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18<sup>th</sup> August 2022

Dear Minister Murphy,

### **Proposal to help SMEs with the crisis in the cost of doing business**

In light of the increasingly agonising position in which many citizens and businesses find themselves, I am writing to ask you to consider a specific intervention that we believe could provide vital, targeted support for some of the most vulnerable micro and small businesses. It is outlined later in this letter.

We understand the NI Executive has received considerable funding from the Treasury to deal with the cost-of-living crisis but that this has not yet been deployed due to the lack of a functioning Assembly and Executive. Whilst there seems to have been some progress in recent days on a possible ‘work around’ for household interventions, we are deeply concerned that the same pressures are similarly impacting micro and small businesses yet they have been largely overlooked in the conversation. In response, FSB has been exploring ways in which targeted support could urgently be put in place to help the most affected businesses.

In an echo of the support you provided during the pandemic, we are proposing a doubling of the level of Small Business Rates Relief (SBRR) for nine months of the current financial year, to get rapid assistance to those most in need. Whilst we recognise the absence of an Executive means it may not be possible to bring forward any *new* support schemes for businesses, our analysis suggests **an exception could be made by reworking the existing Small Business Rate Relief (SBRR) scheme, and the rate holidays that were in place during the first three months of the current financial year**. Specifically, we recommend doubling the discount that is currently granted by SBRR, for the nine months of the year that follow the rates ‘holiday’, ie covering the period July 2022 to March 2023.

We estimate this proposal would help many thousands of the most vulnerable micro and small businesses, and would cost around £15 million. Having consulted with FSB members and taken account of the processes and data garnered from your Department’s extraordinary COVID interventions, mechanisms that might achieve the desired outcome include:

- 1) Transferring funds directly to those businesses that have paid their 2022-23 bill in full
- 2) Halting taking payment from those businesses paying via direct debit for the 2022-23 year
- 3) Apportioning a credit, or applying discount, on the rates bill for the year 2023-24

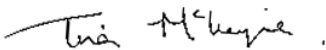
We have no doubt that a fully functioning Executive would give you and your department greater flexibility to respond imaginatively to the situation - and FSB is fully supportive of restoration of the Assembly and Executive – but the immediate challenge is to bring forward rapid interventions within the current structures and powers.

We believe that the SBRR proposal, above, would be the most feasible - on the basis of timeliness, reasonableness, agreement with other Ministers, and precedents set by decisions already made in the absence of an Executive. For example, in February, the Health Minister received legal advice and engaged with other Ministers before proceeding to ease Covid Regulations in the absence of the Executive. In June, the Education Minister increased the amount of money available under the school uniform grant by amending the value of an existing programme – albeit for a lesser amount of expenditure, but in a similar vein to this proposal.

I know you will fully understand the extraordinary pressure small businesses are experiencing at this time, as their owners and staff struggle with these challenges at work - before they go home only to face them again in their personal lives.

Our aim is to ensure that as many small businesses as possible stay afloat by providing them with some assistance akin to that which you are seeking to provide to households. We believe this SBRR-extension proposal will command widespread support and that, importantly, it is achievable at pace and we would be very keen to work with you on developing and testing mechanisms to see it implemented as soon as possible. I hope you will be able to consider it favourably and as a matter of real priority.

Yours sincerely,



Tina McKenzie

**Chair, Policy and Advocacy  
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