

# CHAMBERS IRELAND SUBMISSION ON BUDGET 2022



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# A Strategy for Towns and Cities/Urban Ireland





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## Sustainable Cities and Communities (Goal 11)

### Town Centre First Initiative

- Resource the Government's Town Centre First Initiative for urban spaces so that it focuses on the development of economically, socially and actively healthy streets in our cities and towns
- Expand the Living City Initiative (LCI) to include long term vacant commercial properties built post-1915 in the cities and towns specified in the NPF and reformed to include acquisition costs of LCI qualifying properties
- Remove regulatory disincentives by amending the initiative and encouraging new investment in these areas by incorporating the costs of buying LCI qualifying properties into the relief and reducing the inheritance/CGT tax disincentives to invest in certain properties by allowing the unused capital allowances attached to a property to be transferred with ownership
- Introduce a targeted, time-bound, reduction of construction VAT for affordable high-density apartment new builds in cities
- Introduce a legislative framework that supports shared property ownership models, like the co-operative and co-housing legal structures seen in the Netherlands and Denmark, that will respond positively to the distinct challenges of high-density urban living

### Reduce Vacancies

- Enact legislation to empower and resource local authorities as one-stop shops to streamline the regulatory regime for change-of-use construction projects and above-the-shop conversions
- Extend Statutory Instrument 30 on change of use of commercial premises to residential premises beyond 2021, and consider reforming the Statutory Instrument so that the two-year waiting period is removed
- Reform the Fair Deal Scheme so that when rental income accrues from a Fair Deal dwelling, the costs associated with renting that dwelling are discounted from reckonable income. Up to 80% of the income which an individual on the Fair Deal Scheme receives must go to the HSE, yet the share that remains is often less than would be required to finance the investment, repair work, LPT, retrofitting, and maintenance of a rented residential unit. This creates the perverse disincentive that it can be cheaper to let a house lie empty than to have a tenant stay there



- Renew the Derelict Sites Act 1990 to strengthen its elements to incentivise infill and brownfield construction
- Better resource local authorities to initiate street improvement and active travel investments
- Introduce new legislation to expand and strengthen the powers of local authorities to compulsory purchase vacant sites
- Modernise the land registry to facilitate the creation of a national vacant land registry
- Implement a strengthened and centralised vacant land levy which acts as a charge on the land regardless of the ownership with revenue being returned to the relevant local authority
- Having reviewed the vacancy rates, the Department of Housing, Local Government and Heritage should set vacancy reduction targets for local authorities at the electoral district level

## Support Urbanism

- Substantially increase the capital spend for housing in urban areas identified by the NPF
- Councils that run large budget surpluses should be encouraged to invest the excess in the local economy through Transport Orientated Development
- Direct Local Authorities to integrate decisions on property taxes into the general budget process, rather than the status quo where it is dealt with as a stand-alone item
- Invest in the urban built environment to provide social and community spaces and resources, akin to those in rural areas
- Ensure that Local Area Plans require the inclusion of people-friendly pedestrian infrastructure, segregated cycleways, and rest spots. This infrastructure is needed to support active transit while linking residential areas with civic and economic centres
- Provide funding to reform the planning system to ensure efficient decision making, in combination with the upskilling of local authority planning departments to allow for consistent and integrated decision making across the regions
- Implement training programmes for councillors to help them align Local Economic and Community Plans and Local Area Plans with the European Green Deal to enable increased access to EU funding
- Strengthen and resource the planning professionals in local authorities and other relevant State agencies



## Support Efficiency in Construction Costs

- Create guidelines on how Local Authorities apply construction duties and levies to ensure consistency across regions. The rebates of levies and charges should also be used to ensure the completion of high-density developments
- Introduce targeted reductions in construction duties and levies for developments which are coherent with the NPF
- Improve information provided in the Commercial and Residential Property Price registers to facilitate proper assessment of costs per square metre
- Ensure regulatory certainty around high-density apartment planning
- Amend EPA waste licensing rules to facilitate on-site reuse

## Housing Policy

- The Government must commit to the principles and objectives of the NPF and integrate it with the Climate Action Plan, applying the revised European Commission definitions of green investment
- Ensure that Transport Orientated Development principles form the core of all new developments – the MetroLink Project offers a great opportunity develop expertise in this area
- Prioritise traffic reduction measures in all our towns and cities while expanding local active travel and public transport options
- Develop a National Active Land Management policy
- Finalise and enact the legislative framework for the Land Development Agency, granting it compulsory purchase and active land management powers in line with the Kenny report, supporting this with a referendum if necessary
- Building upon the National Planning Framework and the Climate Action Plan, there needs to be co-ordinated efforts at regional level to integrate development, land management and investment in public transport
- Expand the mandate of Home Building Finance Ireland to provide low-interest finance to fund construction projects on brownfield sites in town and city centres

# Delivering on Climate Action and Sustainable Infrastructure





# Delivering on Climate Action and Sustainable Infrastructure



## Industry, Innovation and Infrastructure (Goal 9)

### Making the Planning System More Effective

- Scale up the resources and skills in planning departments at local and national levels so that better planning decisions can be made at earlier stages which can survive scrutiny in the courts
- Ensure that An Bord Pleanála and the National Parks and Wildlife Service is appropriately resourced to match the scale of our ambitions
- Invest in the courts and judicial system so that it can speedily adjudicate on any planning decisions that come before it
- Deliver on the Programme for Government commitment to introduce an Environmental and Planning Court which can fast-track hearings related to key infrastructure projects and efficiently adjudicate on the merits of the cases before it
- Streamline the planning regime to reduce uncertainty for key infrastructure investments
- Make greater use of the Regional Assemblies and their ability to create strategic master plans by increasing their internal resources to allow them to offer high-skilled expert planning services to local authorities, and to guide the integration of Local Area Plans with regional and national infrastructure

### Finance Infrastructure Sustainably

- With increased pressure on public finances it is important that we maintain the 'Rainy Day Fund' with the transfer of above profile corporate tax receipts and other sources of windfall returns to the exchequer to ensure that they can be used for funding capital infrastructure rather than current expenditure
- Draft a roadmap on future taxation policy, detailing how Government intends to transition/replace revenue from VRT/excise/motor tax
- Optimise investment in capital projects and infrastructure by ensuring transparency and an open approach to infrastructure funding models such as PPP, to ensure progress is maintained
- Improve the reporting requirements for all large projects and programmes
- Prioritise infrastructure which aligns with the National Planning Framework, multimodal, and transport orientated development principles
- Ensure that all critical infrastructure investment is aligned with the European Commission's 'Sustainable Finance' definitions



- Move away from the Public Works' standard form contract towards international best practice alternatives

## **Improve Transport Services**

- Develop inter-urban and intra-urban public transport networks, and invest in the urban built environment to promote local active transport networks that extend the utility of public transport
- Invest in shared cycling schemes and cycling infrastructure
- Urgently commence work on advancing the MetroLink
- Prioritise intercity rail transport infrastructure
- Progress the Dublin rail interconnector and Luas extensions
- Fast-track the Cork Suburban Rail project
- Implement BusConnects projects in all NDP growth cities
- On existing rail routes, progress research into introducing high-speed sections to reduce the conflict between intercity and commuter services
- Initiate feasibility studies, and cost benefit analyses – including carbon accounting – on upgrading the links between the National Development Plan growth cities through the rail network
- Accelerate the Dart extension projects and establish a timeline towards developing an all-electric rail network
- Extend train lines, where suitable, to integrate freight to our trading seaports

## **Securing National Energy Grid Infrastructure**

- Upgrade our electricity network to provide for long-term energy security by increasing investment in the electricity grid
- Provide additional resources to connect renewable supplies to the network
- Rapid rollout of legislation that will facilitate offshore wind farms
- Invest in the accelerated rollout of a national fast-charging network for the EVs with a focus on regional areas, while providing for public transport in urban settings
- Future proof the National Gas Grid by investing in biomethane technologies and systems to provide renewable methane and hydrogen supply
- Ensure there is additional investment for water infrastructure, providing powers to State bodies to finance such investment through land value capture





## The Digital Economy

- The speedy implementation of a high-speed broadband throughout the country must be prioritised as a key national economic concern
- Fund a civilian cybersecurity agency with a multiple mandate to:
  - Identify threats to ordinary residents in Ireland, state bodies, and businesses
  - Have a remit for penetration testing state bodies
  - Inform the public and train the business community on how to minimise the risk to them and their property that arise from cybersecurity threats
- We need to see common sense, risk-reducing, and reliable regulation in the area of digital economy that will both protect innovation over the long-term and withstand the scrutiny that is arising from the data of other nations' citizens that is processed in Ireland

## Climate Action (Goal 13)

### Generating Renewable Energy

- Commit increased investment in the electricity grid to ensure that it is future-proofed and has the capacity to meet decarbonisation targets, including the progression of the North-South Interconnector and the Celtic Interconnector to ensure energy security
- Increase R&D spend and target funding to support research into how the gas networks can be future proofed to transition from the delivery of natural gas to renewable gas and the potential of hydrogen as a means of storing excess electricity
- Strategic investment must be directed into one or more Irish ports for the construction of offshore wind farms to take maximum advantage of the Programme for Government's commitment to delivering 5GW of offshore wind by 2030

### Decarbonising Heat and Transport

- Ringfence all Exchequer returns from Carbon Tax and strategically invest in green infrastructure, public transport, and funds that will support communities to transition to green transport and heating alternatives
- Publish a schedule of increases in Carbon Tax between 2021 and 2030, so that businesses have greater certainty on expected costs

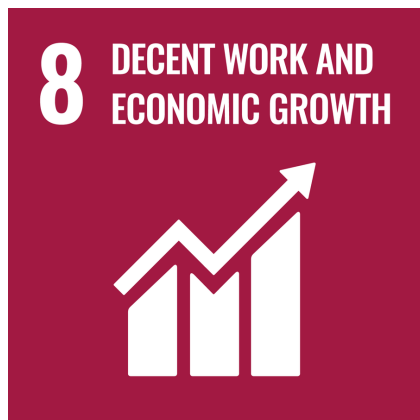


- Following any phased increases to the Carbon Tax, Government must commit to carrying out impact assessments on the consequences for SMEs, commuters and border communities
- Increase investment in the decarbonisation of public transport, particularly in cities, such as investment in bio-methane vehicles and the electrification of trains and buses. Road usage plans must also prioritise public transport
- Invest in appropriate infrastructure to support the transition of Heavy Goods Vehicles to low-carbon fuel options like Compressed Natural Gas
- Invest in an accelerated roll-out of a national fast-charging network for Electric Vehicles, particularly in rural parts of the country where there are limited options for public transport
- Use ringfenced environmental fund revenues to broaden the coverage and density of shared use schemes (such as City Bikes) in the cities where they are available and expand them to other towns where they are not yet provided, enabling social distancing requirements to be more easily met

## **Accelerating the Transition to the Circular and Low Carbon Economy**

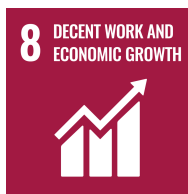
- Commit funding to expand the network of local authority energy agencies to act as a local one-stop-shop structure providing practical advice to households and businesses on significantly reducing carbon emissions, retrofitting homes and availing of Government supports and advice from agencies like the SEAI or the Climate Action Regional Office
- Classify SEAI supported retrofitting projects as zero VAT rated products
- Ensure that funding and resources are allocated to research innovative technologies such as Carbon Capture Storage, Hydrogen, Biogas and Anaerobic Digestion
- Invest in re-training programmes to support the transition from jobs reliant on fossil fuels to low carbon jobs in areas such as energy retrofitting for buildings, sustainable forestry, renewable energy and peatland restoration, to name a few
- Continue to invest in measures that will support communities to meet afforestation and bog restoration targets
- Ongoing investment in water infrastructure to ensure the sustainability of supplies into the future and ensuring we safeguard our environment through the elimination of the discharge of untreated water into our rivers and seas

# Inclusive and Productive Local Economies





# Inclusive and Productive Local Economies



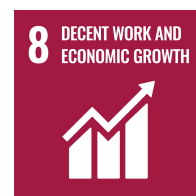
## Decent Work and Economic Growth (Goal 8)

### Sustained Financial Support for Vulnerable Sectors

- Extension to the waiver on commercial rates for impacted businesses to the end of 2021 with the shortfall in funding to be refunded to local authorities by central Government. This extension should be paired with more accessible criteria to enable the speedy processing of applications
- Reintroduction of a Redundancy Rebate Scheme for sole traders and SMEs for a defined period of time

### Stimulus for Local Economies

- Extension of the Small Benefits Exemption to allow employers to give a voucher in 2021 up to the value of €1,000, which can be drawn down in two parts, on a tax-free basis, and will stimulate retail spend in local economies
- Reform the “Stay and Spend” tax credit for the tourism and hospitality sector and immediately replace it with a form of local voucher for all adults that can be spent on tourism and hospitality for a defined period of time, targeted at the 'shoulder season'
- Extend the reduced VAT rate for hospitality & tourism businesses until the end of 2023
- Ensure adequate staffing resources are afforded to local authorities to enable the effective and speedy implementation of out-door dining and public realm grants, that support dwell time and healthy streets within our town and city centres.
- Ensure the ‘Think Small First Principle’ is applied to all grant applications to support SMEs
- Publish a national aviation strategy that will target and allocate multi-annual funding for CapEx, OpEx and marketing expenditure. These supports for airports will help those vulnerable to the impacts of the pandemic to retain existing routes and develop new routes further afield, which will subsequently support growth of tourism and economies in these regions as part of the post-Covid-19 recovery
- Resource state agencies to increase levels of investment in niche areas that distinguish Ireland as a destination, such as Ireland’s growing potential as a place for unique and high-quality food and active tourism



## Supporting Entrepreneurs and SMEs

- Reform the Employment Investment Incentive Scheme (EIS) through the following measures:
  - reduction of administration and simplification qualifying criteria
  - make more attractive to investors
  - prioritise flexibility
  - improve investor participation
- Reduce the Capital Gains Tax rate of 33% for non-passive investment in order to promote more all-island alignment on this kind of tax policy. This move will also help the exchequer to benefit from taxation dividends that arise from CGT as individuals will have less incentive to engage in regulatory arbitrage through availing of foreign taxation regimes
- Increase the lifetime limit of €1 million in qualifying capital gains under Entrepreneur's Relief to improve the attractiveness for repeat investors and to encourage increased investment in Irish business
- Expand and simplify eligibility criteria for the R&D tax credit rate to medium sized enterprises
- Review and simplify the reliefs which are available, such as Retirement Relief, and integrate it within a more expansive Entrepreneurs' Relief
- Introduce a mechanism where entrepreneurs can apply for a "small business rollover", which would support serial entrepreneurship
- Improve conditions to enable greater access to financial, venture capital and private equity markets to grow
- Conduct further review and reform of the Key Employee Engagement Programme (KEEP) to ensure that it continues to be accessible and user-friendly

## Trade and Investment

- Commit to maintaining Ireland's 12.5% rate of Corporation Tax
- Lead, resource and implement an Action Plan for Trade, which is target driven, and aims to increase SME engagement with international trade, both within and outside the EU. This will support SMEs to be more productive and will also help SME traders to adapt to the UK being outside the EU
- Introduce additional supports for businesses, including retail, who wish to expand their activities in e-commerce with a view to becoming more engaged in the Digital Single Market and with a view to competing with UK businesses selling online, who may have a competitive edge post Brexit, due to exchange rate fluctuations



## Flexible and Inclusive Workplaces

- Review and reform the existing e-working allowance to support workers and employers who are continuing to engage in remote working
- Increase the individual tax rebate for working from home, which can currently be claimed against 10% of the costs of home working (e.g. electricity, broadband, heating)
- Increase resources, both in staff and funding, to the Regional Skills Fora, in line with population, to support their efforts to address skills needs around the country
- Allocate funding to deliver disability awareness training for organisations
- Fund a workplace access programme to support labour participation for people with disabilities
- Amalgamate all current supports in the Reasonable Accommodation Fund banner into one overall grant and guarantee that funding for specialised equipment is received and controlled by the employee
- Reform the Reasonable Accommodation Fund so that the supports are fit for purpose in a modern workplace

## Gender Equality (Goal 5)

### Supports for Parental Equality

- The CSO reported that almost half (45%) of fathers entitled to paternity benefit did not take it in 2018. Budget 2022 must set aside funding to enable a review of Paternity Benefit to better understand any obstacles for take-up to support parenting equality
- Conduct a review of parental leave supports (maternity, paternity and parental leave) that the state provides over the course of an individual childhood, to better understand any obstacles to take-up and barriers to greater parenting equality

### Access to Affordable Quality Childcare

- Increase investment in childcare services, early education infrastructure and schools that are reopening to facilitate breakfast clubs and after school childcare in all parts of the country to help working parents and mitigate against the reduction in supply of childcare places that has arisen from Covid-19
- Expand mentoring programmes like “Better Start” that aim to improve the quality of childcare and early childhood education
- Ensure continued investment in the Early Childhood Care and Education (ECCE)
- Increased investment in services and infrastructure that enable childcare providers to expand places for children under the age of three