

Mr Leo Varadkar TD,  
Tánaiste and Minister for Enterprise, Trade and Employment,  
Department of Business, Enterprise and Innovation  
23 Kildare Street,  
Dublin 2.

Dear Mr Varadkar,

As vaccine rollout has commenced, I wish to raise a number of considerations for your Department, as we hopefully enter a recovery phase for the economy and society post Covid-19. While we remain in a serious situation with current infection numbers, the end of the pandemic is within sight, and we need to be prepared when we eventually get there.

Firstly, you will recall my note of 9<sup>th</sup> December, where ISME asked for the provision of rapid antigen testing both for inbound passengers to Ireland, and in work settings. We do not know what proportion of the current surge in infection numbers is due to the international movement of workers and holidaymakers over the Christmas period, but it is surely non-trivial. We urge the Government to prioritise the rollout of rapid testing. Employers would happily assist in this endeavour rather than contemplate a Level 5 lockdown one day longer than necessary. The use in essential workplaces of rapid antigen Covid-19 tests, some of which are available for as little as five dollars,<sup>1</sup> would be a game-changer. The antigen referenced here functions within the range required by the HSE in its RTF Project Reference 15548 published on 12<sup>th</sup> November. The use of such tests daily in essential workplaces would complement the “gold standard” PCR test, while also mitigating the rate of community transmission, and increasing protection for our essential workers.

Secondly, the enforcement of a Level 5 lockdown will have a significant impact on thousands of SMEs. The Departmental supports available will therefore need to continue and the manner of administration and enforcement will require close monitoring:

The revised **EWSS Guidelines**<sup>2</sup> published in December are excessively burdensome, bureaucratic, impractical and unfair. For example, a small retailer who had a bumper seasonal turnover in December 2020 but who experienced a sales loss of 40% or more in the previous five months would not qualify unless the consolidated July to December sales are 70% or less of the equivalent 2019 sales. Yet the EWSS may have been the critical factor in maintaining employees on the payroll during the preceding months. This makes no sense. In order to render this practicable, we would suggest a shorter rolling period of say two or three months, to decide eligibility on turnover. Furthermore, it is unfair at the end of the current six-month period, that a business which in good faith misses the 30% turnover decline figure should be 100% ineligible for the payment. Consideration should be given to a tapered claw-back of the

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<sup>1</sup> <https://www.cnbc.com/2021/01/12/abbott-labs-rolls-out-rapid-covid-test-to-us-schools-and-workplaces.html>

<sup>2</sup> [Employment Wage Subsidy Scheme December 2020](#)

EWSS where businesses have a 25% or 20% turnover reduction. This is, after all, a shutdown mandated by Government.

Furthermore, the publication of amendments to this scheme on Friday 18<sup>th</sup> December, when (a) most businesses had already run December payroll and (b) many accountancy and payroll providers had dispersed staff on Christmas holidays, was ill advised.

We also consider the **CRSS Guidelines**<sup>3</sup> published this week to be unfairly restrictive. For example, businesses delivering outdoor activities were excluded from consideration for CRSS subsequent to the initial publication of qualification guidelines. Some of these activities-based businesses have very significant overheads, especially insurance. We also have seen another city-centre business, with one office open but another one closed, refused the CRSS despite an 86% decline in turnover (because customers cannot breach the 5km travel limit). The exclusion of these businesses from CRSS is arbitrary and makes no sense. We ask that you review the eligibility criteria as a matter of urgency.

Thirdly, the impacts of the pandemic on our business demography are inescapable. While Deloitte figures for 2020 suggest a 1% increase in corporate insolvencies over 2019, this must be viewed in the context of an increased debt threshold for creditors; high levels of forbearance by banks, landlords and trade creditors; and Government supports, especially of wage costs. A total business failure rate due to Covid-19 of 1% would not be unrealistic. This would see over 2,700 businesses close. An affordable examinership system would see up to 15% of that number survive. It is an objective worth pursuing, despite the somewhat hysterical objections we understand are being made to you. We urge you to prioritise legislation for an affordable examinership regime in Q1. Not alone would it protect many of these businesses, it would address Ireland's recent deterioration<sup>4</sup> in its second-chance regime.

We ask you to give immediate and favourable consideration to the issues above.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Neil McDonnell', with a long horizontal line extending to the right.

Neil McDonnell  
Chief Executive

CC Minister of Finance Paschal Donohoe TD  
Minister of Public Expenditure and Reform Michael McGrath TD.  
Minister of State Robert Troy TD.  
Minister of State Damien English TD  
Dr Orlaigh Quinn, Secretary General DETE  
Mr Declan Hughes, Assistant Secretary General DETE

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<sup>3</sup> [Covid Restrictions Support Scheme January 2021](#)

<sup>4</sup> [Ireland- 2019 SBA Fact Sheet EU Commission](#)