

Minutes of Meeting

Advisory Group on Small Business

Tuesday, 13 September 2016, Kildare Street, Dublin 2

Attendance

Minister Pat Breen (Chair)

Nina Brennan, DJEI

Maedhbh Cronin, DJEI

Joe Kelly, National Association of Community Enterprise Centres

Mary Blanchfield, Design and Crafts Council of Ireland

Patricia Callan, SFA

Mark Fielding, ISME

Ciarán Casey, Office of the Dublin Commissioner for Start-ups

John Dillane, Top Part Motor Factors

Mark O'Mahoney, Chambers Ireland

Lynne Drumgoole, Retail Excellence Ireland

Gail McEvoy, CPA Ireland

Marie Bradley, Irish Tax Institute

Mark Cristal, LEO Centre of Excellence

Tim Fenn, Irish Hotels Federation

Apologies: Garry Purcell, DJEI (Secretary to the Group) and Martin Stapleton, IFA.

Opening:

The Minister opened the meeting with positive reflections on the target for unemployment to be reduced to 6% by 2020 and the importance of small business in delivering this target.

The minutes of the July meeting were approved and the new agreed Terms of Reference were provided for information.

The Minister invited each member to talk about their top proposed actions for the APJ 2017. He outlined that the process of agreeing the Group actions would be for the Secretariat to bring the actions together under 4/5 headings/themes and for those to be circulated and agreed by the Group through e-mail exchanges. This process would be informed by the discussion at the meeting.

APJ action discussions:

SFA:

- Stressed the importance of the budget for small firms.
- Highlighted the need for regulatory impact assessments – and to not impose regulatory burdens on business. Expressed dissatisfaction with private members bills which do not required RIAs e.g. the Banded Hours Bill.
- Suggested that a finance voucher for gaining financial skills would be a low cost way to provide tangible benefits to small business.
- Wants the Minister to look at how we can celebrate small business job creation on a quarterly basis, regionally.

Irish Hotels Federation:

- Tourism is a success story of the recovery but the planning structure is not fit for purpose. There needs to be a National Planning and Development structure with a more strategic view of planning. There is a shortage of hotels, offices and housing and there needs to be strategic planning for capacity, not just at Local Authority level.

LEOs:

Focussed on:

- Skills.
- Regional development.
- Collaboration across agencies.

Office of the Dublin Start-up Commissioner:

- The current schemes are not good for high risk ventures. There should be a higher rate of relief for younger riskier start-ups to match risk with reward.
- The current CGT rate for entrepreneurs is incentivising people to go North.
- There should be a tax on vacant properties to encourage more space to be made available.

ISME:

- Have submitted 5 suggested actions on management training. Emphasised that the supports that are available are not being promoted enough.
- There needs to be a link between MNCs and small business.
- The LEOs are inconsistent in delivery. There needs to be cultural changes in the county councils as some do not prioritise the LEO function.
- Redundancy rebate.

Chambers Ireland:

- Export working capital guarantee for business. Need to help business trade beyond the UK post Brexit. This was introduced successfully in Denmark during the crisis and in Canada and Australia.

Irish Tax Institute:

- In terms of EIIS we need to match risk and reward so that the higher the risk, the higher the relief.

- In the case of SURE start-ups are not aware of this.
- There is a cost to business on tax compliance. There needs to be cost benefit analyses done, e.g. travel and subsistence is a very challenging area. And membership of bodies
- Share based remuneration – rewarding staff in a tax efficient way – currently not fit for purpose – it is too complicated.
- Need to address CGT and PAYE tax for employed vs entrepreneur.

Retail Excellence Ireland:

- Need to get businesses trading online to help them export.
- Town revival is also very important.
- Need to address competitiveness issues, e.g. the cost of employment and insurance.

National Association of Community Enterprise Centres:

- Need to move jobs back to towns and villages. Need to understand that removing public jobs has a knock on effect on other jobs, e.g. community welfare officers.
- There should be a monthly meeting of actors in local areas, e.g. a multidisciplinary team.
- More resources are needed in the CECs.
- Small businesses are competing with multinationals, rates should be based on turnover rather than anything else.

John Dillane:

- Rates are an issue. Gave an example of moving to an area 3 weeks before the end of the year and having to pay the full years rates. Also that in some cases the rates can be as much as the rent.
- Lack of skilled people is a big issue in the motor industry. We should look at the German model of apprenticeship.
- Insurance is a big problem for young people and can reduce their employment prospects, especially regionally where public transport is not adequate.

CPA Ireland:

- Established SMEs need to have access to finance. We need a task force on alternative financing – it would also create extra competition. Crowdfunding needs greater credibility and light touch regulation would increase trust.
- There is not enough private investment. In Australia and Canada 50% of investment is from private sources.

Design and Crafts Council of Ireland:

- Need to link apprenticeships with industry in, for example, the jewellery and glass industries.
- Good practice, the success of the Design4Growth initiative, helping businesses to develop a design strategy. They have had very positive feedback so far and hope to take it out regionally.

Programme Plan for Next 5 meetings:

The Minister proposed that, in order to address the issues raised by members, to have meetings on the following topics. The Minister proposed that these themed meetings will involve inviting in the relevant agencies and Officials/Ministers to discuss the AGSB's concerns and hear their voices in relation to the issues.

October/November meeting

Theme: Insurance.

Invitees: Minister Eoghan Murphy; A representative of Insurance Ireland

November/December meeting:

Theme: Rates.

Invitees: The Valuations Office; the Department of Finance.

January meeting:

Theme: APJ

Invitee: Minister Mary Mitchell-O'Connor

February meeting:

Theme: the Digital Economy.

Invitees: The European Commission; Minister Dara Murphy.

March meeting:

Theme: Skills.

Invitees: The Department of Education and Skills; a representative of SOLAS.

Date of next meeting:

Date to be advised when Ministers' diaries have been co-ordinated.

Follow up actions:

The Secretariat is to prepare a document based on the submissions of the Group to propose 4/5 actions for the APJ.

AGSB Secretariat

05 October 2016