

**fsb**<sup>ni</sup>

Experts in Business



# Unfinished Business

FSB Manifesto for the Northern Ireland  
Assembly Election 2022

---

# About FSB

As experts in business, FSB offers our members a wide range of vital business services, including advice, financial expertise, support, and a powerful voice in government. Our mission is to help smaller businesses to achieve their ambitions.

FSB has grown since our founding in 1974 into the UK's leading business organisation. Our aim is to create the best environment for businesses to start up and thrive; our success will drive the economy and create jobs.

We are member-led, so that we authoritatively protect and champion the interests of our members and the entire small business sector. We represent every industry sector of the economy, with nearly 170,000 members across the UK.

In Northern Ireland, our 6,000 members comprise owners of small and medium-sized enterprises (SMEs), as well as self-employed people, with many of them owning multiple enterprises. Proud of our independence, we ensure the voice of small business is heard by decision-makers at every level of government.

We support our members directly through the provision of a range of market-leading benefits and advisory services including employment law, taxation and finance. In lobbying to change policy, we improve the operating environment for small businesses by proposing practical solutions to the problems they face.

## Foreword

The performance of the Stormont structures over the past five years can fill no one with pride. The mandate started with a collapsed Executive and it finished in the same way. That is a shocking indictment of our politics; but what is perhaps even more shocking is that much of the population seems to have become inured to it.

We cannot accept this stop-start, unstable, chaotic government. It is damaging confidence and that depresses investment and growth. If such instability were in evidence in a business, it would not be tolerated. Many companies have turnovers greater than the entire budget of the Executive, so it is not as if the job is inherently impossible. In a company, the board and the management would get to grips with its challenges and divisions – overcoming them or being replaced by others who will. The only other alternative is failure and oblivion.



Why do small businesses care – and why should politicians care that they care?

The Executive and the Assembly create the framework for our economy and society. Operating well, their actions underpin the health of our population. They set the direction for the education of our young people; they have responsibility for skills, and for our roads and rail, water and sewerage; they set strategies for so many areas of life. Alongside that, business gets on with what it does best, but it is intertwined with government. The recent environment legislation exemplifies the symbiosis between the private sector and the public, as policy and its implementation present major challenges and opportunities, both of which business will embrace. But when one side of that partnership is failing to perform, both parts are diminished.

It is a well-known fact that SMEs employ more people than all large businesses and the entire public sector, combined. Those small businesses are spread right across Northern Ireland, employing people and serving customers - voters - in every constituency. The Executive and Assembly needs to operate properly and deliver stable, quality administration if it is to serve those people well. To do anything else would be to sell us short. That's why business cares. Business stands ready to play its part; but it can only do so if there is a functioning Executive and Assembly in place, focused on the massive tasks that need to be accomplished.

This FSB Manifesto distils what business owners have told us they need to see from the Executive and Assembly. To be frank, they told us much of it at the last election, but because of the three lost years at the beginning of the mandate, the challenges of the pandemic, and the stumbling conclusion of the mandate, much of it remains as unfinished business. To draw on another business analogy – if the machine has stopped working, we are often told to turn it off, wait, and turn it on again. Will the same be sufficient to reinvigorate the Executive and Assembly? We shall see.

**Tina McKenzie**

FSB Chair of Policy and Advocacy

# Introduction

FSB's aim is to help smaller businesses to achieve their ambitions. To do this, we work to create an operating environment in which all self-employed, small and medium businesses can thrive. In parallel, we aim to increase the number of people who choose to start up a new small business; and where policy and circumstances continue to cause difficulty for businesses, we develop a range of Member Services to support our members by harnessing our collective scale as the largest business organisation in the UK. All of our engagement is centred on maximising these strands.

In our previous election manifesto *'Realising the potential of small businesses'* FSB outlined a number of key calls to action, built on evidence from a major 2015 report we commissioned from Ulster University Business School. The calls centred on the following five strands:

## Realising the potential for growth

- Business Support
- Public Procurement
- Prompt Payment
- Access to Finance
- Business Crime

## Realising the potential for doing business

- Rates
- Energy

## Realising the potential for better regulation

- Regulation
- Planning
- Employment Law

## Realising the potential to connect

- Broadband and Telecommunications
- Transport Infrastructure
- Tourism

## Realising the potential for the future

- Education, Apprenticeships and Skills
- Export and Innovation



In 2022, we start by asking whether actions have been taken to ensure that potential has been realised across all five strands since 2016. The answer is likely 'no' but, at best, it is unclear. For FSB members, their preference will centre around creating as much certainty and predictability as possible. This helps to minimise risk around decision making or investment - facilitating business owners to work towards realising their ambition and as a result, creating opportunity, employment and wealth.

But, while progress has been made on some of our policy proposals from the previous election, such as on Broadband, an Energy Strategy and on Skills policy, the Northern Ireland Assembly was non-functioning for three years during the current mandate. As such, progress was always likely to be limited - even without the

challenges of operating under Covid-19 or the implementation and shifting operation of the Northern Ireland Protocol – and, regrettably, that has proved to be the case.

This means many small businesses are still not operating ‘business as usual’ and, as such, have not realised their potential. In the context of another Assembly election and another mandate, FSB members believe there is *unfinished business*.

## Immediate priorities

The current Assembly returned in 2020 under the *New Decade, New Approach* agreement that made commitments across a range of policy areas, many of which are relevant to small businesses and the previous FSB manifesto.

Upon election, the **first** action should be to sense-check and honour previous commitments, adjusting and refreshing them if required.

The **second** action should be to reach rapid agreement on a fresh *Programme for Government*, complemented by a properly consulted upon multi-annual budget, with decision-making processes being straightforward and transparent.

While both Brexit and Covid-19 have brought immense difficulties and uncertainty, in their different ways they have also revealed a newfound understanding of many of the challenges facing self-employed, small and micro businesses. FSB has witnessed remarkable levels of engagement, consultation and co-design that came about only because of such extraordinary and desperate times. The input to co-design of emergency Covid-19 measures shows the value of involving business in the process of developing Executive plans, and business stands ready to make similar input to the development of an effective *Programme for Government*.

As a consequence, the **third** action should be to embed quality stakeholder engagement structures across policy-making that apply and foster ‘entrepreneurial thinking’ in government, such as we have seen over the last two years while in an emergency response mode. As the largest employer in the economy, small business has a huge amount to contribute to quality planning and decision-making and this is a resource that should be harnessed.

Implementation of the Northern Ireland Protocol is yet to be fully resolved, and reaching a satisfactory outcome remains a key priority for FSB. Whilst the Protocol presents many challenges it can also, if adapted sufficiently in its implementation, present a once in a generation opportunity for Northern Ireland to secure a beneficial and transformational trading position. Thus, as a **fourth** priority, business wants to see our elected representatives work strategically together to help fix the challenges and problems that the Protocol poses, whilst securing and maximising the opportunities.

There is a parallel objective which elected representatives must ensure is seized as their **fifth** action, which is to maximise the funding opportunities available from the UK Government, the EU or Republic of Ireland. For example, shared connectivity infrastructure. A confident Executive that sees global trading as a key part of delivering a thriving economy should act internationally in terms of investment, resources and modern infrastructure to support the businesses on which we all rely.

Finally, as a **sixth** action FSB recommends that the following pillars form key priorities for the next Assembly and Executive. These pillars are based on the assumption that a Government should make sense of and communicate all of its moving parts - existing plans, strategies and new ideas that will come to the fore during the coming mandate. This is why our People, Finance and Sustainability Pillars are ultimately underpinned by a call for Better Government - to do the simple things, well.



## Better Government

The process for developing a *Programme for Government* is unclear, and a ‘disjoint’ remains across departmental plans and strategies. It is time for government to start doing more of the simple things, well. Assembly members should ensure Executive departments carry out their business consistently and with more openness. This will allow citizens, including owners of smaller businesses, to understand what work is ongoing, its status and to consider the impacts well in advance.

### Programme for Government and Departmental Business Plans

#### The Executive should:

- Publish the *Programme for Government’s* decision-making process and timeline
- Agree a standardised format of business plan for use across all departments
- Publish all departmental business plans within 30 days of the financial year commencing
- Publish and host all departmental business plans online alongside the *Programme for Government*
- Throughout the Assembly mandate, publish the status of *Programme for Government* outcomes alongside annual departmental business plans

## Maximise use of data

The Executive has previously recognised the value of Open Data as an agent of economic growth - how it can improve the economy and the lives of people in Northern Ireland. However, the true potential of data and information is not being realised.



### The Executive should:

- Ensure it maximises use of technology and data to make the best policy decisions at the right time across all departments and workstreams
- Double down on investment and ambition with a new NI Open Data Strategy
- Consider how to maximise insights drawing on data collected from businesses and citizens during the pandemic
- Increase the number of Small Business Research Initiatives (SBRI) to stimulate innovation on this topic

## Better Regulation – the Small and Micro Business Impact Test

Since 2001, Northern Ireland departments have been operating under the Better Regulation Strategy. This strategy requires departments to carry out actions when developing new processes, including the *Small and Micro Business Impact Test* (SAMBIT). However, the application of this test is underutilised and non-reported, meaning that policy-making may well not be fit for purpose.



### The Executive should:

- Examine and publish the number of SAMBIT processes undertaken to date and re-invigorate use of SAMBIT
- Develop and pass legislation to ensure the SAMBIT process has a statutory footing across all NI departments
- Review, refresh and republish the NI Better Regulation Strategy



## People

People start, work in and grow businesses. It is people who make business and therefore issues that affect a person's ability to contribute to economic activity sit within the remit of business. The Northern Ireland Assembly and Executive should:

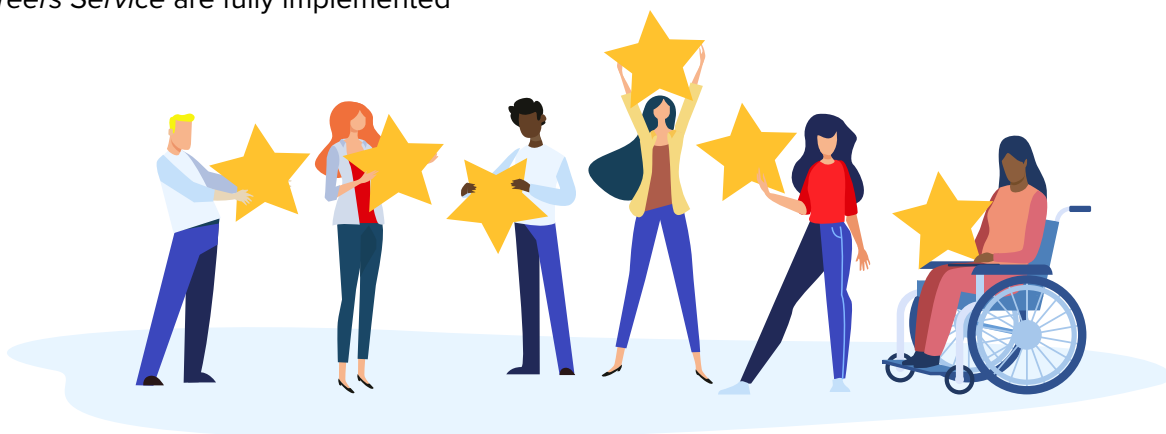
- Create conditions for a more enterprising NI that will help increase the 'Business Birth Rate' – the number of new enterprises launched
- Implement a full Childcare Strategy for NI, with interim funding allocated to ensure provider sustainability and to ensure more women can undertake training, work or start a business
- Extend and embed apprentice incentives and ensure small businesses are properly engaged in the roll-out of the new Skills Strategy

### Increasing the Business Birth Rate

Evidence suggests the rate of business start-ups here is not what it could be, with NI consistently lagging behind its neighbours. Since 2004, the overall increase in new businesses created in Northern Ireland was 16%. In contrast, there were increases of 41% in England and 51% in Scotland during the same period between 2004 and 2019. This fact has been well recognised within the Executive yet the system has remained largely unchanged, so a different approach is clearly required if we are to increase our business birth rate and grow the number of start-ups.

### The Executive should:

- Ensure the *Programme for Government* and departmental business plans embed the aspiration for Northern Ireland to be much more entrepreneurial, measured by a significant increase in the rate of business start-up
- Create an *Enterprise Advisory Group* with 'Terms of Reference' and a range of relevant members including FSB and academics from Ulster University Business School, to capitalise on the joint work already undertaken by this partnership
- Use the Advisory Group to create a robust Entrepreneurship Strategy for NI, with short, medium and long-term targets and actions designed to create a more enterprising society
- Ensure that recommendations on this matter stemming from *The Independent Review of Education and Careers Service* are fully implemented





## Childcare

FSB often highlights the importance to employees, businesses, and the wider economy of providing affordable and flexible childcare, and the positive impact this will have on the choice of women to work, train or start a business. Ministers have long-since accepted this point and a new childcare strategy is under development.

### The Executive should:

Consider and implement the following as part of this process:

- Structures** – together with the *All Party Group on Early Education and Childcare*, it is essential that effective governance and consultation structures are put in place throughout the development and implementation of the strategy. These structures should include clear Terms of Reference, effective engagement with relevant groups, transparent decision-making processes, and a microsite that can update stakeholders on a continuous basis.
- System design** - rather than rule out options and constrict new ideas, officials should engage with stakeholders and innovative thinkers to develop a range of potential solutions. This will allow stakeholders to co-design the ‘ideal’ system for children, parents, providers, employees and employers – after which politicians can determine the appropriate level of investment. As with so many areas of policy, it is essential first to define what needs to be achieved, then how it can best be done, then cost it and refine. If, instead, a ‘budget’ is set prior to the design process, the potential for transformational change will likely be lost.
- Sustainability** - FSB members who operate childcare services continue to highlight the rising costs of provision and the upward pressure this has on fees. Throughout the Covid-19 pandemic, successful childcare provision was maintained by investing sustainability funding. This illustrated the value of strategic intervention and should continue until planned strategy investment comes to fruition. There are some obvious reference points, such as NI Social Care providers and staff who recently benefited from intervention funding, as well as providers in Scotland and Wales who benefit from ongoing Business Rates relief.
- Women** - the evidence clearly demonstrates that a lack of effective investment in childcare disproportionately impacts women. FSB believes women should have an equal choice when deciding to enter or stay in employment, to train, or to start a business. The strategy needs to ensure childcare is seen as an economic issue, meaning policy is designed to enable all women to engage in employment and enterprise as they choose. In order for this to happen, officials from across Executive departments need to examine the barriers that are preventing women from having this choice. Failure to do so will only further embed ‘economic inactivity’. Some of the reasons will lie beyond the remit of the Department of Education, but this administrative limitation should not create a barrier that results in suboptimal policy.





- **Data** – the pandemic has created newfound conditions that mean policymakers are in a position to reconsider longstanding issues in new ways. The strategic use of data is crucial in allowing information about our childcare system to be unearthed. Data will have a key function during strategy development, and in real-time when the strategy is implemented. However, this is often overlooked due to lack of awareness. Data experts should be consulted to scope out the full potential of its use, thus informing the level of investment that should be factored in.

## Make the skills system fit for small businesses

The Executive has thoroughly engaged with stakeholders to create a new skills strategy for Northern Ireland. Although this engagement has been most welcome, our skills ‘system’ remains unfit for purpose when it comes to small and medium businesses.

### The Executive should:

- Ensure agreement, publication, and appropriate budget allocation for the first three years of the skills strategy. As well as the block grant, funding should be drawn from ‘PEACE PLUS’, The Shared Prosperity Fund and any other relevant sources
- Ensure the NI Skills Council has permanent representation for small and micro businesses
- Extend new apprentice subsidies for small and micro businesses for 2022/23 onwards
- Publish all apprenticeship-related management information data as well as reports submitted by ‘Apprenticeship Challenge Fund’ recipients
- Ensure that small and micro businesses have equal access to funding, such as the ‘Assured Skills Programme’
- Ensure the skills system stimulates lifelong learning, career change, workforce returners and *true* accessibility for those furthest from, or disadvantaged within, the labour market
- Ensure the use of the Skills-based immigration system is maximised, given the ‘unique’ position of NI

## Finance

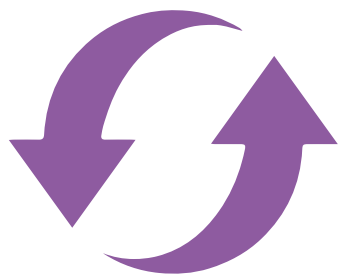


The pandemic brought about new levels of understanding by government on the importance of cash flow, as grants and speedier payment terms have been provided to secure the survival of businesses. But access to finance and late payment have been long term systemic issues for small business, now exacerbated by the rise of costs and relentless uncertainty. Addressing these issues and holding all public authorities to high standards are simple ways of providing significant help to small businesses to avoid cash flow issues whilst maximising their chances of surviving and achieving their ambitions.

### The Executive should:

- Create a *Finance Stakeholder Group* comprising relevant finance providers, business organisations, and consumer groups
- Finally transform the Business Rates system to ensure it is fit for purpose, is incentive based, and genuinely stimulates and sustains entrepreneurship
- Create a ‘Prompt Payment Champion’ for Northern Ireland who will ensure annual publication and promotion of payment statistics by Stormont departments and their agencies, local councils, and large businesses. The champion should also help maximise use of the *Good Business Charter* and the powers of the Small Business Commissioner in NI
- Revisit the NI corporation tax powers to reduce the tax rate on the basis of previous cross-party agreement
- Assess the feasibility of a ‘business loan’ to stimulate new start-ups, modelled on the student loan system or bounce-back ‘pay as you grow’ scheme
- Assess the feasibility of extending the *NI Investment Fund* with an NI ‘Green Energy’ SME fund, to ensure we can stimulate innovation and accelerate our way towards Net Zero
- Ensure any Freeport opportunity for Northern Ireland is maximised, per the 2018 FSB vision to [Make Northern Ireland an Enhanced Economic Zone.](#)





## Sustainability

Sustainability and 'Net Zero' are now relevant terms for all small businesses. Some businesses are leading the way to Net Zero through innovation, while many others require assistance to make the transition. The Assembly has finally approved Climate Change legislation so the involvement of business in how it is enacted will be key to its success. Adopting science-based legislation remains essential as part of the means of underpinning sustainability across all policy.

### The Executive should:

- Ensure NI has a cohesive set of environmental policies with effective SME engagement at the heart of all its development
- Ensure the NI Energy Strategy and Net Zero Action Plan are fit for small and medium businesses
- Implement recommendations from the *High Streets Task Force* report, ensuring NI also has an interlinking strategic connectivity plan

### Cohesive environmental policy

There is a patchwork of environmental legislation, plans and strategies that impact upon small businesses, which is creating uncertainty and lack of direction. Instead, the following FSB principles on environmental policy-making give a framework for improvement:

- Recognising that a long-term, strategic approach to environmental policy-making is far better than a short-term, reactive approach
- A requirement that policy solutions must be evidence-led
- The need for the impact of policies on small businesses to be understood in granular detail and published
- A requirement for small businesses to be given adequate time to adapt to new regulations and standards
- A fairness test should be utilised that ensures those small businesses that are particularly impacted, or least able to adapt, are identified and provided with additional support and time to adjust

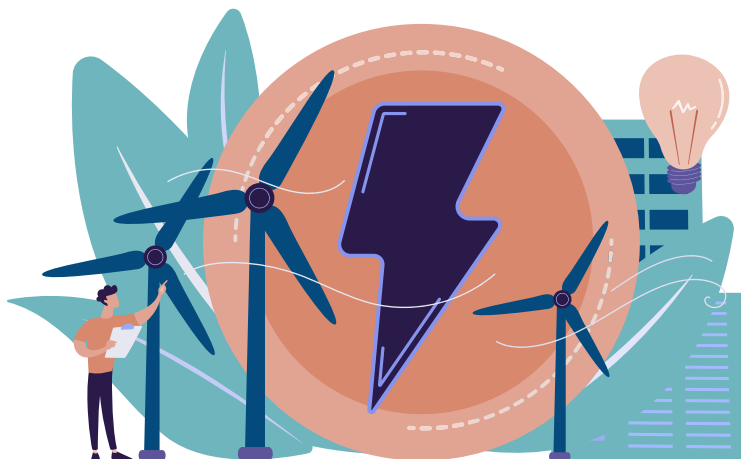
### The Executive should:

- Strike a balance between setting mandatory targets and creating an incentivised atmosphere where innovation and voluntary action drive effective change
- Properly map and align environmental policy, and apply the *Small and Micro Business Impact Test* consistently as new plans are developed
- Create a *Climate Change Stakeholder Group* to help NI businesses to maximise dialogue and joint working to address the patchwork effect of current Northern Ireland environment policy
- Create a dedicated user-friendly microsite for businesses, with advice to help them take action, and access finance and grants to make appropriate adaptations



## Energy

Energy is one of the most significant costs for many small businesses, and is an area of potentially sustainable action they could take. FSB welcomes the publication of an Energy Strategy for NI and Net Zero Action Plan for 2022, however, there is great concern that the opportunities for small and micro businesses to access and benefit from energy initiatives are limited.



### The Executive should:

- Establish an *Energy Stakeholder Group* to ensure effective engagement
- Incentivise the small and micro business community to ‘pool’ together in order to benefit from economies of scale when producing, storing and sharing energy
- Ensure that no schemes are developed that exclude small and micro businesses

### High streets and strategic connectivity

The pandemic exacerbated a changing trend in use of our high streets, and many small businesses have had to adapt at pace in order to best serve their customers. However, there remains a problem *and* an opportunity in understanding what each of our unique high streets need in order to be sustainable. Thriving high streets are good for existing small businesses, for stimulating the creation of new businesses and for people generally - but to seize and maximise opportunity requires excellent infrastructure.



### The Executive should:

- Ensure the recommendations in the published *High Streets Task Force* report are embraced and acted upon
- Ensure the *High Street Task Force* remains in place, holds an independent voice, and is resourced with funding for research or monitoring purposes
- Guarantee digital connectivity through fixed broadband, 4G/5G and wireless infrastructure and ensure it is maximised by highlighting and overcoming any barriers to reaching 100% coverage
- Ensure any barriers to transport and utility infrastructure projects are identified and overcome



---

**Make small businesses**  
**a big priority**

---



**Produced by**

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

Twitter: @fsb\_ni

Telephone: 028 90326035  
Email: [fsbni@fsb.org.uk](mailto:fsbni@fsb.org.uk)  
Website: [www.fsb.org.uk/ni](http://www.fsb.org.uk/ni)

March 2022