

8<sup>th</sup> May 2013

Mr Phil Hogan TD  
Minister for the Environment, Local Government and Community  
Department of the Environment, Local Government and Community  
Custom House  
Dublin 1

Dear Minister,

In advance of a meeting between representatives of the Chamber Network and the Working Group on the Financial Arrangements overseeing the integration of Town Councils with County Councils, I would like to restate our concerns regarding the integration of Town Councils into Local Authorities and to ensure that the Department is mindful of the needs of town centre businesses; most of which are domestically focussed, low margin and high employment in nature.

In particular, many of our members have concerns about the effect the abolition of Town Councils will have on commercial rates and water charges in their local area. For example, our figures show that the Annual Rate of Valuation (ARV) in the town of Midleton is 63.53, while in Cork County Council it is 74.75. This results in a differential of 15.1%. This situation is replicated in other town council areas including Dungarvan, Ennis, Letterkenny, Mallow and Westport.

Where this situation is repeated, we would ask your Department to consider a number of arguments before reaching a decision on what advice to issue to the Local Authorities that will emerge from the entire restructuring process:

1. Figures from Forfás note that the cumulative increase in rates over the past decade has been almost twice the rate of inflation.
2. In absolute terms, commercial rates revenues increased by 7pc in 2012. This is not tenable.
3. In situations where there is currently a disparity between the commercial rates in a Town Council and County Council area, every effort should be taken to equalise them by reducing the higher rate rather than increasing the lower rate.
4. We note that, in a range of towns such as Athlone, rates are now a higher cost than rents.

5. The process of restructuring the system of Local Government should be used as an opportunity to identify and implement meaningful levels of savings and focus on management and administration support activities.
6. Following the execution of the Local Property Tax, Government needs to deliver appropriately targeted reductions in Local Authority charges. Given that significant job creation is dependent on recovery in the domestic economy, this creates an opportunity for local charges to be used to support local businesses.  
In this context, reform of the application of car parking charges could significantly help struggling town centre businesses. These should be strategically applied on a County-wide basis to support footfall rather than focus purely on revenue generation. Feedback from our network shows that reforms to the parking regime by Letterkenny Town Council have been highly beneficial. This offers a template for application across the country.
7. Local Authorities must set commercial rates at a level that reflects current economic conditions. Targeted reductions can guarantee that vulnerable businesses can continue to trade through economic downturns and remain in a position to grow, thus creating new jobs, when the economy recovers.

Your Department can have a significant impact on the sustainability of many small businesses in regions throughout Ireland. The abolition of Town Councils and the application of savings to support local businesses will be vital to the preservation of existing employment and the creation of new jobs.

Yours Sincerely,

**Ian Talbot**

**Chief Executive**

CC Minister Bruton,  
CC Sec Gen DoEHLG  
CC Sec Gen DJEI  
CC Colm Lavery, DoE