

An Taoiseach Micheál Martin TD,  
Government Buildings,  
Merrion Street,  
Dublin 2.

8 July 2020

## **Re: Leadership to drive the future of town centres post COVID-19**

Dear Taoiseach,

Firstly, please let me congratulate you again on being elected as Taoiseach, this must be a tremendous moment for you, both personally and professionally. We in Chambers Ireland wish you every good fortune as you lead our country through this difficult time.

### **Limiting the long-run effects of the Covid-19 crisis**

Responding effectively to the Covid-19 Crisis will be the biggest challenge of your present term as Taoiseach. While there had been some initial optimism that this would be a short-run shock to the economy, we in Chambers Ireland have been counselling that the economic shock is likely to be much deeper, and without significant interventions from the State that are unprecedented in scale, recovery will be far more difficult.

While a few may still believe that Covid-19 will result in a shallow recession, the balance of opinion has settled on this crisis being a trial which will affect us over a period of years rather than months. Given the pattern of regional lockdowns that are emerging across the countries which have reopened thus far, there is no reason to believe that these will not occur here too. Naturally, the areas which have the largest populations will be those where we are most likely to see the re-emergence of the disease, putting our cities and towns under threat.

As the centre of business activity, our cities and towns are likely to suffer economic scarring as a result of the Covid-19 crisis. Creating the policy programme which limits the long-run effects

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of this economic calamity is critical, and the reality has been that much of the State response to the pandemic has of necessity sought to deal with the short term, immediate impacts of Covid-19. The initial challenge of your July stimulus will undoubtedly be trying to adapt the elements of the response to date that are distorting the market and placing enterprise supports on a firmer footing which will allow certainty for business owners and operators. We are engaged in separate correspondence with your key Cabinet members with our specific recommendations relevant to each of their portfolios.

### **A geographic and regional perspective on recovery**

As you will know, Chambers Ireland is the national body which represents affiliated chambers of commerce from throughout the country which you and your colleagues will already be so familiar with. With 41 chambers, north and south, we are an all-island body which represents businesses throughout the country. With over 8,000 members, our network of owners and operators form the largest business representative organisation in the country. Our geographic perspective also requires us to take a holistic view of the economy which leads us to championing economically sustainable cities, towns and communities, and the island as a whole, rather than focus on narrow sectoral issues, as though they can be disentangled from broader society as a whole.

### **The infrastructure deficit**

The last recession resulted in an infrastructural deficit across the country with numerous projects failing to be commenced. Throughout the development of the National Development Plan, our network of chambers has been supportive of the approach of creating a long-term strategy for balanced regional growth. Such a strategy will rebalance the nation and address the fact that Dublin has become one of the most congested cities in the world. If we continue to rely on the status quo to drive growth for the island, we will risk national economic underperformance.

Chambers Ireland has also been supportive of the Regional Assembly model, and principles behind the development of five city regions and the Regional Economic and Spatial Strategies, although we are conscious that there may be a need to review them in the short run to ensure that they, and the National Development Plan, align with the revised Climate Action Plan in order to be able to access the funding that is being made available as part of the European Green Deal. There is a great deal of work to be done to ensure that Ireland can maximise our access to the EU's €1.5 Trillion of loans and grants, we look forward to supporting you in this effort.

With the likelihood of a 'V-shaped' recovery diminishing in light of renewed lockdowns which are occurring in our trading partners, with the World Bank predicting the largest global recession in at least 150 years, and with the tourism industry devastated for the foreseeable future, a significant portion of our potential growth over the next 18-24 months will need to be fuelled by counter-cyclical government investment. Well executed, this would have the benefit of reducing the infrastructure gap which has opened over the last decade.

### **The COVID-19 Impact on Town Centres**

The Covid-19 crisis has acted as an accelerant for problems that already existed. As we have seen, it has been devastating for those in crowded living conditions, nursing homes, and direct provision centres, which means that how we provide housing will be a necessary part of how we respond to the disease.

As the economic thaw begins, business owners are looking at significantly reduced footfall and business activity. Those in retail, with businesses on multiple sites, are likely to be looking at reducing their number of premises and this will exacerbate many of the problems with which our towns and cities were already struggling.

The tourism industry has lost this year's income and will likely not begin to recover until the global economy begins to pick up again, which is expected to be no earlier than 2022. Until that happens, our Tourism, Hospitality and Entertainment/Culture industries do not have an

effective, viable business model that can exist in combination with social distancing. Our most recent Chambers Ireland survey of the business community found that almost every member of these sectors is expecting reduced income over the next year and over 75% expect that revenue for the coming 12 months will be down 50% or more relative to an ordinary year.

Regionally, the impact has been unbalanced too. While the primary economic impact of Covid-19 has been sectoral, there is also the question of scale: Large businesses have found it easier to adapt to the current low-touch conditions. Therefore, the parts of the country which have been over reliant on Tourism or have been without large employers are likely to be disproportionately affected. Coupled with the impact of a probable no-deal Brexit in the new year, efforts will be needed from central government to ensure that the domestic economy will be able to sustain itself while the trading economy suffers through the multiple hits that it can expect from the direct effects of the response to Covid-19, a global recession, the retrenchment of globalisation, the inability of the OECD to form consensus on transnational taxation and other matters.

### **“Town Centre First” Commitment in the Programme for Government**

Within this domain, Chambers Ireland greatly welcomes the commitment to a ‘Town Centre First’ approach to policy in the Programme for Government. In advance of government formation talks successfully concluding, we were joined by member chambers, community leaders and a cross-section groups, including town planners and other representative bodies, in a [collective call for a National Taskforce on Town Centres](#). The economic burden of vacancy is felt very heavily in our towns and cities, with data from the town centre health checks demonstrating that our urban spaces are among the least active in Europe. {{{{{We in Chambers Ireland urge you to take leadership in this matter and immediately put into effect a cross-departmental working group, led by the Office of the Taoiseach to champion this “Town Centre First” approach. As we have seen from the recently published [Town Centre Living Initiative](#) report, not only is vacancy and economic decline a great concern for our cities and towns, it has the potential to be a solution to many of the other problems that our country and society is experiencing.

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Urban living is key to creating sustainable communities that can succeed under the Climate Action Plan. Upgrading existing buildings is an essential part of conserving our carbon budget over the coming decades. Even in the context of the Covid-19 Crisis, enabling tens of thousands of micro-conversions in urban spaces across the country is likely to be more resilient to the risk of further outbreaks when compared to a construction sector that relies upon a small number of large projects.

Decreased demand for labour during the Covid-19 recession creates the opportunity to reskill affected workers to make the upgrade of vacant properties throughout the country economical and so finally allow us to begin to make an impression on the catastrophic housing crisis which has emerged in recent years. As we would be utilising existing, but inactive, building stock at a time when there will be reduced demand for labour, major government investment will be less likely to drive inflation at the national level making this the most efficient period for government investment, while supporting GNI\* output during a downturn will make our Debt ratios less volatile supporting lower interest rates for longer.

Beyond financing, there are regulatory hurdles that need to be addressed. This includes the reform of existing land law in reference to dereliction and vacancy, substantial improvement of the master-planning laws for local authorities, the need for Section 28 regulations put in place for town centres, and a review of the laws around Compulsory Purchase Order, including, as government parties noted earlier in the year, the need to reform the Constitution to facilitate this.

Our town centres exist at the intersection between our communities, our planning system, our local authorities, our tax law, our networks of transport, our business communities, our national development plan, our climate goals, our history, and our culture. Unless we get them right, we will get nothing else right. Unfortunately, in an act of social and economic self-harm, as a nation we have allowed them to decay.

### **A Taoiseach led approach**

If the “Town Centre First” initiative is to be a success it needs to be driven by you – too many government departments need to be working collaboratively and will have to defer to the greater good if that mission is to be accomplished.

Therefore, if we are to make an impact on the issue of our socially and economically depressed cities and towns, we will need you to personally take the lead. There are tremendous examples of town centre rejuvenation such as Clonakilty, Skibbereen, Westport, Galway’s Shop Street/Quay Street, Waterford’s Viking Triangle, Dublin’s shopping streets to name but a few, but these efforts have been underfunded and piecemeal. If there is to be a vision for a modern Ireland it will need to be driven with appropriate authority, and while it will have to be implemented on the ground by Local Authorities, the required investment in the public realm which will be needed to accomplish these efforts will need to come through central government.

The restoration and rejuvenation of our urban spaces has the potential to ameliorate the long-term damage that this crisis is doing, while helping to diversify and broaden the economic foundation of our nation. We need only to have the confidence to invest in ourselves. The alternative is to allow affected towns, cities, and regions to atrophy further, which is why Chambers Ireland implores you to take the cause of our town centres into your own hands immediately.

Kind Regards,



**Ian Talbot**

Chief Executive

