

Capital Review

Tourism and Sport

While the National Recovery Plan 2011-2014 did not provide a breakdown of the capital provision for the then Department of Tourism, Culture and Sport, it is understood that the tourism and sports elements were as set out below – the 2014 figure is carried forward to 2015 and 2016.

<i>All figures are ,000</i>	2011	2012	2013	2014	2015	2016	Total 2012-16
Tourism	26,000	27,621	22,758	21,542	21,542	21,542	283,750
Sport	38,250	40,529	33,392	31,608	31,608	31,608	168,746

Tourism

A Report on the Tourism Capital Development Programme is at Appendix I – page 4.

There are about 180,000 jobs in the tourism and hospitality sector and although the sector has suffered substantial declines over the last couple of years, recent industry performance indicators, in particular the first quarter overseas visitor figures, hold out some grounds for optimism that the decline is bottoming out. The challenge of achieving a full turnaround in performance and returning to a growth profile will require that we have a competitive tourism product that is marketed effectively across our primary and developing tourism source markets.

Investing in the core tourism product – activities and attractions – must continue to be a priority. This investment supports the important “things to do and things to see” that are the principal drivers of tourism traffic to Ireland. The portfolio of available activities and attractions, their quality and condition, are strong determinants of consumer travel decisions, and so need to be developed, presented and interpreted to the highest standard. A significant number of such attractions are in public ownership. Economic gains in terms of both employment support (tourism and construction) and in the geographical distribution of activity can be secured through a programme of investment in public tourism infrastructure.

<i>All figures are € ,000</i>	2011	2012	2013	2014	2015	2016	Total 2012 -16
Tourism envelope before cuts	26,000	27,621	22,758	21,542	21,542	21,542	115,005
Committed Funds		20,805	16,751	13,259	3,400		54,215
Unallocated Funds		6,816	6,007	8,283	18,142	21,542	60,790
Unallocated - 30% cut in overall provision		-1,470	-820	1,820	11,679	15,079	26,289
Unallocated - 20% cut in overall provision		1,292	1,455	3,975	13,834	17,234	37,789

A cut of 30% in the capital funding available would allow for no further commitments for spending in the period 2012-2014 unless there were significant de-commitments or spending

was slower than anticipated. On the face of these figures a 30% cut would result in Fáilte Ireland having a shortfall in funds to meet existing commitments during the period 2012-2013, totalling €3.7m and would eliminate the possibility of adding new projects in the period to end 2014.

Although experience to date suggests that, in common with most capital programmes, draw-down of funding is susceptible to delay – see Appendix II (page 13) – and a 30% cut may be manageable. Regardless of meeting possible shortfalls, in these figures it would not be possible to fund any new projects for expenditure in the next two years at least and not any of the major pipeline projects currently in consideration such as the “Dublin Heritage Route” (estimated grant €4m), Mayo Greenway Phase 3 (estimated grant €1m) and a major Genealogy Project (estimated grant €1m). It should be noted that these and other projects in the pipeline have yet to be assessed in full by Fáilte Ireland’s Capital Investment Appraisal Group.

Another consideration to be borne in mind is investment in this sector needs to be assessed in comparison with investment in other sectors. In particular an assessment of the comparative costs of generating and sustaining jobs is likely to favour investment in tourism. For this reason and in order to maintain some momentum in product development it is recommended that the cuts to the tourism capital programme be limited to 20% as follows.

<i>All figures are € ,000</i>	2011	2012	2013	2014	2015	2016	Total 2012 -16
Tourism envelope after cuts	26,000	22,097	18,206	17,234	17,234	17,234	92,004

Sport

Reports on the sub-elements of the Sports Capital Programme are attached as follows:

- Appendix III – Local Authority Swimming Pool Programme – page 14;
- Appendix IV – National Sports Campus – page 20; and
- Appendix V – Sports Capital Programme - page 26.

An economic assessment of sports undertaken for the Department by Indecon confirms the benefits of sport in economic and social terms. The Sports Capital Programme has been the primary means of providing Government funding to sport and community organisations at local, regional and national level throughout the country. It operated on an annual basis up to 2008. It has helped to radically improve the quality of sporting infrastructure throughout the country, though significant gaps still remain. The feedback from the Department’s capital inspections indicates that most projects inspected would not have proceeded without grant aid.

The SCP has therefore transformed the sporting landscape of Ireland with increased opportunities to participate and compete in a wide variety sports across the every county with all the resultant health and social benefits. As a large proportion of the SCP spending is directed at sports clubs in rural areas, where alternative employment opportunities may not be readily available, the importance of SCP spending for local employment may be particularly significant.

<i>All figures are €,000</i>	2011	2012	2013	2014	2015	2016	Total 2012 -16
Sports envelope before cuts	38,150	40,529	33,392	31,608	31,608	31,608	168,746
National Sports Campus	3,500	3,718	3,063	2,900	2,900	2,900	15,481
Swimming Pools	6,650	8,862	8,097	9,190	4,427	2,905	33,481
Sports Capital Programme							
Committed Funds		15,800	4,800	3,500	2,500	2,500	29,100
Minimum required for future SCPs		8,000	10,530	16,180	14,620	10,180	59,510
Total SCP funding requirement		23,800	15,330	19,680	17,120	12,680	
Sports envelope funding requirement		36,380	26,490	31,770	24,447	18,485	137,572
Envelope with a 30% cut		28,370	23,375	22,126	22,126	22,126	118,122
Envelope with a 20% cut		32,423	26,714	25,287	25,287	25,287	134,997
Manageable cut in the provision		10.2%	20.7%	-0.5%	22.7%	41.5%	18.5%

Note the figures in the table above assume that full provision will be made for commitments relating to the completion of the Swimming Pools Programme and the National Sports Campus. As such any curtailment of the overall sports capital envelope must be achieved by limiting the Sports Capital Programme.

A cut of 30% or 20% pro rata in the overall envelope would mean that it would not be possible to launch as planned new rounds of the Sports Capital Programme in late 2011 and late 2013.

However a cut of 18.5% on the envelope figure, spread on a staggered basis across the programme period, would mean that it would be possible to meet existing commitments and launch the new rounds of the programme as planned. The overall envelope would be reduced from the present €169m for 2012 to 2016 to €138m.

It is therefore recommended that the overall provision for Sports be reduced along the following lines.

<i>All figures are €,000</i>	2011	2012	2013	2014	2015	2016	Total 2012 -16
Sports envelope after cuts	38,150	36,380	26,490	31,770	24,447	18,485	137,572
National Sports Campus	3,500	3,718	3,063	2,900	2,900	2,900	15481
Swimming Pools	6,650	8,862	8,097	9,190	4,427	2,905	33481
Sports Capital Programme	28,000	23,800	15,330	19,680	17,120	12,680	88610

Report on Tourism Capital Investment Programme

Background

At its meeting of 11 April 2011, the Government approved the preparation of a new capital investment framework for the period from 2012, to be prepared by the Department of Public Expenditure & Reform. This will involve a review of the planned public capital programme in order to identify those programmes and projects that will best support economic recovery.

The Department has been asked to provide a report on its proposed overall capital investment programme for the period 2012-2016. The following items are to be included in the report:

1. A description of the high level objective to be achieved in relation to each programme.

The high level objective of the Tourism Capital Investment Programme is to support tourism development, innovation and sustainability.

2. An outline of the rationale for Government intervention.

Tourism is recognised as a key driver of social and economic development at both national and regional levels in Ireland. Through the strength of Ireland's tourism brand and the quality of the tourist experience, tourism also plays a central role in creating a positive image of Ireland and in attracting foreign direct investment in other sectors of the economy. It is accepted that Tourism is a critical indigenous sector that sustains around 180,000 jobs in tourism and hospitality throughout the country and at all skill levels.

Fáilte Ireland's Tourism Product Development Strategy 2007-2013 seeks to ensure that, via public investment, Ireland provides a level of necessary public infrastructure (for example in the provision of fit-for-purpose walking and cycling routes) to allow the exploitation for sustainable and profitable tourism of our natural resource base, and providing sustainable visitor attractions which match the expectations and meet the consumer needs of a discerning international visitor, primarily by focusing on the redevelopment of attractions with a proven appeal and track record, but also via the development of new major iconic attractions.

Successive government programmes have underlined the importance of investing in tourism. Investing in the core tourism product – activities and attractions – remains a priority. This investment supports the important “things to do and things to see” that are the principal drivers of tourism traffic to Ireland. Whilst accommodation is a key element in the industry (and must therefore be of a high standard), it is seldom the principal factor determining the consumer’s choice of destination. The portfolio of available activities and attractions, their quality and condition, are strong determinants of consumer travel decisions, and so need to be developed, presented and interpreted to the highest standard.

In this regard, a significant number of such attractions are in public ownership. For example the Viking Heritage Quarter in Waterford, the Great Western Greenway (environmentally sensitive walking and cycling trail) in Mayo, and the Sliabh Liag Cliffs in Donegal, are all examples of tourism assets in the ownership of public authorities. It is arguable therefore that, just as we recognise the economic gains to be secured in more familiar capital programmes such as public transport, so also do we need to recognise and understand the equivalent economic gains that can be secured through a programme of investment in public tourism infrastructure.

3. An assessment of the consistency of the investment programme with the Programme for Government for Government.

The Programme for Government states:

“We will target available resources at developing and co-ordinating niche tourism products and activity packages that are attractive to international visitors focusing on food, sports, culture, ecotourism, activity breaks, water-based recreation and festivals”

Without strong tourism product there can be no tourism industry. Tourism product represents the principal source of demand that prompts visitors to come to Ireland. The consumption of this primary tourism product (engaging in activities and visiting attractions) serves as a trigger which prompts further rounds of consumption such as accommodation, food, and drink. Therefore, tourism product represents a primary

demand, and accommodation, food and drink represent a derived demand. Getting these things in the right order is important when we consider investing in tourism.

4. Details of how the investment programme will support economic recovery.

Tourism is a valuable internationally traded service and can continue to deliver significant value added and employment to the economy thereby contributing to economic recovery. Nonetheless steps must be taken to reinvigorate the sector. While the completion of the National Conference Centre (on a PPP basis), known as the Convention Centre Dublin, in 2010 provided a major addition to Ireland's tourism infrastructure, further development of the overall tourism product is required.

There is a perception that export growth is not jobs-rich and this is true in general. Most exporting sectors in the economy tend to be capital- rather than labour-intensive. However, there is one very obvious exception to this general pattern and that is tourism. Much economic activity within the tourism industry is highly intensive in its use of labour: this is particularly true of hotels and restaurants, recreation and entertainment.

Its relative labour intensity makes it all the more unfortunate that tourism has greatly underperformed other exporting sectors. Far from expanding, as overall exports did, tourism continued to decline last year with the total number of trips by visitors to Ireland down by 13% on the 2009 level. This brought to 25% the cumulative decline in inbound tourism numbers between 2007 and 2010. Over the same period, earnings from tourism and travel fell by about 30%.

These figures reflect the scale of the challenge facing the tourism industry, but they also illustrate the scale of the opportunity that exists for the industry if it can get things right. Even by recovering the ground it has lost in recent years, tourism can make a very substantial contribution to our economic recovery and to the creation of employment in all parts of the country.

Continued investment in Ireland's tourism infrastructure and attractions will contribute to the attractiveness of Ireland for the international visitor and support economic recovery.

Based on the main findings of the latest *Fáilte Ireland Tourism Barometer* for January to May 2011 – a survey of business sentiment amongst the various sectors of tourism

including Hotels, Guesthouses, B & Bs, Self-catering, Hostels and Caravan & Camping, three-quarters of tourism businesses believe that the performance of their company this year will be up on or the same as last year. This confidence is in contrast with the situation in early 2010, when only half of all tourism businesses felt this way. Only one in five had the same level of confidence in the same period during 2009.

Already, on the basis of their performance during the first five months of this year, four in ten operators are reporting that their business is up with a further three in ten holding level. Two years ago, eight in ten businesses were reporting that activity levels were down for the same period.

Accommodation Providers	Year to Date			Prospects for the Season		
	2009	2010	2011	2009	2010	2011
Up	9%	24%	42%	7%	28%	49%
Same	11%	19%	27%	14%	21%	25%
Down	80%	57%	31%	79%	51%	26%

5. Details of how the investment programme will support sustainable employment as well as employment in the immediate delivery phase.

It is accepted that Tourism is a critical indigenous sector that sustains around 190,000 jobs throughout the country and at all skill levels. The Tourism Capital Investment Programme also delivers employment in the construction, technology, interpretative displays, and leisure goods and services sectors as infrastructure is put in place, attractions upgraded and new attractions developed.

Public investment in new and improved visitor attractions and visitor activities also assists in generating additional employment in the completed developments, in occupations such as tour guides, activity instructors, and related services.

Investment in tourism infrastructure, visitor attractions and visitor activities can benefit employment in the accommodation, food and other sectors of the tourism industry, as

increased availability and quality of things to see and do increase the level of demand for accommodation and food service and entertainment.

Furthermore, the development of public tourism infrastructure assists in stimulating private sector enterprise and employment generation, as the availability of a public asset encourages the creation of new businesses to assist tourists. An example of this type of benefit has occurred around the Mayo Greenway, where a public asset (the walking and cycling route) has encouraged private enterprise (bike hire, repair etc.) in the vicinity.

6. Details of how the investment programme will meet critical economic and social infrastructure deficits.

Further development of Ireland's tourism product is required. Significant investment has already taken place in this sector and Ireland has a stock of accommodation, much of it of a very high quality by international standards, which we must now utilise to full advantage. We also have a stock of entertainment and recreational facilities that has been significantly enhanced by public investment in recent years, not to mention a transport infrastructure the capacity of which has been greatly augmented.

Overall, our tourism products are very strong. In addition to Ireland's natural attractions, we have a wide range of high quality accommodation, including hotels, guest houses, B&Bs, self-catering accommodation and hostels, to suit all tastes and budgets. We offer a wide range of sporting and recreational facilities and events. Culture and heritage, golf, angling, walking, cycling and equestrian pursuits are all easily accessible. In recent years, holidaying in Ireland has become more affordable. These are some of the many advantages which we must harness in order to improve visitor satisfaction and to increase the number of people from overseas who choose Ireland as their holiday destination.

While good progress has been achieved in the period since 2007 there remains a requirement for selective public investment so that Ireland provides a level of necessary public infrastructure (for example in the provision of fit-for-purpose walking and cycling routes) to allow the exploitation for sustainable and profitable tourism of our natural resource base, and providing sustainable visitor attractions which match the expectations and meet the consumer needs of a discerning international visitor.

Few sectors provide such a wide range of opportunities for people to access the labour market - across all ages, skills levels, and backgrounds and in urban and rural, central and peripheral locations. In Ireland, tourism provides jobs in every part of the country. It has provided paid employment at times and in places where there was little alternative available.

While there was considerable focus in recent years on the creation of additional employment in high-skill sectors (the “Smart Economy”), the fact remains that a significant body of the workforce have skillsets which are more closely suited to service sector employments such as tourism, and that there is a necessity to focus resources on creation of employment in sectors which are diversified both in terms of education and skills background and geographical spread.

7. An outline of legally binding contractual commitments (i.e. commitments that would be enforceable by the Courts as opposed to commitments which are of a political nature but not legally binding), for each year up to 2016 including a list of all committed planned capital projects of over €4m in value . See Appendix A attached

8. The current expenditure implications of the proposed future capital investment.

There are no current expenditure implications of the proposed future capital investment.

9. The broad outputs and outcomes expected from the proposed capital investment.

The broad outputs from the proposed investment in tourism product will include:

- a) Improved tourism infrastructure (for example in the provision of fit-for-purpose walking and cycling routes). It is notable that a project which has already received funding under this programme, the Great Western Greenway in County Mayo, has been named as the Irish winner of this year’s “European Destination of Excellence” (EDEN) award as part of an EU-wide competition designed to encourage and promote a more sustainable form of tourism development.

- b) Redevelopment of attractions with a proven appeal and track record including significant attractions such as Trinity College Book of Kells, Garinish Island and a new Dublin Heritage Route.

The broad outcomes will be a significant improvement in Ireland's ability deliver on the expectations and meet the consumer needs of international visitors and thereby make a sustained and regionally diversified contribution to economic recovery.

Appendix A

An outline of legally binding contractual commitments (i.e. commitments that would be enforceable by the Courts as opposed to commitments which are of a political nature but not legally binding), for each year up to 2016 including a list of all committed planned capital projects of over €4m in value

Projects	Estimated Grant left to pay 1.1.2012	2012	2013	2014	2015	2016
Fota House & Gardens	340,490			340,490		
Russborough House	1,125,675			1,125,675		
Silverline Cruises	177,259	177,259				
Rothe House Trust	1,482,000	520,000		962,000		
Dunbrody	944,001	944,001				
Malahide Castle	3,250,124	1,000,000	2,250,124			
Waterford Viking Triangle	4,144,000	3,000,000	1,000,000	144,000		
Meeting House Square Temple Bar	270,230		270,230			
Dublin Writers Museum	2,024,170	1,000,000	1,024,170			
Mayo Greenway (Phase 2)	209,440			209,440		
New Ross Quay	1,368,000			1,368,000		
Irish National Heritage Park	527,407	527,407				
Slieve Liag development	2,153,500	1,000,000		1,153,500		
Foynes Flying Boat Museum	594,000	594,000				
Bundoran Waterworld	118,208	118,208				
Athlone Castle	2,070,038	1,035,019	1,035,019			
Jackie Clarke Repository	761,250	761,250				
Cuan Na Ri Activity Resort	1,472,777				1,472,777	
Galway Atlantaquaria	672,500			672,500		
Cork Gardens	1,369,000				1,369,000	
King John's Castle	4,882,025	3,500,000	1,382,025			
Waterford Quays	1,179,000		1,179,000			
Glencar	300,000			300,000		
Lough Rynn	212,250			212,250		
Castletown	1,547,459	1,000,000	547,459			
Derrynane	1,000,000		1,000,000			
Spike Island	256,576	256,576				
Limerick Riverside	3,151,651	2,000,000	1,151,651			
Technical Assistance	500,000	100,000	100,000	200,000		
Killarney House	6,000,000		1,000,000	5,000,000		
Trinity College Book Of Kells	3,000,000	1,000,000	2,000,000			
Garinish Island	1,000,000	500,000	500,000			
Total Commitments to 30.06.2011	48,103,030	19,033,720	14,439,678	11,687,855	2,841,777	
INTERREG IVA Commitments		1,771,293	2,310,838	1,570,978	558,453	
Total Projects for funding		20,805,013	16,750,516	13,258,833	3,400,230	
a) Capital Funding (including G1 component*) Including 30% reduction		19,334,700	15,930,600	15,079,400	15,079,400	15,079,400
b) Capital Funding (less G1 component*) including 30% reduction		18,634,700	15,230,600	14,379,400	14,379,400	14,379,400
c) Shortfall in funding to meet obligations		(2,170,313)	(1,519,916)	1,120,567	10,979,170	14,379,400

*It is assumed that the G1 component of capital funding (for Fáilte Ireland's own properties) would remain at €1m p.a. before reductions are applied.

The figures in (a) and (b) above are calculated using the baseline capital envelope figures for Tourism of €27,621M in 2012, €22,758M in 2013, and €21,542M in each of the years from 2013 to 2016. These figures have been calculated from the overall baseline capital allocation for the Department of Transport, Tourism and Sport, adjusted proportionately for the Tourism share of the capital envelope in the previous Department of Tourism, Culture and Sport.

Implications if allocation was cut to 70% for each year

A cut of 30% in the capital funding available would allow for no further commitments for spending in the period 2012-2014 unless there were significant de-commitments or spending was slower than anticipated.

When account is taken of the G1 element of capital funding (that which is used by Fáilte Ireland in respect of maintenance its own properties), a cut of 30% would cause Fáilte Ireland to have **a shortfall in funds to meet existing commitments during the period 2012-2013, totalling € 3,690,229** and would effectively bring the Tourism Capital Investment Programme to an end.

The further development of Ireland's tourism infrastructure would be significantly restricted, with consequent adverse effects on direct employment in construction activity relating to the physical improvement of tourism assets, as well as direct employment in other sectors which provide product and service inputs to tourism capital investment, including technology, interpretative displays, and leisure goods and services. The slowdown in investment will also have an adverse effect on direct employment in newly developed or improved visitor attractions and visitor activity providers.

Further adverse downstream employment effects are likely in the tourist accommodation and hospitality sector, as a diminished range of offerings for visitors to see and do will reduce demand for accommodation and food.

Summary of Tourism Capital Expenditure to date

The Tourism Capital Investment Programme has been in existence since 2007. The following is a summary of expenditure to date:

2007- Allocation - €13.75m Outturn- €8m

2008 Allocation - €15.7m Outturn €14.8m

Funding of €8m in 2007 and €14.8m in 2008 targeted infrastructure provision (e.g., walking and cycling routes, beach management works, access to angling waters, etc) by local authorities and the Historic Towns Initiative for walking routes in designated towns of historic merit.

2009 Allocation - €7.11m Outturn - €5.61m

Funding of €7.111m was provided in 2009 to support re-investment in key existing visitor attractions, visitor activities and a limited number of infrastructure projects. The reduction in funding for this subhead in 2009 reflected in part the overall exchequer position, but also the fact that the level of investment by the owners of visitor attractions was lower than planned due to difficulties in raising matching funding.

Also, in April 2009, it was decided by the previous Government to withdraw the Department's delegated capital expenditure sanction. As a consequence Fáilte Ireland placed 'on-hold' all applications that were then under examination. Later in 2009, the previous Government reversed this decision, and provided an increased allocation of €21m in the 2010 Budget for Tourism Product Development.

2010 – Allocation - €21m Outturn - €10m

Whereas the allocation for 2010 was €21m, the out-turn (actual spend) of funding in 2010 was €10m, which continued the support for a range of investments in visitor attractions and visitor infrastructure. The significantly lower out-turn when compared with the original allocation can be attributed in the main to the legacy of the freeze on capital allocations which took place in 2009, the low number of project approvals in that year meant that expenditure on approved projects could not reach the level allocated.

It is important to note that Fáilte Ireland does not pay the project promoter in advance, but instead makes payments following a submission of request evidenced by documentary support of the expenditure incurred.

Appendix III

Capital Expenditure Review - Local Authority Swimming Pool Programme (H2)

1. High Level objective:

To increase participation and interest in sport, to improve standards of performance and to develop sports facilities at national, regional and local level, thereby contributing to healthier lifestyles and an improved overall quality of life.

2. Rationale for Government intervention:

The Local Authority Swimming Pool Programme has been pivotal in providing a range of local public swimming pools throughout the country. The provision of weather-independent multi-use facilities catering for a wide variety of social classes is necessary to advance the social inclusion agenda and cater for individuals and informal groups not affiliated to a specific sports club. The third annual Irish Sports Monitor Report, published by the Irish Sports Council on 30 June 2011, shows that swimming is the most popular sport among adults.

The "Assessment of Economic Impact of Sport in Ireland" was prepared for the Irish Sports Council in 2010 by Indecon International Economic Consultants in association with Sheffield-Hallam University. The Indecon report sets out the main direct and indirect economic impacts of sport. It also points to a number of important wider socio-economic benefits which arise from participation in sport and sport-related volunteering:

- Through sustaining a healthier population, sport reduces the costs of health service provision;
- Delivers increased productivity with associated economic benefits;
- Contributes to social capital and social cohesion arising from participation and volunteering more generally;
- Community benefits through investment in elite sport and incentivising further participation;
- Generates financial benefits for the Exchequer through increased economic activity and reduced health service costs.

3. Consistency of investment programme with Programme for Government (PfG) :

According to the PfG in future sports funding should prioritise projects which further greater participation in sport. Swimming pools are weather independent, gender neutral public facilities open seven days per week for up to 100 hours and which cater for all age groups including people with disabilities and people who swim for therapeutic purposes.

4. Details of how your investment programme will support economic recovery:

The construction or refurbishment of swimming pools can provide “shovel ready” projects to assist the ailing construction industry. The Local Authority Swimming Pool Programme can also tackle social disadvantage by locating swimming pools in disadvantaged communities in cities and towns. Improved facilities in rural towns help to attract tourists and create jobs as well as making these towns more attractive to Foreign Direct Investment.

5. Details of how your investment programme will support sustainable employment as well as employment in the immediate delivery phase.

- During construction approx. 350 work (full/part time) on the construction of a pool over a two year period.
- The total expenditure of €145.83m under the Programme from 2000 – 2010 has leveraged total investment of €406m.
- In September 2010 DKM Economic Consultants published the **Review of Construction Industry 2008 and Outlook 2009 to 2011** (funded by the Department of Environment, Heritage and Local Government). This review estimated the size of the 2009 construction industry to be €19.86 billion, with

total employment of 210,000 full time equivalents, including indirect employment. Thus the cost of supporting a single job in the industry is around €94,557.

- It is estimated that for every €1 spent under the LASPP Local Authorities invest a further €1.78.
- In 2010 a total of €3.12m was paid out under the LASPP and this leveraged total expenditure by Local Authorities of €8.67m which at €94,557 per job would support 92 fulltime equivalent jobs.
- A new 25m swimming pool with a modern gymnasium would support 12 fulltime and 12 part time jobs.
- The average wage bill per pool is approx. €450K per annum, substantial in particular in a small town.

6. Details of how your investment programme will meet critical economic and social infrastructural deficits.

The Value for Money Report identified that Ireland has a public pool for every 58,000 citizens whereas the comparable figure for Northern Ireland and Scotland is 32,000 and 15,000 respectively. International research has consistently pointed to the beneficial effects of physical activity on health.

In addition to the direct and indirect economic impacts of sport, there are a number of important wider socio-economic benefits arising from participation in sport and sport-related volunteering. Key benefits include:

- The benefits for well-being through participation in sport;
- The particular benefits for health through increased physical activity;
- Increased productivity with associated economic benefits;

- Community benefits, including the contribution to social capital and social cohesion arising from participation and volunteering more generally;
- The wider impacts on the Irish population arising from investment in success of elite sport, incentivising further participatory and community-related benefits; and
- The financial benefits for the Exchequer through increased economic activity and reduced health service costs.

The third annual Irish Sports Monitor Report, published by the Irish Sports Council on 30 June 2011, shows that swimming is the most popular sport among adults. A network of swimming pools would help to deliver the Aquatics strand of the Department of Education Primary School Curriculum as well as the Department of Health's National Health promotion Strategy to promote physical activity as well as reducing levels of obesity in society.

As stated above, the Local Authority Swimming Pool Programme is also playing its part in tackling social disadvantage by locating swimming pools in the most disadvantaged communities in cities and towns. Improved facilities in rural towns help to attract tourists and create jobs as well as making these towns more attractive to Foreign Direct Investment.

7. An outline of your Department's legally binding contractual commitments (i.e. commitments that would be enforceable by the Courts as opposed to commitments which are of a political nature but not legally binding), for each year up to 2016 including a list of all committed planned capital projects of over €4m in value

	2012	2013	2014	2015	2016	Total
Estimated Commitments	8.862	8.097	9.190	4.427	2.905	33.481

(€ms)						
Capital Envelope Figure (€ms)	7.065	5.821	5.509	5.509	5.509	29.413
Shortfall (€ms)	1.797	2.276	3.681	(1.082)	(2.604)	4.068

Legally binding commitments 2012 to 2016: €33.481

Grants over 4m: None

The figures for estimated commitments are based on the best information available to the Department.

It can be seen from this table that even before any further cuts to this subhead are contemplated, the subhead is already projected to be in deficit for the years 2012, 2013 and 2014, and for the period 2012 to 2016 as a whole. It is likely therefore that any savings arising elsewhere on the Vote might be needed for virement into this subhead if the Department is to be in a position to meet its commitments in full. It is suggested therefore that it is not possible to impose any further cuts on this subhead before 2015 at the earliest. In particular, a cut of 30% next year, or in any year before 2015, would expose the Department to the very likely risk being unable to meet its commitments in at least some of the years in question.

8. Details of whether the programme is primarily delivered by your Department or Agencies of your Department (please list) i.e. planning, procurement and project management.

Responsibility for the LASPP (planning, administration, policy, assessing applications, recommending allocations for Ministerial approval and making payments to grantees) rests with the Department. Legal and technical/architectural advice is provided to the Department by the CSSO and the OPW respectively.

Under the Local Authority Swimming Pool Programme there are four principal stages in a swimming pool project following the submission of a feasibility study by the Local Authority to the Department. These, in order of progress, are: Preliminary Report; Contract Documents; Tender and Construction. Grant-aid is allocated only when

tenders have been approved for the project and is capped at the time of allocation. The Department and its technical advisors, the Office of Public Works, evaluate each stage and Local Authorities cannot proceed to the next stage of a project unless prior approval issues from the Department of Transport, Tourism and Sport. Local authorities are responsible for locating and building the pools including public procurement and tendering. They are also responsible for assembling a funding package, apart from the Department grant under the Local Authority Swimming Pool Programme, to enable the pool to be built and for the day to day management and running of a pool once completed and opened to the public.

9. The current expenditure implications of the proposed future capital investment proposals.

Expenditure under the LASPP has minimal current expenditure implications. All of the Department's direct expenditure under the LASPP is capital. The Local Authorities are responsible for locating and building the pools, for public procurement and tendering and for the operation of the pools once built. The only current expenditure that arises in the Department is in relation to salaries. The Department does not incur any technical/professional architectural or legal costs as it uses the OPW and the CSSO as its technical and legal advisers respectively.

10. Effects of a cut of 30% in 2012 and beyond

As illustrated above, a cut of 30% next year, or in any year before 2016, would expose the Department to the very likely risk being unable to meet its commitments in at least some of the years in question.

11. The outputs and outcomes from the proposed capital investment.

Completion of the remaining 12 pools under the current round of the Local Authority swimming pool programme. Enhanced provision of weather-independent facilities catering for all ages and social classes. Reduced ratio of persons per pool and increased participation in swimming as a sport throughout the country.

Appendix IV

Capital Expenditure Review – National Sports Campus (H4)

2011	2012	2013	2014	2015	2016
3.5m	3.718m	3.063m	2.9m	2.9m	2.9m

12. High Level objective:

The completion of the building of a National Sports Campus, as the final piece of major National sporting infrastructure, required to bring Ireland into line with its European counterparts in terms of sporting facilities.

13. Rationale for Government intervention:

It is vital that we continue to recognise the importance of investment in sport for the social and economic development of the country given the wide benefits associated with participation in sporting activities. These benefits arise in the areas of health and well-being, social and cultural development, education, personal development, tourism and the economy.

The "Assessment of Economic Impact of Sport in Ireland" was prepared for the Irish Sports Council in 2010 by Indecon International Economic Consultants in association with Sheffield-Hallam University. The Indecon report sets out the main direct and indirect economic impacts of sport. It also points to a number of important wider socio-economic benefits which arise from participation in sport and sport-related volunteering:

- Sport related spending contributes €1.8 billion to the Irish economy equivalent to 1.4% GDP
- Through sustaining a healthier population, sport reduces the costs of health service provision,
- Delivers increased productivity with associated economic benefits,
- Contributes to social capital and social cohesion arising from participation and volunteering more generally,

- Community benefits through investment in elite sport and incentivising further participation;
- Generates financial benefits for the Exchequer through increased economic activity and reduced health service costs.

14. Consistency of investment programme with Programme for Government (PfG) :

The following was approved/ noted at the Government meeting on 21st June 2011:

- (a) Approved the Strategy for developing the National Sports Campus in particular the proposals for proceeding with an incremental development of facilities viz. a National Indoor Training Arena and a Partnership Development Strategy with the GAA, FAI, IRFU and IHA;
- (b) Approved the transfer of the lands at Abbotstown (Blanchardstown), as identified in Schedule 1 of the National Sports Campus Development Act, 2006, from the Minister for Agriculture, Fisheries & Food to the National Sports Campus Development Authority;
- (c) Approved the proposal that the National Sports Campus Development Authority, in consultation with the Irish Sports Council and the Office of Public Works, examine the possibility of relocating the Council to Abbotstown House, a listed building on the Abbotstown (Blanchardstown) site and report back to him with proposals for its future use;
- (d) Noted the refurbishment of the former Marine Institute building as a headquarters for National Governing Bodies of Sport; and
- (e) Noted the progress for the development of a hospice on the Abbotstown (Blanchardstown) site.

15. Details of how your investment programme will support economic recovery:

Investment in the National Sports Campus will assist in the following

- High Performance Strategy – Help Irish Sport to develop its sporting facilities and training environment so that Irish athletes can train

correctly and perform better at International competitions, hence giving Ireland a better profile internationally.

- Increased Participation – The National Sports Campus is not only about High performance athletes but will help to promote the participation in sport. Currently in the National Aquatic Centre there are over 1,900 pupils a week learning to swim.
- Improved Health & Obesity Problem – Improved health of the Nation through participation in sport will reduce cost in the health service. UK research shows that 11% of health spending is attributed to physical inactivity. In the Irish context that equates to €1.4 billion in 2011.
- Community Regeneration- the Campus is both a ‘National facility’ but also a ‘local asset’. The implementation of the Campus Project will assist the local community in their participation in sport and well as creating employment.
- Local Employment – Currently there are over 200 jobs located at the National Sports Campus between the National Aquatic Centre, the Football Association of Ireland and the HQ of the NSCDA. There is potential for another 200 jobs to be created during the construction phase.
- Sport Tourism – The National Aquatic Centre has a footfall of over 720,000 per annum making it the 3rd largest visitor attraction in Ireland. A recent Waterpolo International attracted a capacity crowd to the Centre. The campus will provide other opportunities for hosting major International events.

16.Details of how your investment programme will support sustainable employment as well as employment in the immediate delivery phase.

The NSCDA estimates that there is potential employment of approximately 200 jobs during the construction phase.

In addition the further employment rate for the National Sports Campus will be maintained post development:

NSCDA	5
National Aquatic Centre NSCDA Ops Co.	100
Football Association of Ireland (FAI)	125
Irish Institute of Sport (ISC / IIS)	15
Morton Stadium Santry (NSCDA Ops Co.)	4
Irish Sports HQ (for completion by mid 2012)	100
TOTAL	346

17. Details of how your investment programme will meet critical economic and social infrastructural deficits.

In addition to the direct and indirect economic impacts of sport, there are a number of important wider socio-economic benefits arising from participation in sport and sport-related volunteering. Key benefits include:

- The benefits for well-being through participation in sport;
- The particular benefits for health through increased physical activity;
- Increased productivity with associated economic benefits;
- Community benefits, including the contribution to social capital and social cohesion arising from participation
- The wider impacts on the Irish population arising from investment in success of elite sport, incentivising further participatory and community-related benefits; and
- The financial benefits for the Exchequer through increased economic activity and reduced health service costs.

18. An outline of your Department’s legally binding contractual commitments (i.e. commitments that would be enforceable by the Courts as opposed to commitments which are of a political nature but not legally binding), for

each year up to 2016 including a list of all committed planned capital projects of over €4m in value.

None at present for the National Sports Campus.

Prequalifications for construction companies have taken place for the renovation of the former Marine building for the New Sport HQ for 19 National Governing bodied of sport.

19. Details of whether the programme is primarily delivered by your Department or Agencies of your Department (please list) i.e. planning, procurement and project management.

The project is being delivered by the National Sports Campus Development Authority. Planning permission for Phase One was secured in August 2009; the project is 'shovel ready' to commence Stage 3- Tender stage and the construction of the Campus.

All Project Mangers and Design teams are on 'hold' pending the decision on the Project.

20. The current expenditure implications of the proposed future capital investment proposals.

Currently the National Aquatic Centre may receive a grant up to €1.03m per annum. In 2010 it only required a grant of €980,000 and in 2011 it is working towards a grant aid of €720,000.

The current expenditure implications will be dependent on the progress that is made with the development.

21. Effects of a cut of 30% in 2012 and beyond

In considering the potential for savings of 30% from NSCDA programmes, the Authority is of the view that reductions in Exchequer allocations to NSCDA over the past number of years give little or no scope for further savings if the Authority is to continue to operate and fulfil its responsibilities.

With regard to capital expenditure, projects undertaken by NSCDA are in general very specific in nature (for example the refurbishment of the existing buildings on the Abbotstown site) and as such attract specific, dedicated capital allocations when required.

In addition any further reductions in the grant aid to the National Aquatic Centre would have a serious impact the employment levels in the Centre, the opening hours and hence the service delivery.

22. The outputs and outcomes from the proposed capital investment.

Completion of the National Sports Campus facilities and a major jobs programme:

- a. Athletes Accommodation
- b. National Indoor Athletics Arena
 - National Gymnastics Training Area
 - National Indoor Athletics Track
 - Indoor Sports Hall
- c. National Field Sports Training Centre (NFTC)
 - GAA
 - Rugby
 - Soccer
 - Community

Appendix V

Review of Capital Expenditure – Sports Capital Programme (H1)

1. High Level objective:

To increase participation and interest in sport, to improve standards of performance and to develop sports facilities at national, regional and local level, thereby contributing to healthier lifestyles and an improved overall quality of life.

2. Rationale for Government intervention:

The Sports Capital Programme has been the primary means of providing Government funding to sport and community organisations at local, regional and national level throughout the country. It operated on an annual basis up to 2008. It has helped to radically improve the quality of sporting infrastructure throughout the country, though significant gaps still remain. The feedback from the Department's capital inspections indicates that most projects inspected would not have proceeded without grant aid.

The "Assessment of Economic Impact of Sport in Ireland" was prepared for the Irish Sports Council in 2010 by Indecon International Economic Consultants in association with Sheffield-Hallam University. The Indecon report sets out the main direct and indirect economic impacts of sport. It also points to a number of important wider socio-economic benefits which arise from participation in sport and sport-related volunteering:

- Through sustaining a healthier population, sport reduces the costs of health service provision;
- Delivers increased productivity with associated economic benefits;
- Contributes to social capital and social cohesion arising from participation and volunteering more generally;
- Community benefits through investment in elite sport and incentivising further participation;

- Generates financial benefits for the Exchequer through increased economic activity and reduced health service costs.

3. Consistency of investment programme with Programme for Government (PfG) :

According to the Programme for Government, future sports funding should prioritise projects which further greater participation in sport. The Sports Capital Programme is the principal mechanism by which the Government invests in sporting facilities and equipment, thereby providing opportunities for people to participate in sport.

4. Details of how your investment programme will support economic recovery.

Sports capital projects can provide “shovel ready” projects to assist the ailing construction industry. The SCP also helps to tackle social disadvantage by supporting projects in the most disadvantaged communities in cities and towns. Improved facilities in rural towns help to attract tourists and create jobs as well as making these towns more attractive to Foreign Direct Investment.

5. Details of how your investment programme will support sustainable employment as well as employment in the immediate delivery phase.

In 2010, more than €50m was distributed to sports clubs and organisations across the country. Excluding allocations for sports equipment only, these projects supported over 1,800 full-time equivalent jobs in the construction sector. In 2011, the Unit hopes to distribute a further €33m to grantees allocated funding under the SCP. This will support a total of 1,200 jobs in construction. This analysis is based on the Department of the Environment, Heritage and Local Government’s review of the construction sector and figures on the amount of own funding contributed by SCP grantees from an Expenditure Review of the SCP.

As a large proportion of the SCP spending is directed at sports clubs in rural areas, where alternative employment opportunities may not be readily available, the importance of SCP spending for local employment may be particularly significant.

Of course, the importance of the SCP goes well beyond supporting employment in the construction industry. The SCP has transformed the sporting landscape of Ireland with increased opportunities to participate and compete in a wide variety of sports across every county with all the resultant health and social benefits.

6. Details of how your investment programme will meet critical economic and social infrastructure deficits.

In addition to the direct and indirect economic impacts of sport, there are a number of important wider socio-economic benefits arising from participation in sport and sport-related volunteering. Key benefits include:

- The benefits for well-being through participation in sport;
- The particular benefits for health through increased physical activity;
- Increased productivity with associated economic benefits;
- Community benefits, including the contribution to social capital and social cohesion arising from participation and volunteering more generally;
- The wider impacts on the Irish population arising from investment in success of elite sport, incentivising further participatory and community-related benefits; and
- The financial benefits for the Exchequer through increased economic activity and reduced health service costs.

The SCP is also playing its part in tackling social disadvantage by funding projects in the most disadvantaged communities in cities, towns and rural communities.

Improved facilities, particularly in disadvantaged areas, improve the quality of life in those areas and makes these areas more attractive to Foreign Direct Investment.

Under the SCP, special priority has been given to projects in designated disadvantaged areas. These projects have been permitted to have lower levels of own funding, have been given extra marks at the assessment process and projects

from RAPID areas have, in the past, qualified for 30% additional top-up funding from the Department of Community, Rural and Gaeltacht Affairs.

7. An outline of your Department’s legally binding contractual commitments (i.e. commitments that would be enforceable by the Courts as opposed to commitments which are of a political nature but not legally binding), for each year up to 2016 including a list of all committed planned capital projects of over €4m in value

At the start of 2011, there was a total of €77.5m in outstanding commitments under the Sports Capital Programme. [Text redacted here – legal advice]

Based on the historical rates of drawdown of previous allocations, the Unit expects currently outstanding allocations to be drawn down as set out in the table below:

SCP – drawdown of existing commitments	2012	2013	2014	2015	2016	Total
Funding required with no new programme	15.8	4.8	3.5	2.5	2.5	

8. Details of whether the programme is primarily delivered by your Department or Agencies of your Department (please list) i.e. planning, procurement and project management.

Responsibility for the SCP (planning, administration, policy, assessing applications, recommending allocations for Ministerial approval and making payments to grantees) rests with the Department. Legal and technical/architectural advice is provided to the Department by the CSSO and the OPW respectively. Responsibility for delivery of the individual projects (including procurement and project management) rests with the grantees.

9. The current expenditure implications of your proposed future capital investment.

There are very little current expenditure implications for continued SCP investment. It was calculated in 2008 that launching a new round of the SCP in 2008 cost the then Department of Arts Sport & Tourism €40,000. Other than these once-off costs, there is no ongoing current expenditure implications, other than salaries of those employed within the section. The Department does not incur any technical/professional architectural or legal costs as it uses the OPW and the CSSO as its technical and legal advisers respectively.

10. Effects of a cut of 30% in 2012 and beyond

Envelope figures and projections are shown in the table below. The 2011 figure does not include the carryover of €5m.

	2011 (actual)	2012	2013	2014	2015	2016
Sports envelope before cuts	€38.15m	€40.529m	€33.392	€31.608m	€31.608m	€31.608m
H1 Envelope	€28m	€29.746m	€24.508	€23.199m	€23.199m	€23.199m
H1 Existing commitments plus €40m SCP allocations in early 2012 and 2014, and as a percentage of SCP envelope figure		€23.8m 80%	€15.33m 62.6%	€19.68m 84.83%	€17.12m 73.8%	€12.68m 54.7%
Row 4 plus Campus and LASPP figures, and as a % of sports envelope		€36.38 89.8%	€26.49 79.33%	€31.77 101%	€24.45 77.35%	€18.485m 58.5%
% cut on sports envelope while meeting Campus, LASPP, and SCP commitments plus new allocations in 2012 and 2014		10.2%	20.67%	-1%	22.65%	41.5%

H1 envelope less 20% cut		€23.8m	€19.6m	€18.56m	€18.56m	€18.56m
H1 Envelope less 30% cut	€28m	€20.822m	€17.156m	€16.239m	€16.239m	€16.239m

A cut of 30% or 20% in the 2012 sport envelope figure would mean that it would not be possible to launch a new round of the programme this year with allocations in early 2012, assuming that Campus and LASPP take no cuts on their projected commitments figures.

However a cut of 10% on the sport envelope figure in 2012 would mean that it would be possible to meet existing SCP (and LASPP and Campus) commitments next year and launch a new round of the SCP later this year with allocations in early 2012. Moreover, it would not be possible to launch future rounds of the SCP if the envelope figures for 2013 and beyond were all cut by 20% or 30%, and assuming that Campus and LASPP take no cuts on their projected commitments figures. However existing SCP, LASPP and Campus commitments plus SCP allocations in 2012 and 2014 would be possible with cuts of 10.2%, 20.67%, 22.66% and 41.5% in 2012, 2013, 2015 and 2016 respectively.

It should also be borne in mind that the H1 REV figure for 2011 represents a 41.67% reduction on the corresponding figure for 2010. Applying a cut of 30% to the 2012 envelope figure would entail a reduction of 56.6% on the 2010 figure.

11. The outputs and outcomes from the proposed capital investment

Existing commitments met. New rounds of the SCP launched. Sustained Government investment in sporting facilities throughout the country with enhanced opportunities for participation.