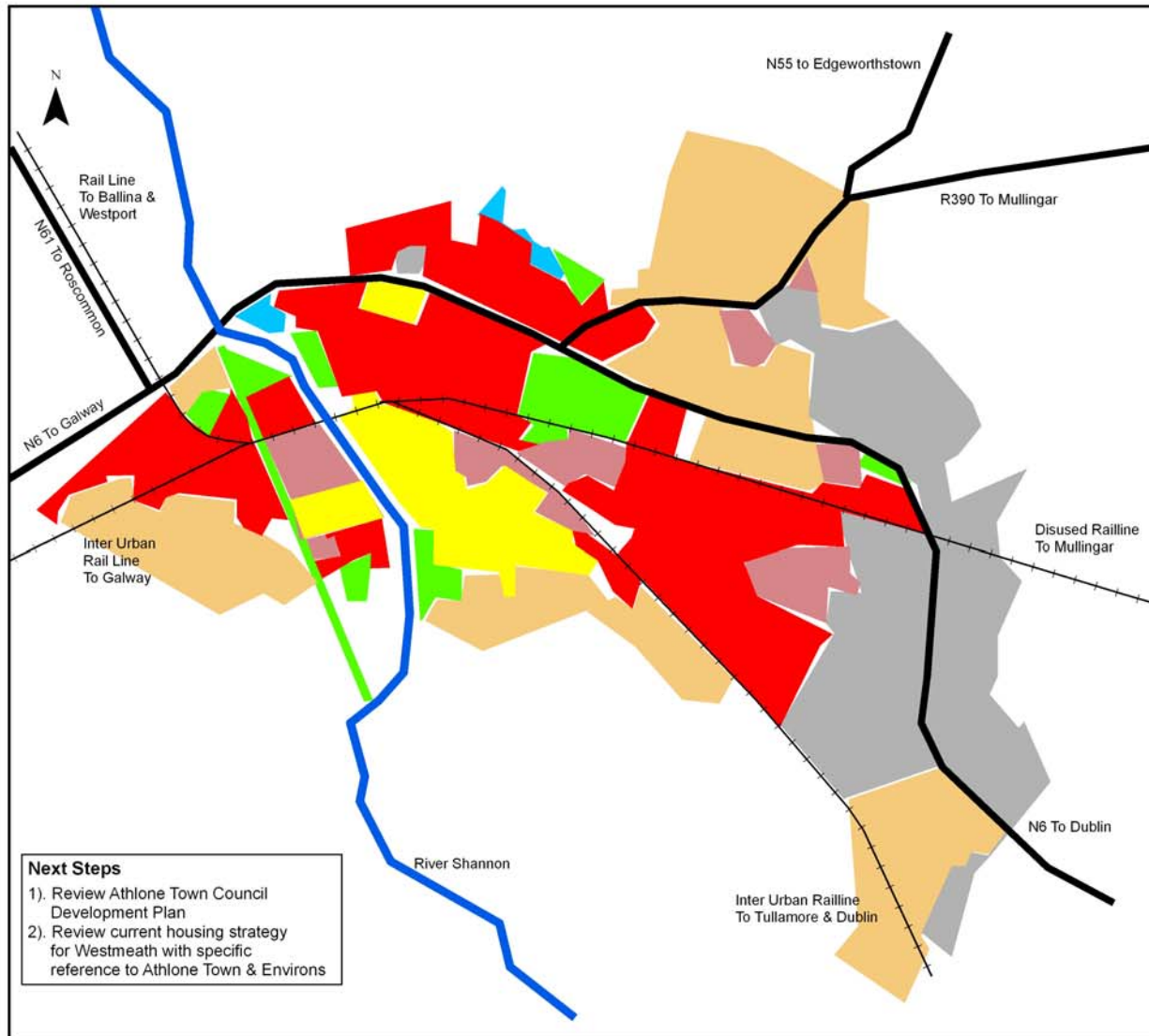
- Waterway
- Roadways
- Immediate priority (2006-2010) Road upgrade projects
- Railway
- Developed Land
- Future Development Area
- Lands zoned or committed for Commercial Development
- Lands zoned or committed for Community/ Educational and Institutional Development
- Lands zoned or committed for Industrial/Science & Technology/ Business Development
- Lands zoned or committed for Residential Development
- Open Space
- Gateway Towns to develop based on thematic analysis so as to achieve required Critical Mass

Next Steps for Gateway

1. Review current Westmeath and Offaly County Development Plans, with reference to Gateway Framework.
2. Review current housing strategies for Westmeath and Offaly.
3. Prepare comprehensive Gateway Retail Strategy.
4. Review current Midland Regional Authority Regional Planning Guidelines.
5. Establish Midlands Gateway Implementation Team.
6. Undertake strategic spatial analysis to determine/identify optimum location of S.D.Z.
7. Commence process of making application for S.D.Z.
8. Undertake development of S.D.Z Plan.
9. Host Midlands Gateway Seminar(s).



Scale: N.T.S. Reference: Map 7.1
 Drawn By: C.Fearn Date: October 2006



Next Steps

- 1). Review Athlone Town Council Development Plan
- 2). Review current housing strategy for Westmeath with specific reference to Athlone Town & Environs

Data Supplied by Ordnance Survey Ireland



Athlone Town Schematic Layout

Legend

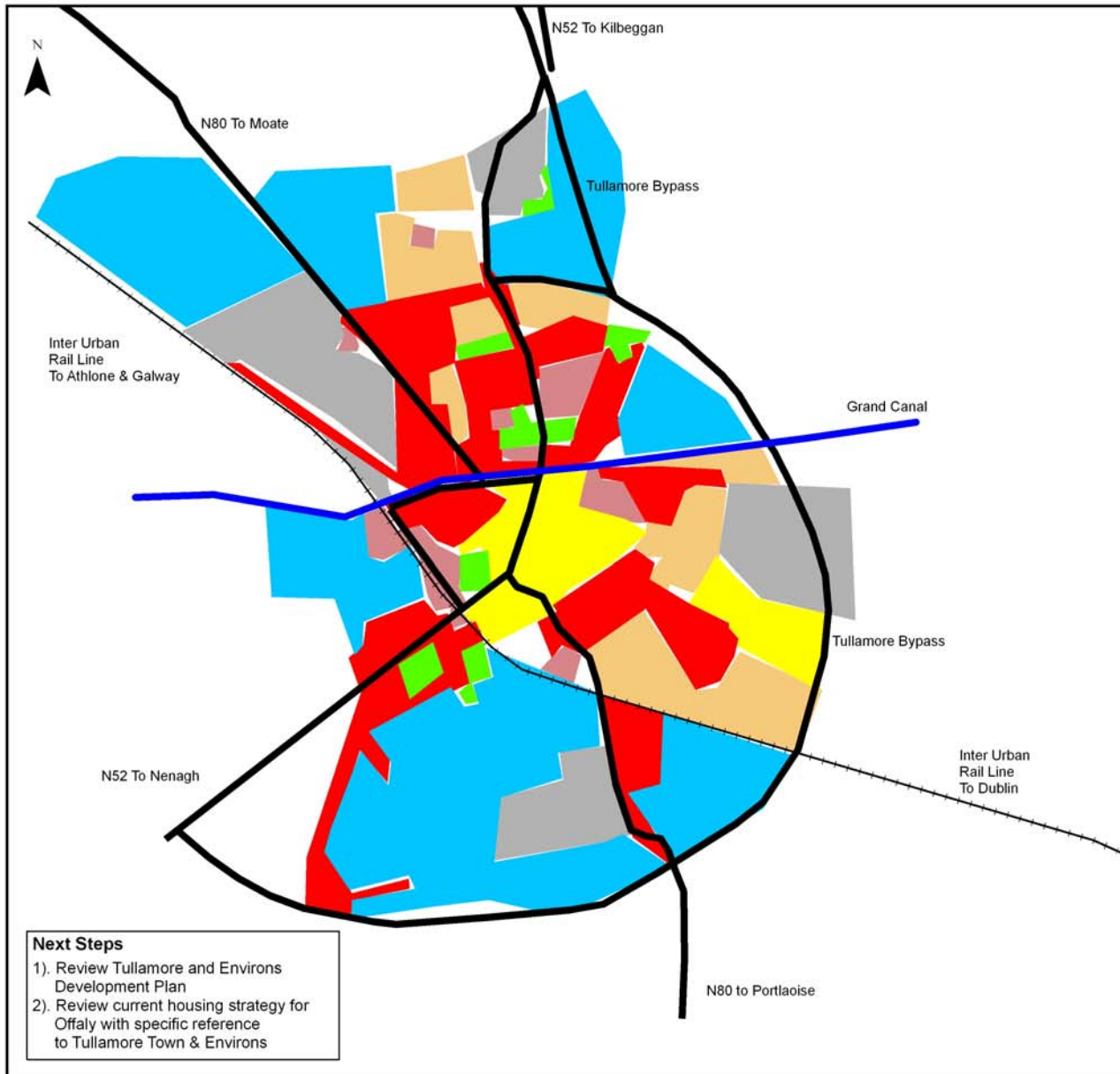
- Waterway
- Roadways
- Railway
- Developed Land
- Future Development Area
- Lands zoned or committed for Commercial Development
- Lands zoned or committed for Community/ Educational and Institutional Development
- Lands zoned or committed for Industrial/Science & Technology/ Business Development
- Lands zoned or committed for Residential Development
- Open Space



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Scale:-	NTS	Reference:-	
Drawn By:-	C.Fearn	Date:-	October 2006

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- Next Steps**
- 1). Review Tullamore and Environs Development Plan
 - 2). Review current housing strategy for Offaly with specific reference to Tullamore Town & Environs



Tullamore Town Schematic Layout

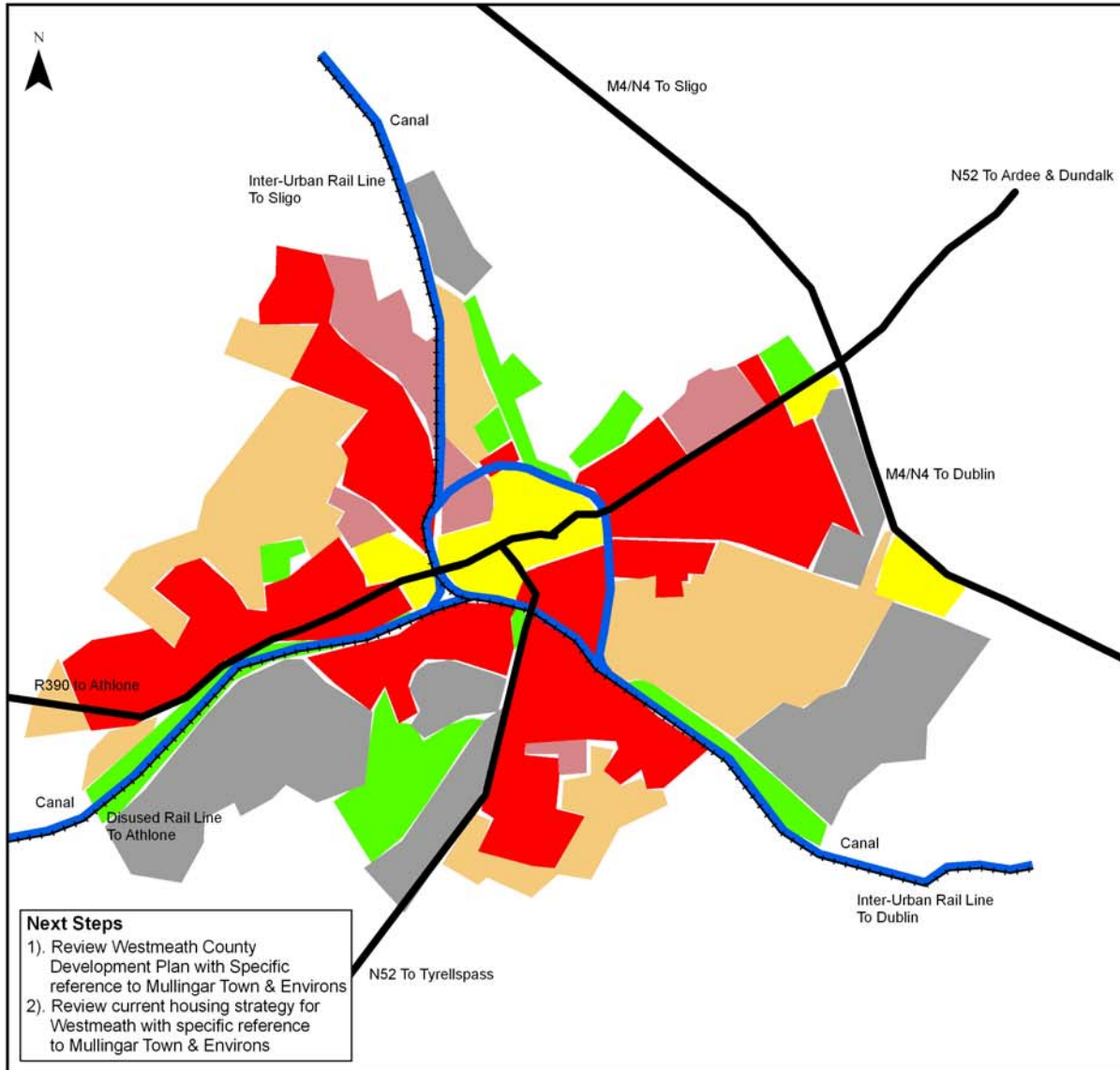
Legend

- Waterway
- Roadways
- +— Railway
- Developed Land
- Future Development Area
- Lands zoned or committed for Commercial Development
- Lands zoned or committed for Community/ Educational and Institutional Development
- Lands zoned or committed for Industrial/Science & Technology/ Business Development
- Lands zoned or committed for Residential Development
- Open Space



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Data Supplied by Ordnance Survey Ireland



Mullingar Town Schematic Layout

Legend

- Waterway
- Roadways
- +—+— Railway
- Developed Land
- Future Development Area
- Lands zoned or committed for Commercial Development
- Lands zoned or committed for Community/ Educational and Institutional Development
- Lands zoned or committed for Industrial/Science & Technology/ Business Development
- Lands zoned or committed for Residential Development
- Open Space

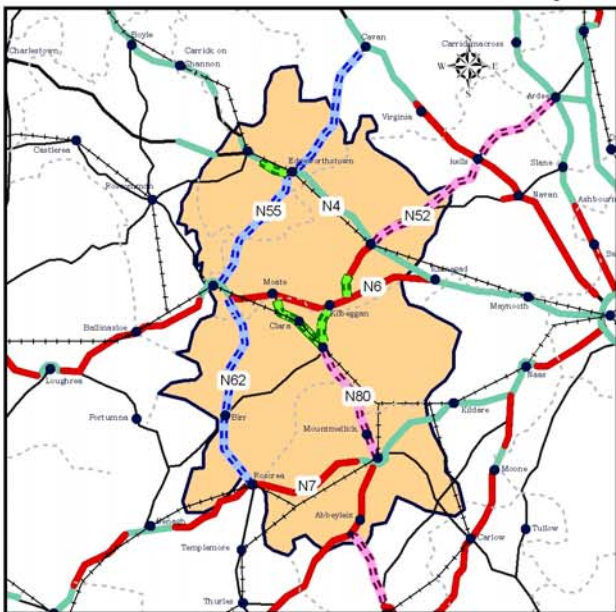


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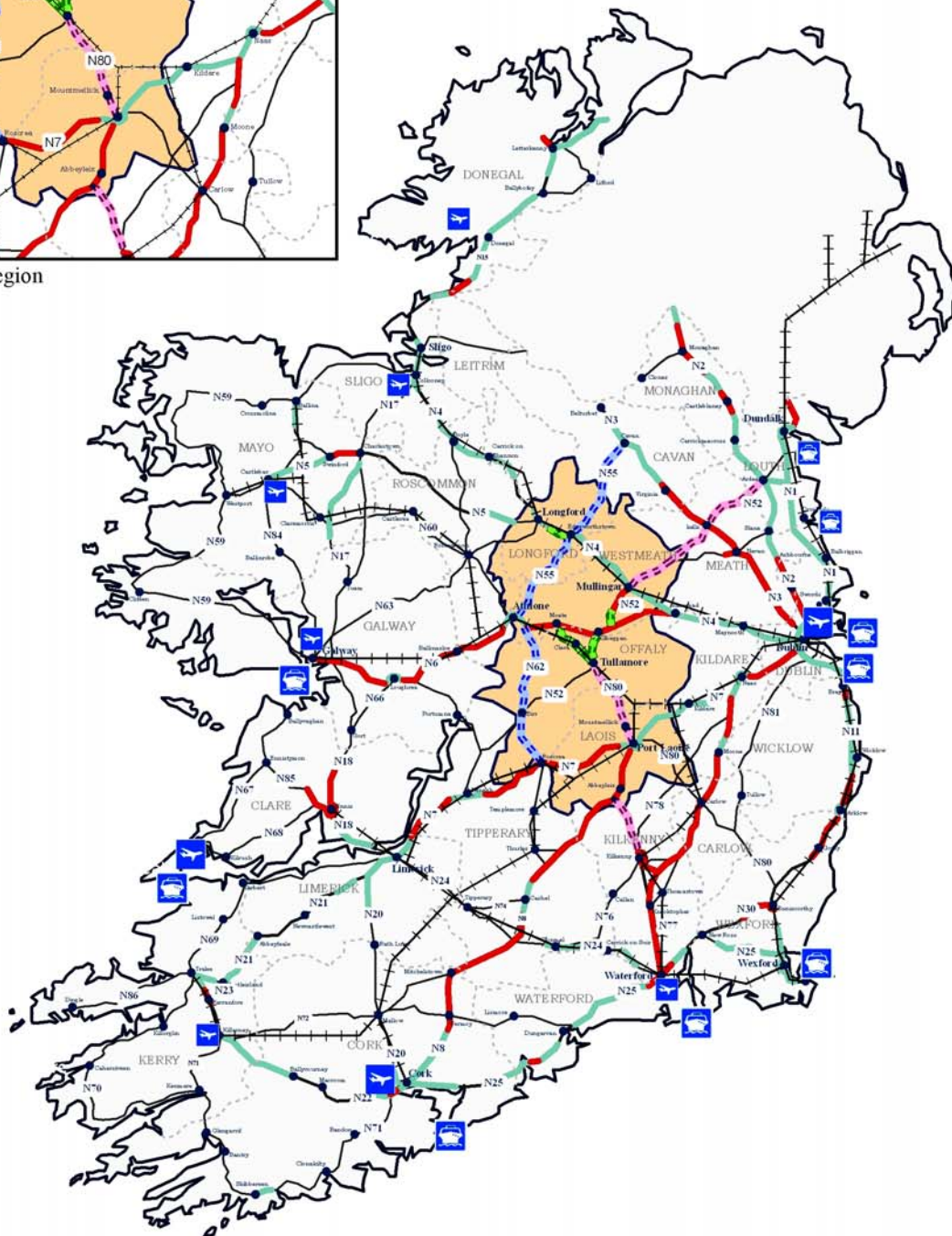
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Drawn By:-	C.Fearn	Date:-	October 2006

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Priority Roads Infrastructure



Inset Map - Midlands Region



Indecon

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Existing upgraded roads completed in 2005	Proposed immediate priority road improvements (2006-2010)	Rail Lines
Proposed NRA and Transport 21 routes. Works to be started by 2006 and completed by 2010	Proposed long term priority road improvements (Post 2010)	Ferry/Freight Ports
Committed upgrades/improvements by N.R.A	Airports	National & Primary Road Routes