



[www.M1PaymentsCorridor.com](http://www.M1PaymentsCorridor.com)

# NPF Submission

## March 31<sup>st</sup> 2017

*“Effective regional development is about reducing disparities by embracing the spatial development opportunities specific to each of the regions” - NPF Summary P9*



## Index

P3 - About 'M1 Payments Corridor'

P7 – M1 Economic Corridor Profile

P10 - NPF Objectives- Overview:

P12 - NPF Priorities:

- People's Health & Well-being:
- Place-Making Strategy:
- Opportunities for the Regions:
- Ireland in an all-Island Context
- Equipping Ireland for Future Development – Infrastructure
- Enabling the Vision; Implementing the National Planning Framework

P17 Contact Details

P 18 Appendix – National Conference 2015 and 2016 Brochures

## About 'M1 Payments Corridor'

An M1 'Digital Payments Corridor' is a key part of the Government's 'NorthEast Action Plan for Jobs' which proposes the creation of a National Payments Centre in Drogheda, and the development of a 'Digital Payments Hub' along the M1 economic corridor and surrounding region, with the potential to create hundreds of sustainable new jobs.

# M1 Payments corridor Overview

- ❖ The M1 Payments corridor is an industry grouping of ePayments/Fintech companies and allied stakeholders, promoted by The Mill, that serves the wider geographic M1 corridor in a Fintech vertical known as ePayments.
- ❖ Three strategic pillars
  - Providing marketing supports and collateral for FDI
  - Building R&D capacity with the two major 3<sup>rd</sup> level institutions – DCU and DkIT
  - Enabling up/down stream interaction between the startup/SME community and the MNC to drive innovation and capability building
- ❖ Three Programmatic Pillars
  - Physical space – e.g. @The Mill, Payments Park
  - Programme Manager/MarComms
  - Education/event planning

31/03/2017
Ruby Consulting
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The M1 Payments corridor has been developed and proposed by The Mill Enterprise Hub, Drogheda, as a means of utilising and adding value to the geographic concentration of ePayments and Fintech transaction companies that already exist along the M1 corridor (i.e. PayPal, Vesta, State Street, Yapstone Aphix Software, Gecko Governance etc)

It is an industry grouping of ePayments / Fintech companies, and allied stakeholders (IDA, EI, DCU, DKIT, Louth Economic Forum), promoted by The Mill, that serves the wider geographic M1 corridor in a Fintech vertical known as ePayments. The Payments sector currently employs circa 5000 people in Ireland, and this is expected to increase significantly in the future.

Industry members of the M1 Steering Group include a mixture of Multinationals and Indigenous Startups: Vesta, PayPal, State Street, Aphix Software, Yapstone, Coca-Cola International Services.

The three strategic pillars of the proposed plan include:

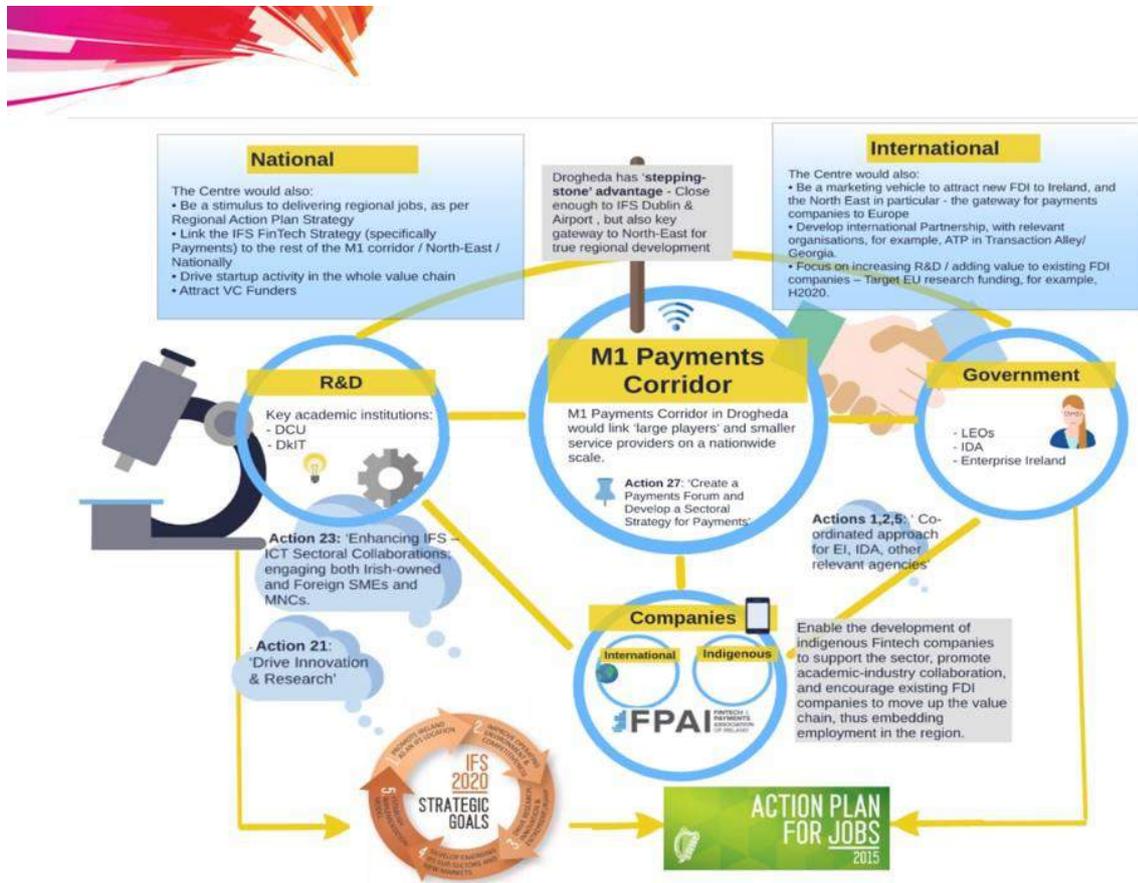
1. Enabling up/down stream interaction between the Startup/SME community and MNC to drive innovation and capability building.
2. Building R&D capacity with the two major 3<sup>rd</sup> level institutions – DCU and DkIT.
3. Providing marketing supports and collateral for FDI

A regionally located National Payments Corridor would extend from the existing IFSC / Dublin airport, and facilitate clustering of established and new payments companies engaged in innovation, and supported by the region's academic institutions (DCU and DKIT). It will enable the development of indigenous Fintech companies to support the sector, promote academic-industry collaboration, and encourage existing FDI companies to move up the value chain, thus embedding employment in the region.

The vision is to recognise the specialist role that ePayments will have on our future economy, and become The European counterpoint to 'Transaction Alley' in Atlanta, Georgia, where circa 70% of US Payments are processed. There is a real opportunity for the region (NorthEast Ireland) to become the EU Gateway for Payment firms.

This plan includes developing a 'National Payments Centre' in Drogheda that would co-ordinate Fintech / Payments activity across the island of Ireland. Drogheda currently doesn't

have a ‘National’ centre, and the Government’s recent financial services report has specifically highlighted the need to develop a National Centre. It will also have an All-Island dimension as the ‘Corridor’ will extend from Dublin Airport to Belfast.



The Mill Enterprise Hub in Drogheda proposed the original concept, and is taking a lead in developing the project, alongside an active Steering group. The Mill’s mission is to promote a culture of innovation and enterprise to everybody in our community (Drogheda, South Louth, and East Meath area), and work with other relevant organisations across the region to promote these aims. The supports include training (personal & business skills), coaching and mentoring, access to state of the art office space, guidance from an experienced Centre Manager, sign-posting to sources of finance, and being part of a ‘can-do’ community.

The Mill is a registered Charity, and has received significant support from local corporations, SME’s, and public sector organisations (Louth County Council, Enterprise Ireland). The

voluntary Board consists of local entrepreneurs, Meath & Louth LEO, DKIT, Louth County Council, and experienced business practitioners from a diverse range of businesses.

In its short existence, the Mill has created a number of critical economic development programmes to foster entrepreneurship in the region, for example:

- M1 Payments Corridor
- FoodTech programme for companies providing IT and professional services to the Food & Beverage sector
- Illuminate Female Entrepreneurship (partnered with DCU Ryan Academy) for early-stage entrepreneurs,
- IgnYte programme - Supporting young unemployed sector to develop a business idea
- Drogheda Young Innovators – supporting innovative ideas from 9 local secondary schools.

The M1 Payments Corridor initiative, [www.M1PaymentsCorridor.com](http://www.M1PaymentsCorridor.com) is included in the Government's 'North East Action Plan for Jobs', and Louth Economic Forum's (LEF) FDI Strategy document. There has been significant project activity over the past eighteen months including:

- Two National ePayments Conferences: October 2015 and September 2016.
- World's First 'Payments Dojo', Oct 2016 – Teenagers examining Digital Payments sector.
- Steering Group formed of industry (State Street, PayPal, Coca-Cola International Services, Yapstone, Vesta, Aphix), Government Agencies (IDA, Enterprise Ireland, Louth Economic Forum), and Academia (DCU and DKIT) to deliver the project's potential.

Our next stage in development is to compete for **three year's Funding (€1.5 million) via the Irish Government's 'Competitive Enterprise Initiative' Programme** to formally designate the region as a 'Payments Corridor' and deliver a range of programmes supporting the sector.

## **M1 Economic Corridor Profile:**

*“The function of an economic corridor is to connect economic agents acting in a defined geographical area. It involves the creation and/or improvement of economic links, co-operative initiatives and social cohesion between two or more large urban areas. The economic links created in an economic corridor are not only infrastructure links but also links between markets, educational facilities and societies. The economic corridor model of development has been used in many regions across the globe to generate “inclusive growth”, that is, economic growth that generates benefits for many different sectors of society”*

KPMG Report 21<sup>st</sup> May 2014, Lord Mayors Forum

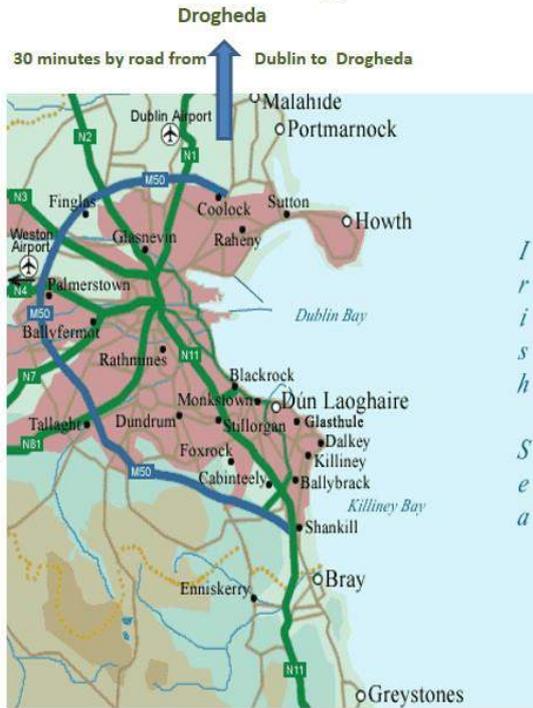
The M1 Economic Corridor has been spoken about for the past 20 years as a way of integrating the two largest Cities on the Island of Ireland. Both Cities have a strong Financial services sector, and in the recent past a significant ‘Payments Cluster’ has developed across Drogheda, Dundalk, Navan and surrounding areas. This includes large Multinationals such as PayPal and Vesta, but also consist of indigenous startups (Gecko Governance, Aphix software) and expanding overseas companies.

The Border region is especially cognisant of the recent Brexit vote. This may adversely affect some sectors, but could prove a significant boost to the region if Payment & Fintech firms continue to establish their premises along the M1, and there is a window of opportunity to become the ‘EU Gateway Region for Payments’. The North-East has the potential to be place-named on the same way as Galway cornered the MedTech market, or Cork has prospered with Pharmaceutical companies.

Drogheda is ideally located to lead this project due to its location. It is crucial that companies currently based in Dublin could easily access a National Payments Centre and associated companies. Drogheda’s proximity to Dublin airport (25 minutes and Belfast airport (90 minutes) offers an opportunity to link the two Cities.

DCU & DKIT currently sit on The M1 Payments steering group, and there is strong potential to work with Belfast-based third level institutes.

## Drogheda – Part of Greater Dublin Area



### By Road:

✓ Easily accessible from all parts of Dublin city & GDA via M50 and M1

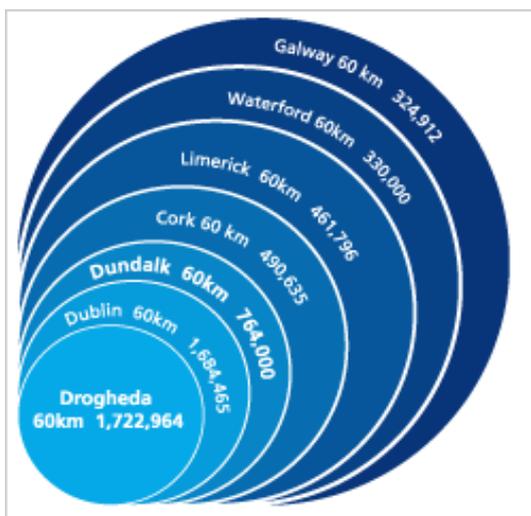
|                | KM | Miles | Minutes |
|----------------|----|-------|---------|
| Dublin         | 46 | 29    | 30      |
| Dublin Airport | 37 | 23    | 20      |

### Dublin Airport

- ✓ 23 Million passengers per year
- ✓ 90 Airlines
- ✓ 150 Destinations
- ✓ 450 Daily Flights

Combination of High Speed Rail and Express Bus Services To & From Dublin

Drogheda's close proximity to Dundalk and Dublin increases its population within a 60km (1 hour commute) catchment area to over 1,700,000 – the **largest population catchment in Ireland**. Over 40% of the Drogheda area population are between the ages of 20-44 (a higher percentage than the national average) providing Drogheda and the surrounding area with a comparatively higher economically active population.



(based on CSO 2011 figures – the most up to date).

The greater Drogheda region is unique in relation to National Spatial Strategy as it crosses two counties (Louth & Meath), and also traverses two Regional Assemblies. Louth has recently moved to the Eastern Midland Region Assembly but, in addition, is also represented on the Northern & Western RA due to past position on BMW assembly. This fact poses difficulties for the Drogheda and Entire North-East region as it's future spatial strategy is often based on information from one source, instead of focusing on the larger catchment area. Another example of a serious lack of cohesive approach is that Louth (and Drogheda) is included in the Northeast Action Plan for Jobs (including the proposed M1 Payments Corridor project), but is now based in the Eastern Midland Regional Assembly.

Drogheda's location in both County Louth and Meath, has traditionally had practical implications for enterprise support. For example, IDA and Enterprise Ireland have different 'regional' contacts in both counties – Louth was part of Border region, whilst Meath was in Mid-East region. At a very basic level, it would duplicate activities if Meath County Council established an additional Enterprise Centre in the Meath area of South Drogheda. Similarly, it is not practical for Meath and Louth to both have a separate FDI policy for the one town, which may or may not match each other. This creates the critical need for a cohesive and integrated urban development plan for the greater Drogheda area.

Given the size of Drogheda, it is clear that it has not fully benefited from that distinction. Over the past thirty years, it has become a commuter town as illustrated with residents travelling to Dublin to work. If Drogheda is to truly prosper, it needs to have a local sustainable economy with the right mixture of FDI and indigenous businesses. To achieve this, it will need strong leadership, clear goals, and a cohesive plan for Drogheda, it's environs, and it's wider population. Based on past experience, the fact that two councils have to jointly deliver this leadership/cohesive plan, we believe the economic growth has not been as successful as it could have been.

### **NPF Objectives:**

This submission directly relates to NPF's core objectives:

- Facilitate improvements to people's quality of life and well-being:

The NorthEast region has seen high population growth, and an increase in commuters travelling back and forth to Dublin on a daily basis. Ensuring that the region has a self-sustainable economy will increase quality of life of its residents, and ease commuter traffic congestion.

- Prevent further overdevelopment and sprawl:

Drogheda is the largest town in Ireland, and should be considered a complementary town to Eastern region and Dublin sprawl. It is large enough to be stand-alone urban area which also supports the large population in hinterland, including East Meath, Fingal County, and the adjacent M1 Motorway region. This will be facilitated by improving services, increasing local employment opportunities

- Identify and support employment potential throughout Ireland, including greater regional employment growth:

There is not enough suitable office accommodation for FDIs or expanding SMES in the region. The IDA Business & Technology Park in Drogheda has not been developed in the past ten years, and only contains one large company. It is ideally located off the M1, but current IDA capital spend is limited to nine towns. Mill-ers have experienced extreme difficulty in obtaining suitable accommodation in the town of Drogheda. The IDA is currently developing additional office space in Dundalk.

- Achieve effective regional development:

Increase regional infrastructure to match potential:

- Develop Drogheda Port
- Extend Dart service to Drogheda and Dundalk

- Develop Northern Cross road to alleviate port traffic through Drogheda town centre, and divert straight to M1.
- Relieve development pressure on the Eastern part of the Country whilst protecting the key role played by Dublin.

Drogheda and Dundalk can complement Dublin by offering an alternative urban location that is large enough to be self-sustainable, and close enough to Dublin for supporting each other in relation to economic development.

- Harness the planning system in order to maximise the role it can play in relation to climate change:

Avoid duplication of services across county councils and regional assemblies.

- Manage the planning and development process so that the right development occurs in the most suitable places and at the right time, ensuring sustainability and best use of scarce resources.
- Increase co-operation between Meath and Louth Council
- Ensure that Drogheda (and Louth) is not on diverse economic or infrastructure plans (for example sitting on Eastern Midland Regional Assembly, and having economic activity driven by Northeast Action Plan for Jobs)

## **NPF Priorities:**

### **People's Health & Well-being:**

*“With our high car dependency rate, over two-thirds of commuters travel to work by car, and nearly one in ten workers spent one hour or more commuting to work. This pattern of car dependence means that many city and particularly town-based businesses and services require significant car parking to ensure viability, being reliant on an increasingly dispersed car-borne catchment, as well as resulting in a widespread physical move towards out-of-town or edge-of-town shopping, business, leisure and service activity, undermining the vibrancy of many historic main streets and urban centres” NPF Summary, p7*

Due to proximity to Dublin, the M1 Region has a relatively high level of commuters travelling back and forth to Dublin for more than one hour. We would like to see the DART train service extended to Drogheda/Dundalk train stations, and an increase in the number of local buses servicing housing estates, business sites, and the town centre.

### **Place-Making Strategy:**

*“the spatial pattern of Dublin's influence now extends from Louth through Meath, Westmeath and Kildare to Laois, Carlow, Wicklow and Wexford, also partially affecting Cavan, Longford and Kilkenny. This spread of activity together with the objective of achieving more effective regional development elsewhere in Ireland makes it difficult to prioritise the needs of the Capital and our other cities. Dublin's success as a city-region is a double edged sword. While it has enabled Ireland to compete in an international context, such success has also given rise to pressures in areas such as housing, transport and infrastructural requirements, which affect competitiveness.” NPF Summary P8*

Drogheda and Dundalk are in an ideal situation (geographically & economically) to complement Dublin's dominant economic position, and absorb some of the strain on it's resources. As the two towns with the largest population in Ireland, the Steering Group believe that we can mirror the 5 cities in offering a focal point to drive growth, and to work with the smaller towns in our hinterland to develop pockets of innovation.

Although Drogheda has experienced a fast pace of growth, it's potential is often underestimated by the general public and government agencies. It's crucial that Drogheda stakes a claim as a significant urban hub along the North-East / M1 Corridor. This will also assist greater economic development across the entire region including the 2<sup>nd</sup> largest town in Ireland, Dundalk.

*How might we develop one or more strong regional complements to Dublin that can address their whole city-region, including interactions between settlements?*

*Do we need to reform and strengthen administrative and governance structures so that they are capable of delivering the necessary alliances, collaboration and actions to build up our cities and their regions?*

It is imperative that Louth and Meath County Councils work closely to ensure that Drogheda and its hinterland reach its potential. In the past, each council may have had different priorities, and Drogheda has lacked a cohesive economic & social plan for all its residents.

There is not enough suitable office accommodation for FDIs or expanding SMES. The IDA Business & Technology Park in Drogheda, which is based in County Meath, has not been developed in the past ten years, and only contains one large company. It is ideally located off the M1, but current IDA capital spend is limited to nine towns, and doesn't include Drogheda, despite its many clear advantages.

### **Opportunities for the Regions:**

*“Effective regional development is about reducing disparities by embracing the spatial development opportunities specific to each of the regions and in particular the Regional Assembly areas. This requires choices to be made that result in sustainable solutions and means that NPF policies may look different from one region to another”. NPF Summary P9*

Louth (and Drogheda) has moved to the Eastern Midland Regional Assembly which presents opportunities to further complement its proximity to Dublin, and inherent opportunity for companies that need to be close to Dublin, but not based in the City Centre. However, due to our past position in the Border Midland Assembly, Louth is also represented on the newly-formed Northern-Western Assembly.

As Drogheda is on the outer periphery of both Assemblies, it is crucial that our natural location as a significant urban hub is not overlooked by both assemblies. In addition, our economic direction is based on the Government's Northeast Action Plan for Jobs, but our Assembly does not control any of that budget or have strong influence on how the Assembly's plans will converge with NorthEast Action plan.

What are the levers for effective regional development?

What is needed to be done to increase human capital at a regional level?

What regional 'value proposition' i.e. an innovation, service, or combination of measures and approaches can make the regions more successful and what are the means by which this can be achieved?

Are there strategic issues (i) across local authority boundaries or (ii) on an inter-regional basis, that the Regional Assemblies can co-ordinate to ensure more effective sub-regional and regional outcomes?

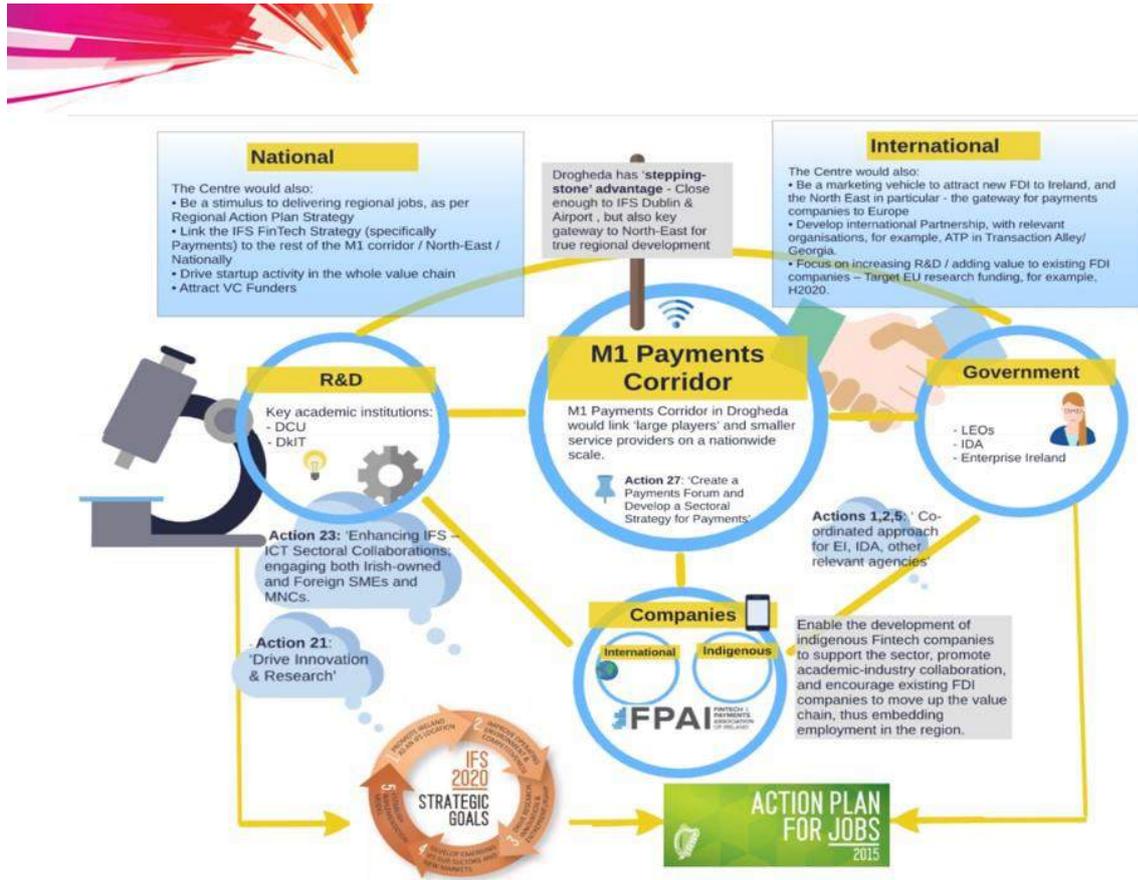
Are there funding opportunities than can support investment on a regional basis?

An M1 'Digital Payments Cluster' is a key part of the Government's NorthEast Action Plan for Jobs which proposes the creation of a 'Digital Payments hub' in Drogheda, and along the M1 economic corridor, with the potential to create hundreds of sustainable new jobs.

## M1 Payments corridor Overview



- ❖ The M1 Payments corridor is an industry grouping of ePayments/Fintech companies and allied stakeholders, promoted by The Mill, that serves the wider geographic M1 corridor in a Fintech vertical known as ePayments.
- ❖ Three strategic pillars
  - Providing marketing supports and collateral for FDI
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  - Enabling up/down stream interaction between the startup/SME community and the MNC to drive innovation and capability building
- ❖ Three Programmatic Pillars
  - Physical space – e.g. @The Mill, Payments Park
  - Programme Manager/MarComms
  - Education/event planning



## Ireland in an all-Island Context

*“As with interaction between places, sectoral development and clustering of enterprise does not follow administrative boundaries and requires a coherent approach to cross border networks and spill-overs where relevant. There are opportunities to identify sectors with potential for cross-border/all-island clustering to effectively brand and market such strengths.*”

*“What economic opportunities and sectoral clusters exist that can benefit economies within both jurisdictions and how can this be best captured and supported in the NPF? NPF p.12*”

Drogheda, Dundalk and surrounding NorthEast region is ideally located on the M1 Motorway with easy access to Dublin Airport, Belfast, and Dublin City Centre.

The M1 Payments Corridor project has significant potential to develop cross-border collaboration due to Northern Ireland’s strong sectoral expertise - First Derivatives in Newry, Citi Centre of Excellence in Belfast, Queens University currency/fintech expertise. This is particularly relevant due to the recent BREXIT result.

## **Equipping Ireland for Future Development – Infrastructure**

“High-quality infrastructure is an important element of a modern society and economy. It strengthens economic growth through enhancing efficiency, productivity and competitiveness. It also underpins social cohesion through providing vital facilities for people in the form of schools, public transport, healthcare and housing.”  
NPF Summary, P16

- Louth needs ‘joined-up thinking’ across Councils in relation to schools, services, health, shopping centres, centres of population etc
- Drogheda should not have a mixed messages for FDI- As per LEF plan, Drogheda is seen as part of Greater Dublin economic zone, but can also offer multiple additional advantages.
- Develop Northern Cross Road to reduce Drogheda town centre traffic, and allow Port traffic to bypass town centre, and divert straight to M1.
- The DART rail service should be extended to Drogheda and Dundalk, reducing costs of commuting, decreasing the need for cars, and offering a better solution for workers traveling from Dublin region to Drogheda.
- Develop a local bus service to office-parks from the Bus and Train stations

## Enabling the Vision – Implementing the National Planning Framework

*“The key implementation arrangements that are therefore identified at this point of the development of the NPF include the following:-*

- *Interdepartmental Drive: Through a NPF Management Team;*
- *Statutory Backing: Through the Planning and Development (Amendment) Bill 2016;*
- *Administrative Structures to Respond to ‘Real-world’ Issues, at regional and local levels:*
- *Investment: Capital Programmes of Government Departments and relevant public bodies and the use of ‘bid’ based systems that **incentivise cross-authority/agency working** in qualifying for targeted funding;*
- *Monitoring and Policy Feedback: Establishment of independent monitoring of the NPF to identify and put in place key data gathering systems that will measure NPF effectiveness and outcomes. Annual reporting to Government and to the Oireachtas could provide a formal oversight arrangement for the NPF”*

The Mill has significant reservations that Drogheda’s current size and future growth potential, will be stymied by having myriad agencies and government departments (Louth & Meath Council, Eastern Regional Assembly, Border Action Plan for Jobs etc) have partial control of our economic and social projects, with no high-level agency offering a cohesive strategic overview and associated budget.

Drogheda is ideally suited to “incentivise cross-authority/agency working’, but is overly-reliant on a large number of organisations working together on a single vision, unless pressure is exerted and additional enticements offered by the National Planning Framework process. The M1 Payments Corridor will offer co-operation opportunities across third-level, councils, regional assemblies and myriad organisations.

### **M1 Payments Corridor Contact Details:**

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Appendix:



**"Ireland's Payments industry post-Brexit – Real Opportunities, Real Challenges?"**

September 2<sup>nd</sup> 2016, City North Hotel, M1

8:30am: Registration / Coffee

9:30am: Welcome Address: Eoghan Murphy, Minister of State for Financial Services, eGovernment and Public Procurement

9:45: *"The Future of Money"* - Louise Phelan, Paypal

Louise Phelan is Vice President of Global Operations for Europe, Middle East and Africa, PayPal. She leads 2,600 colleagues in Dublin, Dundalk and Berlin.

10:15: *"Building a National Payments Cluster"*

Michael Wasserfuhr, Vesta CFO, and Board member at ATPC

The American Transaction Processors Coalition (ATPC) represents the more than 70 Georgia-based companies that develop the products and provide resources supporting the financial service industry's technology needs. More than 60 percent of the companies in this U.S. industry call Georgia home and 70 percent of all U.S. payments processed annually run through Georgia. The global payment processing (merchant acquiring) industry currently generates \$50 billion annually, and the industry employs 40,000 people in Georgia.

Michael Wasserfuhr brings over 15 years of international C-Level financial experience to his role as Vesta's senior vice president and chief financial officer.

Q&A

11.00: Coffee / Networking

11:15: *Fintech/ePayments sector in Ireland: Challenges to be overcome* - Panel discussion Chair – Richard Hanlon, Vesta Payments

Drew O' Sullivan (European Angel Fund), Keith Fingleton (IDA), Garrett Cassidy (Abarca Consulting), Noel Moran (FPAI / PrePaid Financial Services)



## E-Payments Conference

### "Payments - The Opportunity for Collaboration and Scaling"

October 9<sup>th</sup> 2015, City North Hotel, M1 (15 minutes from Airport)

9:00am: Registration / Coffee

9:30am: Welcome Address: Ged Nash, TD, Minister of State, Department of Jobs, Enterprise and Innovation.

9:50: Introduction by Dennis Cummins, President DKIT

Panel discussion: Chaired by Richard Hanlon, VESTA

Panel: Brian Mc Craith (President DCU), David Birch (Consult Hyperion), Denis Curran (IDA Ireland), Dave Anderson (Bynk.me)

- State of Payments Sector in Ireland
- Regionalisation / Opportunities for smaller Fintech Companies
- R&D in Payments Sector

10.50: Coffee / Networking

11.20 - Keynote Presentation – David Birch, Consult Hyperion

#### "The Future of Payments Industry"

Dave Birch is a Director of London-based, Consult Hyperion, the IT consultancy that specialises in secure electronic transactions. He is an internationally-recognised thought leader in digital identity and digital money, was named one of Wired magazine's global top 15 favourite sources of business information, listed in the European "Power 50" for digital financial services, rated a NextBank "Fintech Titan" and ranked Europe's most influential commentator on the emerging payments field. His latest book "[Identity is the New Money](#)" was published in April 2014.

Q&A

12:20: VC / Startup Panel Discussion – Chaired by Alan Costello, Ruby Consulting

Frontline VC (Will Prendergast, Partner), CurrencyFair (Chief Operating Officer, Michael O'Donovan) Aphix Software (Graham O'Rourke, CEO).

1:15 pm: Light Lunch / Networking

Book tickets at <http://epayments-conference.eventbrite.ie>

