



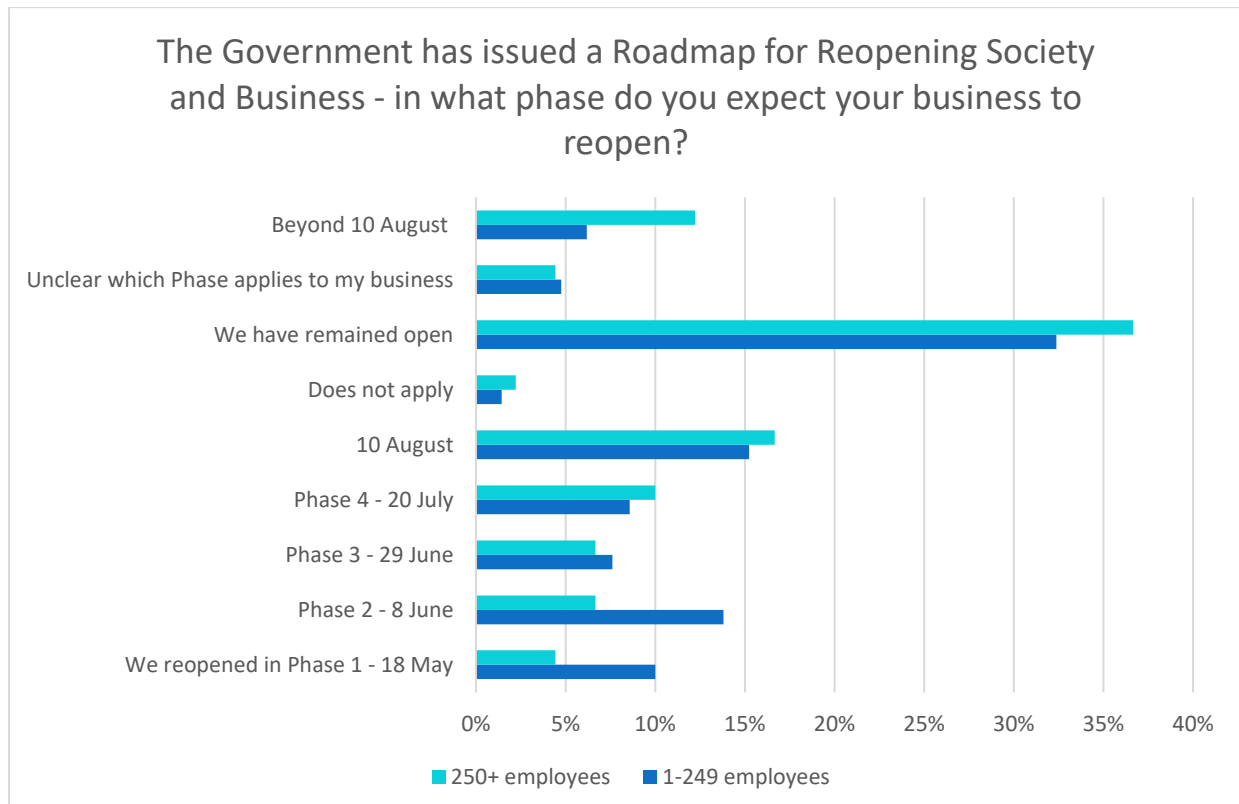
Reopening Dublin Surveys: SME Findings & Recommendations
Submission to the Oireachtas Special Committee on Covid-19 Response

24th June 2020

Dublin Chamber has conducted a series of business surveys since 10th March monitoring the evolving impact of Covid-19. Our most recent survey of over 300 businesses in the Dublin region was concluded on 22nd June 2020 and assesses the impact of social distancing measures on plans for the reopening of business premises. These are particularly relevant to Dublin where the use of public transport is at highest and the cost of traffic congestion is most acute. The data below details the impact on the SME sector specifically. The document concludes with Dublin Chamber's recommendations to support small businesses to reopen.

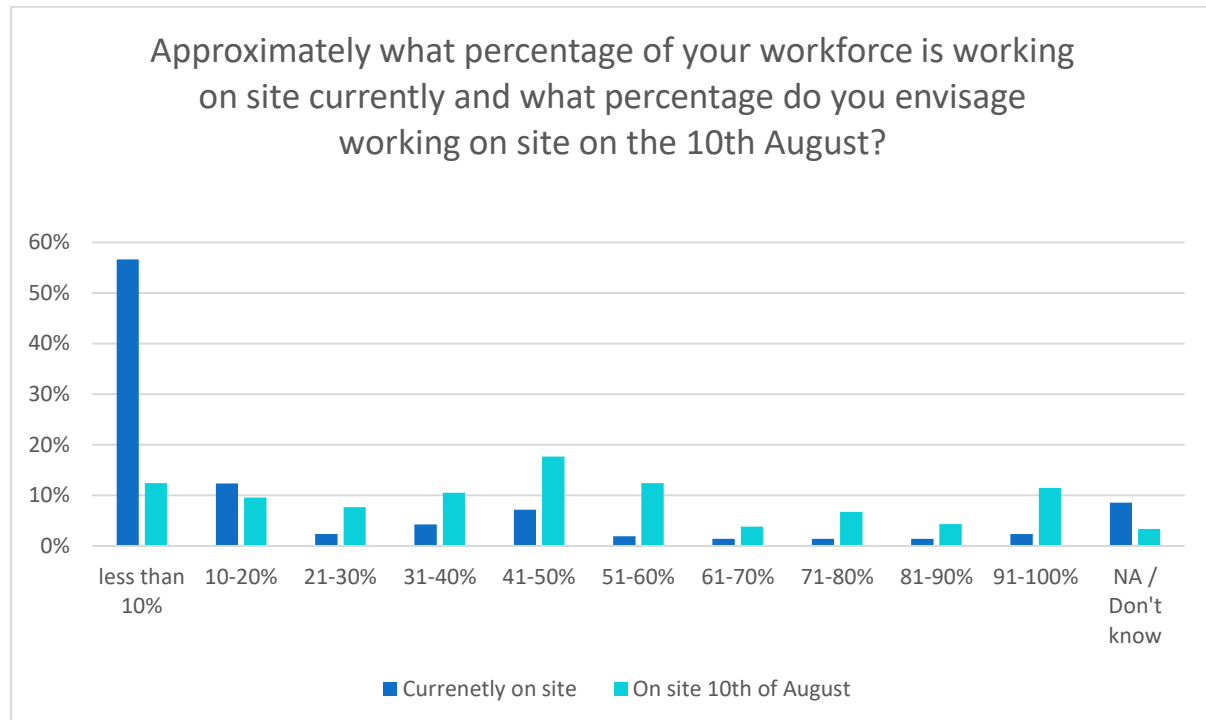
Reopening Dublin

Our survey shows that 32% of SMEs have remained open throughout the current crisis, compared to 37% of larger firms (250+ employees). However, one in five firms will wait until August or later before they re-open, and one in twenty are still unsure when their business will (or can) reopen. In comparison, 29% of larger companies will wait until August or later before reopening, and 4% are still unsure when they will reopen.



Getting back to the business premises

When asked to describe their plans to reopen business premises, bearing in mind social distancing guidelines, only 4% of SMEs reported that they will reopen with all staff on site. About half (51%) will reopen with a mix of remote working and on site staff, while just over one quarter (27%) say that they will reopen but with most staff continuing to work remotely. Currently, over half of SMEs have less than 10% of their staff on site, while less than 3% of SMEs have 91-100% of their employees working on site. By the 10th August, two out of five SMEs indicated that more than 50% of their staff will be back on site, with one in ten SMEs expecting that between 91-100% of their workforce will have returned.

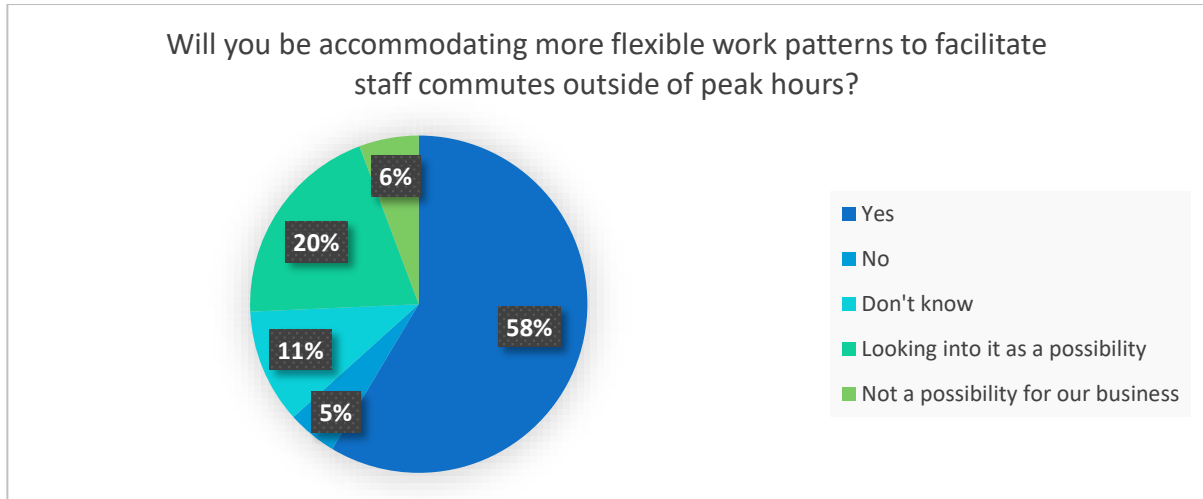


Given the present social distancing requirements, this raises pressing questions about the capacity of the public transport to meet demand. The most recent canal cordon figures from November 2019 show that 217,223 people access Dublin city centre during the peak hours of 7am-10am, and 116,287 of these (57%) are public transport users. During the 2 metre social distancing requirement, capacity will be slashed by 80% to 30,000 passengers during the peak period. SMEs account for 69% of all persons engaged in employment,¹ and one third of SMEs in the Dublin region report that the majority of their staff rely upon public transport to get to work.

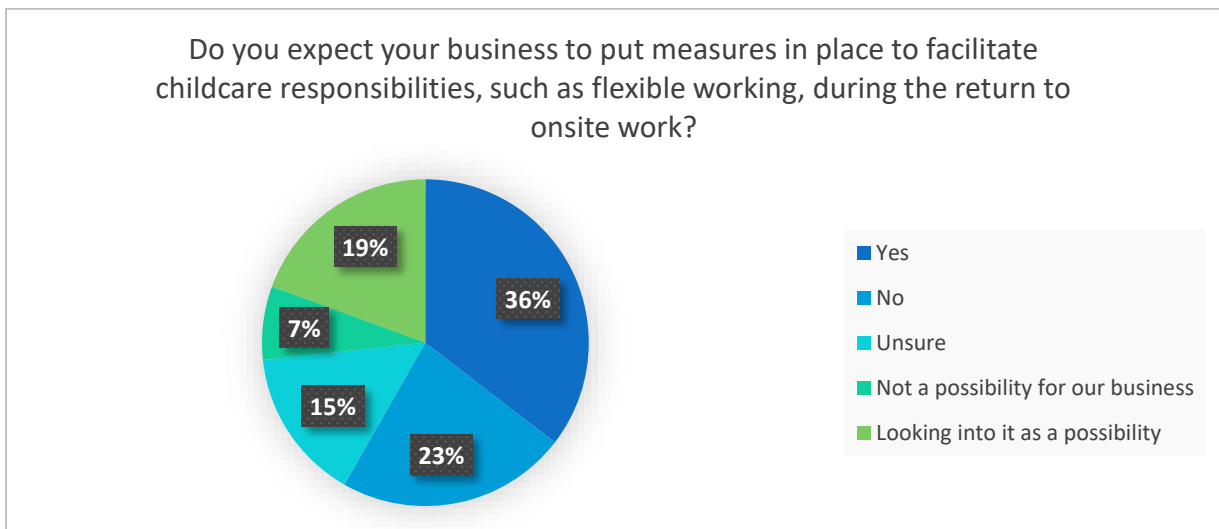
SME adoption of flexible working arrangements

There has been a positive movement by SMEs towards flexible working and remote working practices as a result of the crisis. Most SMEs (58%) report that they will accommodate flexible working patterns to facilitate staff commutes outside of peak hours, with a further 20% reporting that they are examining this.

¹ CSO, Statistical Publication, 17 November 2017, *Business in Ireland 2015: Small and Medium Enterprises*, <https://www.cso.ie/en/releasesandpublications/ep/p-bii/bii2015/sme/>



Similarly, over a third of SMEs (36%) report that they are putting measures in place to facilitate childcare responsibilities during the reopening process, with a further 19% looking into this as a possibility. When invited to provide further comment, SMEs noted, for example that ‘Childcare and school will be essential in getting the workforce back to a full level of productivity’, and ‘Given the results of remote working, business will move to remote working for the foreseeable future.’

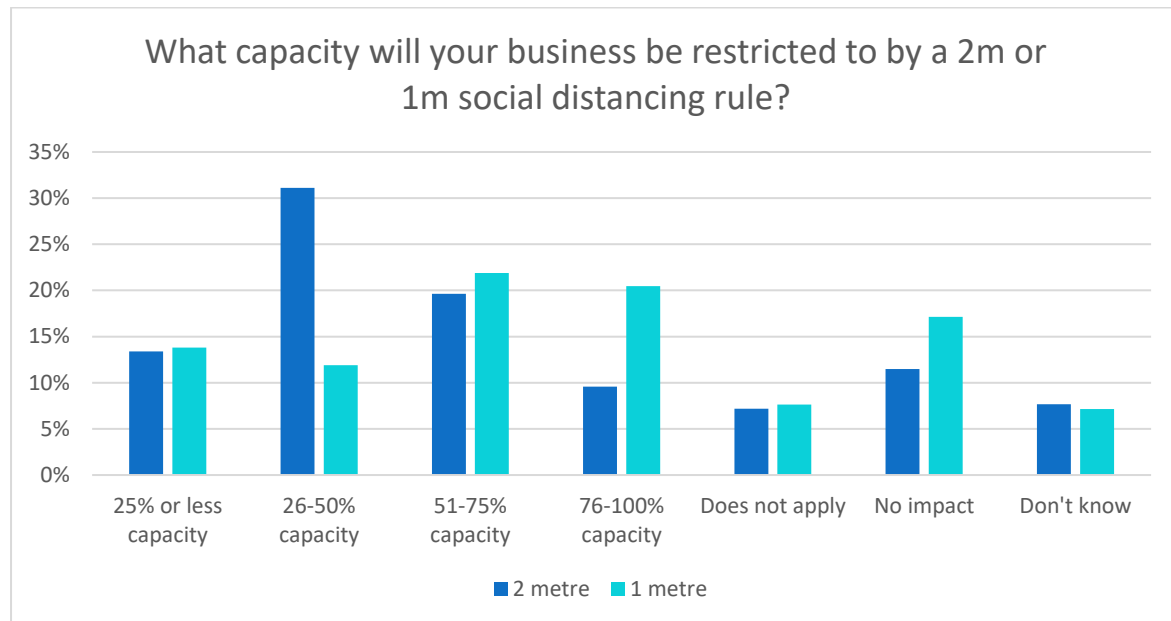


However, there is a major discrepancy between SMEs and larger enterprises in terms of capacity to accommodate this trend. Virtually all large firms said they would be implementing or considering flexible working patterns. Seven in ten large firms (70%) plan to facilitate flexible work patterns, while a further one in five (19%) are looking into it as a possibility. Asked if they would adopt measures to facilitate childcare responsibilities, only one in ten large businesses (10%) said they were not planning to, compared to almost a quarter of SMEs (23%).

Impact of social distancing on SME business capacity

Dublin Chamber asked companies what capacity (including customers, staff, desk occupancy etc.) their business will be restricted to by the current 2 metre social distancing rule and, by comparison, with a 1 metre rule. The results reveal the significant impact of the 2 metre rule

on businesses, with only one in ten SMEs (10%) capable of operating at more than 75% capacity. This would double to one in five (20%) under a 1 metre rule. Almost half of SMEs (45%) reporting that their potential capacity is reduced to less than 50% due to the 2 metre requirement. By contrast, if a 1 metre social distancing rule was applied, just over a quarter of SMEs (26%) would be so impacted.



Conclusion & Recommendations

These results reinforce the findings of previous Chamber surveys which have also revealed the impact on SMEs, with the accommodation, food and beverage services sector most adversely affected by the crisis.² Dublin Chamber makes the following recommendations.

1. Support Modal Shift by SME Employees

While SMEs have demonstrated a willingness to adapt, they face certain hard constraints, and it is evident that large number of SME employees will be returning to work on site in the coming weeks and months. The National Transport Authority has warned that reduced public transport capacity and the impracticality of enforcing social distancing on certain modes means that successful social distancing will rely upon dramatic changes in commuter behaviour in favour of walking and cycling. The Covid Mobility Programme for Dublin City is predicated on a 200% increase in cyclist numbers from 13,131 in 2019 to 39,000.³ However, most SMEs, unlike some larger firms, simply do not have the bike storage, shower, and changing facilities to accommodate a major shift to cycling by their employees; they also face liquidity issues and cost constraints that do not burden many larger firms. In the absence of funding to address these constraints, it is unlikely the cycling target will be met. In order to making the proposed modal shift more realistic, Dublin Chamber recommends

² E.g. Dublin Chamber, *Covid-19 Member Survey Report*, March 2020, https://www.dublinchamber.ie/DublinChamberofCommerce/media/banners/Dublin-Chamber_Covid-19-Survey-Report.pdf

³ Dublin City Council / National Transport Authority, *Enabling the City to Return to Work*, May 2020, p. 9, <https://www.dublincity.ie/sites/default/files/content/RoadsandTraffic/COVID/Covid%20Mobility%20Programme%2022.5.20%20FA%20WEB.pdf#page=9>

that in addition to new public bike storage, grant aid be made available specifically for SMEs to cover the costs of new cycling-related infrastructure on private commercial premises. We also recommends that the Bike to Work scheme be expanded into a broader Micro-Mobility scheme to include personal powered transporters such as e-scooters.

2. Increase Public Transport Capacity

Dublin Chamber has long advocated for increased investment in public transport to improve both economic competitiveness and quality of life. The need for greater public transport capacity is now more urgent than ever. Traffic volumes across the city have recovered from the mid-crisis decline and are now already at 70% of pre-COVID 19 levels.⁴ In addition to progressing major capital investments, Government should provide funding for the purchase or hire of new buses and new Luas carriages for more frequent services.

3. Support Home Working by SME Employees

To reduce pressure on the public transport system and prevent congestion in cycling and pedestrian spaces, steps must be taken to support continued remote working. Dublin Chamber's recent paper on [Remote Working](#) outlines various recommendations including:⁵

- Provide employers with official clarification and clear guidelines on employer liability, insurance, and Health & Safety for remote working employees.
- Update the Organisation of Working Time Act 1997, which is too inflexible to accommodate modern lifestyles and flexible working practices.
- Address concerns around GDPR compliance in a home working setting.
- Prioritise cyber security and broadband quality which remains a concern for many, even in the Dublin region.

4. Support SME Liquidity.

The Chamber has advised a tapered withdrawal to allow for financial planning rather than a sudden discontinuance. The badly impacted food and hospitality sector may merit sector-specific flexibility in particular. Many businesses this sector are disproportionately reliant upon student employees, e.g. overseas students whose working hours are restricted; and have seen their staff numbers drop, as employees have gone home or taken up the Pandemic Unemployment Benefit. Replacement staff, however, are ineligible. As the Scheme is based on pre-pandemic working conditions, extra working hours given to remaining staff may not qualify either. Consideration should be given to adjusting the existing subsidy scheme to accommodate the particular labour market conditions and vulnerabilities of this sector. Consideration should be given to a major increase Restart Grant fund and a more generous base-rate of pay-outs. Other measures are outlined in our report [Activating Dublin](#).⁶

⁴ Dublin City Council, Covid-19 Mobility Update, 18 June 2020

⁵ Dublin Chamber, Position Paper on Remote & Flexible Working, April 2020, https://www.dublinchamber.ie/DublinChamberofCommerce/media/banners/Dublin-Chamber_Remote-Working-Policy-Paper_April-2020.pdf

⁶ Dublin Chamber, *Activating Dublin: Responding to COVID-19*, May 2020, p. 10, [https://www.dublinchamber.ie/DublinChamberofCommerce/media/banners/Responding-to-COVID-19_Dublin-Chamber_May-2020-\(1\).pdf](https://www.dublinchamber.ie/DublinChamberofCommerce/media/banners/Responding-to-COVID-19_Dublin-Chamber_May-2020-(1).pdf)