



Pre-Budget Submission 2022

Regional Sustainable Recovery Strategy

The Regional Group - An Grúpa Reigiúnach



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As our country exits the Covid-19 pandemic, it is critical to invest in our people to support them with the transition back to normality. Government needs to put in place the investments and appropriate policy responses in order to do this. Budget 2022 must embrace the need for new approaches to how we as a society prioritise choices. People, health, well-being, public services, homes, infrastructure, and a fair and widespread recovery must come first.

The National Planning Framework must be fully delivered to support regional investment. Town growth funding strategies should be rolled out to support the revitalisation of town centres. Addressing infrastructure deficits and tapping into the economic potential that remains unused in our regions is essential to advance regional Ireland. The delivery of projects for capital investment in housing, innovation hubs, health, agriculture, water, education, defence, regional employment opportunities and sustainability should be prioritised.

Measures need to support home-grown Irish businesses and SMEs from start-up, to recovery and growth as the country emerges with a new sense of confidence and hope. With the necessary supports SMEs can attract the necessary investment so that they can survive and ultimately thrive in a post-pandemic world and increasing employment in regional Ireland as they do so.

Government strategy needs to create a balanced approach together with an attractiveness for people to live and work in rural Ireland. This is essential for both the quality of living in urban and rural settings. This is particularly critical as our population is projected to grow at significant levels over the next 20 years. Our proposals seek to reenergise our towns and villages while at the same time rebalance concentrated population growth.

Budget 2022 must not only close the gaps which have emerged during the pandemic but put in place support structures that will ensure that every person throughout Ireland can grow and be supported in our recovery.

This document is in addition to bilateral pre-budget submissions by the individual Regional Group members



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1. Regenerate Regional Towns and Villages

Budget 2022 needs to support the regeneration of our towns and villages, encourage new energy into regional Ireland while maintaining the unique character and enhancing the local environment.

Housing

- 1.1 Extend the Help to Buy and Rebuilding Ireland Home Loan Schemes to include the refurbishment cost in addition to the capital cost of the house. In addition to the Help to Buy scheme provide €30,000 grant for first-time buyers purchasing existing property in a town or village with a significant residential vacancy rate.
- 1.2 For a just transition to a low-carbon economy to be prioritised it is vital that poverty proofing is embedded in economic and social policy. As a first step we are seeking the provision of greater investment in retrofitting fuel-poor households in addition to an increase in the fuel allowance and an extension in the number of weeks it is payable each year, from 28 to 32 weeks per year.
- 1.3 Incentivise the development of clustered bungalow housing close to services for older people, allowing them to downsize, freeing up family homes.

Green Villages

- 1.4 As an alternative to the Better Energy Home Schemes introduce 0% long term loans for retrofitting homes whereby repayments are paid back through utility companies based on energy savings, to include micro regeneration technologies.
- 1.5 Increase the Community Enhancement Fund to €10 million from €4.5 million to provide inter alia for the capital development and major refurbishment of community centres around the country.

Remote Working

- 1.6 Incentivise the sustainability of a realistic remote working option for both employees and employers by providing tax incentives to reflect this changing work environment. The current tax regime for employees working from home is both inequitable and inadequate. Introduce an additional annual tax credit of €1,000 to individuals who work from home for at least 100 days per calendar year.
- 1.7 Provide targeted accelerated capital allowance to assist employers to facilitate employees to work remotely when it would be otherwise cost prohibitive to do so.
- 1.8 Every Government Department and agency should include in its annual report metrics on remote working and outline actions to achieve the 20% Government target, and further actions to increase it thereafter.

Direct State Supports

- 1.9 Designate the Post Office network as a central hub for all offline government services starting with motor tax.
- 1.10 Develop and implement a national rural public transport plan with the expansion of Local Link. Double funding over the next four years.
- 1.11 Provide front loading for the National Broadband Plan and re-establish the Mobile Phone and Broadband Taskforce to ensure that it is completed ahead of the current profiled timelines.
- 1.12 Provide significant investment in childcare; provide an additional investment of €337 million by 2025 (€977 million in total) structured over 4 years and use this as a base to make further improvements by 2028.



2. Rural Business

New and innovative tax initiatives and other measures are required to support home-grown Irish SMEs through recovery and renewal. The survival of many domestic businesses will be dependent on a successful transition of the business to the next generation and the creation of investment opportunities.

Start-ups to Growth

- 2.1 Reform and restructure the Employment Investment Incentive Scheme (EIS) to incentivise risk investment in business creation and growth in rural Ireland. EIS scheme should be widened to cover all businesses in regional and rural Ireland making it easier to attract both entrepreneurs and investors.
- 2.2 Reform entrepreneur relief by bringing the threshold into line with the UK entrepreneur relief.
- 2.3 Reform planning permission to ensure that business development in rural Ireland is not hampered by the planning process, which does not always consider local needs and circumstances. Government should develop guidelines to facilitate the repurposing of existing agricultural buildings for rural enterprise. The definition of rural enterprise should be expanded, supporting a more flexible approach to such development
- 2.4 Extend the 50% excise relief benefit programme presently available to craft and microbreweries to cider brewers and other fermented beverage manufacturers.

Direct State Supports

- 2.5 Double funding for Údarás na Gaeltachta, Western Development Commission and regional tourism initiatives between now and 2024.

3. Taxation

A complete review of tax credits and the social welfare system needs to be completed to ensure that working is always financially better for individual citizens and families. In the interim the social welfare “Benefit of Work Estimator” should be modernised to make the interface more user friendly and provide citizens with a complete assessment of their individual supports and benefits as well as education and training options.

- 3.1 Adjust PRSI to eliminate the very high marginal PRSI rate on additional income in the PRSI transition Zone from €18,304 to €22,048.
- 3.2 Increase the income threshold for access to social housing.
- 3.3 Anomalies that have been created within the last 5 years which make families in receipt of the Working Family Payment worse off need to be removed from the social welfare system as they act as a barrier to employment and have intergenerational social impacts.
- 3.4 Increase from 30% to 32% the minimum effective tax rate for people earning €400,000+.



Tourism

Tourism is the cornerstone for economic viability of our regional towns and villages. Tourism marketing and product development is critical if Ireland is to maintain its visibility and compete internationally as an attractive destination for holidaymakers and business traveller.

3.5 Extend the tourism VAT rate of 9% to 2025.

Succession

Succession and transfer of family assets will encourage the next generation to take over the day to day operation of businesses and farms. Not only does this rejuvenate the business but allows for long term climate and sustainable investment which helps to reduce our national carbon footprint. It also allows people to relocate, live and thrive in regional Ireland bringing life back into vacant homes, children into schools and maximise the investment already delivered in terms of broadband & water facilities.

3.6 Increase threshold to €500,000 from €335,000 for son/daughter of the disponent with similar percentage increases for other thresholds.

3.7 Reduce Capital Acquisitions Tax (CAT) from 33% to 25%.

3.8 Extend inheritance tax rules to favourite niece or nephew.

3.9 Increase annual limit of the small gift allowance from €3,000 to €5,000 annually without having to pay Capital Acquisitions Tax (CAT).

4. Local Services

Investing in the development of services in existing communities is more cost effective, and repurposing existing infrastructure is far more environmentally sustainable in the long term.

Health

4.1 Expand and support the health services including mental health services provided in community settings and closer to home care for patients. Increase spending in mental health to 10% of the total health Budget by 2024, this entails index linked spending on mental health to 7.5 % in 2022, 8.5% in 2023 and 10% by 2024.

4.2 Expand the existing Outpatient Parenteral Antibiotic Therapy (OPAT) service and roll out additional treatment pathways. This could take place in partnership with private partners where appropriate. Include diagnostic services in Primary Care Centres as standard.

4.3 Prioritise urgent capital investment in existing Community Nursing Units (CNU) to comply with HIQA requirements and support the rollout of Minor Injury Units.



Community

- 4.4 Carry out a review of the means test for family carers to ensure that the current means test is fit for purpose and as a minimum is in line with the changes in the Consumer Price Index over the last decade. This should totally disregard mortgage or rent costs.
- 4.5 Increase the Carers Support Grant to €2,000.
- 4.6 Increase the wage subsidy scheme payments from €5 per hour to €6.50 per hour, or 70% of the minimum wage as it was previously in order to encourage employers to employ those with disabilities.
- 4.7 Illness benefit should be designated as an eligible long-term Department of Social Protection payment for the special rate of SUSI grant.

5. Agriculture

Irish agriculture can do more to reduce Ireland's emissions profile. Better grass management alone could help address our air quality, ammonia, and nitrates problems, as well as reducing methane emissions and promoting greater soil carbon sequestration.

- 5.1 Revise renewable energy supports to ensure farm access to community grants for renewable energy to diversify and aid energy production by farmers.
- 5.2 The Carbon Fund should be used to support a strategy for the import substitution of fresh foods and protein right across the food chain.
- 5.3 The Carbon Fund should be used to fast track applied research on practical carbon sequestration of pastureland and hedgerows.
- 5.4 Encourage wider adoption of green incentive schemes for road transport haulage, construction, and agricultural machinery.
- 5.5 Introduce a Suckler Cow Environmental Scheme which pays €200 on up to 20 cows to support sustainable suckler beef production based on the Smart Farming Initiative.
- 5.6 Increase the Sheep Welfare Scheme budget to €50m.



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