

An Tánaiste Leo Varadkar
Minister for Enterprise, Trade and Employment
23 Kildare Street
Dublin 2

10 May 2021

Re: Covid-19 Stimulus and Supports for Local Economies

Dear Tánaiste,

Since the outset of the pandemic, we have highlighted the need for far-reaching economic interventions from Government to support local economies and job creators right across the country and have welcomed the supports that have been introduced over the past twelve months. However, as we approach the easing of restrictions over the coming weeks, we reiterate our Network's call for certainty on the duration of supports, and the sustainability of the re-opening over the coming months.

Sustained Financial Support

Our members urgently need certainty on financial supports. Many businesses will require some degree of financial support for the remainder of this year. If it is necessary that a Supplementary Budget, much like last year's July Stimulus, should be necessary to give these guarantees, then we urge Government to make these provisions urgently.

The businesses that have been worst impacted are SMEs and are clustered in sectors such as hospitality, retail and local services. These businesses and entrepreneurs are at the heart of local economies across the island. The sooner financial clarity can be given, the sooner vulnerable sectors can begin to plan for the coming months.

We ask that the following be strongly considered in the Government's plan to support businesses:

- Extension of the existing Wage Subsidy Scheme for vulnerable sectors in tourism, hospitality and events to the end of 2021. This will give some certainty to businesses that will continue to have a reduced operating model this year;
- Extension to the waiver on commercial rates for impacted businesses to the end of 2021 with the shortfall in funding to be refunded to Local Authorities by central Government. This extension should be paired with more accessible criteria to enable the speedy processing of applications.

- Expand liquidity grants so that non-Rate paying businesses are eligible to apply and introduce a one-off 'restart grant' particularly focused on businesses who have been in-eligible to date for grants, and have a demonstrable 75% or greater reduction in turnover compared to 2019
- Reintroduction of a Redundancy Rebate Scheme for sole traders and SMEs for a defined period of time.
- Urgent enactment of the Summary Rescue Process for SMEs
- Extension of the debt warehousing scheme to the end of this year.

Support for Towns and Cities

We call on Government to prioritise supports for our urban centres. While we welcome measures announced to date, including on financial grants and relaxed regulations for outdoor dining, significantly more coordination and ambition is needed.

To address the inconsistency across the country with respect to the pace of activity, we ask that the following be considered:

- Extension of the Small Benefits Exemption to allow employers to give a voucher in 2021 up to the value of €1,000, which can be drawn down in two parts, on a tax-free basis, and will stimulate retail spend in local economies
- Reform the "Stay and Spend" tax credit for the tourism and hospitality sector by replacing it with a form of local voucher for all adults that can be spent on tourism and, hospitality for a defined period of time.
- Extend the reduced VAT rate for Hospitality & Tourism businesses until end of 2023
- Ensure adequate staffing resources are afforded to Local Authorities to enable the effective and speedy implementation of out-door dining and public realm grants, that support dwell time and healthy streets within our town and city centres.
- Provide clear and effective communication on all grants currently available to support businesses and our town/city centres.
- Ensure the '*Think Small First Principle*' is applied to all grant applications to support SMEs

We remain at your disposal should you wish to discuss any of these results in more detail. Please do not hesitate to contact our office directly.

Yours sincerely,



Ian Talbot
Chief Executive

