

Chambers Ireland Budget Asks Vs. What Government delivered

Overview:

This year Chambers Ireland organised our [budgetary asks](#) under three themes:

A Strategy for Towns and Cities/Urban Ireland

Delivering on Climate Action and Sustainable Infrastructure

Inclusive and Productive Local Economies

Given the work that was going on under various Government programmes including the recently published [Review of the National Development Plan](#), the [Housing for All Strategy](#), and the ongoing Town Centre First Initiative there was a lot of overlaps between our budget asks and these multi-annual projects.

Significant funds have already been committed to these works, and the strategies have resulted in a reprioritisation of projects.

In evaluating the response to our asks we have looked at whether the particular priority policy area or project has been allocated increased funding or resources (a “win”), whether funding has remained in place at previous levels but the policy is retained, or where it is not mentioned specifically in Budget2022 but retains strong support in other policy documents (a “draw”), whether there is not enough information to ascertain it’s likelihood of continuing (“uncertain”), or whether a concern is ignored, unfunded, or defunded (a “loss”).

We have welcomed the continued business supports beyond December 2021, though would have preferred if the tapering is less steep, and that the government had retained the flexibility to adjust the pace of tapering should unforeseen events arise.

Much of our concerns about our urban centres has been included in the National Development Plan and Housing for All, but the envelope of spending in these areas has not increased sufficiently to tackle the problems there yet. With increased spending on infrastructure and housing the travel is in the right direction regarding these policy areas, but the policies on land value, and vacant sites are not likely to have any impact in the foreseeable future.

Not enough has been done outside of the NDP to facilitate the green transition, MicroGeneration with commercial properties is a major and would have been an easy win for the government.

Given the economic climate there was little hope for increases in entrepreneurial reliefs, so there were few surprises there as any headroom would be consumed by business supports for the more affected sectors of the economy.

After failing to consider childcare in last years budget, there has been a return to spending in this area which is welcome.

Given the issues regarding supply chains it is unfortunate that the government has responded by introducing permanent increases in income supports as this will risk spreading inflationary pressured deeper into other parts of core spending, and also transforms a temporary supply shock into a long-term increase in current account spending.

Much like the National Development Plan itself, the taking of difficult decisions has been deferred for later years.

Within the themes, our asks have been grouped under the relevant sustainable development Goal that they relate to.

A Strategy for Towns and Cities/ Urban Ireland



What we asked for		What was delivered
Town Centre First Initiative		
Resourcing a Town Centre First Initiative which focuses on the development of economically, socially and actively healthy streets in our cities and towns	Win	Housing For All - Policy Publication of Town Centre First 2021Q4 National Development Fund - Croí Cónaithe fund for town centres National Development Plan - URDF/RRDF funding reformed, but no new funding added
Expand the Living City Initiative (LCI) to include long term vacant commercial properties built post-1915 in the cities and towns specified in the NPF and reformed to include acquisition costs of LCI qualifying properties. Incorporate the costs of buying LCI qualifying properties into the relief and reducing the inheritance/CGT tax disincentives to invest in certain properties by allowing the unused capital allowances attached to a property to be transferred with ownership.	Draw	No broadening of the Living City Initiative
Introduce a reduction of construction VAT for affordable high-density apartment new builds in cities	Loss	No mention of construction VAT
Enact legislation to resource local authorities as one-stop shops to streamline the regulatory regime for change-of-use construction projects and above-the-shop conversions	Uncertain	No commitments for on-stop-shops local authorities

Reduce Vacancies

Reform the Fair Deal Scheme so that when rental income accrues from a Fair Deal dwelling, the costs associated with renting that dwelling are discounted from reckonable income	Win	Housing for All - commitment for reform, but no timeline for delivery
Better resource local authorities to initiate street improvement and active travel investments	Win	€360m for active travel and greenways – it remains to be seen how this funding will be allocated to local authorities but a step in the right direction, nonetheless

Support Urbanism

Substantially increase the capital spend for housing in urban areas identified by the NPF	Win	<p>€20 billion is being made available over the next five years and will encompass:</p> <p>Help-to-Buy Scheme to remain in place at the current rates for 2022</p> <p>€6bn for Dept of Housing, Local Government and Heritage, with €2.5bn specifically for housing (which will support the building of 9,000 social housing units in 2022)</p> <p>€50 million in Exchequer funding next year to commence the Croí Cónaithe fund to help service sites and refurbish properties in towns and villages</p> <p>€168 million to deliver an additional 14,000 HAP tenancies, bringing to 66,000 the total number of tenancies supported</p>
Direct Local Authorities to integrate decisions on property taxes into the general budget process	Loss	No mention of property taxes
Fund the reform of the planning system to ensure efficient decision making and integrated decision making across the regions	Win	National Development Plan - Commitment to Planning and Legal Reforms, but no timeline in Budget2022
Implement training programmes for councillors to help them align Local Economic and Community Plans and Local Area Plans with the European Green Deal to enable increased access to EU funding	Uncertain	No commitment to further Training for Local Authority members

Support Efficiency in Construction Costs

Introduce targeted reductions in construction duties and levies for developments which are coherent with the NPF	Loss	Once-off builds avoided entirely (Housing for all, National Development Plan, Budget2022)
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Housing Policy

<p>Ensure that Transport Orientated Development principles form the core of all new developments – the MetroLink Project offers a great opportunity develop expertise in this area</p>	<p>Win</p>	<p>Commitment of €1.4bn to further develop our public transport networks and to support the transition to a decarbonised and climate resilient transport system, including the progression of MetroLink</p> <p>Housing for all - Land Value Sharing (including Transport-led-Development projects) introduced</p> <p>National Development Plan - Transport-led-development integrated with National Development Plan</p> <p>National Development Plan: integrated into luas/dart/commuter rail</p>
<p>Expand the mandate of Home Building Finance Ireland to provide low-interest finance to fund construction projects on brownfield sites in town and city centres</p>	<p>Draw</p>	<p>Housing for All - Home Building Finance Ireland, access to €1.5B in funding. Paused over Covid-19</p>

Delivering on Climate Action and Sustainable Infrastructure



What we asked for		What was delivered
Making the Planning System More Effective		
Scale up the resources and skills in planning departments at local and national levels so that better planning decisions can be made at earlier stages which can survive scrutiny in the courts	Win	National Development Plan Commitment to reform - but no new Budget2022 funding allocated
Ensure that An Bord Pleanála and the National Parks and Wildlife Service is appropriately resourced to match the scale of our ambitions	Win	Funding Restored
Invest in the courts and judicial system so that it can speedily adjudicate on any planning decisions that come before it	Loss	No additional funding for the courts service relating to planning and environmental court
Finance Infrastructure Sustainably		
Maintain the ' Rainy Day Fund ' with the transfer of above profile corporate tax receipts and other sources of windfall returns to the exchequer to ensure that they can be used for funding capital infrastructure rather than current expenditure	Loss	No mention (for once in a long time!) of the ' Rainy Day Fund '

Draft a roadmap on future taxation policy, detailing how Government intends to transition/replace revenue from VRT/excise/motor tax	Win	From January 2022 a revised VRT table is being introduced. The 20-band table will remain with an uplift in rates, as follows: <ul style="list-style-type: none"> • 1 per cent increase for vehicles that fall between bands 9-12; • 2 per cent increase for bands 13-15; and • 4 per cent increase for bands 16-20. In addition, to continue to incentivise the uptake of electric vehicles, government announced an extension of the €5,000 relief for Battery Electric Vehicles to end 2023.
Optimise investment in capital projects and infrastructure by ensuring transparency and an open approach to infrastructure funding models such as PPP, to ensure progress is maintained	Win	National Development Plan - Strategic Investment Priorities - Social Housing - Higher Education - Primary Care Centres - Garda and Courts Service
Improve Transport Services		
Invest in the urban built environment to promote local active transport networks that extend the utility of public transport Invest in shared cycling schemes and cycling infrastructure	Win	€360m for active travel and greenways
Urgently commence work on advancing the MetroLink	Draw	Commitment of €1.4bn to further develop our public transport networks and to support the transition to a decarbonised and climate resilient transport system, including the progression of MetroLink
Progress the Dublin rail interconnector and Luas extensions	Draw	National Development Plan - Strategic Investment Priority
Fast-track the Cork Suburban Rail project	Draw	National Development Plan - Strategic Investment Priority
Implement BusConnects projects in all NDP growth cities	Draw	Commitment of €1.4bn to further develop our public transport networks and to support the transition to a decarbonised and climate resilient transport system, including the progression of BusConnects
Accelerate the Dart extension projects and establish a timeline towards developing an all-electric rail network	Draw	Commitment of €1.4bn to further develop our public transport networks and to support the transition to a decarbonised and climate resilient transport system, including the progression of the Dart extension programme
Securing National Energy Grid Infrastructure		
Provide additional resources to connect renewable supplies to the network	Draw	National Development Plan commitments but no additional funding in Budget2022
Invest in the accelerated rollout of a national fast-charging network for the EVs with a focus on regional areas	Win	Commitment given for the extension of the €5,000 relief for Battery Electric Vehicles to end 2023 but no funding earmarked for the charging network needed to power these vehicles
Additional investment for water infrastructure, providing powers to State	Win	€1.6bn to be invest in water services next year In the period 2021-2025, almost €6 billion investment will

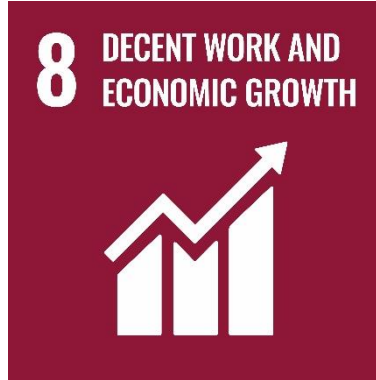
bodies to finance such investment through land value capture		be undertaken by Irish Water of which €4.5 billion will be voted Exchequer funding
The Digital Economy		
The speedy implementation of a high-speed broadband throughout the country must be prioritised as a key national economic concern	Draw	Digital Transition Fund that will help encourage the development and adoption of data analytics and AI No additional funding to accelerate National Broadband Funding
Fund a civilian cybersecurity agency	Loss	No mention



What we asked for		What was delivered
Generating Renewable Energy		
Increased investment in the electricity grid to ensure that it is futureproofed and has the capacity to meet decarbonisation targets, including the progression of the North-South Interconnector and the Celtic Interconnector to ensure energy security	Win	Strong National Development Plan Commitments, but no additional funding in Budget2022 A modest micro-generation tax disregard in respect of personal income received by households who sell surplus electricity
Increase R&D spend and target funding to support research into how the gas networks can be future proofed to transition from the delivery of natural gas to renewable gas and the potential of hydrogen as a means of storing excess electricity	Win	As a transport fuel, renewable hydrogen offers significantly higher carbon savings when compared to fossil fuels. Government has committed to extending the Accelerated Capital Allowance scheme for Energy Efficient Equipment to include hydrogen powered vehicles and refuelling equipment. This policy is aligned with wider Government policy to reduce our greenhouse gas emissions and achieve net zero carbon emissions by 2050.
Strategic investment must be directed into one or more Irish ports for the construction of offshore wind farms to take maximum advantage of the Programme for Government's commitment to delivering 5GW of offshore wind by 2030	Draw	Strong National Development Plan Commitments, but no additional funding in Budget2022
Decarbonising Heat and Transport		
Increase investment in the decarbonisation of public transport, particularly in cities, such as investment in bio-methane vehicles and the electrification of trains and buses.	Win	Transport will be a key part of the NDP government have allocated €3.4 billion inclusive of current expenditure to the Department to support the delivery of a range of projects next year. Over €1.4 billion will be provided to further develop our public transport networks and to support the transition to a decarbonised and climate resilient transport system.

Ringfence all Exchequer returns from Carbon Tax and strategically invest in green infrastructure, public transport, and funds that will support communities to transition to green transport and heating alternatives	Draw	Carbon tax will rise by €7.50 per tonne as part of efforts to reduce greenhouse gas emissions by 7 per cent per year Revenue ringfenced for current account green-transition/compensation spending not infrastructure
Invest in appropriate infrastructure to support the transition of Heavy Goods Vehicles to low-carbon fuel options like Compressed Natural Gas	Loss	No mention of HGVs and the transition to low-carbon fuel options
Accelerating the Transition to the Circular and Low Carbon Economy		
Commit funding to expand the network of local authority energy agencies to act as a local one-stop-shop structure	Uncertain	No mention of local authority energy agencies
Fund research for innovative technologies such as Carbon Capture Storage, Hydrogen, Biogas and Anaerobic Digestion	Win	Government has committed to extending the Accelerated Capital Allowance scheme for Energy Efficient Equipment to include hydrogen powered vehicles and refuelling equipment.
Invest in re-training programmes to support the transition from jobs reliant on fossil fuels to low carbon jobs in areas such as energy retrofitting for buildings, sustainable forestry, renewable energy and peatland restoration	Win	National Development Plan Commitments
Continue to invest in measures that will support communities to meet afforestation and bog restoration targets	Win	National Development Plan Commitments to Forestry Programme and bog rehabilitation projects
Ongoing investment in water infrastructure to ensure the sustainability of supplies into the future	Win	€1.6bn to be invest in water services next year In the period 2021-2025, almost €6 billion investment will be undertaken by Irish Water of which €4.5 billion will be voted Exchequer funding

Inclusive and Productive Local Economies



What we asked for		What was delivered
Sustained Financial Support for Vulnerable Sectors		
Extension to the waiver on commercial rates for impacted businesses to the end of 2021 with the shortfall in funding to be refunded to local authorities by central Government	Win	Over €60 million to extend the commercial rates waiver for quarter four targeted at the hospitality, arts and certain tourism related sectors
Reintroduction of a Redundancy Rebate Scheme for sole traders and SMEs for a defined period of time	Win	Recent DETE announcement for microenterprises and sole traders - awaiting further details of the scheme
Stimulus for Local Economies		
Extension of the Small Benefits Exemption to allow employers to give a voucher in 2021 up to the value of €1,000, which can be drawn down in two parts, on a tax-free basis, and will stimulate retail spend in local economies	Loss	No commitment on this
Reform the "Stay and Spend" tax credit for the tourism and hospitality sector and immediately replace it with a form of local voucher for all adults that can be spent on tourism and hospitality for a defined period of time, targeted at the 'shoulder season'	Loss	No commitment on this but a form of bonus for workers to be announced in the coming weeks €39 million for Enhanced Tourism Marketing & Product Development. The Arts and Culture Sector will benefit from a Pilot Basic Income Guarantee Scheme for Artists and €25 million for the continuation of Live Entertainment supports
Extend the reduced VAT rate for hospitality & tourism businesses until the end of 2023	Draw	The reduced VAT rate of 9 per cent for the hospitality sector will remain in place to the end of August 2022.
Ensure adequate staffing resources are afforded to local authorities to enable the effective and speedy implementation of outdoor dining and public realm grants, that support dwell time and healthy streets within our town and city centres	Draw	No mention

Resource state agencies to increase levels of investment in niche areas that distinguish Ireland as a destination, such as Ireland's growing potential as a place for unique and high-quality food and active tourism	Draw	No mention
Supporting Entrepreneurs and SMEs		
Reduce the Capital Gains Tax rate of 33% for non-passive investment in order to promote more all-island alignment on this kind of tax policy	Loss	No mention
Increase the lifetime limit of €1 million in qualifying capital gains under Entrepreneur's Relief to improve the attractiveness for repeat investors and to encourage increased investment in Irish business	Loss	No commitment
Expand and simplify eligibility criteria for the R&D tax credit rate to medium sized enterprises	Loss	No commitment
Review and simplify the reliefs which are available, such as Retirement Relief, and integrate it within a more expansive Entrepreneurs' Relief	Loss	No commitment
Trade and Investment		
Introduce additional supports for businesses, including retail, who wish to expand their activities in e-commerce with a view to becoming more engaged in the Digital Single Market and with a view to competing with UK businesses selling online, who may have a competitive edge post Brexit, due to exchange rate fluctuations	Loss	No mention of e-commerce
Flexible and Inclusive Workplaces		
Review and reform the existing e-working allowance to support workers and employers who are continuing to engage in remote working	Loss	No commitment
Increase the individual tax rebate for working from home, which can currently be claimed against 10% of the costs of home working (e.g., electricity, broadband, heating)	Win	Income tax deduction, amounting to 30% of the cost of vouched expenses, for electricity and broadband in respect of those incurred while working from home.
Increase resources, both in staff and funding, to the Regional Skills Fora , in line with population, to support their efforts to address skills needs around the country Allocate funding to deliver disability awareness training for organisations	Uncertain	No mention of the Regional Skills Fora
Fund a workplace access programme to support labour participation for people with disabilities	Loss	No commitments

Reform the Reasonable Accommodation Fund so that the supports are fit for purpose in a modern workplace

Loss

No mention of the reasonable accommodation fund



What we asked for

What was delivered

Supports for Parental Equality

Funding to enable a review of **Paternity Benefit** to better understand any obstacles for take-up to support parenting equality

Loss

No commitment on a review of paternity benefit but an increase in parent's leave from 5 to 7 weeks from August 2022 announced

Access to Affordable Quality Childcare

Increase investment in 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 and mitigate against the reduction in supply of childcare places that has arisen from Covid-19

Win

Good commitments to funding in this sector, with €716 million earmarked for 2022
 Removal the practice of deducting hours spent in pre-school or school from the entitlement to National Childcare Scheme subsidised hours. This will benefit an estimated 5,000 children, particularly from low-income families, at a cost of €4 million
 €78m for additional investment in core funding for the childcare sector and to reform the National Childcare Scheme
 A new funding stream for up to 4,700 early years and childcare providers will be put in place from September 2022 onwards, at an estimated cost of €69 million next year, to support improvements in the quality of childcare provision
 A Joint Labour Committee for the childcare sector is due to report next September leading to an expected Employment Regulation Order soon after. The funding the government is allocating will support providers in attracting and retaining staff and it will provide more options for parents, and is linked to a commitment of no increases in fees to parents
 Extension of the National Childcare Scheme universal subsidy to children under 15 from September 2022, benefitting up to 40,000 children at a cost of €5 million
 Short-term measures, backed up with Covid funding of €37m in 2022, will be put in place to

	support the transition of services to this new model.	
Expand mentoring programmes like “Better Start” that aim to improve the quality of childcare and early childhood education	Loss	No commitment
Ensure continued investment in the Early Childhood Care and Education (ECCE)	Win	See above
Increased investment in services and infrastructure that enable childcare providers to expand places for children under the age of three	Loss	No commitment