

Minutes of Meeting

Advisory Group on Small Business

Wednesday, 20 July 2016, Kildare Street, Dublin 2

Attendance

Minister Pat Breen (Chair)
Clare Dunne, DJEI
Nina Brennan, DJEI
Maedhbh Cronin, DJEI
Garry Purcell, DJEI (Secretary to the Group)
Joe Kelly, National Association of Community Enterprise Centres
Karen Hennessy, Design and Crafts Council of Ireland
Linda Barry, SFA
Mark Fielding, ISME
Ciarán Casey, Office of the Dublin Commissioner for Startups
Martin Stapleton, IFA
John Dillane, Top Part Motor Factors
Mark O'Mahoney, Chambers Ireland
David Fitzsimons, Retail Excellence Ireland
Gail McEvoy, CPA Ireland
Sandra Clarke, Irish Tax Institute

Apologies: Tim Fenn, Irish Hotels Federation and Mark Christal, LEO Centre of Excellence

1. Item 1 - Introduction:

There were introductory remarks from the Minister. This was followed by a *tour de table* for the purposes of introductions and setting the stage for what both the Minister and members want from the Advisory Group on Small Business (AGSB). There was a strong commitment for the Minister and the members to make a difference for small business.

2. Item 2 - Terms of Reference:

The Terms of Reference (TOR) had been circulated in advance. Some changes to the draft TOR were agreed, in terms of greater emphasis on the AGSB's role in influencing policy. The TOR were then agreed and adopted.

It was suggested that the Department's AGSB Secretariat could play a role as facilitator for business when certain regulatory or other issues have come to a logjam. The official side replied that the Secretariat can be alerted in relation to any issue and would then

assess whether it could intervene. However, it should be noted that the Department does not have a remit to involve itself in areas that are the responsibility of other Departments or Agencies.

In terms of what the AGSB can achieve, it was agreed that it should focus mainly on areas where a difference can be made. Therefore, inviting speakers in for discussions on areas that are highly regulated and where there is little prospect of change may not be the most productive use of AGSB time.

In that context, it was agreed that the Secretariat will put together some information on previous tangible progress on issues that have been raised by the AGSB and bodies like the Retail Consultation Forum.

3. Item 3 – Priorities for discussion / presentation / action:

At the start of this item the Minister asked each group to identify 2-3 issues that are important to them and that might be considered by the AGSB. These issues are summarised below:

A. Trading On line

The importance of small business embracing ecommerce was expressed.

The current limit of no more than 10 employees in Department of Communications, Climate Action & Environment's Trading Online Voucher scheme was mentioned as too restrictive.

The potential for retailers to scale up through their online business was discussed, e.g. in Germany, small family business are successfully doing so.

Many companies have tried and failed at online trading in the past, so a 'roadmap' of what to expect and what to do would be a useful policy action.

The Group was updated on an E-Commerce Trust Mark that is to be formally launched in September. 82% of Dutch consumers look for such marks before buying online.

B. Access to Finance and Banks

There is a lack of competition in banking sector.

The cost of switching banks and putting charges on assets is very expensive.

The Angel investing culture in Ireland needs further development and should be supported by a policy like the UK tax policy.

While Access to Finance has improved, the costs are now the issue.

The Late Payments Regulation and Late Payments 'culture' is an important issue for small business.

The level of capital supports from Government is low (i.e. there are a number of 'soft' supports available for small business but few financial support programmes].

C. Costs (Including labour costs)

The cost to small business of Red Tape is high.

Cost competitiveness, including cost of labour is crucial for small business.

Employment rights such as the difficulty in terminating the tenure of an employee with more than 12 months service.

Rates – The high cost and the perception that small business does not have a say in where the revenue will be spent.

D. Business Environment

SME productivity was highlighted as important.

Access to working space for business is vital.

Local Authority policies have a critical impact on small business.

The Black Economy is an issue for small business.

Business Failure/Second Chance must continue to be a focus of policy (e.g. of a possible policy solution: Danish Business Early Warning Initiative:
http://startvaekst.dk/earlywarning.dk/in_english]

The role of tax policy in relation to business behaviour – the tax system needs to incentive entrepreneurship and small business.

E. Labour Market Participation and Skills Policies

Job Bridge: In devising any replacement scheme, the Department of Social Protection must ensure it listens to the views of employers who took part in Job Bridge.

Apprenticeship Schemes: The need for potential applicants to be on job seekers allowance is a problem. Some people are not eligible to be on jobseekers allowance or may not be on it for other reasons.

The importance of business feeding into the work on future skills needs was emphasised.

Item 3 – Conclusion: To conclude on this item, it was agreed that the priorities and issues raised would be used to set the work of the group and future agenda.

4. Item 4 - AOB and next meeting

Action Plan for Jobs input:

The process for inputting into the APJ will escalate in the autumn. Consequently, before the next meeting, members were asked to submit to the Secretariat three or four possible actions for group discussion at the next meeting. The aim would be to agree a total of three to four proposed actions among the group.

Date of next meeting:

Next meeting is Tuesday 13th September at 2.30pm in Kildare Street.

5. Summary of Follow up actions:

- Members to submit to the Secretariat three or four suggested APJ Actions for consideration by the group by Thursday 8th September.
- Secretariat to forward some information on previous tangible progress on issues that have been raised by the AGSB and bodies like the Retail Consultation Forum.

AGSB Secretariat

19 August 2016