

FSB NI
#AE17

FSB MANIFESTO
Northern Ireland Assembly Election



FSB NORTHERN IRELAND MANIFESTO FOR SMALL BUSINESSES 2017

This short Manifesto for the 2017 Assembly Election is based on our full Small Business Manifesto published last year for the 2016 Election.

We are again urging candidates of all political parties to Think Small First to realise the potential of the small business sector in Northern Ireland.

FSB's recommendations have at their foundation our *Contribution of Small Businesses to Northern Ireland Report* (UU Contribution Report) published in 2015, which was produced for us by the Ulster University Business School's SME Centre.

The Contribution Report provides the most authoritative evaluation to date of the role that small businesses play in both the economy and wider society in Northern Ireland. It clearly demonstrates that SMEs are absolutely central to jobs and well-being – employing more people than large businesses and the entire public sector combined.

The next Northern Ireland Executive needs to place small business firmly at the heart of all of its plans and policymaking, using its powers to remove barriers rather than adding to them. This vital sector has a proven ability to create the employment and wealth that is required to transform and rebalance the Northern Ireland economy.

In the following pages we set out the key issues that FSB members in Northern Ireland have identified as concerns, together with a range of practical policy proposals to enable politicians to respond and improve the environment in which this vital sector of our economy operates.

FOREWORD

This Election comes at a time when small business confidence at the national level has recovered back to the levels seen at the beginning of 2016. This improved confidence has been supported by other positive signs - rising employment, decreasing spare capacity and export growth. These indicators are testimony to the resilience and adaptability of small businesses.

But small business resilience is being tested by a number of local, national and global challenges and economic uncertainties. Added to these are significant increases in costs from a number of policy interventions, including the National Living Wage (NLW), the ongoing rollout of pension auto-enrolment, and changes to the taxation of dividend payments.

In addition to increasing costs and the lack of certainty accompanying the UK's exit from the European Union, Northern Ireland's small businesses are operating in an environment of political uncertainty locally. Also the absence of an agreed budget will increase uncertainty and damage demand and growth.

Positive steps must be taken to deliver economic growth and employment opportunities, rebalance the public and private sectors, and make Northern Ireland a better place to do business. SMEs, micro businesses and self-employment have never been more important to the Northern Ireland economy. Our research indicates that 80% intend to grow – the potential of the sector to expand and flourish under the right conditions is enormous and must not be overlooked.

This Manifesto sets out evidence-based proposals to address the concerns expressed by our members, drawn from both commissioned research and our own policy development over the past five years. Most importantly, our recommendations are based on robust consultation with our members, through surveys, interviews and discussions.

The next Assembly has a fresh opportunity to rebuild confidence levels within the small business community here in Northern Ireland. FSB will be looking to the new Northern Ireland Executive to send a clear signal that it is committed to supporting small businesses, delivering long-term growth and driving productivity.

Wilfred Mitchell OBE
FSB NI Policy Chairman

CONTENTS

Foreword	4
Executive Summary	6 -7
What the NI Executive must do for Small Business	8
How to achieve this	9-11
FSB NI Publications	



#ibacksmallbusiness

EXECUTIVE SUMMARY

Northern Ireland's SME sector provides employment across the entire region; makes a substantial contribution to social cohesion; and creates wealth for the local economy in the form of wages, business rates, and the purchase of goods and services from local suppliers.

We regularly take the pulse of our members through surveys and branch meetings to hear both their successes and their concerns. This Manifesto sets out the actions that FSB members want the Northern Ireland Executive to take to support the 124,000 small businesses that make up over 99% of the local private sector here. We have the highest concentration of SMEs in the UK, and it is SMEs that make the greatest contribution to turnover, employment and GVA.

But Northern Ireland needs a boost. One of the key findings of the 2015 research was that the level of business creation in Northern Ireland significantly lags behind other areas of the UK. Action must be taken to boost entrepreneurship and business growth to realise the potential of SMEs.

By supporting our small business sector – helping to grow existing enterprises and encouraging the creation of new ones – we can increase confidence, leading to more employment, innovation and exports, higher productivity, prosperity, self-reliance, and well-being. If we achieve this, we will be better able to afford to fund those crucial public services we all want to maintain and improve.

What do small businesses want?

When we asked the Ulster University's Business School to conduct research into the contribution of Small Businesses in Northern Ireland, our members told us the top barriers to business that they want the Assembly to prioritise for action.

Small businesses' biggest concerns are political stability and economic stability. Since the EU Referendum in June 2016, they also want to know what Brexit will mean for Northern Ireland, and are seeking reassurance that their interests will be represented and promoted.

IN ADDITION, THE ISSUES THAT MUST BE ADDRESSED TO REMOVE THE BARRIERS AND OBSTACLES TO BUSINESS GROWTH ARE:

- A reduction in bureaucracy and regulation.
- A reduction in business rates and corporation tax.
- Better broadband provision.
- More help with online/marketing activity.
- Better availability of skilled staff.
- A reduction in business taxes.
- Action to address late payments.

Other major concerns include road and transport infrastructure, energy prices, availability of skilled and unskilled workers, and employment costs.

In the context of having achieved genuine political stability, if the next Northern Ireland Executive adopts and enacts the proposals contained in this Manifesto, it will transform the business environment, delivering significant benefits to the local economy. Thousands of small businesses will be assisted to grow and create jobs, leading to a more prosperous society. To ignore them will lead to increasing burdens on business, discouragement to entrepreneurs and an unbalanced and slower recovery.

Adopting our proposals will be an investment with tangible future returns, in the form of increased productivity, GVA, employment, and social cohesion. To implement them will require focus, coherence and long-term decision-making by those seeking to lead Northern Ireland, to provide the conditions for businesses to start-up, grow and deliver economic recovery.

FSB calls on the next Assembly and Executive to back small business and work with us to realise the potential of SMEs.

INCREASE

Broadband provision

Online assistance and marketing

Skilled staff

Action on late payments

Red tape and regulation

Business rates

Corporation Tax

Business taxes

DECREASE

WHAT THE NEXT NORTHERN IRELAND EXECUTIVE MUST DO FOR BUSINESS TO ENSURE ROBUST, DYNAMIC PRIVATE SECTOR GROWTH:

- Deliver political stability and demonstrate budgetary responsibility - inspire confidence for investors, and build a global reputation for Northern Ireland as *the* place to do business with a new low rate of corporation tax.
- Represent the interests of Northern Ireland as the UK leaves the EU.
- Put small businesses at the heart of the economy by recognising their potential to generate wealth, create jobs and support communities and take action to boost entrepreneurship.
- Provide easily accessible advice and support to small businesses and start-ups that will help them to survive, thrive and grow.
- Maintain the Small Business Rate Relief scheme to mitigate the unfairness of the Non-Domestic Rates system for as many businesses as possible.
- Enable local micro and small businesses to access public procurement opportunities by ensuring eligibility criteria do not bar them.
- End late payment by ensuring all public bodies pay their bills to small businesses within 30 days.
- Ensure that businesses can access the finance they need to trade and grow.
- Reduce the cost of energy for small businesses and guarantee security of supply.
- Cut red tape and reduce the cost of doing business.
- Improve the Planning System.
- Make it simpler and less risky for small businesses to employ people.
- Ensure availability of and access to a skilled, educated and trained workforce.
- Make broadband the fourth utility and ensure universal access to at least 10Mbps.
- Improve connectivity through better telecommunications, road, rail and air links.
- Ensure records are kept of specific business crime figures beyond retail crime category.
- Enrich our small business economy with tourism, exports and innovation.



**PAY BILLS
WITHIN
30
DAYS**

TO ACHIEVE THIS, THE NI EXECUTIVE SHOULD:**Corporation Tax**

- Set a date and a rate for the implementation of a lower rate of corporation tax.

Business support

- Create a Small Business Advocate with statutory powers to test policy against the interests of small business and embed their needs at the heart of policy-making in Northern Ireland.
- Develop a network of Small Business Advice Centres to provide accessible 'one-stop-shops' for businesses to access information, support and advice.

Procurement and late payment

- Transform the culture around public procurement and prompt payment, and require all public bodies to sign up to the Prompt Payment Code.
- Require fair treatment of sub contractors by main contractors and undertake investigative and audit measures to ensure compliance.

Access to finance

- Demand more detailed data from the banks; champion small businesses to get more equitable treatment; encourage greater competition and increase awareness of alternative financing options.

Non-Domestic Rates

- Address the unfairness of rates as a business tax by maintaining support for small businesses through the Small Business Rate Relief (SBRR) scheme.
- Consider the permanent removal of the rates burden by exempting the smallest businesses, as is already the case in England, Scotland and Wales.

Regulation

- Implement the recommendations from the Review of Business Red Tape and Better Regulation: An Action Plan for Reform, especially the creation of an Independent Scrutiny Committee to oversee Regulatory Impact Assessments.
- Publicise new regulations and standards in plain English.
- Introduce a Regulatory Budget for Northern Ireland, based on the cost of each regulation to business rather than its wider benefits, to be published and debated in the same way as the fiscal budget.
- Ensure all new regulations expire within a maximum of five years by including sunset clauses, allowing every new Assembly to update regulation.
- Create a single Business Regulation Hub for all regulators in Northern Ireland.
- Place a statutory obligation on all Northern Ireland public authorities to take account of the impact on business of all of their functions and actions.



**CHAMPION
SMALL
BUSINESS**

Energy

- Empower small businesses to compare different electricity contracts and tariffs by compelling suppliers to publish easy to understand and comparable information.
- Prioritise the construction of the North-South interconnector.

Planning

- Bring consistency to implementation of the planning process, demanding higher standards of performance from all of the public bodies associated with it.
- Develop an online interactive tool to guide small businesses through the planning process, similar to that available for householders.

Employment and skills

- Reduce the amount of regulations, simplifying them and cutting the associated paperwork.
- Introduce fees for claimants applying to the Industrial and Fair Employment Tribunals.
- Increase interest in STEM subjects at schools and improve engagement and performance.
- Focus on business skills and alternative routes to employment within the curriculum and career guidance classes at secondary level education. Protect investment in post-secondary education and apprenticeships and ensure that practical, vocational education is a viable option for students.
- Ensure that the Youth Training Strategy and Apprenticeship Strategy are managed together, recognising their interdependence, and ensure they are adequately funded and incentivised.

Business crime

- Record business crime as a separate category; make sentences tougher on conviction; engage better with the business community to improve reporting and deterrence.

Connecting business

- Deliver 100% superfast broadband coverage and mobile throughout Northern Ireland.
- Provide help to businesses to get online and trade online.
- Improve public transport provision and transport links around Northern Ireland.



**100%
SUPERFAST
BROAD-
BAND**

- Prioritise the upgrade of the A5 to improve transport links with the North-West.
- Establish a high-speed rail link between Belfast International Airport and the new transport hub in Belfast.
- Consider reversing current bus lane policy and halting the increasing hostility towards car users coming to Belfast.
- Consider measures such as strategic reduction of Air Passenger Duty to compete more effectively with the Republic of Ireland in attracting visitors, either by its own action or by successfully lobbying the Government at Westminster.

Bringing wealth to Northern Ireland

- Identify long-term sustainable action to enable tourism businesses to operate year round, rather than simply during summer months.
- Ensure that small businesses are not detrimentally impacted by one-off global tourism events but can be supported to benefit from them.
- Expand tourism initiatives beyond the key signature projects to the whole of Northern Ireland.
- Reconsider any proposed regulatory changes that are likely to require additional expenditure by owners or managers of tourist accommodation in Northern Ireland, many of whom are already experiencing financial challenges in the current economic environment.
- Promote innovation through Knowledge Transfer Networks and Partnerships.
- Support small businesses by identifying international trading opportunities throughout the world for Northern Ireland firms.

**ESTABLISH HIGH SPEED
RAIL LINKS**

FSB NORTHERN IRELAND PUBLICATIONS.

All publications produced by FSB Northern Ireland can be accessed from the Publications section on the FSB website.

Realising the Potential of Small Businesses: FSB Manifesto for the Northern Ireland Assembly Elections 2016

<https://www.fsb.org.uk/docs/default-source/fsb-org-uk/realising-the-potential-of-small-businesses-ni-assemblyelection-2016.pdf?sfvrsn=1>

FSB NI/Ulster Business School Report: The Contribution of Small Businesses to the Northern Ireland Economy (2015)

<https://www.fsb.org.uk/docs/default-source/Publications/the-contribution-of-small-businesses-to-northern-ireland.pdf?sfvrsn=1>

A Study of SME Bank Relations in Northern Ireland (2013)

<http://www.fsb.org.uk/docs/default-source/fsb-org-uk/policy/rpu/ni/images/fsb-unulster-sme-summary-report.pdf?sfvrsn=0>

Business Support in Northern Ireland (2016)

[https://www.fsb.org.uk/docs/default-source/fsb-org-uk/fsb-ni-business-support-paper-\(march-2016\)3895bcba4fa86562a286ff0000dc48fe.pdf?sfvrsn=1](https://www.fsb.org.uk/docs/default-source/fsb-org-uk/fsb-ni-business-support-paper-(march-2016)3895bcba4fa86562a286ff0000dc48fe.pdf?sfvrsn=1)

The NI Planning System: The Small Business View (2015)

<https://www.fsb.org.uk/docs/default-source/Publications/fsb-ni-planning-policy-position-paper.pdf?sfvrsn=1>

The Realities of Public Procurement (2014)

<https://www.fsb.org.uk/docs/default-source/fsb-org-uk/the-realities-of-public-procurement.pdf?sfvrsn=1>

FSB Northern Ireland response to Consultation on Reforming the Rating System (2017)

<https://www.fsb.org.uk/docs/default-source/fsb-org-uk/fsb-ni-response-to-rates-rethink-consultation.pdf?sfvrsn=0>

FSB Northern Ireland response to the review of the Non-Domestic Rating System (2016)

[http://www.fsb.org.uk/docs/default-source/fsb-org-uk/fsb-response-to-review-of-non-domestic-rating-system-\(january-2016\).pdf?sfvrsn=0](http://www.fsb.org.uk/docs/default-source/fsb-org-uk/fsb-response-to-review-of-non-domestic-rating-system-(january-2016).pdf?sfvrsn=0)

FSB NI Prompt Payment Report (2016)

<http://www.fsb.org.uk/docs/default-source/fsb-regions/northern-ireland/fsb-ni-prompt-payment-report-june-2016.pdf?sfvrsn=0>

Regulatory Reform in Northern Ireland (2016)

<https://www.fsb.org.uk/docs/default-source/fsb-org-uk/regulatory-reform-in-northern-ireland67f1105bb4fa86562a286ff0000dc48fe.pdf?sfvrsn=1>

Rural Roadmap: Unlocking the potential of local businesses (2014)

<https://www.fsb.org.uk/docs/default-source/Publications/fsb-ni-rural-roadmap.pdf?sfvrsn=1>

Produced by

FSB Northern Ireland
Cathedral Chambers
143 Royal Avenue
Belfast
BT1 1FH



Website: www.fsb.org.uk/ni
Telephone: 028 9032 6035
Email: info.nireland@fsb.org.uk

Printed February 2017