



Mr Michael McGrath TD  
Minister for Finance  
Department of Finance  
Merrion Street  
Dublin 2

Mr Paschal Donohoe TD  
Minister for Public Expenditure and Reform  
Department of Public Expenditure and Reform  
Merrion Street  
Dublin 2

19 July 2023

Dear Ministers,

Bookselling Ireland is pleased to have the opportunity to make this Budget Submission to you in advance of the finalisation of the Budget 2024.

### **Bookselling in Ireland**

The book industry makes an important and positive social, economic and cultural contribution to Ireland. Bookshops are where the rich talents of Ireland's writers meet the minds of Ireland's readers. There are currently over 220 bookshops across the country, together employing over 3,000 people. Bookshops are an integral part of our cultural landscape and generate €189 million to the economy.

Throughout the turbulent Covid years the bookselling sector remained resilient, with many shops speedily pivoting their business models to enable them to survive the restrictions and serve their local communities. Amazingly, bookshops have been growing in number in recent years despite the many challenges thrown their way.

However, this presence and contribution should not be taken for granted. This year's change to the schoolbook purchase system is having a huge impact on bookshops throughout Ireland. Whilst booksellers are supportive of any move to make education more affordable to families, there are concerns that up to one in ten bookshops could close due to unintended consequences of the policy.

The sudden nature of the switch meant booksellers were unable to adequately plan for drastic changes to turnover, and the procurement framework does not give adequate weighting to the additional social value local bookshops are able to provide. Consequently, ongoing and responsive support by policy makers at local and national levels is of vital importance.

Bookselling Ireland, part of The Booksellers Association of the UK and Ireland, proposes the following measures for consideration by the Government in the next Budget to enable the sector to continue to grow and thrive:

## **Increasing Footfall and Access to Bookshops and Other Cultural Space**

### **- Culture Voucher to Allow Young People to Experience Ireland's Cultural Offering**

In recent years we've seen several European countries recognise the important impact that access to in-person cultural experiences has on young people and the wider economy through the introduction of culture vouchers.

In France 18-year-olds receive a €300 "culture pass" to be spent on books, art materials, instruments, and exhibition visits; Spanish teenagers receive up to €400 to be spent across different cultural products and activities; and in Italy young people have been given vouchers of up to €500. Meanwhile Spain and Germany are in the process of launching their own culture voucher schemes, showing that a growing number of countries are recognising the benefits such schemes bring.

The launch of a similar scheme in Ireland will undoubtedly have a significant economic impact, helping the creative sector, including bookshops that are still recovering from the impact of lockdowns as well as a potential fall in turnover due to losing school book business. Access to the expertise of booksellers in Irish bookshops will also give young people the opportunity to access a broad range of titles relating to Ireland's social and political history, complementing their education and exposing them to a broad range of ideas and opinions.

A culture voucher would bring large numbers of young people out of their pandemic stay-at-home habits and into our towns and cities, instilling in them a lifetime habit of visiting Ireland's cultural institutions which will pay dividends for years to come.

**Bookselling Ireland is calling on the Government to introduce a culture voucher scheme to run for three years giving 18 year olds the chance to experience in-person cultural events and products.**

### **- Expansion of the Night-Time Economy Support Scheme**

A small number of bookshops were able to take part in last summer's night-time economy support scheme. Those who took part were delighted with the support offered and the positive impact it had on footfall – both for themselves and surrounding hospitality venues. Customers were able to enjoy a range of events from author visits and writing workshops to philosophical debates and poetry nights.

Some of the positives highlighted by bookshops included how well the grants facilitated collaboration between different types of business and the access the scheme gave booksellers to the wider cultural sector. Bookshops were also able to take risks and host successful events in formats that they'd previously been too nervous to attempt due to financial constraints.

However, in its piloted form the scheme sadly excluded many bookshops. Due to the nature of the bookselling and publishing industries it simply wasn't possible for many small bookshops to organise the number of events required within the permitted timeframe.

Bookshops are keen to work with officials to expand the existing scheme or pilot a new similar grant aimed at the sector. A widening of the support would be of huge benefit not only to bookshops but also to the wider community – especially as bookshop events are some of the few offered by the scheme that don't involve alcohol. An expansion of the scheme would play a significant role in the social regeneration of town centres across the country.

**Bookselling Ireland is calling on the Government to extend the Night-Time Economy Support Scheme with future grants running over at least a 6 month period to allow smaller businesses adequate time to arrange the required number of events.**

### **Improving Procurement to Mitigate the Impact of School Book Purchasing Changes**

As noted above, the changes to the school book purchase system could have a devastating impact on a significant number of bookshops. As things stand, booksellers are repeatedly being told by teachers that although they appreciate all the work bookshops do to help schools and their local communities, they are unable to purchase books from bookshops as they can find them more cheaply elsewhere – often from suppliers with no ties to the local area.

Some schools are unwilling or unable to use the existing procurement framework which does offer them some discretion when looking at prices offered by different suppliers and there seems to be a genuine lack of understanding as to how “social value” should be weighted when awarding contracts. If used properly an emphasis on social value would reap huge benefits not only for bookshops but also in helping to enhance local supply chains and supporting the Government's wider economic and sustainability goals.

We urge the Government to take the following courses of action to help mitigate both the short-term and long-term consequences of the policy change on booksellers.

- Improve School Procurement Processes to Allow Bookshops to Thrive

At present many of those responsible for awarding tenders don't realise that there is scope within the EU legal framework encouraging public contracts to be used to deliver wider social benefits. A greater understanding and strengthening of this legislation would mean that local communities across Ireland could continue to benefit from having a local bookshop by ensuring those awarding contracts take into account the countless benefits booksellers bring to their local communities – from bringing school classes into bookshops to meet authors and illustrators, financially supporting the World Book Day scheme to get books into children's hands, organising literary events, and helping teachers and school librarians with book lists.

Bookshops need to see Ireland's policymakers approaching the implementation of the new school book scheme with imagination and determination so that competition to supply local schools with books does not result in school and library book supply in Ireland being awarded to a small number of suppliers, but that the process is vigorous and continues to involve local bookshops with all their specialist knowledge and passion for the best in writing for children and adults alike.

**Bookselling Ireland is calling on the Government to improve awareness amongst teachers of social value clauses in procurement legislation and to strengthen such clauses to enable bookshops to continue serving their local communities.**

- Ensure all libraries have a ringfenced discretionary budget to source books of local interest

Whilst school book purchasing is going through significant changes it's worth highlighting that library procurement could also be improved to better serve libraries, booksellers and readers. Bookselling Ireland recommends an immediate change to public library funding, specifically the ringfencing of a piece of discretionary funding for the purchase of books of local interest from local bookshops.

At present, books of particular local interest - for example local history or genealogy which are published locally on a small scale - simply cannot be sourced by libraries as the current suppliers do not have access to them. This small modification would be a much needed and helpful encouragement for our members in every county across Ireland.

Ringfenced fund is necessary as this supply issue will persist no matter which supplier wins the tender in the future, as these locally published books are often only available either directly from the author or from local bookshops which have entered into a supply arrangement with the author. These books are often extensively researched and the only source of information on particular aspects of or events in local history, and of significant importance and interest to libraries and readers.

**Bookselling Ireland is calling on the Government to ringfence discretionary funding for libraries to allow them to purchase local interest books from local bookshops.**

### Measures to Ensure Thriving Town Centres

- Commercial Rates Relief

The legislative basis for our rates system dates from the 19<sup>th</sup> century and is unfit for purpose. The current rates system requires substantial overhaul before it threatens business viability. It discriminates against town-centre operators, and encourages urban sprawl and donut development, contrary to Project Ireland 2040.

We call for action to mitigate the burden of commercial rates by a reassessment of how it is levied and who pays. For most of our booksellers the level of rates remains an ongoing major concern and a drag on their ability to invest and expand. The burden on businesses operating in our main streets needs to be reduced and greater equity delivered versus those operating from out-of-town warehouses and through a predominately online model. Ireland will not secure thriving main streets in every community without an approach which places this fairness and equity at the heart of retail sector tax policy.

Given the massive impact that changes in school book buying is having on booksellers and the uncertainty many are now facing, a rates holiday would give businesses much needed breathing space and time to plan, put in place new business models, and stock their shops accordingly. To encourage growth in the sector and to stimulate the retail mix in town centres we also need to see rates relief for new booksellers looking to enter the market.

**Bookselling Ireland is calling on the Government to implement relief from Commercial Rates for bookshops until the end of 2024 and to give total rates exemption for 3 years for new booksellers who open in town centres.**

- Urban Renewal

The number one issue facing many in Ireland today, especially younger people, is the lack of affordable housing. Securing a substantive and sustained increase in housing supply across Ireland, especially in cities and towns, is a vital social goal which would alleviate cost of living pressures for many bookshop staff. It is not in the gift of most employers, especially those like booksellers who operate within small margins, to increase wages in line with the current rate of rent increases, so the State has a key role to play in increasing the provision of affordable housing.

Policies such as providing attractive capital allowances for retailers who develop 'over the shop' residential accommodation would have a strong and immediate benefit by supplying additional housing for younger employees starting their careers in sectors like bookselling.

**Bookselling Ireland is calling on the Government to embrace impactful short-term policy solutions to the housing crisis whilst it works on a substantial housebuilding programme.**

I hope that you will take account of this submission when formulating your Budget 2024. We look forward to engaging with you and your officials as we work to sustain and promote the Irish bookselling sector and its vital role in maintaining the vibrancy of Ireland's town centres.

Yours sincerely,

Dawn Behan

Chair

Bookselling Ireland