Our People
Our Place
Our Future

Budget 2024

Limerick Chamber
Advancing business together

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President's Foreword

Limerick Chamber's latest Mid-West Economics insights sets the scene for our Budget 2024 submission. Produced independently by the policy team in Limerick Chamber, it acts as an evidence base for our submission, along with feedback from member organisations. Limerick Chamber represents 400 diverse organisations across the Mid-West from small local retailers to large multinational companies and almost everything in between from education to healthcare providers.

In Limerick Chamber's Budget 2024 Submission, the focus lies on addressing both the human capital and infrastructural gaps across the Mid-West from enhancing housing affordability and supply, to addressing issues of dereliction and vacancy in urban centres, training people with the appropriate skills, increasing the rate of delivery for the infrastructure required for offshore renewable energy and funding key economic routes for aviation access to European Union hubs.

The latest Mid-West Economic Insights (MWEI), published in May 2023, revealed that many of the challenges that were an issue one year ago remain unresolved. Businesses are still facing difficulties in finding staff with the appropriate skills and providing suitable housing for their employees (which is the top issue for businesses in the Mid-West). As the unemployment rate approaches "full employment," it is becoming increasingly challenging for businesses to hire locally, forcing them to seek international candidates. In fact, there has already been a significant increase in the issuance of work permits in 2022. Businesses not only have to navigate a competitive and demanding labour market but also strive to ensure their employees have access to affordable housing, a growing challenge at both regional and national levels.

Irish educated and trained doctors, nurses, teachers, and Gardaí are amongst the best trained and sought after in the world, with other developed economies targeting these professionals to emigrate and settle abroad with attractive settlement grants and generous salaries. The loss of these highly skilled and trained key frontline workers is having an immediate and direct impact on our healthcare, education and policing systems which are all struggling to meet the demands of our growing population. Budget 2024 must introduce measures and cost of living supports to attract the Irish diaspora to return to live work and re-establish themselves in Ireland. There must be a focus on retaining Irish graduates in the workforce and ensuring that we do not become an exporter of our best and brightest for the benefit of other economies.

However, despite these challenges, the Mid-West region has maintained a positive position in terms of employment, experiencing significant growth after the COVID-19 pandemic. Shannon Airport has shown resilience, and early data for 2023 indicates a rise in passenger numbers compared to pre-pandemic levels but increasing access to European hubs is key for businesses. Additionally, Shannon Foynes Port remains a notable asset for the region, as it is not only a leader in harnessing offshore renewable energy but also the largest port in Ireland for break and dry bulk cargo. However, port infrastructure and appropriate policies must be made to fully leverage the offshore wind potential of the west coast.

The region continues to produce a steady stream of graduates for current and future employers, not only from universities but also through apprenticeships and vocational training. However, this must change to a greater emphasis on providing education and training for current and future demand, or else our employment issues will compound in the coming years. This must also be supplemented by an increase in the provision of student accommodation options.

While the Mid-West region continues to be an attractive location for conducting business, the housing issue poses a significant risk and must be diligently tackled as part of Budget 2024. Unfortunately, this is not as simple as allocating funding and there must be increased accountability for public organisations that fail to adequately spend their allocation and those that fail to provide affordable housing at scale.

Additionally, it is vital to invest in infrastructural development to overcome growth-constraining deficits, especially in regional cities, ensuring that Budget 2024 yields substantial benefits for individuals residing, working, and contributing taxes in Ireland. Again, those organisations tasked with delivery must be accountable for any time slippage that occurs.

To enhance the business environment, fostering greater connectivity with other European nations is crucial. Limerick Chamber has produced a plethora of research in relation to increased aviation support and its economic benefits, including the Copenhagen Economics study of Aviation Policy as a driver of Economic Development in the West and Mid-West of Ireland and two recent submissions on the Mid-Term review of the Regional Airports Programme. The research, and our budget submission, presents recommendations to bolster strategic connectivity to and from Shannon Airport, as this is vital for the region's growth and aligns with the objectives of the National Development Plan.

Businesses are seeking to transition to sustainable operations, and the region's access to the Atlantic Ocean, including the vast floating offshore wind generation potential in the Shannon Estuary and coastline, presents a unique advantage. Furthermore, businesses want to see an Ireland that is more energy secure for existing and future operations. However, this necessitates an appropriate political and regulatory environment, including adequate resources for the Maritime Area Regulatory Authority (MARA) and An Bord Pleanála (ABP) to support wind energy harnessing. Timely issuance of Maritime Area Consents (MACs) by MARA is crucial to avoid delays that could significantly impact international appetite to invest in Ireland.

In conclusion, Budget 2024 must focus on our people by bolstering Ireland's workforce by focusing on skills demand rather than the number of people available to work, who may not have the correct skills. Budget 2024 must focus on our place, by adequately addressing the housing issue and increasing links through public transport and international aviation. Lastly, Budget 2024 must support our future, by adequately addressing gaps in Ireland's energy security, focusing on future areas of global macroeconomic growth and ensuring a strong community with public services and staff to match Ireland's ambitions.

Miriam O'Connor
President,
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Supporting our Businesses & People

Budget 2024 must look towards supporting our people through education and skills development. We must expand our workforce of educated professionals and appear attractive on the world stage – operating visa and job opening platforms similar to other countries for skilled professionals. We must increase access to the workplace for those desiring a more flexible working life but also those that are disabled. Overall, we need to increase our labour force size and access. However, the key element are those with the correct skills. Many of our members report skills shortages that cannot be easily overcome by an increase in the workforce and we need to begin educating people with the appropriate skills.

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Supporting our Place

Increasing the housing supply is critical for the future. Many businesses describe it as their number one issue when trying to attract and retain staff, but also in encouraging a happy workforce. The Government needs to focus more on the direct building of affordable Housing in the regions. With no solid plans to bring this forward in Limerick in the short-term. Furthermore, the existing system of social housing is putting pressure on the private market with 43% of homes transactions being owner occupiers in 2022. Expanding the Living City Initiative will help to revitalise our city, but also provide much needed housing options for people. As part of that, work needs to be undertaken in reducing both commercial and residential vacancy rates in cities. We need to continually invest in the enabling infrastructure required for housing as well as supporting providers in building apartments and more dense, family size appropriate accommodation outside Dublin. But more importantly, we need to ensure delivery, releasing funding from the state is only part of the solution. We also must ensure those state organisations tasked with delivery are delivering in all areas and not a select few locations. Transport is also hugely important for business; we need to focus on increasing European access for business by directly funding key economic and business routes, as well as ensuring the adequate delivery of public transport options. While outside of the remit of the budget process, the planning system is a key inhibitor to the provision of housing and other infrastructure projects. We encourage the Government to listen to industry in this regard.

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Supporting our Future

The international landscape has been tumultuous in the past year. Ireland must engage with industry to examine and protect supply chains. As Europe looks to bring more industry back closer to home, this represents a unique opportunity for Ireland to capture more industry. Our offshore wind resources have the potential to be world-leading and ensure Ireland's energy future, however, this must be adequately resourced with appropriate signs sent to industry to show that Ireland is open for business. Unfortunately, this is not the feeling within some parts of the industry currently. Our healthcare, education and policing systems are foundations for stable communities and Budget 2024 must prioritise them as such by creating an environment where more professionals want to stay in Ireland rather than emigrate.

1.0 Our People

Ireland is a world class leader in attracting businesses and creating jobs. Employment continues to break records and our education institutions continue to provide high quality graduates to support business expansion. However, we must focus on retaining businesses, supporting Irish businesses and rewarding businesses that operate here. One of the primary issues reported by our members is skills demand. This problem will not be solved solely by increasing the workforce, it is a deeper problem than that, businesses require unique skills and education. It requires training and attracting people with key skills that Irish industry needs to flourish. However, that being said, business will only be as successful as the supporting infrastructure that is put around them to enable continued operations. Therefore, housing and other items mentioned later in this submission are critical.

1.1 Business Support

- Establish a Trading Interruption Waiver on local authority rates to support businesses whose operations are significantly impacted by unforeseen or planned changes that impact on customers/clients accessing their business e.g. lockdowns or planned public realm/roadworks. A fund should be established to subsidise local authorities in the amount being waived. This serves to support businesses impacted by unforeseen delays to capital expenditure projects, of which has been experienced in Limerick during the LUCROC project which has been underway since 2021.

- Limerick Chamber welcomes the extension of the Temporary Business Energy Support Scheme (TBESS), however, we recommend extending it to Q1 2024, to help businesses through the upcoming winter.

- Offer supplementary assistance to businesses that aim to broaden their operations in e-commerce. However, this support should not be restricted to online traders who only seek to sell online, but also those that wish to enhance visibility for their physical stores, thereby potentially boosting in-person trade.

- Limerick Chamber welcomes the extension of the waiver for outdoor dining for the remainder of 2023, however, Limerick Chamber would like to see this extended into 2024 and continue to include awnings, canopies and heaters used in conjunction with tables and chairs.

- The increase in the Small Benefits Exemption annual threshold to €1,000 is welcome. However, we would request that the restriction that only allows the first two benefits/vouchers received in a calendar year to be tax-free is removed. This will allow greater flexibility for employers to reward employees throughout the year with the option of a larger tax-free benefit/voucher in December (subject to the overall threshold).

- Considering the recent alterations in corporate tax policies, it is advisable for Ireland to raise the R&D tax credit beyond its current rate of 25%. This adjustment would safeguard Ireland's capability to attract and retain R&D activities, mitigating any potential impact from corporate tax increases. Additionally, recognising the significant contributions of R&D during the COVID-19 pandemic, the government should augment funding for domestic and education-focused R&D initiatives. This step would align R&D expenditure, as a proportion of the overall budget allocation, with that of European counterparts, further emphasising the importance of fostering innovation.

- Implement a mechanism enabling entrepreneurs to apply for a "small business rollover," allowing them to defer or roll over a portion of their capital gains from a business event into a new venture. This practice aligns with established policies in other jurisdictions.

- Simplify the qualifying criteria and enhance flexibility of the Employment Investment Incentive Scheme (EIIS) to promote increased investor participation.

- Raise the lifetime limit of €1 million in qualifying capital gains under Entrepreneurs Relief to make it more appealing to repeat investors and encourage greater investment in Irish businesses.

- Review and simplify available reliefs, including Retirement Relief, and integrate them into a more comprehensive Entrepreneurs' Relief.

- Conduct further evaluation and reform of the Key Employee Engagement Programme (KEEP) to ensure its accessibility and user-friendliness.

- Simplify the process for intergenerational transfer of trading companies to facilitate smoother transitions.

1.2 Skills & Training

- To enhance job prospects, budget 2024 should implement a sufficiently funded and effectively promoted training platform targeting individuals at Level 5, early school-leavers, and others seeking to upskill or re-join the workforce. This platform should facilitate the development of micro-credentials, thus expanding employment possibilities and critical skills of the indigenous workforce.

- Increase investment in upskilling and apprenticeships in critical sectors, such as construction and energy sectors.

- To encourage employers to invest in training for employees lacking qualifications or those in need of upskilling, Limerick Chamber recommends the implementation of a skills tax credit that focuses on areas of critical skills need. However, it is crucial to establish a reliable system that ensures the provision of quality education from reputable training providers and guarantees measurable returns on investment.

- Allocate resources towards retraining initiatives aimed at facilitating the shift from fossil fuel-dependent occupations to low carbon jobs in various sectors. These programs could focus on areas such as energy retrofitting for buildings, sustainable forestry, renewable energy, and peatland restoration. We understand some work is already underway regarding energy retrofitting through local Education and Training Boards (ETB) and this should receive continued support once measurable outcomes are achieved.

- As part of Budget 2024 an appropriate regional skills demand assessment should be undertaken at the regional level which should identify current and

future skills deficits by undertaking consultation with employers. This overview should feed into providing updated training and education options for these skills and also updating the critical skills list for visas.

1.3 Workforce Participation

- Reform and simplify the work visa/permit process. We need to attract international talent by minimising the barriers for non-EU citizens accessing our workforce.

- Budget 2024 should support the implementation of a government apprenticeship scheme, modelled after the Central Bank of Ireland's scholarship program. This initiative would enable individuals to acquire practical experience while pursuing higher education, with support from the sponsoring entity. It is recommended to expand this scheme throughout the civil and public service, particularly in regions with a history of high unemployment.

- With individuals enjoying extended and healthier lifespans, it is anticipated that they will continue working beyond the conventional retirement age. Census data underscores the rapid growth of the population in the over-65 age category. It is crucial for government policy to acknowledge this rise in older workers within the economy and offer the necessary support for them to contribute their expertise in other areas of society after retirement. To achieve this, a strategy should be devised to facilitate the retention of older employees in the workforce for a longer duration, if they so desire. Providing additional leave benefits and implementing flexible and agile working arrangements will play a pivotal role in supporting this strategy.

- Limerick Chamber advocates for inclusive workforce participation and encourages the introduction of stronger incentives for businesses to hire individuals with disabilities. It is essential to engage key local stakeholders in discussions regarding strategies to incentivise such employment. A consolidation of existing support under the Reasonable Accommodation Fund should be considered and streamlining the process by providing a comprehensive grant. It is crucial to ensure that funding for specialised equipment is allocated and that this support is suitable for a contemporary work environment. Additionally, increased investment in evidence-based employment assistance programs is necessary to empower individuals with disabilities to successfully enter, and remain in, the workforce. There should also be funding by way of capital grants, to make buildings more accessible for disabled people – especially for older commercial buildings.

- Limerick Chamber supports advancing workplace equality, which includes promoting flexible working arrangements. This includes supporting individuals who are seeking to join the workforce but may not be available for full-time employment. Business engagement underscores the skills demand in the Mid-West region, emphasising the importance of prioritising initiatives that facilitate workforce participation for all.

- Budget 2024 should bring forward a plan to increase sectoral participation for critical sectors. For example, there are reported shortages in the education and health sectors where the male population only make up 26% and 20% of the roles respectively. The state needs to encourage more males into these roles which may help the total number at work in the sectors. On the other hand, 92% of the construction workforce is male, and more females should be encouraged to work in this sector. The state needs to identify potential blockers to participation in order to boost overall workforce for those critical areas.

- The Australian critical skills list and website should act as a template for Ireland to expand its presence online. The Australian system provides a user friendly portal whereby potential candidates can view jobs within regions and also which visa is suitable for the vacant role.

2.0 Our Place

The current housing landscape is a significant threat to businesses, not just in the Mid-West, but the whole of Ireland. Affordable housing plays a pivotal role in supporting both employees and businesses, providing stability and fostering economic growth. In Ireland, however, delivering adequate housing has become a significant challenge, with a severe shortage of affordable options. Unfortunately, there was a reported underspend of €1 billion in the last two years. While the state has a responsibility of allocating funding for the delivery of housing, it also has a responsibility in ensuring accountability on departments and agencies that are ultimately responsible for delivery and Budget 2024 needs to emphasise this accountability more. Our submission largely focuses on owner-occupiers and renters, being some of the most under pressure in the market. Furthermore, through our submission we ask the state to ensure that more of the new home market goes towards owner occupiers and that Budget 2024 begins to look at the housing crisis from an innovative point of view. For example, Limerick delivered almost 800 homes in 2022, just 43% of the transactions were from owner occupiers. But Limerick Chamber calculations estimate c. 2,400 homes could be needed on an annual basis for Limerick.

2.1 Affordable Housing

2.1.1 Funding

- Significantly supplement the existing capital expenditure allocated to affordable housing, including both affordable purchase and cost rental options. To ensure a well-rounded approach, Approved Housing Bodies (AHBs) should be mandated to deliver cost rental housing alongside social housing. It is vital that the increased housing supply encompasses appropriate homes, surpassing the delivery of solely three and four-bedroom dwellings. Emphasis should be placed on providing a greater number of one and two-bedroom residences, as well as homes within higher-density developments and tailored communities for the elderly.

- Enhance the funding allocated to the Cost Rental Equity Loan Scheme (CREL) and the Affordable Housing Fund (AHF), while also establishing annual targets for Approved Housing Bodies (AHBs) and Local Authorities to deliver cost rental and affordable homes. This increased funding and goal-oriented approach will help drive the provision of more cost rental and affordable housing options in the regions.

- To enhance the feasibility and affordability of apartments, it is worth exploring the possibility of implementing an increased Help-to-Buy program specifically for apartments and more dense living as outlined in Project Ireland 2040. However, it must be carefully examined if this will increase prices for the end user.

- Basing new cost rental monthly payments off existing market rent is not correct unless market rents are adjusted for quality. For example, a new cost rental apartment may not be built if it cannot beat existing market rents by 25%, while the new apartment will be of higher quality and energy efficiency while the existing market might be apartments from the 1980s with poor energy performance. Thus, this results in cost rental not being developed. While Limerick Chamber supports targeting the reduction of new rents to below market rents, the calculation must be adjusted to support the increased provision of cost rental.

- As indicated in the Irish Fiscal Advisory Council's (IFAC) Fiscal Assessment Report (May 2022), there exists an excessive dependence on volatile and vulnerable corporate tax revenues within the exchequer. To address this issue, one approach is to reduce the reliance on such revenues by increasing contributions to a wealth fund and/or utilising them as startup capital for the mandatory pension program. Regarding the surplus driven by increased corporate tax revenue, a portion of the funds should be allocated to support the construction and management of public cost rental homes. These cost rental homes offer stable returns linked to inflation, potentially yielding a small margin of approximately 2-3%. This approach would contribute to the overall public pension fund, providing stable returns while also unlocking funding for housing initiatives. Nevertheless, it is important to ensure that the pension program is not excessively exposed to the property sector. There may be potential opportunities to diversify investments into renewable energy and other sectors.

- Both the Urban and Rural Regeneration and Development Funds (URDF and RRDF) are good schemes to deliver on some of the objectives outlined under the National Development Plan. However, once allocated funding, successful applicants must be mandated to supply the public with a timeline for the project and must account for any slippage in delivery. Furthermore, future calls of both the URDF and RRDF must make affordable housing a priority. There is also scope to expand the schemes to be more encompassing of all the goals within the National Development Plan, currently it focuses on compact and sustainable development and strengthened rural economies and communities. We feel this could be broadened to focus more on balanced regional development.

2.1.2 Targets & Demand

- Feedback from Limerick Chamber members indicates a hidden crisis in homeownership/independent living among skilled workers. Companies anecdotally have reported losing employees due to lack of opportunity in Limerick to move out of their parent's homes. The Housing for All initiative brings forth a highly appreciated expansion in the supply of public housing. It is crucial to prioritise direct construction by Local Authorities, approved housing bodies, and the Land Development Agency (LDA). Substantial investment must be directed towards these organisations to facilitate their efforts. As part of the Housing for All plan, there is a target to deliver 54,000 affordable homes – this is just 18% of the overall number of homes to be delivered under the plan. Meanwhile 90,000 social homes are expected (30%) and 156,000 private homes are expected to be built (52%). This drastic gulf between affordable and social supply should not exist and Limerick Chamber urges an increase in the number of affordable homes to be built under the plan to match the number of social homes.

It is recommended to establish suitable yearly targets at the county and city levels, distributing responsibilities among the three key organisations accountable for delivering public housing.

- In light of recent demographic changes, it is imperative that a national housing needs assessment is undertaken, with county level information accompanying the report. Furthermore, this report must account for adults living in family homes. Demand assessments thus far have ignored pent up demand and focused on future population growth.

- The current housing market reveals a worrisome scarcity of young homeowners. According to a recent report by the ESRI, the proportion of 25 to 34-year-olds who live independently and own their own homes has decreased significantly from 60% in 2004 to just 27% in 2019. This decline raises concerns for Limerick Chamber regarding the future situation of this age group when they reach retirement age, as renting in the private market might prove unaffordable on a pension. It is imperative to promptly provide appropriately sized housing for this demographic to address future demand. Failing to secure affordable housing in the long-term poses the risk that, as people age and retire, their pensions may not suffice to cover market rents. As a result, they will require either mortgage-free homes or the availability of large-scale public housing specifically targeted towards older cohorts.

2.1.3 Schemes

- Limerick Chamber welcomes the recent increase in the upper limit for the local authority home loan. However, we advise that Limerick's maximum property value should be increased to €330,000 in line with Cork and Galway. To do so would bring the property value closer to the actual average price of a new home.

- The repair and leasing scheme (RLS) is a commendable initiative aimed at revitalising vacant and derelict homes for families. However, to further promote the provision of cost rental housing, it is recommended to expand the scheme to include cost rental homes and not solely social housing. This expansion would serve as an incentive for increased cost rental availability and contribute to addressing the housing needs of individuals and families seeking affordable rental options.

- Introduce a pilot fund aimed at offering support to Co-operative Housing Associations, while simultaneously establishing targets for the development, promotion, and regulation of this emerging housing market. This strategy can involve partnering with public landowners to construct affordable homes that guarantee long-term affordability. It is crucial to foster collaboration with financial institutions to ensure the smooth facilitation of this initiative. This form of housing is already well established and successful in Northern European countries.

- Budget 2024 should place a stronger emphasis on Purpose Built Student Accommodation (PBSA), either through direct state involvement in construction or by assisting Higher Education Institutions in building and managing more accommodation. Student housing is often overlooked in affordable housing discussions. However, Limerick Chamber urges the formulation of a plan for constructing new student housing that considers regions with a significant and projected growth in the student population. Failure to adequately address this issue would result in increased challenges for domestic students and diminish Ireland's attractiveness for international students.
    - Budget 2024 must commit to examining the potential use of Public Private Partnerships (PPPs) to build student housing. Operating in a similar way to existing PPPs however the Government would have the right to buy at a pre-agreed price at the end of a predetermined timeline.

2.2 Social Housing

- The overall objective for social housing in Budget 2024 should be to reduce reliance on Part V, Leasing, and Turnkey approaches in meeting the demand for social housing and focus more on direct building. Allowing homes to be purchased for social housing, outside of the Part V process, introduces an element of competition between the state and potential owner occupiers, this must be discouraged by a prioritisation of direct build by state organisations and other social enterprise focused on housing provision.

- Although the tenant purchase scheme has its advantages in promoting home ownership, it does pose challenges by depleting the available social housing stock, and the cost of replacing a similar home would likely be considerably higher due to inflation in the following years. Addressing this issue is essential for the state to effectively achieve its long-term social housing target and keep social housing stock within its control.

- Again, the state should decrease its dependence on the Housing Assistance Payment (HAP) and similar long-term leasing approaches by constructing social housing directly. The state cannot justify the cost-effectiveness of HAP and other long-term leasing

methods, as they will eventually become financially unsustainable. The sole resolution lies in the direct construction of suitable social housing by state agencies.

- Where the state provides direct non-repayable funding for the delivery of social housing by organisations outside the state apparatus, the state should take an equity stake in these homes.

2.3 Vacancy & Dereliction

2.3.1 Residential Vacancy

- After conducting an analysis of vacancy rates published by the Central Statistics Office (CSO), it is recommended that the Department of Housing, Local Government, and Heritage establish targeted goals for reducing vacancies at the electoral district level. It is important to note that as the number of newly constructed homes increases, vacancy rates are expected to naturally decline due to increased overall housing stock. Hence, relying solely on percentage calculations or vacancy rates is inadequate for a comprehensive assessment, a more evidence-based approach such as examining the number of homes is necessary.

- Limerick Chamber welcomes the grants for refurbishing and renovating vacant and derelict homes, however, resourcing and encouraging local authorities to administer a portal for purchasers to identify vacant homes would increase the potential uptake of the schemes.

- The introduction of the Vacant Home Tax in Finance Act 2022 is welcome. It is important that Revenue actively police the collection of this tax to ensure that is achieving the policy aims envisaged with its introduction.

2.3.2 Commercial Vacancy

- Commercial vacancy has become a scourge on the landscape of many towns and cities. Budget 2024 must put forward a suite of packages to counteract commercial vacancy. If we want people living in urban centres more, then that means making places nicer to live. Because of this, Limerick Chamber recommends the following in an attempt to tackle commercial vacancy:
    - o The government needs to bring forward a strategy for tackling vacancy which includes regulations for above the shop living and how owners of commercial spaces can reimagine their use for a more effective mixed-use property.

    - o There likely needs to be financial incentives brought forward that share the upfront costs of starting a business between the state and business owner. This could include fit out or front of building renovation grants.

    - o Government should examine the role rates can play in tackling vacancy and how rate breaks in the first number of years can help a business startup, with the clause that if the business closes within a certain number of years that the

rates can be clawed back. However, care must be taken that businesses are open and trading while availing of the scheme.

- o Empower local authorities to CPO long-term vacant commercial properties and turn them into a premises with a more optimal use.

- o While there are now programmes on stream to renovate vacant residential properties, this could now be expanded to commercial properties in key areas of cities.

- Renew the Derelict Sites Act 1990 to strengthen its elements to incentivise infill and brownfield construction.

- Introduce new legislation to expand and strengthen the powers of local authorities to acquire vacant sites through compulsory purchase orders.

- Create a national vacant land registry of all property in urban areas which also includes vacant long-term residential and commercial properties.

2.4 Planning, Development & Supply

2.4.1 Planning & System Improvements

- Develop policy requiring mixed social and affordable housing provision by Local Authorities and Approved Housing Bodies, to prevent densification of social housing which may lead to social isolation issues in the future i.e. there needs to be a more mixed tenure approach when building social housing that also will now include affordable housing.

- There needs to be a greater policy focus on providing smaller homes for smaller households, such as single people, couples or a parent with one child. Existing schemes bridge the affordability gap of new homes. Unfortunately, these homes are normally 3 or 4-bedroom homes which are too large and expensive for smaller households. Meaning smaller households are forced into a constrained existing home market where competition is fierce, and no affordability supports are provided.

- Develop standardised guidelines for the application of construction duties and levies by Local Authorities, promoting consistency across different regions. Utilise rebates on levies and charges as incentives to encourage the timely completion of higher-density developments. There is an opportunity to introduce targeted reductions in construction duties and levies for projects aligned with the objectives of the National Planning Framework (NPF), particularly those that prioritise the provision of affordable housing in key locations.

- Allocate funding to enhance the resources and capabilities of planning departments at both local and national levels. This initiative aims to empower these departments to make more informed and effective planning decisions at earlier stages, ensuring their durability when subjected to legal scrutiny in court proceedings.

- Allocate resources and investment to enhance the capacity of the courts and judicial system, enabling them to efficiently and promptly adjudicate on all planning decisions brought before them. The current timelines within the planning and judicial system are causing delays in essential housing development projects. By ensuring a streamlined and efficient process, we can expect a positive impact on the annual housing commencement data.

- In certain cases, concerns arise regarding the de-zoning of land in Local Development Plans (LDPs) that could have been utilised for residential or commercial purposes. Although Limerick Chamber acknowledges that such land may have remained unused for an extended period, we advocate for greater encouragement of development rather than de-zoning.

2.4.2 Infrastructure

- The development of housing and commercial spaces heavily relies on water infrastructure. As a result, prioritising investments in water infrastructure is crucial, especially in rural locations, allowing state organisations to finance infrastructure projects. Sustained investment in water infrastructure not only guarantees a reliable water supply for the future but also contributes to environmental preservation by eliminating the discharge of untreated water into rivers and seas. Safeguarding water resources should be a top priority from a housing, investment and environmental standpoint.

- Allocate resources to Local Authorities for the establishment of planning department one-stop-shops in each jurisdiction, with the aim of streamlining the planning process for housing developments. These comprehensive service centres would facilitate effective collaboration with key entities such as Irish Water, ESB, the planning department, An Board Pleanála (ABP), and others. By consolidating all aspects of the planning process, the one-stop-shop approach would enhance efficiency and coordination.

- The funds generated through taxation measures implemented under the Housing for All Plan (such as the zone land tax) should be ring fenced specifically for the creation of vital infrastructure necessary to facilitate the efficient implementation of residential development.

- The upcoming budget should introduce innovative measures to address the housing crisis, including the implementation of modular housing and the establishment of a modular housing facility capable of delivering housing at a large scale. Modular housing has demonstrated the potential to significantly reduce construction time and, in some cases, lower costs. Therefore, it is crucial to prioritise the adoption of this approach. It is imperative that the modular homes constructed are of high quality and designed for long-term accommodation. Additionally, the state should invest in a dedicated facility for modular housing development. Ideally, this facility should be located near a port to facilitate material imports and close to a railway line for efficient transportation of homes throughout the country. The availability of good road connections is also essential. Foynes in County Limerick is an ideal location for such a venture. Consideration can be given to funding this investment through the Ireland Strategic Investment Fund (ISIF) or other suitable channels.

2.4.3 Land Management

- Allocate budgetary funding to establish a National Active Land Management policy and agency, aiming to facilitate efficient land banking for the provision of housing through local authorities, Approved Housing Bodies (AHBs), and other state providers. Some local authorities are facing dwindling land resources for residential accommodation, and most AHBs lack access to a land bank. Introducing measures for active land management and investment would ensure the timely delivery of homes. While the initial role of the Land Development Agency (LDA) involved active land management, it has transitioned more towards development in recent times.

- The Department of Housing should be resourced to carry out an independent review of all state lands, not just relevant lands, which will outline land holdings on a county level, what state entity owns the land and what plans for development there are for the land. Local Authorities are normally the largest land holders in counties and we must have sight of what land is available and what plans there are, and if there are no plans then what can be done to bring it into optimal use.

- Funding should be allocated within the budget to establish a land price register, similar to the property price register. This measure would promote transparency in land transactions and provide valuable information regarding the total cost of constructing homes. To address the housing crisis at its core, it is crucial to develop a comprehensive and publicly accessible database. The implementation of a land price register would be a significant move forward.

- There should be a move towards a land value model of taxation on land which is ambivalent to the current use of the property. The current model distorts the market by facilitating long-term land banking and it also alters the incentives for Local Authorities when it comes to zoning properties for commercial or non-commercial uses. Our existing Commercial Rates model subsidises the inefficient use of land and creates financial risk for Local Authorities by concentrating their funding within the retail sector which is often low margin and subject to significant economic volatility. This has also incentivised bad planning that has resulted in the increased footprint of out of town-centre retail developments and competition between Local Authorities for rates income.

- Temporary housing developments utilising movable modular housing should be considered as a "meanwhile-use" option for land banks that are unlikely to be developed in the short-term.

- A legislative framework of Compulsory Sales Orders (CSOs) should be introduced for residential zoned sites where there has been a consistent failure to develop the lands.

2.4.4 Rental

- To address the reported decrease in the number of smaller landlords in the rental sector, there is an opportunity to alleviate the tax burden on rental income by considering it as a distinct tax category. Under this approach, smaller landlords would be subject to income tax at the standard rate of 20%, resulting in a maximum tax rate of 32% when including PRSI and USC. Additionally, certain conditions could be imposed, such as requiring landlords to invest in necessary improvements for the rental property, commit to long-term rentals, and comply with rental price caps. This approach could potentially incentivise more properties to enter the rental market, particularly in regions like the Mid-West, where larger-scale landlords are less prevalent.

- Although the state has implemented measures to discourage the bulk purchasing of homes by private entities, these actions have proven insufficient in certain cases, as the purchasing companies absorb the additional stamp duty costs and potentially pass them on to the end users. Therefore, the budget for 2024 should place significant emphasis on further discouraging bulk purchases of homes that would otherwise be available to owner occupiers. Several avenues for additional disincentives exist, such as reducing the tranche size from 10 to 5 and increasing the stamp duty, while carefully considering whether the increased cost would be transferred to the end users. Another option is to outright prohibit bulk purchases of homes, allowing private providers to acquire market land and construct their own homes to increase the supply. Additionally, the state could enter the market and aim to acquire these homes at a fair price, allocating them for affordable housing while ensuring value for money. It is important for the state to carefully consider competition with owner occupiers including the practice of purchasing homes before they are listed on the market or engaging in competition through various organisations and schemes. The bulk purchase of homes for solely social housing should also be discouraged in order to not displace homes from the private market.

2.4.5 Density

- Brownfield redevelopment continues to be a challenge with higher costs than green field sites these sites are at a significant competitive disadvantage relative to less sustainable sprawling developments. Given the uncosted externalities associated with greenfield developments, there is a strong argument for increased up-front grant aid and financing help for developments in urban areas which are already have access to public services to ensure that these high-density projects can be viable.

- With regards to Croí Conaithe Cities, there are some changes which could be made to make it a more viable method of delivery outside Dublin.

    - o Firstly, the subsidy could be provided up front to help with upfront capital costs rather than on the backend.

    - o In areas where there are legacy apartment delivery issues (outside Dublin) the height requirement could be reduced to three stories to encourage more viable delivery.

- o Apartment delivery could be part of a larger development of residential homes and a minimum requirement of 40 homes is prohibitive for apartment delivery in the regions. This should be revised downwards depending on the area.

2.4.6 Modern Methods of Construction (MMC)

The adoption of MMC presents a challenge in terms of financing due to higher upfront costs compared to traditional construction methods. The state plays a crucial role in establishing frameworks that support the growth of this emerging sector. Risks associated with Modern Methods of Construction include:

- Limited understanding of the benefits and risks of MMC by lenders and investors, leading to reluctance in providing financing for such projects.
- Higher initial expenses for factory setup, tooling, and training in MMC, which can make it more challenging for developers to secure financing.
- Fewer financing options are available for MMC projects, especially for smaller-scale or projects in less developed areas.
- Appraisals pose challenges for MMC projects as they may not align with traditional valuation models, making it harder to secure financing or refinance projects after completion.
- Different construction approaches in MMC introduce new risks for lenders and investors, creating difficulties in obtaining financing or favourable terms.
- Limited availability of data on the performance and durability of MMC structures, leading to hesitancy among lenders and investors.

Within MMC, the state is expected to act as a monopsony over the medium to long-term, offering a significant opportunity to shape the sector. As a monopsony buyer, the state can ensure the purchase of homes through a multi-year framework focused on MMC, expanding the sector's capacity and avoiding distortion of the private sector housing market by state bodies.

The government can further encourage MMC adoption by providing financial incentives such as tax credits, grants, and low-interest loans to offset the higher upfront costs associated with this construction method. MMC involves increased off-site manufacturing and assembly, leading to more efficient construction processes and reduced on-site work. However, state bodies need to streamline permitting processes for MMC projects, making it easier and faster for developers to obtain approval to commence construction. Currently, modules composed of certified elements may require additional certification simply because they are prefabricated off-site. Furthermore, A procurement framework should be introduced for off-site manufactured housing projects with multi-annual funding and annual fixed targets which would guarantee demand for modular housing.

2.4.7 Planning Reform

- The Irish planning environment has significantly disimproved since 2022, capacity constraints within the system are making it extremely likely that the State will not be able to facilitate the considerable volume of development needed over the coming years. Meeting the ambitions of our national development plan, housing for all, the climate action plan, the national planning framework, and the decarbonisation of the electrical grid are all goals which are looking increasingly less credible.

- Given the skills and capacity gaps within state agencies, more partnerships are needed with people working within the private sector who have the technical abilities to make decisions, as part of multidisciplinary teams, which can survive the inevitable scrutiny of the courts.

- Given the enormous backlogs that have developed over the last 12 months, An Bord Pleanála needs to be carefully monitored to ensure that it does not strategically use technical reasons for invalidating proposals as a means of reducing the pipeline.

2.5 Living City Initiative (LCI)

The LCI has the potential to be a successful initiative to drive positive change in Limerick and other Irish cities , by facilitating bringing older homes back into productive use. Unfortunately, to date, take up of the scheme has been poor. While Limerick Chamber welcomed changes to the scheme as part of Budget 2023, further improvements are needed for the scheme to reach its full potential and have impact. The scheme should be predominantly targeted at owner occupiers. To fully optimise the scheme, Limerick Chamber proposes the following:

- The LCI should be expanded to include "newer" homes. Currently, the LCI applies to houses built pre-1915, if this was to be brought forward to 1919 the total housing stock built pre-1919 within the existing Special Regeneration Areas in Limerick would be 540 homes, as per census 2016. However, if this was brought forward even further to homes built pre-1945 (to include these additional buildings with historic significance) then it would being an additional 195 within the LCI scheme – totalling 735 potential homes in Limerick City.

- While we welcome the increase of the percentage of qualifying costs that an owner occupier can claim (now 15% per annum) – this brings relief an owner occupier can claim in line with the commercial relief an entity could claim. However, Limerick Chamber recommends that this should be increased to 20% per annum to mitigate some of the effects of inflation over the last year and to encourage more owner occupiers to avail of the LCI and ultimately make the process more affordable.

- While Limerick Chamber appreciates the reasoning behind not claiming relief until a person is living in the house, it does affect affordability. An owner occupier should be able to claim in the year they begin refurbishment work on the home, in essence they can begin claiming tax relief immediately and not wait until they move into the house. This eases the upfront cost of renovating a home but also, some homes require substantial refurbishment work which may take several years, years a person will have to wait while they are unable to move into the premises due to safety concerns and the works being carried out. However, this should be subject to the owner occupier staying in the house for several years, or else there is a clawback mechanism in place. Alternatively, a retrospective tax relief could be introduced to allow part of the qualifying expenditure incurred to be deducted against prior period tax liabilities once the property is occupied, this would be akin to the "Help to Buy" Scheme.

- In the event of the sale of a property, the relief is not available to subsequent owners, potentially making it unattractive and unviable from a financial perspective, this should be changed to allow subsequent owners access to the available tax credits for the qualifying period. This change will allow people to trade up or down a property and make the purchasing more affordable for the next person. Again, this should only be allowed once the initial owner occupier has lived in the home as their main residence for several years.

- Expenditure on an extension will only qualify for relief if building regulations require it, e.g. a bathroom extension to an old derelict house or it was built pre-1915. Residential relief should be extended, albeit at a reduced rate, to new works on non-essential extensions to buildings qualifying under the LCI at a reduced rate of 7.5% per annum (subject to a 50% overall cap). This would encourage modernisation of buildings and might make them fit better to modern living.

- There is an issue in the system whereby it is unattractive to use an SEAI grant (or other heritage and sustainability grants) in conjunction with the LCI due to the treatment of the grant. This needs to change and allow owner occupiers access to multiple streams of aid.

- Owner occupiers should be allowed access to the LCI a second time for the same building. For example, a person might buy an old Georgian home with four floors. They might only have enough money to complete two or three floors and then move in. Once they get their certificate from the local authority than cannot claim anymore costs under the LCI. There would be great added value in allowing them access to the LCI a second time to complete the refurbishment once they have the money to do so another time. However, this should be subject to a cut off period.

- The LCI needs to be tweaked to favour owner occupiers. A new rule should be adopted that ensures a long-term material interest in the building. It should not be possible for an organisation to own the building and must be owner occupiers. Of course, this should not be the case if the property is used for long-term affordable rental only.

- At the higher end, the average cost of insuring a home in Ireland is between €450 - €500. For older renovated Georgian properties, this could go as high as €1,200 per year. This is combined with the fact that there are few providers in the market that provide insurance for these types of homes. To boost initial affordability the annual cost of insurance should be subject to relief as part of the LCI within the qualifying period.

- Many owner occupiers that wish to carry out works to old and Georgian buildings reportedly struggle with obtaining finance from pillar banks to carry out works. There are several reasons for this. One, these projects are seen as inherently more risky. Two, the market price at the end of purchasing the home and refurbishing the home may be under what was spent. For example, an owner occupier may purchase a Georgian home in Limerick for €300,000, they may invest another €300,000 in renovating it. However, at the end, the bank puts its market value at €500,000. This causes issues with the banks security process whereby the mortgage amount is greater than what they deem the building to be worth. There needs to be support to overcome this issue. Limerick Chamber believes there are two potential solutions to this:

    - Home Building Finance Ireland (HBFI) and or the Local Authority Home Loan are strategically placed to provide finance to people willing to carry out refurbishment works on old homes. There is potential here that the HBFI or the local authority could provide all of the funding needed to purchase and renovate the property.

    - There is also the potential to use an adapted version of the "First Home Scheme" or more commonly "Shared equity". The owner occupier could take out a mortgage from a pillar bank and supplement it with a loan from the government, whereby they take equity of the property. This could be to carry out essential works or to top up the purchase price of the property.

    - There is another issue when it comes to financing from pillar banks, and that is a mortgage for mixed-use building. In many of these old buildings, there is office space or other commercial space on the ground floor, with residential space above or old disused office space. Reportedly it is difficult to secure a mortgage for a mixed-use building. The adapted financing model for the LCI should account for this and support the use of commercial and residential space together. This is cohesive with the governments "above the shop" living policy and ultimately will provide more efficient use of space. Owner occupiers should be able to claim relief on the commercial part too, as long as they live in the building.

- Many owner occupiers willing to buy an older home and carry out works, can find the process daunting and sometimes confusing. We would ask that local authorities, in areas covered within the LCI, are resourced and funded to set up one-stop shops. These should act as the main point of contact between owners and the "system" to make the process as easy to understand and engage with as possible. As part of this new system, one stop shops could also act as local marketing for the LCI, bringing people together to share their experience and disseminate information to people thinking of doing the same.

- The Tax Strategy Group report (dated July 2022) outlines the arguments against a full nationwide expansion of the LCI provisions. However, the initiative should be expanded to other key cultural and historic centres.

- The Special Regeneration Areas (SRAs) should be expanded within the designated cities to bring more potential housing stock under the LCI.

2.6 Transport

2.6.1 Aviation

- Publish an updated national aviation strategy that outlines a clear framework for allocating multi-year funding for capital expenditure, operational expenditure, and marketing initiatives. By providing support to airports, particularly those affected by the pandemic and those that are key to the goals of regional growth outlined in Project Ireland 2040. The policy should aim to safeguard existing routes and facilitate the establishment of new business routes in a regional context and end the over reliance on Dublin. Ultimately, these efforts will contribute to the revival of tourism and economic growth in these regions as part of the post-COVID-19 recovery. The aviation strategy should prioritise regional development and align with enterprise policies to foster growth in specific business sectors while enhancing connectivity.

- The temporary inclusion of Shannon Airport in the Regional Airports Programme (RAP) funding was highly appreciated. However, it is imperative to permanently incorporate Shannon Airport into an expanded RAP that encompasses all state-owned regional airports in Ireland. This inclusion aligns with EU frameworks, which allow for State aid to airports handling fewer than 3 million passengers annually. The RAP funding primarily targets safety, security, sustainability, and climate action initiatives within airports while supporting Ireland's goal of balanced economic growth. However, there is scope within the RAP to include PSO routes for enterprise purposes. Budget 2024 must prioritise providing direct funding of enterprise routes from Shannon Airport.

- Allocate funds to support enterprise-focused strategic business route development to connect the Mid-West of Ireland through Shannon Airport to important EU hub airports like Amsterdam, Frankfurt, Copenhagen, Paris. Funding is provided to de-risk route development for airlines on a declining stepped basis over a period of time until these routes become self-sustainable. Enterprise-focused routes often face a slow uptake and require financial assistance during their initial stages to ensure viable operations. By providing funding, regional balance can be promoted in accordance with the National Planning Framework (NPF), enabling Shannon Airport and the Mid-West region to establish and foster business connections with other European regions. It is crucial for Limerick, the Mid-West and Western regions to establish direct access from Shannon Airport to at least one (preferably two) major European hubs, such as Frankfurt, Amsterdam, Paris or Copenhagen. This support should involve the provision of an EU-approved cross-border Public Service Obligation (PSO) route.

2.6.2 Public Service Obligation (PSO) Route Support

Budget 2024 should prioritise government support of PSOs for enterprise routes. The Mid-West is home to many FDI companies trading both at the European and International level. However, there is no direct connectivity to Northern European destinations from the Mid-West – requiring connectivity through Dublin.

Connectivity is a key factor considered by potential investors when choosing an investment location and is a key inhibitor for growth of indigenous businesses seeking to trade into the common European market from a Mid-Western or Western base.

The evidence provided in the Copenhagen Economics report outlined significant economic benefits for daily route connectivity to Frankfurt among others. However, any EU hub route connection would initially need funding at the state level until it became self-sufficient. This was the case with the PSO from Kerry Airport. See fig 2.6.2.3, which shows existing routes from Shannon Airport and the distinct lack of routes to Northern and Western European countries that are critical for business.

EU Regulation No 1008/2008 supports countries that wish to implement PSOs because of development or lack of existing routes. Figures 2.6.2.1 and 2.6.2.2 outline how other European Union Nations use PSOs (and significant funding) to increase linkages with European neighbours. Unfortunately for Ireland, as an Island nation, to increase transport linkages we do not have the luxury of inter-country train travel like most Europeans do. However, we can counteract this by using aviation routes.

The existing Regional Airports Progamme can be used to provide this funding, as Shannon Airport has less than 3 million annual passengers. Therefore, there is no reason to exclude Shannon from the RAP and not to support key economic routes.

Fig 2.6.2.1: European Union Annual Spend on PSOs

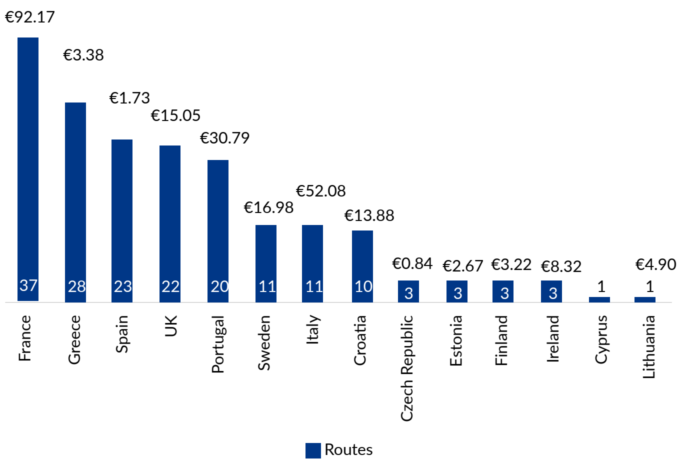

Fig 2.6.2.2: European Union PSO Routes

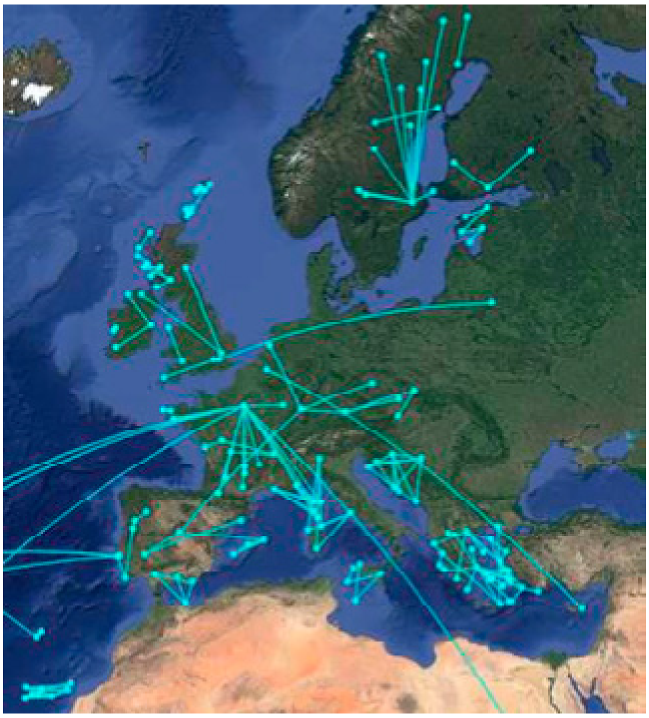

Fig 2.6.2.3: European Flights from Shannon Airport

In 2019, Limerick Chamber commissioned a review of aviation policy for the Mid-West and West of Ireland by Copenhagen Economics. Its findings and recommendations provide evidence-based support on how Ireland can support regional development, encourage European integration and level the playing field by appropriately utilising effective aviation policy. The recommendations in the report can be summarised as follows.

Government Recommendations:
- Provide funding to assist Shannon Airport in securing EU hub connectivity.
- Review the National Aviation Policy in the context of Project Ireland 2040 and strengthen the role of airports as key strategic assets for balanced regional development.

Department of Transport Recommendations:
- Commission and updated capacity review study that analyses the capacity of the airport network as a whole and makes recommendations in line with Project Ireland 2040's goal of balanced regional development.
- Assess the costs and benefits of increasing the number of Irish airports eligible for state aid and compare them to alternative policy instruments to secure balanced regional growth.
- Examine the costs and benefits of implementing a national route development fund to support the delivery of strategic FDI routes in airports outside of Dublin.

Department of Business Recommendations:
- More actively use aviation policy to achieve their ambition of balanced regional growth and put in place policies that will enhance the capacity for development (e.g., skills, office space, broadband speed, etc.).

Commission for Aviation Regulation Recommendations:
- Give due regard to the goals of Project Ireland 2040 when making its maximum airport charge determination for Dublin Airport.
- Ensure that the independent slot coordinator takes existing airport capacity elsewhere in the country into account when allocating slots at Dublin Airport.

Tourism Ireland Recommendations:
- Consider allocating a larger share of the funding to marketing airports outside Dublin. This could also be a funding mechanism for securing a European hub to mitigate the negative consequences of Brexit.

Shannon Airport Recommendations:
- Ensure that their operational processes and infrastructure continue to be efficient. Furthermore, the airport should explore additional revenue opportunities in cargo traffic.

2.6.3 Public & Active Transport

- Local Authorities must have the resources to carry out studies in relation to the impact of changes in transport in towns and cities. There are numerous transport changes underway across towns and cities in Ireland, there must be an understanding on how this will influence existing business access and the economic impact of decisions.

- Invest in expanding passenger train lines to incorporate commercial freight transportation, thereby enhancing connectivity and trading logistics options for seaports. The Foynes to Limerick route serves as an example of a rail line with suitable infrastructure to accommodate both public and freight transport.

- Allocate funds for a pilot scheme on existing rail routes aimed at reducing travel times between major cities, including non-stop services. Additionally, provide research funding to explore the potential introduction of high-speed rail in Ireland.

- The current TaxSaver Commuter Ticket Scheme in Ireland provides tax relief to commuters who purchase monthly or annual tickets for a five-day commute. However, it would be beneficial to introduce a more flexible option, such as a three-day ticket at a reduced price, considering that many individuals now only need to travel to their workplace two or three times a week. The existing scheme does not incentivise the purchase of monthly or annual tickets for such individuals. This issue is particularly significant with the widespread adoption of hybrid working arrangements.

- Under Budget 2024, the state needs to take a more active role in encouraging the move from Internal Combustion Engines to Electric Vehicles (EVs), particularly in urban areas. While the larger policy change is to focus on the increased use of public transport, the health benefits of cleaner air in towns and cities due to EVs can't be discounted and would represent a nicer urban environment for all city and town users.

- Empower local authorities with resources to establish infrastructure that supports active transportation by connecting residential areas with civic and economic hubs, while ensuring that the principles of Transport Oriented Development (TOD) are central to new developments.

2.6.4 Transport Oriented Development (TOD)

Limerick, and the Mid-West, is on a significant cusp of change when it comes to transport. The Limerick Shannon Metropolitan Area Transport Strategy (LSMATS), Limerick BusConnects, the N/M20 road improvements and mobility hubs, the N69 and Adare bypass, park and ride facilities, the rail line to Foynes and various active travel schemes all give Limerick a unique opportunity to emphasise TOD through current and future investments.

As outlined by the National Economic and Social Council (NESC), *"TOD is a form of urban development that seeks to maximise the provision of housing, employment, public services and leisure space in close proximity to transport nodes".*

It is of critical importance that all state agencies and organisations work together to deliver an optimal outcome for TOD, various state organisations are working on transport, housing, employment etc. and there must be a cohesive plan to abide by TOD best practice principles – something which is absent currently.

For example, the suburb of Raheen, in the Limerick Metropolitan area meets a number of criteria (see Fig 2.6.4.2) that are required for a TOD campus; it is within close proximity to major employment opportunities in the business park, it has motorway access, it is within proximity to a rail line, University Hospital Limerick is located there, it will be well serviced under the new Limerick BusConnects plan, there is a park and ride facility planned for the area and an accompanying mobility hub as part of the N/M20 project plans, it also has availability of private and public lands. The last amenity that is needed in the area is housing for employees, this could be either carried out in conjunction with a state agency for homebuilding or else through a strategic partnership with the private sector. The same can be replicated on a smaller scale throughout Limerick City and Environs with areas that are linked with a railway line. This should be a key consideration in the National Development Plan review and Budget 2024.

The added value of adopting a TOD approach in conjunction with some Park and Rides is optimising the use of land. Land near transport links is normally of higher value than lands isolated from transport. Park and Rides are often used during workday hours and might remain close to empty in the evening and weekends. Building housing in conjunction with the Park and Ride would allow for an optimal approach to the use of land. As part of this, a critical aspect is the use of passenger rail options. Overall, the Raheen area has the potential to house a significant number of employees that could walk / cycle to work and other social services, but it also has the transport potential for employees that must travel further for work. It is an opportunity that should not be missed; however, it will take cohesion amongst state agencies.

Limerick is in a prime position to adopt multiple TOD approaches to service existing residential areas but also build homes on new TOD hubs, this is due to the existing orbital rail line running around the perimeter of the city. The approach suggested for Raheen could be replicated in Ballysimon, the Parkway area, the Canal Bank, Corbally and Moyross with Colbert Station in the city centre acting as the primary hub. Not only will this increase housing options by using the existing (disused in some areas) line for passengers, it will also help towards decreasing car use in the city and suburbs (see fig 2.6.4.1).

Limerick Chamber firmly believes one of the most significant projects to improve transport mobility in the Limerick area is to take advantage of the existing rail line. Light Rail Transit (LRT) would provide Limerick with the critical mass ability to move people between key areas. Furthermore, it would reduce the reliance on the road network and allow for much easier expansion if future demand required it. Re-prioritising the existing road network to a more public transport approach takes a significant amount of investment in the road network and as we have seen in Dublin and Cork it does not always go as planned due to the constraints of nearby buildings and green space.

While Limerick Chamber welcomes the recent BusConnects draft plan and its core goals, using LRT in Limerick must be a priority and Budget 2024 should plan for this. Utilising the Limerick to Foynes line for passengers (as well as freight) would be a good starting point, this is something that Limerick Chamber advocated for in our submission to LSMATS.

That being said, much of the orbital rail line is single track only and would likely take significant investment to make it a dual track line and also would require investment for electrification. Nonetheless, it represents a significant opportunity and must be considered within the scope of the budget and National Development Plan review.

Fig 2.6.4.1: Transport Oriented Potential – Limerick City & Environs

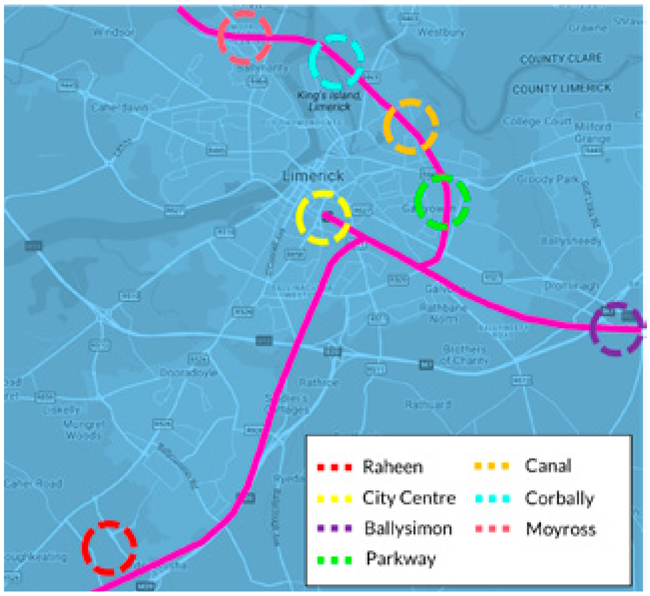

Fig 2.6.4.2: Transport Oriented Potential - Raheen

2.6.5 Infrastructure

There are a number of key infrastructure projects to be completed across Limerick as part of Project Ireland 2040 and other supplementary initiatives. However, there is a long lead-in process to most of these projects, and combined with the current planning system, will likely take significant time to deliver the projects. It is incredibly important that these projects do not lose priority and that Budget 2024 sends signals to industry that these projects have full support. Those projects are:

o The N/M20 Limerick to Cork

o The N21/N69 Limerick to Adare to Foynes (Judicial Reviews lodged)

o Foynes to Limerick Railway

o Limerick Regeneration Programme

o Colbert Station Quarter

o University Hospital Limerick Capital Expansion

o BusConnects (with the inclusion of a route to Annacotty Business Park)

o Improved public transport options to Shannon Airport – including intercounty bus services.

Furthermore, funding should be set aside to support transparency around improving the reporting requirements for all large projects and programmes. Similar to Limerick Chamber's Strategic Development Pipeline (SDP), there must be a national portal reporting on up-to-date progress of key projects. It would also be beneficial to expedite capital projects where possible by utilising current budget surpluses as these investments will pay dividends and future proof the country for further economic growth, business expansion and population growth

2.7 Tourism & Marketing

- Allocate resources from state agencies to increase investments in specialised sectors that distinguish Ireland as a unique destination, such as its emerging potential as a hub for exceptional and high-quality food and active tourism. By promoting the Mid-West of Ireland alongside Shannon Airport, future and potential tourists will become aware of the viable option that is closer than Dublin Airport for accessing these distinctive areas along the West coast of Ireland.

- Provide targeted funding to Fáilte Ireland specifically for advertising State Regional Airports.

- We ask that the Government be mindful of changes in short-term letting (STL) legislation. As outlined in Limerick Chamber's STL review, these lettings do not have a meaningful impact on residential accommodation in Limerick and are beneficial for the tourism and short stay sectors.

- Limerick, via Shannon Airport, has a unique placement for tourism. There is huge potential for Limerick to act as a hub and gateway for tourism along the West and South-West of Ireland, due to its proximity to Clare, Cork, Kerry and Galway. The current existing system sees some tourists fly into Dublin and take day trips to these locations, while with the correct support they could fly into Shannon and use Limerick as their base.

- A major challenge for the Tourism industry across the Mid-West and the whole of Ireland is the shortage of availability of a range of different types of accommodation. The accommodation shortage has been compounded by the humanitarian crisis and high percentage of accommodation allocated to accommodate refugees, particularly in Mid-West versus national allocation. Currently 40% of Clare's registered accommodation is displaced due to the humanitarian response. It has been reported that the current lack of tourist accommodation could cost secondary and tertiary tourism businesses over €1.1 billion in lost revenue nationally this year. This represents a significant challenge to the sustainability and viability of those businesses and to employment in this important sector in the Mid-West. Measures should be brought forward in Budget 2024 to address the under supply of Tourism accommodation in the regions.

3.0 Our Future

The stark reality for an energy secure future for Ireland outlines two potential routes, continue as is and remain reliant on the United Kingdom through their gas pipeline at Moffat in Scotland or begin to acknowledge that significant more work is needed to capture the true potential of Offshore Renewable Energy (ORE) in Ireland. We encourage budget 2024 to be a budget that chooses the second option by sending positive signals to industry that Ireland is serious about ORE. Unfortunately, these ORE projects do have a long lead in time, and that means in the interim, aligning with European Union energy policy and supporting LNG in Ireland. Last winter there were discussions about potential blackouts, grid capacity and no gas storage. The interim use of LNG while ORE becomes operational is a smart decision from a security perspective.

While ORE is Ireland's largest opportunity, Budget 2024 needs to focus on the wider community and social aspects of living in Ireland. Our healthcare system and policing system need greater support. We need to reward those working in difficult public sector jobs, especially trainees, and create an environment where they want to stay in their role and stay in Ireland. We hope that Budget 2024 takes aim at incentives to increase the numbers of people working in these sectors, and often caring for the community when they are most vulnerable.

3.1 Energy Security

3.1.1 Infrastructure

- With lengthy timelines for delivery, this might be one of the last budgets to put the required infrastructure in place to reach Ireland's renewable energy targets.

- It is crucial to expedite the establishment of the Environmental and Planning Court to ensure the necessary capacity for strengthening grid infrastructure and maximising the benefits of our renewable energy prospects.

- Initiate the process of upgrading the electricity network in the West of Ireland concurrently with the ongoing developments along the East coast. While the East coast projects will generate some offshore energy, achieving long-term, scalable energy security requires significant investment in grid infrastructure for floating offshore energy on the West coast, particularly in the Shannon-Foynes region. Seizing this opportunity for floating offshore energy is essential to engender energy security.

- Secure all exchequer returns from the Carbon Tax and strategically allocate them to green infrastructure, public transportation, and funds that facilitate community transitions to green alternatives for transportation and heating. Ringfencing these funds will support the development of sustainable and environmentally friendly practices.

- An appropriate Industrialisation strategy for the offshore energy industry must be funded under Budget 2024. It is vital that Ireland develops a National Industrial Policy for Renewable Energy which focuses on maximising the national benefit from our renewable resources - MARA needs to be founded and resourced as an IDA for offshore renewables.

- Port infrastructure is also critical to develop Ireland's energy security, through offshore renewable energy and other forms of energy, therefore port upgrading, and expansion should be prioritised as part of Budget 2024.

- Futureproof the National Gas Grid by investing in biomethane technologies and systems to provide renewable methane and hydrogen supply. As well as the progression of the North-South and Celtic Interconnector projects.

3.1.2 Diversifying Supply

- As outlined in Limerick Chamber's submission to the Review of the Security of Energy Supply of Ireland's Electricity and Natural Gas Systems, Ireland needs to adopt a proactive approach to the implementation of LNG. Not only will utilising LNG align us with European Policy, but it will secure Ireland's energy while we implement the necessary changes to take advantage of offshore renewable energy. As part of Budget 2024, there is scope to examine what role the government can play in the implementation of LNG and the possibility of strategic partnerships whereby the LNG operations and supply is not wholly privately owned.

- The establishment of the Maritime Area Regulatory Authority (MARA) will be a key step in the operation of offshore renewable energy in Ireland. However, as a new industry, skills in this area will be in very high demand. In order to attract and retain appropriate people the funding for these positions must be highly competitive when compared to international salaries for similar positions.

3.1.3 Skills Development

- The National Training Fund (NTF) must support education and training to support future demands coming from the energy sector. Given Ireland's offshore renewable energy (ORE) potential, and it being a relatively new industry, it will be critical that skills are appropriately developed and retained.

- Similarly, the Department of Further and Higher Education, Research, Innovation and Science must be adequately funded to support the development of skills in key parts of the energy sector.

3.2 Industry

- Prior to implementing any gradual increments to the Carbon Tax, the Government should commit to conducting comprehensive impact assessments to evaluate the effects on small and medium-sized enterprises (SMEs), large companies, commuters, and communities. These assessments are necessary to understand the potential implications and consequences for these specific groups, allowing for informed decision-making and the development of targeted strategies to address any challenges that may arise.

- Since the pandemic and the war in Ukraine, it has outlined how quickly supply chain issues can come to the fore. Ireland is an incredibly open economy and is very sensitive to global changes. Budget 2024 needs to commit to reviewing Ireland's supply chains and what actions need to be taken in the future to mitigate potential disruption and how businesses might be supported in this regard.

- The global landscape has certainly become more volatile, the European Union will look to bring more key manufacturing items closer to home and into friendly countries. This represents a significant opportunity for Ireland to boost its standing in key items such as semiconductors and computer chips. Taking advantage of the current landscape should be a priority for Ireland and how the Government can support businesses to boost their capacity.

- Food security has been another global threat in the past year. Ireland, currently, has great food security due to its indigenous production. This should be protected and enhanced. Other countries will look at securing their food security with friendly neighbours and this poses a unique opportunity for Ireland's agricultural and other produce sectors.

- The government need to do everything in its power to decrease the cost of living, from an employee perspective it will keep Ireland attractive but from an employer perspective it will decrease the current upward pressure on salaries due to increased cost of living.

- Furthermore, Budget 2024 should look to decrease the tax burden of middle income earners. Not only will this reward Irish workers for their productivity, but it will keep Ireland attractive to international workers. These are often workers "caught in the middle" whereby they are not eligible to receive state support but also are not earning enough to live comfortably. Budget 2024 should also examine implementing the indexation of tax bands to ensure real income stability.

- The international trend of skill mismatch and under / over skilling could be an opportunity for Ireland, but also education institutions in the Mid-West. By supporting education institutions to provide education and training that is in demand by local and international employers Ireland could boost its attractiveness to FDI but also people looking for education and apprenticeships that have been designed with industry input.
- As mentioned previously, as countries come to grips with their own housing issues, they will rely on modular housing more and more. The Mid-West, and specifically, Foynes, is uniquely located where a modular construction factory could be set up with Government support and education supply from local institutions.

3.3 Communities

3.3.1 Local Authority Funding

- It is essential to account for the reduction in funding from sources that will be phased out in the coming years as urban centres like Limerick City transition to a more sustainable lifestyle. It is crucial to identify suitable replacement revenue sources during this transition.
    - o For instance, Limerick City and County Council can expect a decline in revenue from on-street parking in Limerick City Centre as sustainable and active transportation methods become more prevalent. Therefore, a comprehensive review of Local Authority funding should be conducted to identify revenue sources that do not align with the government's compact growth targets and will no longer exist once phased out. Local Authorities heavily rely on current revenue streams to fund important projects that support compact growth and placemaking policies.
    - o Any revenue-raising measures identified in this review should align with the core goals of the National Planning Framework (NPF), discourage urban sprawl, and promote development within existing urban areas. In this instance, local authorities have no incentive to encourage development in urban areas, as opposed to suburban areas, since rate collection will likely be a similar fee. There needs to be more support and encouragement in this regard to encourage more compact development. Examining the rate system to encourage more compact and urban focused development should be a priority, or else suburban development and sprawl will continue.

3.3.2 Healthcare

- In the 2024 budget, it is imperative to prioritise addressing the backlog of individuals waiting for medical procedures and consultant appointments, while also reducing waiting times in emergency departments and increasing healthcare capacity. Although the health service has received substantial funding in recent years compared to other services, a broader strategic plan is necessary that is not wholly dependent on increasing funding with no meaningful outcomes. However, it is obvious that the Mid-West is under strain due to lack of capacity. Budget 2024 should focus on expanding capacity through capital projects across the Mid-West but also enticing more people into healthcare roles. This means paying trainees appropriate salaries, but also improving working conditions for many healthcare providers. Furthermore, there is scope to expand national centres of excellence (such as the National Children's Hospital) outside Dublin and take more advantage of regional locations, such as the Mid-West, to ensure not everyone must travel to Dublin for certain items within healthcare.

3.3.3 Policing

- Our retail focused businesses within the community are reporting significant issues with anti-social and criminal behaviour. As highlighted in Limerick Chamber's Submission to the divisional policing plan, there is scope to remove Gardaí from the local courthouse into more active duty policing roles. However, due to the large shortage of members of Gardaí, Limerick Chamber asks to significantly increase spending in this area. There are some reports that the Gardaí are having issues with recruitment, a large element of this could be the low salary offered. Trainee Gardaí need to be paid more to entice them into the roles, the wage should be closer to average salaries for Ireland. The expectation would be that recruits would be obliged to remain within the police force for several years after finishing training, to pay back the cost of their training. This is how countries like Australia do it. Furthermore, Australian regional police forces are currently undertaking an international recruitment drive, trying to entice police officers from the UK, Ireland and Canada by offering them a higher quality of life and carrying over their years of service. Budget 2024 should look at resourcing a similar system. Furthermore, it should be easier for Gardaí to choose where they work, this could have significant positive impacts on retention in the force.

3.3.4 Age Friendly Policies

- Considering that the 65+ age group is one of the fastest-growing segments based on available census data, it is crucial to allocate an appropriate level of funding to accommodate the increasing average life expectancy of the Irish population. Ireland already has the highest healthcare expenditure in Europe, and as life expectancy increases, this demand will only continue to rise, and it will need to be matched with adequate support. Conducting an appropriate population health assessment is necessary to inform resource allocation and planning.

3.3.5 Childcare & Parental Leave

- Build upon last year's increased investment in early learning and care (ELC) and school age childcare (SAC) with sustained supports for childcare services, early education infrastructure and schools to facilitate breakfast clubs and after school childcare in all parts of the country to help working parents.

- Expand mentoring programmes like "Better Start" that aim to improve the quality of childcare and early childhood education.

- Ensure continued investment in 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.

- 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.

- The CSO reported that almost half (45%) of fathers entitled to paternity benefit did not take it. Budget 2024 must set aside funding to enable a review of Paternity Benefit to better understand any obstacles for take-up to support parenting equality.

- Simplify parenting leave options to allow families to decide for themselves how to apportion the various leaves between the parents.

3.4 Sustainability

- Reorient the retrofitting program to prioritise the implementation of a significant number of shallow retrofits on a large scale. Additionally, establish a scheme that assists households relying on peat for fuel in transitioning to sustainable heating methods. This approach is particularly relevant in urban areas with a substantial inventory of Georgian housing, such as Limerick City, where many of these houses remain unoccupied due to the high costs associated with retrofitting. Modernising the housing stock in urban centres will play a crucial role in attracting residents to live in city centres.

- It is worth exploring the potential of the European Union VAT Directive [2022/542], which allows for reduced VAT rates on home energy and sustainability improvements, including the possibility of a super reduced rate ranging from 0 to 5%. Investigating this directive can provide insights into leveraging VAT reductions to incentivize and promote home energy efficiency and sustainability enhancements.

- Broaden the reach of local authority energy agencies to serve as one-stop-shops offering comprehensive guidance to households and businesses on minimising carbon emissions, retrofitting homes, and accessing government supports and advice from organisations such as the SEAI (Sustainable Energy Authority of Ireland) or the Climate Action Regional Office. These expanded agencies will function as one-stop shops, providing practical assistance and information to facilitate sustainable practices and the utilisation of available resources in the community.

- We ask that Budget 2024 realises the goals outlined in the upcoming Shannon Estuary Economic Taskforce publication and adequately resources the attainment of these goals.

- Budget 2024 must consider what works are required to support the electrification of transport and heat. To utilise electricity from wind energy, we must consider what funding and other incentives are required for key infrastructure.

- Require autoenrollment to invest in sustainable funds and introduce a timeline for occupational pension schemes and master-trusts to actively invest in funds promoting decarbonisation.

- Introduce IRLGOVT Green bonds coherent with ESG and EU Taxonomy to support NDP investments in green infrastructure.

Limerick Chamber
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