



Linking Spatial Planning with Public Investment: Perspectives from the Island of Ireland

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December 2009

Planning is an important part of the public policy apparatus in the modern state, discharging two key functions: it sets the forward looking framework for the use and development of land and property to support broader economic, social and environmental ambitions; and it provides a regulatory and enforcement mechanism to ensure that the public interest is served. These have remained the essential purposes of planning throughout the various modernisation processes that have taken place in governance arrangements to secure greater efficiency gains, effectiveness and clearer delivery priorities. Today, the shift towards spatial planning adds to those principal actions of planning and emphasises the need for a longer term perspective and a more integrated and inclusive approach to planning and development.

The Achilles Heel of modern planning, however, is its relationship with funding, investment and the provision of infrastructure in order to support the required distribution, location and forms of development. Decisions on the provision of strategic infrastructure have often been taken in isolation from forward planning and local regulatory activities by individual departments and agencies of government (Pearce & Ayres, 2006). In contrast, site specific matters have largely rested on individual negotiations between developers and planning authorities and the determination of developer contributions. Whilst ‘infrastructure led development’ is perhaps the most rational approach to the delivery of spatial planning and development in practice this has been difficult to achieve.

The deficit in strategic and local infrastructure arrangements and the isolation of key funding and planning functions has been thrown into sharp relief by the more deliberate turn to spatial planning. Indeed delivery has been described as the defining feature of spatial planning (UCL & Deloitte, 2007) and a key feature of delivery is the necessary and appropriate alignment of forward planning strategies with public investment planning. Establishing strong links between spatial planning and public sector financial planning achieves even greater significance in times of economic recession when private sector investment and developer contributions are in shorter supply and public expenditure restrictions prevail.

On the island of Ireland differences exist in the extent to which spatial planning is aligned with public investment. In the Republic of Ireland, for example, a strong attempt has been made to overcome this disjuncture by coordinating the investment needed to deliver the *National Spatial Strategy* or NSS (DoEHLG, 2002) through the *National Development Plan (NDP) 2007-2013* (Irish Government, 2007). This includes a section on balanced regional development aligning investment, with the main strategic elements of the NSS focusing on the development of regional gateways cities and hub towns - it includes a specific Gateway Innovation Fund although this is currently suspended. In Northern Ireland the link between the *Regional Development Strategy* or RDS (Department for Regional Development, 2001) and the *Investment Strategy for Northern Ireland 2008-2018* (Northern Ireland Executive, 2008) is comparatively less clear cut. The Investment Strategy is essentially thematic in character rather than being expressed in explicit spatial terms. A key issue in both investment strategies, however, is the need to address cross-border infrastructure needs.

In this paper we explore the relationships between spatial planning and public investment on the island of Ireland, comparing the different approaches in Northern Ireland and the Republic of Ireland, identifying key challenges for the two governments and drawing lessons for the future.

The National Spatial Strategy and the National Development Plan in the Republic of Ireland

Commitment to preparing a national spatial strategy for the Republic of Ireland was included in the 2000-2006 NDP; thus establishing an early link between investment planning and spatial planning, with the objective of achieving balanced spatial development. The NSS *People, Places and Potential* was published in 2002 and the link with public investment was reinforced in the subsequent NDP (2007-2013), which includes a key chapter on regional development that focuses on the nine regional gateways identified in the NSS. In the foreword by the then Taoiseach, Bertie Ahern, the NSS is identified as a key document in achieving national growth:

“By ensuring that the National Spatial Strategy is fully reflected in the implementation of this plan, we will achieve balanced regional development, which is crucial to our ability to absorb the huge population growth predicted over the next twenty years” (Irish Government, 2007: 5)

Whilst recent events suggest perhaps that the government’s growth aspirations are somewhat optimistic, this statement nevertheless illustrates a high level of political commitment to spatial planning; something not reflected to the same extent in the North. The ‘refresh’ of the NSS, currently underway, is timed to dovetail with the RDS Review in the North (see below) and a proposed framework on a collaborative strategy for the whole of the island.

However strong the rhetorical commitment to the NSS though, doubts have been expressed about the actual delivery of its policies on the ground (Murray, 2004; Scott, 2004). Whilst many of the infrastructure commitments in the NDP are being maintained in the face of economic cut-backs, a specific fund to invest in the designated Gateways – the Gateway Innovation Fund – has been deferred indefinitely. Although this fund only represented 300m euros of investment out of a total NDP expenditure of 18.5b euros, it had a high symbolic value in terms of the Government’s commitment to the NSS. All nine gateway cities had submitted bids to the fund - with a total value of 720m euros; and some key projects have had to be put on hold as a result of its deferral. Focusing on one particular gateway, the Republic’s second largest city, Cork had been relying on the GIF to fund infrastructure crucial to develop the city’s docklands, a key element of its spatial development strategy.

The recession, the relatively slow pace of infrastructure development and over-zoning of residential land in some parts of the country have also impacted on the effectiveness of the NSS/NDP alignment. Nevertheless, the Irish Government should be complimented on its attempts to align investment planning with spatial planning – in this respect Ireland’s intent is exemplary.

The Regional Development Strategy and the Investment Strategy for Northern Ireland

In Northern Ireland the Programme for Government sets the context for linking planning and public investment. This political statement of intent stresses the economic, social and institutional priorities of the Northern Ireland Assembly Government. Central to these is a commitment to invest in infrastructure. The operational priorities are articulated in the Budget which links spending allocations to planned outcomes in the form of Public Service Agreements. Importantly, the Investment Strategy details the capital expenditures in infrastructure in Northern Ireland. The current Investment Strategy covers the period 2008 – 2011 and seeks to meet a set of economic, social and environment operating objectives. It presents a thematic approach to public investment in Northern Ireland which does seek “more balanced regional development” and it has “a particular focus... on cross-border links and developing infrastructure in border areas...” (Northern Ireland Executive, 2008: 11).

Predating these strategic deliberations and actions, the Department for Regional Development published the Regional Development Strategy *Shaping Our Future* in 2001. This set out a strategic and long-term perspective on the future development of Northern Ireland up to the year 2025. The Strategy (or RDS) was intended to influence the future distribution of activities throughout Northern Ireland. Importantly, it was not limited to land-use planning but recognised that policies for physical development have an important bearing on other matters such as developing a strong spatially based economy, a healthy living environment and an inclusive society which tackles inequalities relating to health, education and living standards. The promotion of sustainable development allied to social and economic cohesion was an integral part of the drive to provide a strategic and long-term perspective for the development of the region.

In 2005, an initial review was undertaken and the findings incorporated into the Strategy. These addressed a number of specific policy issues on economic development, health and the environment, including climate change. In June 2008, the Minister for Regional Development¹ announced his intention to commence a full review of the RDS. In his statement the Minister commented ‘there is now an opportunity to learn from past experience and prepare a new Regional Development Strategy which is fit for purpose, up to date, and which takes account of recent emerging trends affecting how we plan for the future’. This is ongoing and has involved studies relating to business land needs and a key settlement study. In effect, the revised Regional Development Strategy will provide the spatial form to the established investment strategy in infrastructure in Northern Ireland.

Key challenges

It is evident from the above discussion that despite moves towards a better alignment with public investment, significant barriers still exist to the effective delivery of spatial policy in both Northern Ireland and the Republic of Ireland. These challenges include the need to strengthen the links between strategic spatial plans at

¹ Mr. Conor Murphy, MP MLA.

the national, regional and local scales and through the preparation of local development plans so as to improve the alignment of planning and investment. There is a need to address operational issues such as the integration of intended infrastructure spending plans, the different timescales associated with plan preparation and review and investment decisions; and in deciding how to factor the realities of the current economic recession into spatial planning and investment decisions.

A particular issue in the Republic of Ireland, and one which has cost implications for both service provision and infrastructure, is the over-zoning of residential land in development plans, which results in much more land being zoned for residential use than is actually needed. This is one of the issues being addressed in the Irish *Planning and Development (Amendment) Bill 2009*. If the Bill becomes law, future development plans will have “to be consistent” with the NSS; at present they only have “to have regard” to it (‘Gormley lands a blow to wild speculation and rash zoning’, *Irish Times* 30th May 2009). The additional teeth provided by the need to proof development plans against the NSS could do much to facilitate the delivery of national policy and reduce unnecessary expenditure on infrastructure.

Whilst the alignment of spatial policy and investment policy is perhaps now being addressed in Ireland, there is still often a time delay between the agreement of a particular spatial strategy and the provision of infrastructure to deliver that strategy. This is evident, for example, in the Cork Area Strategic Plan (CASP) which many view as an exemplar for the joint planning of spatial development and transport infrastructure. However, despite an agreement to invest in public sector infrastructure, including a new commuter rail service, residential development proceeded apace during the boom years; sometimes in advance of infrastructure being constructed. Eight years after the strategy was agreed, for example, a new commuter rail service is due to begin operation but there are questions as to whether it will have the desired effect of reducing car travel into Cork – it is feared that many commuters living in low density developments along the railway line will be reluctant to shift from their cars.

The long term impact of the recession and collapse of housing and property markets is difficult to predict. In the short term it is already resulting in slower rates of house building than projections in the NSS and RDS suggest - year to year housing commencements in the Republic are down 72% in 2008/9 compared to the previous year (DKM Economic Consultants 2009) and as a result developer contributions towards infrastructure and social housing are also down. But whilst the collapse of the construction industry has had a severe impact on the Irish economy there is also a positive side to this for planning. Development has tended to drive Irish planning policy in recent years when it has struggled to keep pace with speculative development and soaring land and property prices. This has resulted in oversupply, for example of apartment houses and office space. Providing that a degree of realism is incorporated into reviews of planning strategies and plans, a period of reflection would perhaps be beneficial in avoiding the mistakes of the recent past. It might also provide the opportunities, public finances permitting, to provide key infrastructure in advance of development, supporting better planning as well as anticipating and supporting the eventual recovery in property markets. This is, however, dependent on the ability of the public sector to provide front-end finance for infrastructure

development, something which the Irish Government appears somewhat reluctant to do in the light of recent cutbacks in capital expenditure.

A key challenge in Northern Ireland is that of addressing the institutional and policy fragmentation in local and regional governance. There is a need to secure a necessary reconciliation and integration of policy, departmental responsibilities and a realignment of planning at large and its relationship with infrastructure investment. This is highlighted when the context to spatial planning and infrastructure investment is considered. In parallel with the arms length relationship between the Northern Ireland Investment Strategy and the RDS, a parallel fragmentation is associated with arrangements for regeneration, modernisation of the statutory land-use planning system, the introduction of local government reform and the transfer of new functions to local authorities. The integration of responsibilities and priorities and their compliance with a strategic investment programme in Northern Ireland is a prerequisite to realigning spatial planning actions with public investment in infrastructure to support development in Northern Ireland's interest.

Lessons for the future

Both parts of the island of Ireland have very different planning arrangements and development experiences, institutional structures, processes and capacities, and yet both are aware of the need to reconcile their individual spatial planning and public infrastructure investment strategies. At the same time there is an awareness of the need for the two jurisdictions to explore the potential for a more appropriate realignment of investment in an all-island development strategy. This is both a way of realising economies of scale at a time of economic restraint and recession, and of creating a more efficient basis for any subsequent renaissance. The lesson for the future is that active political space needs to be devoted to the nature of that investment. The recession has shown that conventional spending may not now be appropriate when climate change, energy security and infrastructure resilience assume greater public policy interest.

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