

DRAFT EXECUTIVE PAPER

MEMORANDUM E (20) 277 (C)

**FROM: FIRST MINISTER
DEPUTY FIRST MINISTER**

DATE: 3 DECEMBER 2020

TO: EXECUTIVE COLLEAGUES

DRAFT EXECUTIVE PAPER – RESTRICTIONS FROM 11 DECEMBER

Background

1. The Regulations currently in place will end at 23.59 on Thursday 10 December. The Executive will therefore wish to discuss and agree the arrangements for 11 December onwards.
2. This paper:
 - Sets out the effect of the legal default position;
 - Outlines the specific sectoral issues; and
 - Recommends a way forward.

Background

3. The rise in case transmission numbers, hospitalisations, ICU capacity and pressure on health capacity were discussed by the Executive on 13 October

and restrictions were put in place on 16 October. Further Executive decisions were taken and some sectors were enabled to open for a period of a week (close contact economy, and cafes and other unlicensed premises). On 24 November, the Executive agreed that places of worship and non-essential retail should also close.

4. The current regulations end at 23.59 on 10 December and the legal default position would then apply.
5. The economic impact of the Regulations which have existed in various forms since 16 October are considerable and are detailed in **Annex B**. Derry City and Strabane Council area has been in restrictions for an additional two weeks. In terms of societal impacts, people have not been able to meet in domestic settings since 16 September, although bubbles can be formed between two households.

The effect of the current Regulations

6. The current regulations restrict:
 - Hospitality in all forms: pubs, clubs, restaurants, cafes and unlicensed premises, hotels, self catering etc;
 - Non-essential retail;
 - Close contact economy including driving instructors;
 - Places of worship;
 - Indoor activity centres and attractions;
 - Most outdoor activity centres and attractions;
 - Sport;
 - Gyms and leisure;
 - Domestic gatherings; and
 - Large gatherings

LPP/LAP

LPP/LAP

LPP/LAP

Hospitality

8. The sector requiring most consideration continues to be **hospitality**. The largely indoor nature of the offering, and the risk profile associated with people socialising has been noted. Most jurisdictions across Europe have some limitations for this sector, and in some places the sector is closed or not allowed to serve alcohol.
9. There has been engagement with the sector to examine if additional mitigations can be put in place. Mitigations discussed with the sector include:
 - **Outdoor offerings:** the sector is open to the idea of using available outdoor spaces during the winter months;

- **Indoor offerings:** the sector recognises the importance of good ventilation and is open to being required to leave doors and windows open, as it may be prohibitive to install adequate ventilation systems;
- The sector understands the importance of **track and trace**: the sector is investing in technology to ensure they can collect personal data in an ICO compliant way. The sector would be open to taking information from each person in a party rather than the lead booking person;
- The sector would wish to build on its existing risk assessment arrangements, to develop the concept of a **responsible person** who would oversee the venue's Covid-aware arrangements. This could include matters such as being responsible for staff Covid-aware arrangements, daily checking of compliance etc;
- The sector has asked for some flexibility from **6 people from 2** households arrangement; and
- They would prefer some movement on the **curfew**.

10. The Minister for Health, CMO and CSA have met with the sector to make clear that the health advice remains the same. Namely that there is no completely safe opening arrangements and there is risk attached. The social distancing advice remains that 2 metres is preferred. Other public health advice remains, that some activities such as singing and dancing, loud music etc create risk. Public health advice on limiting social contact, hand sanitisation and wearing of face coverings remain vital.

11. Junior Ministers have met with the sector to explore possible additional mitigations. Hospitality had proposed a scores on the doors assessment, which would enable customers and those with enforcement responsibilities to see levels of compliance. However, it is not advised that this is proceeded with at this time as it would be a point in time assessment which cannot take

into account customer behaviours, and it could prove to be resource intensive to establish such a system. On a voluntary basis, there would be nothing to prevent the sector developing an industry approach, but this is likely to drive customer confidence in the establishment rather than assist with compliance and customer behavior.

12. The Executive, if minded to open hospitality, may wish to consider the various sectors either separately or as an entire group. The Executive has previously been content to allow cafes to open for instance while other establishments were closed. If the sector is considered in its entirety, the following additional mitigations could be required and advised but please note the advice from CMO and CSA below:

- In regulations, each establishment must have person on duty on each day of opening who is charged with the responsibility of ensuring the venue's compliance with regulations. This would build on the concept of a **responsible person** undertaking a risk assessment which is not a daily occurrence in itself;
- **Outdoor settings** would be enabled to open and this would be encouraged in guidance as being preferable to indoor offerings. The table limit of 6 from 2 would be retained and there would be no upper limit on the numbers outdoors. Seated arrangements, no mixing between tables etc would be retained. There would be a requirement that the number outdoors would be part of the risk assessment process and while 2 metres between tables would remain the advice there would be some flexibility given the outdoor environment. Contact details would be taken for each person in the party;
- For **indoor settings**, the table limit of 6 from 2 would be retained and the risk assessment process would determine the number of people who can be indoors at any one time. All other existing requirements

would remain. The venue would be required to ensure that doors and windows were open to aid ventilation. Venues with no windows or doors onto fresh air can open only if they have an alternative ventilation system. The 2 metre advice would continue to apply to indoor settings. Contact details would be taken for each member of the party and not just the person who booked the table;

- Appropriate curfew arrangements as agreed by the Executive;
- For **street offerings adjacent to hospitality venues**, customers must be seated, the 6 from 2 household rule would apply, and street furniture which requires or encourages people to stand to consume beverages and food would not be permitted.

Hospitality Support Packages

13. DfE has provided the following advice. Since the outbreak of COVID-19, the hospitality sector has taken very significant and pro-active steps to re-open in as safe a manner as possible. However, the sector has faced a very challenging year, with customer revenue (the sector's source of income) being severely impacted by prolonged closure and reduced capacity due to social distancing requirements.

14. The sector has stressed that if hospitality businesses are permitted re-open, but that restrictions prove to make opening unviable, then businesses should have the option to voluntarily close and receive grant support.

15. DfE has been advised that should the sector be permitted to re-open on 11 December on the basis of the 15 October restrictions, and should businesses have the option to close and receive grant support, then an estimated 30% to 40% of hotels and 40% to 50% of pubs/bars (mostly non-food pubs/bars) might choose to close. Feedback received by DfE indicates that a statutory requirement of 2 metres between tables would make opening unviable for many more businesses.

16. Currently there is nothing in the Health Regulation Restrictions that would facilitate such a policy. In addition, there is no evidence to support public money being used to pay businesses to stay closed when they are permitted to open. DfE would not recommend that businesses have the option to remain closed and in doing so receive grant support. This is consistent with the Localised Restrictions Support Scheme.

17. To vary this approach would represent a very significant and potentially repercussive precedent.

18. The Executive is invited to consider whether the current one-off grants that are under development cover any period of "not restricted but remain closed". Should the Executive be minded to roll forward existing schemes to a new period, Ministers should be aware of the expected administrative challenge of verifying that any business is closed and therefore eligible for further grant support.

CMO and CSA advice

19. A summary of the current restrictions, the legal default position at 11 December and the position at 15 October is contained in **Annex A**. Annex A also contains comments from CMO and CSA on each of the key restrictions. Should the Executive be minded to remove some or all restrictions on 11 December, Annex A is a helpful indicator of mitigations which can then be considered.

20. CMO and CSA advice is as follows:

- The Executive have previously indicated as a policy objective that Rt should be kept at 1 or less.
- To have a reasonable chance of achieving this objective, it will be necessary to keep the hospitality sector and close contact services (or non-essential retail) shut if other sectors are to open
- Any reduction in restrictions beyond this is highly likely to lead to Rt rising to above 1

- Prior to 15 October R_t was around 1.4 – 1.6
- Our most recent modelling suggests that after Dec 11 R_t will need to stay below 1.6, and preferably below 1.4, in order to ensure that no further restrictions are required before the end of December
- If R_t were to rise as high as 1.8 then additional restrictions will be required around Christmas
- There is considerable uncertainty around the impact of increased inter-generational mixing at Christmas on R_t , but it is likely to increase R_t for hospital admissions and bed occupancy
- In light of the above observations, if the primary objective of the Executive is to suppress the epidemic by maintaining R_t at less than 1, no relaxations should be permitted after 11 December and the current restrictions should be extended
- If Executive is minded to allow R_t to rise for economic and societal reasons, then the restrictions in place before 15th October would be associated with R_t of 1.4 – 1.6 if behaviours were similar to those at that time.
- In practice, we believe that interactions are likely to increase in the run up to Christmas. Therefore as a minimum we recommend that wet pubs should remain closed, as has been decided for higher incidence areas across the UK and in ROI and in many parts of Europe.
- Alternatively, closure of other sectors could be considered; hospitality could open while closing close contact services, non-essential retail and leisure/entertainment to achieve the same impact.
- If the Executive would prefer to go further, some considerations are included in the attached Annex.
- Whatever decision is reached, we will keep the evolving situation under close review and will advise the Executive if appears likely that the capacity of the hospital system will be overrun at any stage.

Recommendation

21. It is recommended that Executive colleagues:

- Note the advice and recommendations from CMO and CSA on each of the key restrictions;
- Consider the proposed restrictions in the context of the arrangements for the Christmas period;
- Note that engagement with the hospitality sector has taken place and consider the suggestions put forward by them; and
- Agree the restrictions that need to be in place when the current Regulations expire on 10 December.

Comparison table of the Coronavirus Restrictions Regulations – Proposals for 11 December 2020

Restrictions	Current position as of 3 rd December	Friday 11 th Dec (current default position, remove schedule 2)	Pre-15th Oct (included 'post code' restrictions on private dwellings)	Comments from CMO & CSA
Indoor gatherings – private dwellings	<ul style="list-style-type: none"> - Members of one household – no visitors - Overnight stays not permitted 	<ul style="list-style-type: none"> - 6 persons (not counting children aged 12 or under) from max. 2 households. - Overnight stays permitted as long as it doesn't breach the 6/2 rule. 	<ul style="list-style-type: none"> - Members of one household – no visitors - Overnight stays not permitted 	<ul style="list-style-type: none"> - Should retain current household restrictions, but with exceptions for bubbling etc including overnight stays - Arrangements different for Christmas period - Apply also to B&B and self-catering accommodation
Outdoor gatherings – private dwellings	<ul style="list-style-type: none"> - 6 people (not counting children aged 12 or under) from max. 2 households. 	<ul style="list-style-type: none"> - Max. of 15 people (not including children aged 12 or under) 	<ul style="list-style-type: none"> - 6 people (not counting children aged 12 or under) from max. 2 households. 	<ul style="list-style-type: none"> - Maintain current position - Arrangements different for Christmas period - Apply also to B&B and self-catering accommodation
Indoor gatherings - excluding private dwellings,	<ul style="list-style-type: none"> - 15 people maximum - Risk Assessment not permitted to enable larger gatherings apart from exemptions(work, blood donations, 	<ul style="list-style-type: none"> - 15 person limit - More persons allowed to attend if organised or operated for cultural, entertainment, recreational, outdoor 	<ul style="list-style-type: none"> - 15 person limit - More persons allowed to attend if organised or operated for cultural, entertainment, recreational, outdoor sports, social, 	<ul style="list-style-type: none"> - Maintain current position

Restrictions	Current position as of 3 rd December	Friday 11 th Dec (current default position, remove schedule 2)	Pre-15th Oct (included 'post code' restrictions on private dwellings)	Comments from CMO & CSA
funerals and marriage	<p>education & training etc.)</p> <ul style="list-style-type: none"> - Gatherings for the purposes of exercise or sport is only permitted for elite athletes, physical education in schools or if participants are members of the same household. 	<p>sports, social, community, educational, work, legal, religious or political purposes, or in an indoor sporting event or activity provided the arena in which it occurs is not capable of accommodating more than 5,000 spectators</p> <p>AND</p> <ul style="list-style-type: none"> - the responsible person for organising/operating the gathering carries out a risk assessment and puts in places reasonable measures to limit risk of virus transmission. 	<p>community, educational, work, legal, religious or political purposes, or in an indoor sporting event or activity provided the arena in which it occurs is not capable of accommodating more than 5,000 spectators</p> <p>AND</p> <ul style="list-style-type: none"> - the responsible person for organising/operating the gathering carries out a risk assessment and puts in places reasonable measures to limit risk of virus transmission. 	
Outdoor gatherings - excluding private dwellings, funerals and marriage	<ul style="list-style-type: none"> - 15 person limit - Risk Assessment not permitted to enable larger gatherings apart from exemptions (work, blood donations, education & training etc.) - Gatherings for the purposes of exercise or 	<ul style="list-style-type: none"> - 15 person limit - More persons allowed to attend if organised or operated for cultural, entertainment, recreational, outdoor sports, social, community, educational, work, legal, religious or political purposes, or in 	<ul style="list-style-type: none"> - 15 person limit - More persons allowed to attend if organised or operated for cultural, entertainment, recreational, outdoor sports, social, community, educational, work, legal, religious or political purposes, or in an indoor sporting event or 	<p>Revert to 15 October but also recommend an upper limit (200)</p>

Restrictions	Current position as of 3 rd December	Friday 11 th Dec (current default position, remove schedule 2)	Pre-15th Oct (included 'post code' restrictions on private dwellings)	Comments from CMO & CSA
	sport is only permitted for elite athletes, physical education in or for schools or if participants are members of the same household.	<p>an indoor sporting event or activity provided the arena in which it occurs is not capable of accommodating more than 5,000 spectators</p> <p>AND</p> <ul style="list-style-type: none"> - the responsible person for organising/operating the gathering carries out a risk assessment and puts in places reasonable measures to limit risk of virus transmission. 	<p>activity provided the arena in which it occurs is not capable of accommodating more than 5,000 spectators</p> <p>AND</p> <ul style="list-style-type: none"> - the responsible person for organising/operating the gathering carries out a risk assessment and puts in places reasonable measures to limit risk of virus transmission. 	
Indoor Sport	<ul style="list-style-type: none"> - Not permitted except for elite athletes or for P.E. in or for schools. 	<ul style="list-style-type: none"> - As above 	<ul style="list-style-type: none"> - As above 	<p>Gyms better closed but could open for personal training.</p> <p>Swimming pools to open</p>
Outdoor Sport	<ul style="list-style-type: none"> - Not permitted except for elite athletes, for the purposes of P.E in or for schools, individual exercise or exercise where participants are members of the same household. - Spectators are not permitted 	<ul style="list-style-type: none"> - As above 	<ul style="list-style-type: none"> - As above 	<ul style="list-style-type: none"> - Permit but would prefer an upper limit on number of spectators (?200) - Restrict inter-schools sport (ban)

Restrictions	Current position as of 3 rd December	Friday 11 th Dec (current default position, remove schedule 2)	Pre-15th Oct (included 'post code' restrictions on private dwellings)	Comments from CMO & CSA
Annual Christmas outdoor sporting events e.g. Christmas runs, cycles, sea swims.	<ul style="list-style-type: none"> - Not permitted except for elite athletes, for the purposes of P.E in or for schools, individual exercise or exercise where participants are members of the same household. - Spectators are not permitted - 	<ul style="list-style-type: none"> - 15 person limit - More persons allowed to attend if organised or operated for cultural, entertainment, recreational, outdoor sports, social, community, educational, work, legal, religious or political purposes, or in an indoor sporting event or activity provided the arena in which it occurs is not capable of accommodating more than 5,000 spectators AND - the responsible person for organising/operating the gathering carries out a risk assessment and puts in places reasonable measures to limit risk of virus transmission. 	<ul style="list-style-type: none"> - 15 person limit - More persons allowed to attend if organised or operated for cultural, entertainment, recreational, outdoor sports, social, community, educational, work, legal, religious or political purposes, or in an indoor sporting event or activity provided the arena in which it occurs is not capable of accommodating more than 5,000 spectators AND - the responsible person for organising/operating the gathering carries out a risk assessment and puts in places reasonable measures to limit risk of virus transmission. - 	As per other outdoor events
Places of worship	<p>Must close except for :</p> <ul style="list-style-type: none"> - Individual acts of worship - Funerals – see below 	<ul style="list-style-type: none"> - 15 person limit. - More persons allowed to attend if organised or operated for religious, 	<ul style="list-style-type: none"> - 15 person limit. - More persons allowed to attend if organised or operated for religious, 	<ul style="list-style-type: none"> - No limit on numbers - Would prefer to mandate face coverings when entering, leaving and at all

Restrictions	Current position as of 3 rd December	Friday 11 th Dec (current default position, remove schedule 2)	Pre-15th Oct (included 'post code' restrictions on private dwellings)	Comments from CMO & CSA
	<ul style="list-style-type: none"> - Marriage ceremonies – see below. - Provision of essential voluntary services, urgent public support services, support for the vulnerable or homeless, blood donation sessions or support in an emergency; - to record or broadcast an act of worship online, on TV, radio or 'drive-in' services (attendees must remain in their vehicle). Maximum 8 persons permitted in the place of worship for this purpose. - Face coverings mandatory 	<ul style="list-style-type: none"> - cultural, work, community etc. purposes AND the responsible person for organising/operating the gathering carries out a risk assessment and puts in place reasonable measures to limit risk of virus transmission. - Face Coverings no longer mandatory 	<ul style="list-style-type: none"> - cultural, work, community etc. purposes AND the responsible person for organising/operating the gathering carries out a risk assessment and puts in place reasonable measures to limit risk of virus transmission. - Face Coverings no longer mandatory 	<ul style="list-style-type: none"> - times within the place of worship - Guidance on interactions before and after services and transport to / from Church - Guidance on singing
Funerals and associated events	<ul style="list-style-type: none"> - Max. no of 25 permitted to attend funeral or associated event - includes children under the age of 12 and the celebrant. - Must comply with DoH guidance. 	<ul style="list-style-type: none"> - The Regulations do not place limits on numbers that can attend a funeral or associated event in places of worship, funeral directors, graveyards, private dwellings etc. However 	<ul style="list-style-type: none"> - The Regulations do not place limits on numbers that can attend a funeral or associated event in places of worship, funeral directors, graveyards, private dwellings etc. However attendees and the 	Revert to 15 October

Restrictions	Current position as of 3 rd December	Friday 11 th Dec (current default position, remove schedule 2)	Pre-15th Oct (included 'post code' restrictions on private dwellings)	Comments from CMO & CSA
	<ul style="list-style-type: none"> - Not permitted in private dwellings 	<p>attendees and the organiser/operator of the gathering must comply with funeral guidance issued by DoH.</p>	<p>organiser/operator of the gathering must comply with funeral guidance issued by DoH.</p>	
Marriages and Civil Partnerships	<ul style="list-style-type: none"> - Max. no. of 25 persons are permitted to attend - includes children under the age of 12 and the celebrant. - A risk assessment is required if more than 15 persons are attending. - Permitted in private dwellings for a max. no. of 10 persons where a party of the marriage/civil partnership is terminally ill. - Receptions not permitted 	<ul style="list-style-type: none"> - 15 person limit. More persons permitted to attend if it is for religious, cultural, legal etc. purposes and the responsible person carries out a risk assessment and puts in place reasonable measures to limit risk of virus transmission. - Permitted in private dwellings for a max. no. of 10 persons where a party of the marriage/civil partnership is terminally ill. - Receptions permitted (15 persons or more if R.A carried out and implemented). 	<ul style="list-style-type: none"> - 15 person limit. More persons permitted to attend if it is for religious, cultural, legal etc. purposes and the responsible person carries out a risk assessment and puts in place reasonable measures to limit risk of virus transmission. - Permitted in private dwellings for a max. no. of 10 persons where a party of the marriage/civil partnership is terminally ill. - Receptions permitted (15 persons or more if R.A carried out and implemented). 	<p>Revert to 15 October but with 25 person limit</p> <p>Allow receptions within limits/restrictions pertaining to venue</p>

Restrictions	Current position as of 3 rd December	Friday 11 th Dec (current default position, remove schedule 2)	Pre-15th Oct (included 'post code' restrictions on private dwellings)	Comments from CMO & CSA
Businesses required to close	<ul style="list-style-type: none"> - Nightclubs; - Conference halls and conference facilities, including those in hotels - Theatres and Concert Halls except for the purposes of rehearsals - Close contact services – excludes services which are ancillary to a medical or health service or a social care service or for the purpose of film or television production or sports massage therapy. - a range of visitor attractions including funfairs, inflatable parks, amusements arcades, skating rinks, bingo halls, museums and galleries, cinemas; - museums & galleries; - campsites and caravan parks for touring caravans including motorhomes, except in an emergency; 	<ul style="list-style-type: none"> - Nightclubs; - Conference halls and conference facilities, including those in hotels - Theatres and Concert Halls except for the purposes of rehearsals 	<ul style="list-style-type: none"> - Nightclubs; - Conference halls and conference facilities, including those in hotels - Theatres and Concert Halls except for the purposes of rehearsals 	- Revert to 15 October

Restrictions	Current position as of 3 rd December	Friday 11 th Dec (current default position, remove schedule 2)	Pre-15th Oct (included 'post code' restrictions on private dwellings)	Comments from CMO & CSA
	<ul style="list-style-type: none"> - swimming and diving pools; - indoor sports and exercise facilities, including soft play areas, leisure centres, gyms, equestrian centres, venues relating to motor sport and activity centres; - outdoor sports and exercise facilities including activity centres, equestrian centres, marinas and venues relating to motor sport and water sport; - outdoor visitor attractions, with the exception of play areas, public parks, forest and country parks, and outdoor areas of stately homes, historic homes, castles and properties operated by the National Trust; 			

Restrictions	Current position as of 3 rd December	Friday 11 th Dec (current default position, remove schedule 2)	Pre-15th Oct (included 'post code' restrictions on private dwellings)	Comments from CMO & CSA
	<ul style="list-style-type: none"> - driving instruction except for motorcycles, - the hospitality sector (takeaway/delivery permitted). Excludes hotels, guesthouses, B&B's, hostels, a bunkhouse, off-sales, ports, airports and motorway service areas; - restrictions on hotels, guesthouses, B&B's, hostels, bunkhouses and off-sales. - Restrictions on retail. - restrictions on libraries – orders cannot be made in person and access is only allowed for the purposes of collecting their order. 			
Visitors Attractions	<ul style="list-style-type: none"> - Indoor visitors attractions must close. - Outdoor visitors attractions must close with the exception of soft play areas, public parks, forest and country parks, and outdoor areas of stately homes, historic 	- Visitors attractions are permitted to re-open	- Visitors attractions are permitted to re-open	Revert to 15 October - Allow reopening with mitigations

Restrictions	Current position as of 3 rd December	Friday 11 th Dec (current default position, remove schedule 2)	Pre-15th Oct (included 'post code' restrictions on private dwellings)	Comments from CMO & CSA
	homes, castles and properties operated by the National Trust;			
Hospitality Premises including private members clubs and Off - Sales	<ul style="list-style-type: none"> - Must close any premises, or part of premises, in which food or drink (including intoxicating liquor) are consumed on the premises. This excludes hotels, guesthouses, harbour terminals, airports or motorway service areas. - Permitted to sell or provide food and drink (not including intoxicating liquor) on a takeaway/delivery basis between 05:00 and 23:00. Exemptions for Ferries, canteens in a workplace, school, prison, hospital, care home or military establishment. - Off sales are permitted from 08:00 on Monday to Saturday, and from 	<ul style="list-style-type: none"> - There are no restrictions on hospitality premises except for "Venues at which intoxicating liquor may be consumed" i.e. licensed premises and some unlicensed premises (e.g. those restaurants that offer "Bring Your Own" (BYO)). See below. - There are no restrictions/requirements for unlicensed premises e.g. cafes and coffee shops. 	<ul style="list-style-type: none"> - There are no restrictions on hospitality premises except for "Venues at which intoxicating liquor may be consumed" i.e. licensed premises and some unlicensed premises (e.g. those restaurants that offer "Bring Your Own" (BYO)). See below. - There are no restrictions/requirements for unlicensed premises e.g. cafes and coffee shops. 	Revert to 15 October except see below

Restrictions	Current position as of 3 rd December	Friday 11 th Dec (current default position, remove schedule 2)	Pre-15th Oct (included 'post code' restrictions on private dwellings)	Comments from CMO & CSA
	10:00 on Sunday, until 20:00 on any day.			
Hotels and Guesthouses	<ul style="list-style-type: none"> - Hotels or guesthouses may continue to provide food or drink (not including intoxicating liquor) as part of a service for residents, whether or not in a restaurant on the premises at any time of the day. Residents must have been— <ul style="list-style-type: none"> • (i) already resident on the date this schedule came into operation; • (ii) resident for work-related purposes; • (iii) vulnerable people; or • (iv) unable to return to their private dwelling due to an emergency; - Permitted to provide alcohol including after 23:00 but it must only be consumed by the resident in their accommodation. The hotel or guesthouse will 	<ul style="list-style-type: none"> - Hotels or guesthouses may continue to provide food or drink (not including intoxicating liquor) as part of a service for residents, whether or not in a restaurant on the premises at any time of the day. - Permitted to provide alcohol after 23:00 but it only be consumed by the resident in their accommodation. The hotel or guesthouse will not be permitted to deliver alcohol to a resident or any other person, in the accommodation e.g. via room service after 23:00. - Must comply with the other requirements for "venues at which intoxicating liquor may be consumed" including 	<ul style="list-style-type: none"> - Hotels or guesthouses may continue to provide food or drink (not including intoxicating liquor) as part of a service for residents, whether or not in a restaurant on the premises at any time of the day. - Permitted to provide alcohol after 23:00 but it only be consumed by the resident in their accommodation. The hotel or guesthouse will not be permitted to deliver alcohol to a resident or any other person, in the accommodation e.g. via room service after 23:00. - Must comply with the other requirements for "venues at which intoxicating liquor may be consumed" including operating hours for non-residents – see below. 	Revert to 15 October

Restrictions	Current position as of 3 rd December	Friday 11 th Dec (current default position, remove schedule 2)	Pre-15th Oct (included 'post code' restrictions on private dwellings)	Comments from CMO & CSA
	<p>not be permitted to deliver alcohol to a resident or any other person, in the accommodation e.g. via room service after 23:00.</p> <ul style="list-style-type: none"> - Must comply with the other requirements for "venues at which intoxicating liquor may be consumed" including operating hours for non-residents – see below. 	<p>operating hours for non-residents – see below.</p>		
Unlicensed Hospitality Premises	<ul style="list-style-type: none"> - Permitted to sell or provide food and drink (not including intoxicating liquor) on a takeaway/delivery basis between 05:00 and 23:00 - Exemptions for Ferries, canteens in a workplace, school, prison, hospital, care home or military establishment. 	<ul style="list-style-type: none"> - Currently no restrictions on unlicensed premises (cafes, coffee shops) under these regulations 	<ul style="list-style-type: none"> - Currently no restrictions on unlicensed premises (cafes, coffee shops) under these regulations 	<ul style="list-style-type: none"> - Revert to 15 October - Table restrictions and other mitigations as for restaurants, along the lines of the restrictions during the one week opening 20th – 26th November, including: - No more than 6 persons per table unless from a single household (not including children aged 12 or under) and from max. 2 households per table.

Restrictions	Current position as of 3 rd December	Friday 11 th Dec (current default position, remove schedule 2)	Pre-15th Oct (included 'post code' restrictions on private dwellings)	Comments from CMO & CSA
				- Collection and retention of details of all customers
Venues at which intoxicating liquor may be consumed	<ul style="list-style-type: none"> - Most of these venues are required to remain closed however these requirements will still apply to hotels, guesthouses, ports, airports, motorway service areas etc. - Required to ensure social distancing. - Operating hours – food and drink (not including intoxicating liquor) can be purchased or obtained on the premises between 05:00 and 22:30. Intoxicating liquor can be purchased or obtained between 11:30am and 22:30. Food and drink including intoxicating liquor cannot be consumed on the premises after 23:00. All persons must be vacated 	<ul style="list-style-type: none"> - Social distancing requirements - Operating hours – food and drink (not including intoxicating liquor) can be purchased or obtained on the premises between 05:00 and 22:30. Intoxicating liquor can be purchased or obtained between 11:30am and 22:30. Food and drink including intoxicating liquor cannot be consumed on the premises after 23:00. All persons must be vacated the venue by 23:00. This excludes hotels, guesthouses, harbour terminals, airports or motorway service areas or workers/employees working in the venue. 	<ul style="list-style-type: none"> - Social distancing requirements - Operating hours – food and drink (not including intoxicating liquor) can be purchased or obtained on the premises between 05:00 and 22:30. Intoxicating liquor can be purchased or obtained between 11:30am and 22:30. Food and drink including intoxicating liquor cannot be consumed on the premises after 23:00. All persons must be vacated the venue by 23:00. This excludes hotels, guesthouses, harbour terminals, airports or motorway service areas or workers/employees working in the venue. - Live music, dancing or the provision of music for dancing is not permitted 	<p>Refer to CMO and CSA advice in the text of the main paper</p> <ul style="list-style-type: none"> - outdoors preferred - 2m social distancing - record verified details all individuals <p>- 22.30 curfew</p> <p>Wet bars closed</p>

Restrictions	Current position as of 3 rd December	Friday 11 th Dec (current default position, remove schedule 2)	Pre-15th Oct (included 'post code' restrictions on private dwellings)	Comments from CMO & CSA
	<p>the venue by 23:00. This excludes hotels, guesthouses, harbour terminals, airports or motorway service areas or workers/employees working in the venue.</p> <ul style="list-style-type: none"> - Live music, dancing or the provision of music for dancing is not permitted except for professional dancers providing entertainment or a first dance by a party of a marriage or civil partnership. - Venues required to obtain, record and destroy visitor information, carry out and implement risk assessments, provide hand sanitiser, seat visitors immediately with no more than 6 persons (not including children aged 12 or under) from 2 	<ul style="list-style-type: none"> - Live music, dancing or the provision of music for dancing is not permitted except for professional dancers providing entertainment or a first dance by a party of a marriage or civil partnership. - Venues required to obtain, record and destroy visitor information, carry out and implement risk assessments, provide hand sanitiser, seat visitors immediately with no more than 6 persons (not including children aged 12 or under) from 2 households per table (exemptions for wedding receptions – 10 persons and no household limit), provide table service except buffets where social distancing 	<ul style="list-style-type: none"> - except for professional dancers providing entertainment or a first dance by a party of a marriage or civil partnership. - Venues required to obtain, record and destroy visitor information, carry out and implement risk assessments, provide hand sanitiser, seat visitors immediately with no more than 6 persons (not including children aged 12 or under) from 2 households per table (exemptions for wedding receptions – 10 persons and no household limit), provide table service except buffets where social distancing required and visitors movement are restricted. 	

Restrictions	Current position as of 3 rd December	Friday 11 th Dec (current default position, remove schedule 2)	Pre-15th Oct (included 'post code' restrictions on private dwellings)	Comments from CMO & CSA
	households per table, provide table service except buffets where social distancing required and visitors movement are restricted.	required and visitors movement are restricted.		
Retail Sector	<ul style="list-style-type: none"> - Retail businesses are required to close unless the business wholly or mainly provides goods for sale or hire or provides a service and is listed below: - Food retailers, supermarkets, convenience stores, corner shops, newsagents; - Off licences and licensed shops selling alcohol (including breweries), - Pharmacies (including non-dispensing pharmacies) and chemists, - Homeware stores, building supplies 	<ul style="list-style-type: none"> - Permitted to re-open with no restrictions (apart from face coverings regulations). 	<ul style="list-style-type: none"> - Permitted to re-open with no restrictions (apart from face coverings regulations). 	<ul style="list-style-type: none"> - Revert to 15 October - advice on queues, flow, hand sanitisers

Restrictions	Current position as of 3 rd December	Friday 11 th Dec (current default position, remove schedule 2)	Pre-15th Oct (included 'post code' restrictions on private dwellings)	Comments from CMO & CSA
	<p>businesses and hardware stores,</p> <ul style="list-style-type: none"> - Petrol stations, - Pet shops, agricultural supplies shops, livestock markets, veterinary surgeons - Garden centres and ornamental plant nurseries and Christmas tree sales (but not cafes or restaurants in such premises), - Motor vehicle repair, MOT services, Bicycle shops, taxi or vehicle hire businesses, - Banks, building societies, credit unions, short term loan providers and cash points savings clubs and undertakings which by way of business operate currency exchange offices, transmit money (or any representation of money) by any means or cash cheques which are 			

Restrictions	Current position as of 3 rd December	Friday 11 th Dec (current default position, remove schedule 2)	Pre-15th Oct (included 'post code' restrictions on private dwellings)	Comments from CMO & CSA
	<p>made payable to customers, Post offices,</p> <ul style="list-style-type: none"> - Funeral directors, - Laundrettes and dry cleaners, - Dental services, opticians, audiology services, chiropody, chiropractors, osteopaths and other medical or health services, including services relating to mental health, - Car parks and public toilets, - Storage and distribution facilities, including delivery drop off or collection points, where the facilities are in the premises of a business included in this sub-paragraph. 			

Restrictions	Current position as of 3 rd December	Friday 11 th Dec (current default position, remove schedule 2)	Pre-15th Oct (included 'post code' restrictions on private dwellings)	Comments from CMO & CSA
Close contact services	<ul style="list-style-type: none"> - Required to remain closed – exemptions for services which are ancillary to a medical or health service or a social care service or for the purpose of film or television production or sports massage therapy. 	<ul style="list-style-type: none"> - Permitted to re-open with no restrictions (apart from face coverings regulations). 	<ul style="list-style-type: none"> - Permitted to re-open with no restrictions (apart from face coverings regulations). 	<ul style="list-style-type: none"> - Open in line with the one week opening 20th – 26th November: - appointment only and client information (name, number, no. of attendees from each household, date and time of service) was obtained and retained for 21 days.
Libraries	<ul style="list-style-type: none"> - May continue to provide the service of a library: <ul style="list-style-type: none"> • in response to orders or requests received through a website or other on-line communication, or by telephone including by text message, or • to visitors who enter the premises of the library only to collect items ordered or requested in accordance with the above or to use the facilities of the 	<ul style="list-style-type: none"> - Permitted to re-open with no restrictions. 	<ul style="list-style-type: none"> - Permitted to re-open with no restrictions. 	<ul style="list-style-type: none"> - open

Restrictions	Current position as of 3 rd December	Friday 11 th Dec (current default position, remove schedule 2)	Pre-15th Oct (included 'post code' restrictions on private dwellings)	Comments from CMO & CSA
	library to access the internet.			

THE POTENTIAL ECONOMIC & SECTORAL IMPACT OF THE CURRENT 8-WEEK RESTRICTIONS

Assessment of Potential Impact on Economic Output

Northern Ireland's pre-pandemic economic output was around £42bn in Gross Value Addedⁱ (GVA) terms and £49bn in Gross Domestic Productⁱⁱ (GDP) terms.

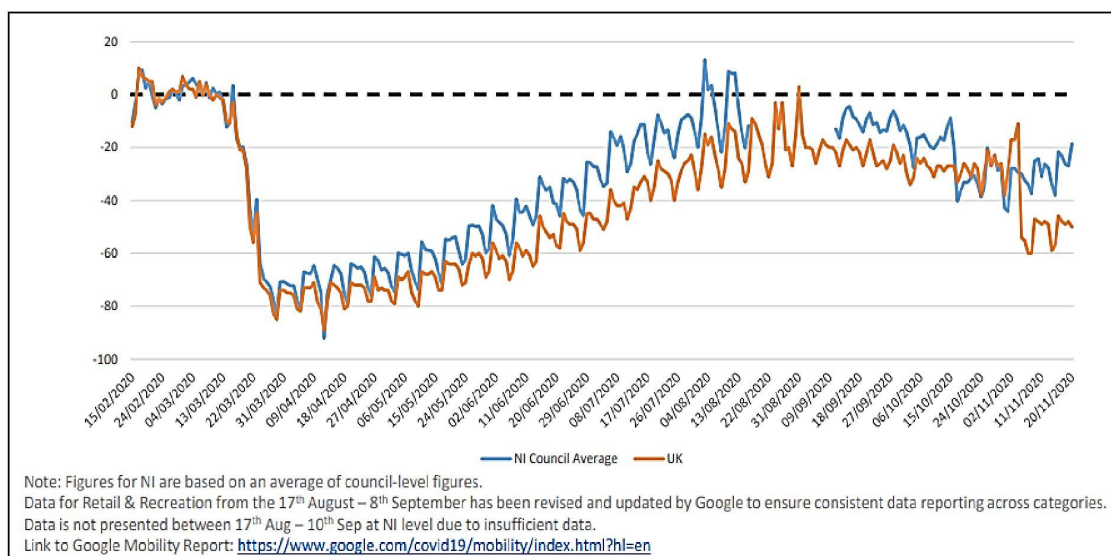
With ever-available outturn data, we are able to quantify the magnitude of the economic decline due to the lockdown in late March 2020. At the height of spring lockdown, output in the economy was operating at around 25% below normal levels, with many sectors shutdown. Consequent losses are estimated to be around £4bn to £5bn in 2020 as a whole.

It has also been possible to track the recovery over the summer months as businesses were able to trade more freely again and consumers felt more comfortable to visit establishments. This was facilitated by the NI Executive reopening the Northern Ireland economy. However, while the rebound was strong, the economy had not yet fully reverted back to pre-pandemic levels before it was impacted by new restrictions.

Modelling by the Fraser of Allander Institute for DfE suggests that while Northern Ireland may have had a more severe decline in output than the UK as a whole during Spring 2020, it may have experienced a stronger bounce-back during Quarter 3 of 2020. This analysis was based on modelled GDP, as an early snapshot only, and we await the official outturn data to confirm whether this was the case.

As would be expected, latest mobility data shows a fall in people movements in the past number of weeks, as illustrated in the graph below.

UK and NI Google Mobility Data – Retail & Recreation ⁱⁱⁱ



Source: DoH Covid-19 Mobility Reports

It should be noted that the economic and health situation is highly fluid and uncertain and that any estimates are only provided in good faith, to the best of our knowledge. For that reason, the estimates below are intentionally not provided with precision attached, but merely to give a possible impact, based on the recent experience.

The direct impacts of the restrictions fall on hospitality, sport, arts, entertainment and recreation as well as close contact services and retail.

Pre-Covid-19 Annual GVA in Northern Ireland (Directly Affected Sectors Only)^{iv}

Directly Affected Sector	Annual GVA (£bn)	GVA per Week (£m) ¹	Number of Weeks Affected
Accommodation & Food Service Activities (Hospitality)	£1.05	£20.19	8
Arts, Entertainment and Recreation	£0.49	£9.42	8
Other Service Activities	£0.61	£11.73	7
Retail (Essential and Non-Essential)	£5.81	£111.73	2
Total for Selected Sectors	£7.96		

If we assume that all retail is shut for two weeks then that would mean a loss of £223m in GVA (£111.73m X 2 = £223m). However, it should be noted that essential retail is permitted under the Regulations, so would be an overestimate. Some economic activity will still be undertaken within all the sectors above which can be counted in GVA statistics. Therefore, we exclude those sub-sectors partially open (essential retail, takeaways in hospitality sector etc) and only add the weeks in which restrictions were imposed on each sector. In doing this, we suggest that the **direct impact to Northern Ireland's GVA over the eight weeks of restrictions is well over £200m²**.

This is a starting point, for the direct impact only. Once other considerations, including indirect and induced impacts are added to this, **a total loss of approximately £400m to £600m is possible. Adopting a wider range of 0.5% to 1.5% of Northern Ireland's annual GVA may be more prudent.** If this calculation is right, this is substantial, but yet less severe than the impact of the spring lockdown (where construction, manufacturing and office workers etc stayed at home *en masse*). It was estimated that in the spring lockdown, every one month of lockdown lowered annual GDP growth by around 2-3 percentage points.^v

In undertaking this analysis in such a fluid economic situation and within a very short timeframe, the best that can be hoped for is an attempted quantification of the short-term hit to GVA as a result of imposing restrictions, amid a very uncertain counterfactual scenario. This analysis does not constitute a cost-benefit analysis of lockdown (in economic and human terms) and cannot be used to substitute for one.

Disagreement exists as to the optimal course of action. Some analysts have argued that locking down early, or more strictly / severely may help the economy in the

¹ GVA per week is annual GVA divided by 52. This is a crude calculation, especially as many sectors such as Accommodation & Food and Non-Essential Retail have seasonal peaks and troughs in business over the year.

² This is in GVA terms. Turnover lost within these sectors may be substantially higher. Gross value added is the value of output minus the value of intermediate consumption.

medium-term. Somewhat tempering this argument is that the past few months has seen Covid-19 remain stubbornly difficult to eliminate across the UK and RoI.³

The economy may still be able to return to pre-pandemic levels relatively quickly if confidence returns following a vaccine roll-out, although some longer-term economic 'scarring' may have occurred.

By way of comparison and sense-check of our above initial analysis, a number of forecasters have downgraded UK GDP by similar amounts following restrictions across the UK. For example, the Bank of England has increased its estimate of a UK-wide GDP contraction for 2020 by a further 1.5 percentage points (from -9.5% to -11%)^{vi} following recent restrictions across the UK nations.

EY's previous estimate of -10.4% for Northern Ireland for 2020 has been recently changed to -10.9% as *"The resurgence of COVID-19 cases and the return of restrictions have sadly moved the forecasts into reverse."* This estimate was made before the extension of restrictions into December 2020.^{vii}

Richard Ramsey at Ulster Bank has estimated that Northern Ireland is 'on track' for a contraction of 15% in 2020:

"The resurgence of the Covid-19 virus and the reintroduction of lockdowns across Europe is expected to see economies contract over the course of the fourth quarter.....The longer the restrictions remain in place the deeper the contraction will be."^{viii}

A 15% reduction over 2020 would mark a serious downgrade of growth, by a number of percentage points, over the consensus of around -10% made by various organisations before the latest restrictions.

Recent Forecasts for UK and Northern Ireland Economic Output in 2020

	Organisation	2020 Annual Growth	Month Forecast Made
UK	Goldman Sachs	-10.5%	November 2020
	Bank of England	-11.0%	November 2020
	HSBC	-11.0%	November 2020
	OBR	-11.3%	November 2020
	Oxford Economics	-11.4%	November 2020
	Capital Economics	-11.5%	November 2020
NI	KPMG	-9.0%	September 2020
	EY	-10.9%	November 2020
	Danske Bank	-11.0%	October 2020
	UUEPC	-11.6%	August 2020

Sources: HM Treasury Forecasts (Nov 2020), OBR EFO (Nov 2020), KPMG UK Economic Outlook (Sep 2020), EY Economic Eye (Nov 2020), Danske Bank Quarterly Sectoral Forecasts (Q3), UUEPC Pathways to Recovery: Paper 3 (Aug 2020).

³ England, Scotland, Wales, Northern Ireland and the Republic of Ireland have had various restrictions imposed, including local lockdowns, of varying stringency, at various times during the Autumn / Winter. Many restrictions are still continuing in some form.

Notes: All forecasts are in GDP terms, with the exceptions of UUEPC, Danske Bank and KPMG (GVA).

UK-wide, GDP is set to fall by around 11% this year – the largest drop in annual output since the Great Frost of 1709.^{ix} Many of the recent forecasts for UK GDP have been downgraded by 0.5pp to 2.0pp in November 2020, factoring in the deteriorating economic situation.⁴ In Northern Ireland, forecasts for output in 2020 vary; but most commentators expect a double-digit percentage fall over the year as a whole.

While businesses in the early spring of 2020 were in reasonable financial health entering the first lockdown, the latest restrictions come at a time of extreme financial stress.

UK-wide, amongst businesses who have not permanently stopped trading, BICS data from ONS suggests that the Accommodation & Food Service Activities industry had the highest percentage of businesses with low/no cash reserves.^x Circumstances may now be more challenging than when this survey was undertaken.

Analysis on sectoral vulnerability in Northern Ireland, arising from the Covid-19 pandemic, is available at **Appendix 1**.

Assessment of Directly Impacted Jobs

Some sub-sectors are likely to be impacted somewhat differently by the Regulations. It is not always possible to exactly match economic data with legal definitions. However, using disaggregated data prior to Covid-19 from BRES 5-Digit SIC (which is publically available)^{xi}, we consider there may be around 100,000 jobs in total 'locked out' by the Regulations. There will be thousands, or tens of thousands of self-employed on top of this number.

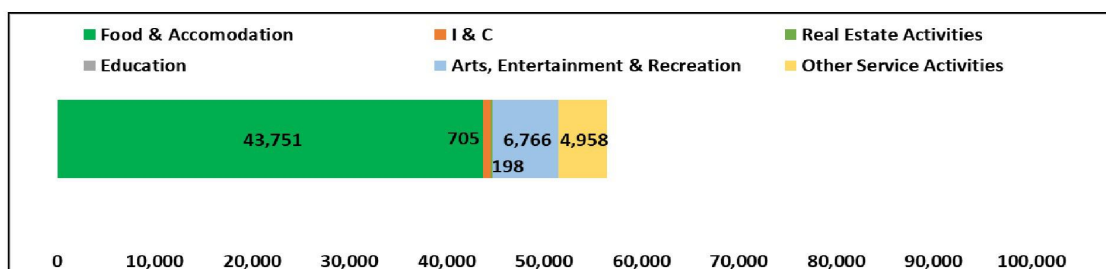
Additional work is ongoing to try and finesse/cross-check the estimates, but at the present time we consider employment in the sectors directly impacted by the restrictions is approximately as follows:

- Restaurants / cafes / bars / hotels and similar accommodation (but not takeaways) – Over 40,000 Jobs / Employments, plus some self-employed in addition.
- Close contact services potentially around 5,000 jobs / employments with further, significant, self-employed as well.
- Other sectors that continue to be impacted include arts venues, theatres and other such venues – these have the potential to see around 10,000 jobs / employments impacted.
- Around 1,000 jobs may be impacted within the Information and Communication sector as motion picture projection activities are put on hold.
- Non-essential retail closures, introduced for a two-week period beginning on the 27th November, has the potential to impact around 30,000 employments.

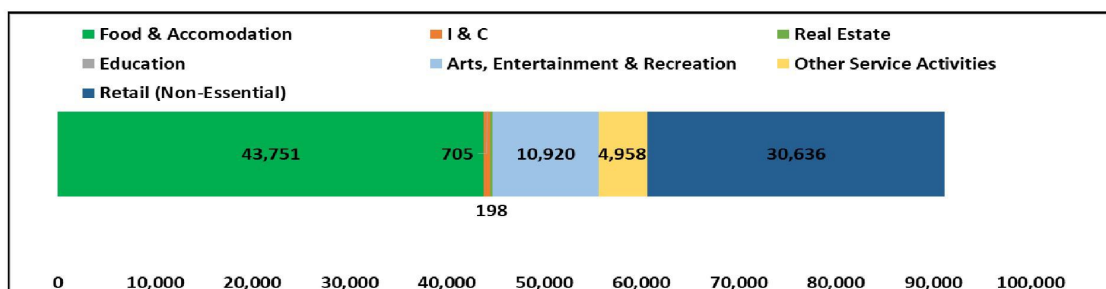
The charts below illustrates an estimate of the jobs possibly impacted by the restrictions over the eight weeks.

⁴ Downgrades for UK GDP forecasts for 2020 may be for a variety of reasons and may not solely related to recent restrictions. Upgrades to annual GDP may also be made if outturn data from earlier in the year is better than was originally considered.

Estimate of Jobs Possibly Impacted in Weeks 1-5, by Sector



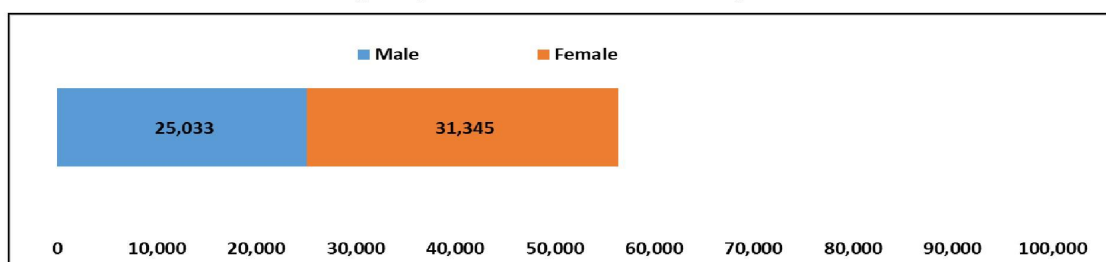
Estimate of Jobs Possibly Impacted in Weeks 7-8, by Sector



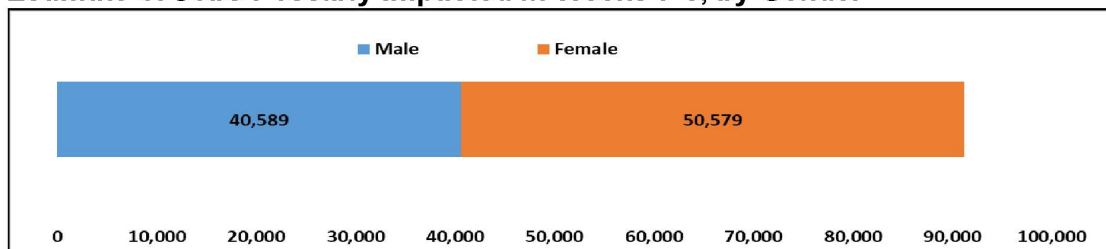
Impact on Females

There may be a gender imbalance in terms of jobs impacted by the 4-week circuit breaker. The indications are that around 5,000 more jobs for females were impacted than for males during the initial 4-week circuit breaker restrictions, rising to around 10,000 during the additional restrictions introduced from 27th November. This is partly as a result of the female employment levels in close contact service businesses such as hairdressers and beauticians.

Estimate of Jobs Possibly Impacted in Weeks 1-5, by Gender

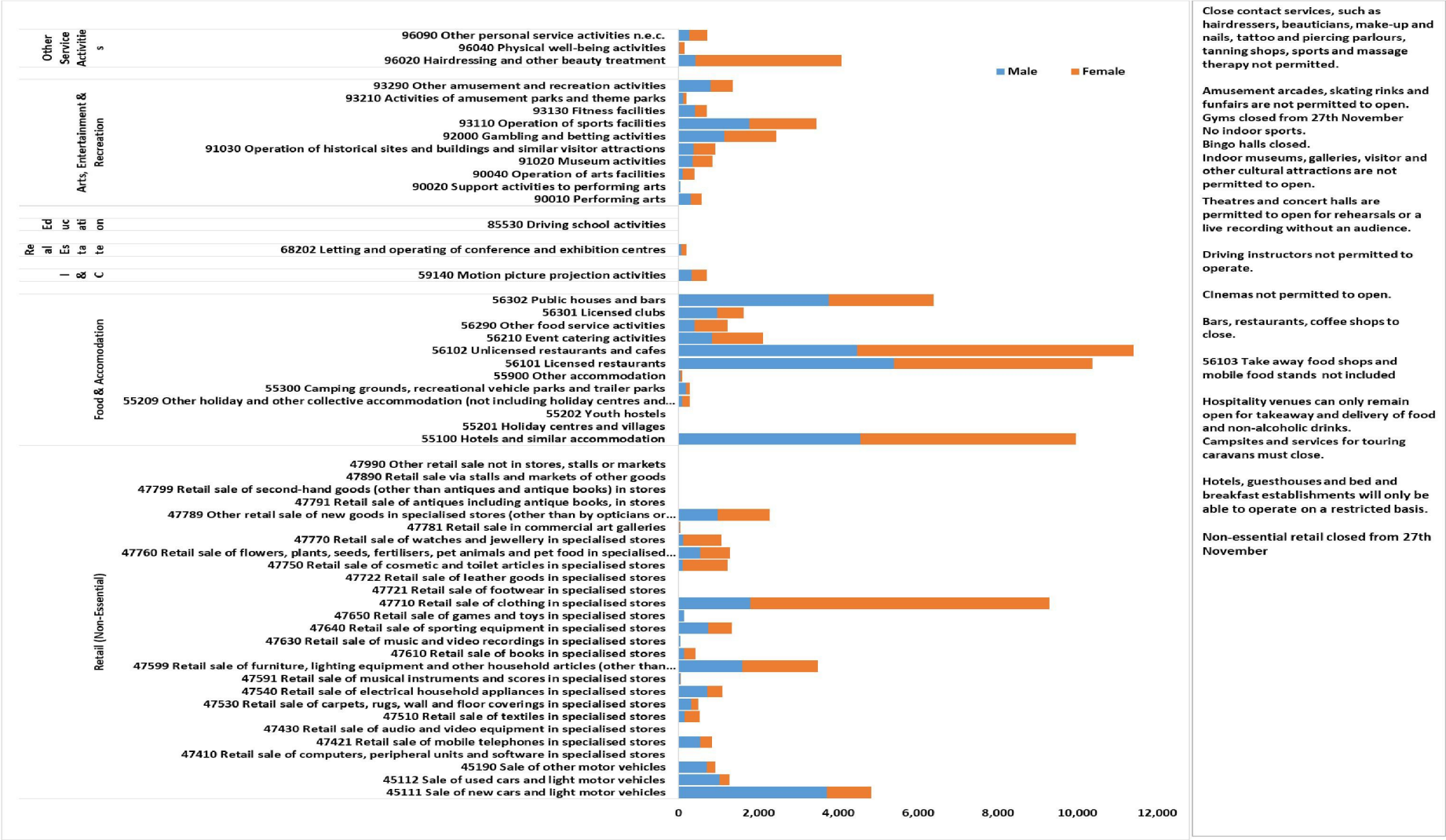


Estimate of Jobs Possibly Impacted in Weeks 7-8, by Gender



This is illustrated in the chart and table on the following pages, which breaks down those sub-sectors and activities likely to be impacted, by male and female.

LIST OF 5-DIGIT SIC LEVEL JOBS POSSIBLY DIRECTLY AFFECTED BY CIRCUIT BREAKER



Comparing Jobs Impacted Currently with Spring Lockdown

HMRC's Coronavirus Job Retention Scheme (CJRS) and Self-Employment Income Support Scheme (SEISS) have both been instrumental in avoiding widespread job losses^{xii}. Over 9 million have used the CJRS UK-wide, while over 2 million have claimed from SEISS.

In Northern Ireland, a total of 249,600 employments were furloughed on CJRS as a result of the spring lockdown. While these are cumulative figures, figures from the latest HMRC release show that while many employments have been 'unfurloughed' over the summer, some 54,100 employments were still furloughed as at 30 September 2020, using CJRS. NI had 21,700 staff flexibly furloughed, around 40% of furloughed employments. In addition to this, around 78,000 self-employed individuals in Northern Ireland had claimed the first SEISS grant, and around 70,000 had claimed the second SEISS grant up to 31 October 2020.

Although previously due to end on 31 October 2020, the **CJRS has now been extended to March 2021**.^{xiii}

Although the furlough schemes have both been instrumental in avoiding more widespread job losses, the Claimant Count doubled from its pre-pandemic level of around 30,000 to just over 60,000 in the latest figures released for October 2020.^{xiv} The October figure was the sixth consecutive month that the figure has exceeded 60,000.

Reflecting on all of these factors, we consider that the peak Claimant Count in 2020 or 2021 may still go higher than the current 60,000 plus figure in Northern Ireland, by how much depends on the level of restrictions and how successful the furlough scheme will be, now it has been extended. The impact of the vaccine must also be considered.

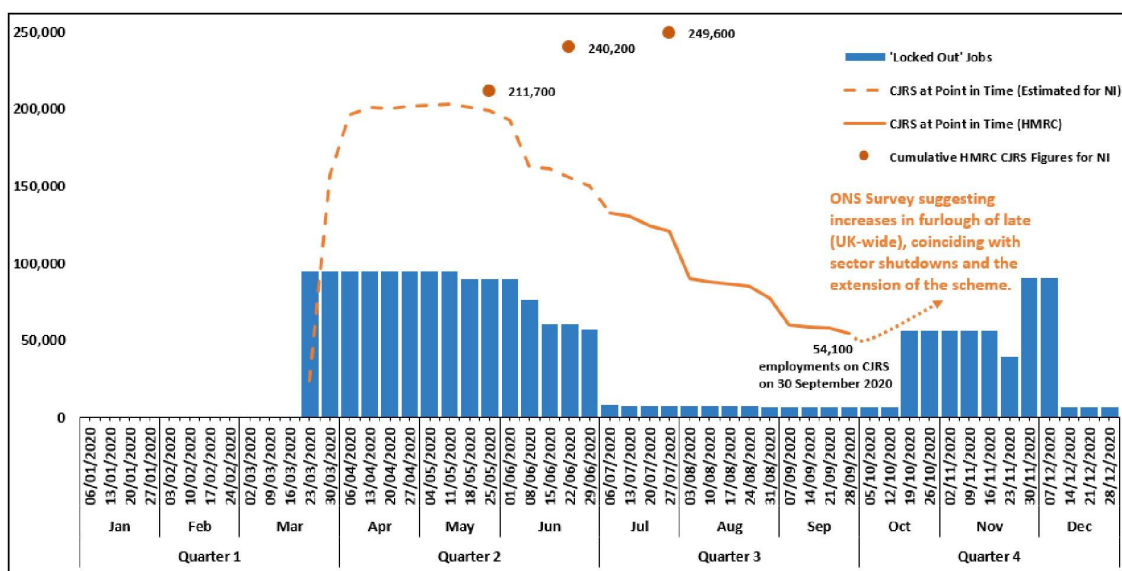
In the near-term, UUEPC Director Gareth Hetherington, has suggested that the Executive's move to impose two weeks of lockdown following six weeks of Covid-19 restrictions puts up to 40,000 jobs at risk in Northern Ireland.^{xv} Mr Hetherington commented that:

"The claimant count doubled to 60,000 following the first lockdown, but with the prospect of this continued cycle of restrictions an increase to over 100,000 next year is not a worst-case scenario."

UK-wide unemployment estimates, forecasted by OBR, are available in **Appendix 2**.

The graph below illustrates how recent restrictions compare to those seen during the Spring Lockdown. We term 'locked out' jobs as employment numbers relating to a sub-sector explicitly not permitted to open under Regulations, or subsequent amendments to those Regulations.

Employment in Sub-Sectors 'Officially Closed' during 2020, by Week



Notes:

The dashed line has been calculated from UK-wide HMRC CJRS data and apportioned to Northern Ireland by DfE. The solid line has been created by using official HMRC CJRS data specifically relating to Northern Ireland.

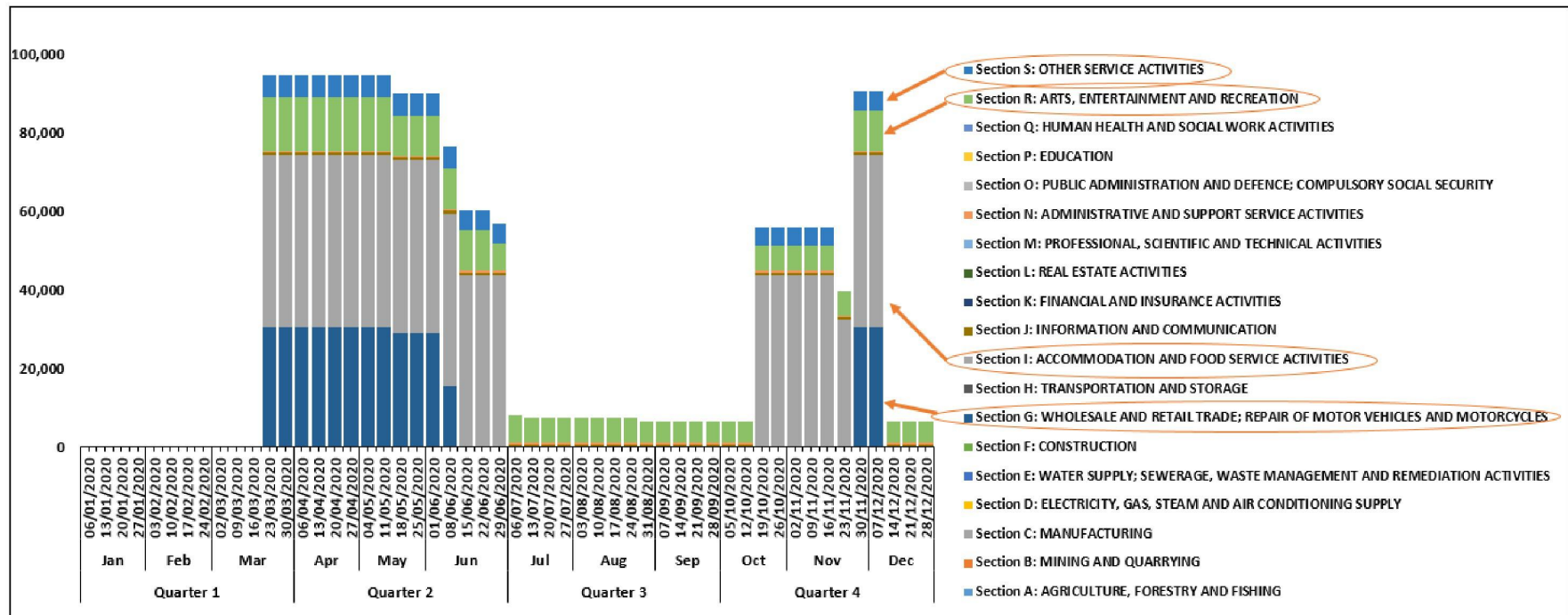
Use of the CJRS scheme may increase in Quarter 4 of 2020 due to the restrictions, with usage coming from both those sectors legally closed and those sectors open (but experiencing reduced demand).

Self-employed not included.

Regulations first made in Northern Ireland on 28 March 2020, but shown as starting from week beginning 23 March 2020 in above graph. The 'locked out' jobs estimates are only intended to be indicative / illustrative and some sub-sectors may be omitted or erroneously included. After this phase of restrictions ends, assumed return to previous levels.

A sectoral breakdown of those sectors impacted can be seen below.

Employment in Sub-Sectors 'Officially Closed' during 2020, by Week, by Sector



Notes:

The 'locked out' jobs estimates are only intended to be indicative / illustrative and some sub-sectors may be omitted or erroneously included. After this phase of restrictions ends, assumed return to previous levels.

Self-employed not included.

Impact on Younger Workers

According to analysis by the Centre for Economic Performance (CEP), young workers experienced poor labour market outcomes in terms of job loss, not working and earnings losses during and after lockdown.

Those aged 16-25 were over twice as likely as older employees to have suffered job loss, with over one in ten losing their job, and just under six in ten seeing their earnings fall. Labour market losses are more pronounced for women, the self-employed and those who grew up in a poor family.^{xvi}

While the CEP research is UK-wide, local research from UUEPC after the first lockdown points to the fact that over one-third (36%) of people employed in the accommodation and food sector are under 25 years old. This group represent just over one-tenth (12%) of total employment in Northern Ireland, therefore the impact within the accommodation and food sector has been intensively felt by young people.^{xvii}

The latest NI seasonally adjusted unemployment rate (the proportion of economically active people aged 16+ who were unemployed) for the period July - September 2020 was estimated from the Labour Force Survey at 3.6%. The unemployment rate increased over the quarter by 1.0 percentage points (pps) and by 1.0pps over the year. The data indicate that the increase over the quarter was driven by those under 35 years. Within this, the youth unemployment rate (16-24 years) was estimated at 11.5% in July-September 2020.^{xviii}

UK-wide, younger females have been slightly more likely to be furloughed than younger males. In general, furlough take-up rates for younger workers have been higher than those for older workers.

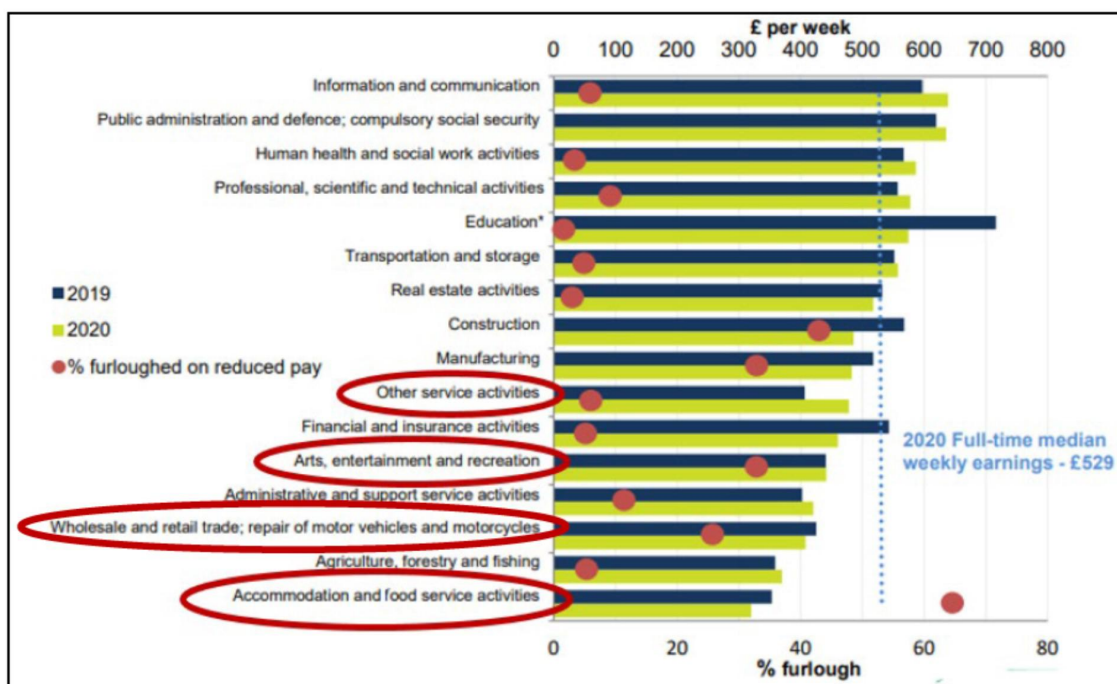
Impact on Lower Paid

According to the FT, more than 2m UK employees earned less than the statutory minimum wage in April, because the lowest paid were the most likely to be furloughed. The Annual Survey of Hours and Earnings (ASHE) by ONS gives a stark illustration of the immediate impact the first coronavirus lockdown had on living standards, choking off growth in private sector pay and hitting young, part-time workers in particular.^{xix}

Recent data from the Northern Ireland ASHE shows that weekly earnings for full-time employees at April 2020 were highest in 'Information and communication' (£639) and lowest in 'Accommodation and food service activities' (£320).^{xx}

As shown in the graph below, the four sectors most directly affected by the latest restrictions were earning below the Northern Ireland median in 2019 and 2020.

Median gross weekly earnings for full-time employees in NI, April 2020



Source: ASHE 2020 (NISRA)

According to NISRA, four of the five industries with the largest proportion (all above 25%) of employees furloughed on reduced pay during the survey period saw decreases in earnings over the year ranging from 4.1% to 14%.

The impact of furlough on individual industry sectors is dependent on the number of employees furloughed, where they are in the earnings distribution, and the distribution range.

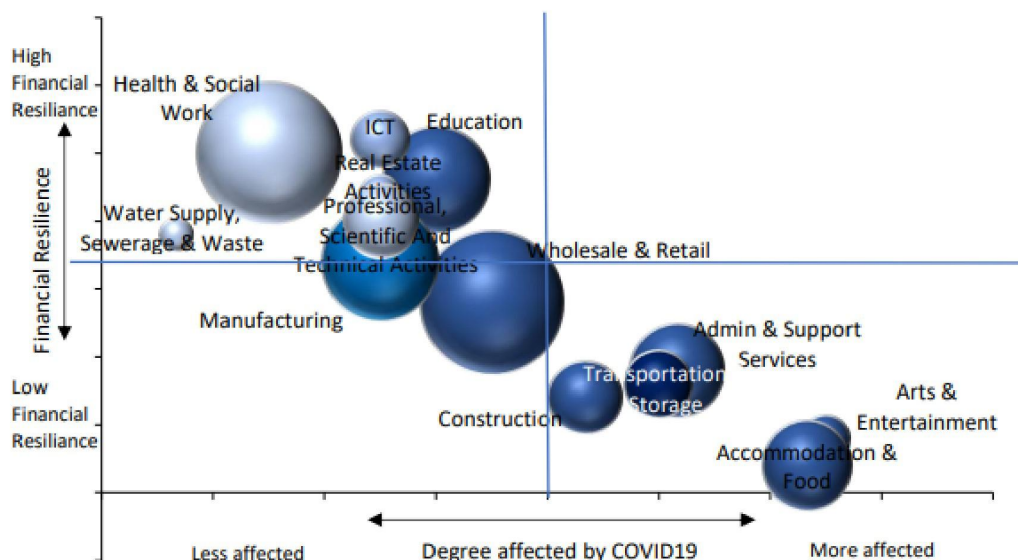
APPENDIX 1 – SECTORAL VULNERABILITY

In September 2020, UUEPC published analysis on the Business Impact of Covid-19 on Northern Ireland.^{xxi} The report includes an analysis on the vulnerability of sectors to the effects of the pandemic. The figure below displays the sectoral exposure to the impacts of Covid-19 based on data from 15th-28th June.

The size of the orb demonstrates the size of the sector in terms of employment in NI. Those in the upper left-hand quadrant are the most secure based on a high degree of financial resilience and less impacted by the pandemic. Those in the lower right quadrant are most threatened as they have a low financial resilience and have been most affected in terms of impacts on workforce, turnover and trading status.

The indication is that, at the end of June, Accommodation and Food services, and Arts and Entertainment were the most threatened sectors. Other sectors with a low financial resilience and affected by the pandemic include Administration and Support, Transportation and Storage, and Construction.

Figure 2.10: Sectoral Vulnerability to Covid-19, Northern Ireland, 15th-28th June 2020



Source: UUEPC estimates based on BICS and ONS Workforce Jobs

Translating the above diagram into four risk quadrants, the figure below shows the degree of vulnerability, or resilience to the pandemic and demonstrates the exposure in terms of number of firms, micro-firms, employees and GVA.

Figure 2.11: Vulnerability of Firms, Employees and GVA to Covid-19, Northern Ireland, 2020

No. of Firms		Share of Micro Firms		No. of Employees		GVA (£m)	
LESS AFFECTED, HIGHER FINANCIAL RESILIENCE	MORE AFFECTED, HIGHER FINANCIAL RESILIENCE	LESS AFFECTED, HIGHER FINANCIAL RESILIENCE	MORE AFFECTED, HIGHER FINANCIAL RESILIENCE	LESS AFFECTED, HIGHER FINANCIAL RESILIENCE	MORE AFFECTED, HIGHER FINANCIAL RESILIENCE	LESS AFFECTED, HIGHER FINANCIAL RESILIENCE	MORE AFFECTED, HIGHER FINANCIAL RESILIENCE
14,400	N/A	84%	N/A	306,000	N/A	15,500	N/A
LESS AFFECTED, LOWER FINANCIAL RESILIENCE	MORE AFFECTED, LOWER FINANCIAL RESILIENCE	LESS AFFECTED, LOWER FINANCIAL RESILIENCE	MORE AFFECTED, LOWER FINANCIAL RESILIENCE	LESS AFFECTED, LOWER FINANCIAL RESILIENCE	MORE AFFECTED, LOWER FINANCIAL RESILIENCE	LESS AFFECTED, LOWER FINANCIAL RESILIENCE	MORE AFFECTED, LOWER FINANCIAL RESILIENCE
16,200	25,300	64%	89%	242,000	233,000	12,200	7,300

Source: UUEPC estimates based on IDBR, ONS Workforce Jobs and GVA estimates

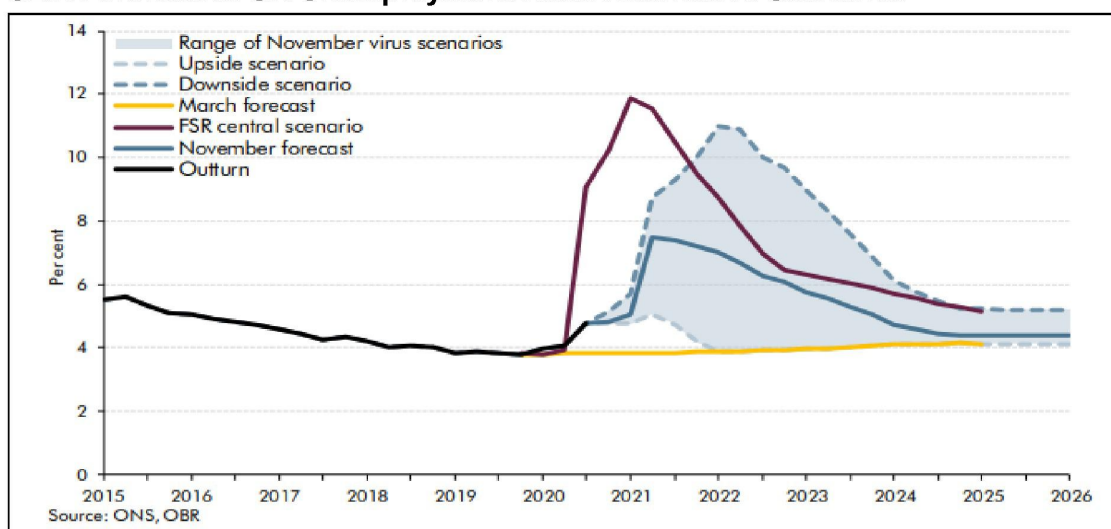
Those sectors in the lower right quadrant are the most exposed to the effects of the pandemic with low financial resilience and a heavy impact in terms of business activity. Focusing solely on that quadrant suggests that around 25,000 firms (around one third of all firms) are vulnerable, the majority of which are micro-firms. Based on 2020 estimates, more than 200,000 jobs (around one quarter of the total) are in firms in the most vulnerable category, with a GVA exposure to the tune of £7bn (17% of the total). More information on this analysis can be found in the UUEPC report, titled *'The Impact of Covid-19 on Northern Ireland Business Activity'*.

APPENDIX 2 – OBR (NOV 2020) SCENARIOS ON UK UNEMPLOYMENT

UK-wide, the most recent unemployment rate (for July to September) was 4.8%. 1.62 million people are now classified as unemployed. Chancellor Rishi Sunak has warned that this number is expected to surge to 2.6 million by mid-2021^{xxii}; 7.5% of the working age population. This forecast, from the Office for Budget Responsibility (OBR) made in November 2020, assumes that a fall in output during the second wave of infections will be concentrated in lower average hours among the employees to be covered by the CJRS on average during the fourth quarter of 2020 and first quarter of 2021. According to OBR forecasts, 5.9 million employees are expected to be furloughed in November 2020.^{xxiii}

The OBR expect a modest 100,000 rise in unemployment across the UK between the third quarter of 2020 and first quarter of 2021. However, unemployment is expected to rise a further 800,000 in the second quarter of 2021 following the end of the CJRS in March, peaking at 2.6 million, or 7.5%. This is lower than the OBR's Fiscal Sustainability Report (FSR) central scenario from July 2020.

OBR Forecast of UK Unemployment Rate: Alternative Scenarios



The path of unemployment in the upside and downside scenarios from OBR broadly reflects differences in the pace of economic recovery and the degree of labour reallocation required. In OBR's upside scenario, unemployment does not rise much more as output has largely recovered by the time the CJRS ends. In this hypothetical scenario, the CJRS succeeds almost perfectly in bridging the labour market across the pandemic. In OBR's downside scenario, it is assumed that unemployment rises markedly higher after the CJRS is withdrawn, reflecting the weaker recovery in output, and a further spike following the third wave of the virus at the end of 2021. Unemployment is also higher further out in the forecast, reflecting the need for greater labour reallocation.^{xxiv}

Summary of OBR Virus Scenarios for UK

	Virus scenarios		
	Upside	Central	Downside
Public health assumptions			
Lockdown ends	2 December	2 December	2 December
Test, trace and isolate	Effective	Partly effective	Ineffective
Public health restrictions: lockdown to vaccine ¹	Medium-low	High-medium	Very high ²
Vaccines widely available	From Spring 2021	From mid-2021	Ineffective
Economic effects (per cent, unless otherwise stated)			
Real GDP growth in 2020	-10.6	-11.3	-12.0
Return to pre-virus peak (2019Q4)	2021Q4	2022Q4	2024Q4
Peak unemployment rate	5.1	7.5	11.0
Long-term GDP scarring	0.0	3.0	6.0
Fiscal effects (per cent)			
Public sector net borrowing in 2020-21	16.7	19.0	21.7
Public sector net borrowing in 2025-26	1.7	3.9	6.1
Public sector net debt in 2025-26	90.5	104.7	123.1
Budget 2020 fiscal targets			
Current budget balance in 2023-24	Met	Not Met	Not Met
Net investment below 3 per cent of GDP	Met	Met	Not Met
Debt interest to revenue ratio below 6 per cent	Met	Met	Met

¹ Low, medium and high are broadly equivalent to October 2020 tiers 1, 2 and 3 in England. Very high is between October 2020 tier 3 and November 2020 lockdown in England.

² Restrictions to ease to low by end of 2021.

Although originally due to end on 31 October 2020, the CJRS has now been extended to March 2021.^{xxv} With the recent extension of CJRS, to March 2021, coupled with further restrictions on hospitality and retail etc, the usage of CJRS can be expected to increase towards the end of 2020. Indeed, a recent Business Impact of Coronavirus Survey (BICS) by ONS has shown an increase in the usage of furlough, UK-wide.^{xxvi} As shown in the excerpt below, the OBR in their November Report are also expecting furlough to increase in Quarter 4 of 2020.^{xxvii}

OBR Estimate of CJRS Usage UK-wide

	Millions of furloughed employees							
	Monthly average							Nov to Mar Forecast
	Apr to Jun		Jul to Oct		Forecast			
	Outturn	Estimate	Nov	Dec	Jan	Feb	Mar	
November forecast								
Number of furloughed individuals	8.3	3.1	5.9	4.8	4.4	3.9	3.5	4.5
Average monthly subsidy (£)	1,151	955	1,000	987	980	975	969	982
Gross monthly cost (£ billion)	9.6	3.0	5.9	4.7	4.3	3.8	3.3	22.1
Cumulative gross cost (£ billion)	28.7	40.5	46.4	51.2	55.4	59.2	62.6	

SOURCES

- ⁱ [ONS - Regional gross value added \(balanced\) per head and income components](#)
- ⁱⁱ [ONS - Regional economic activity by gross domestic product, UK: 1998 to 2018](#)
- ⁱⁱⁱ <https://www.health-ni.gov.uk/publications/covid-19-mobility-reports>
- ^{iv} [Regional gross value added \(balanced\) per head and income components - Office for National Statistics \(ons.gov.uk\)](#)
- ^v [CRU - Month of lockdown lowers annual GDP by 2-3%](#)
- ^{vi} [Bank of England Monetary Policy Report November 2020](#)
- ^{vii} [Economic Eye Report Winter 2020 - Bouncing back or stepping forward | EY Ireland](#)
- ^{viii} [Irish News - NI economy on course to contract by 15% in 2020 after fresh Covid-19 restrictions](#)
- ^{ix} [OBR - Economic and Fiscal Outlook November 2020](#)
- ^x [Business insights and impacts on the UK - Office for National Statistics \(ons.gov.uk\)](#)
- ^{xi} [NISRA - BRES Publications and Tables 2019](#)
- ^{xii} [HMRC coronavirus \(COVID-19\) statistics](#)
- ^{xiii} [Gov.uk - Check if you can claim the Job Support Scheme](#)
- ^{xiv} [Claimant Count Tables | Northern Ireland Statistics and Research Agency \(nisra.gov.uk\)](#)
- ^{xv} [40,000 jobs put at risk by Covid-19 lockdown in Northern Ireland, warns economist - BelfastTelegraph.co.uk](#)
- ^{xvi} [Centre for Economic Performance - Generation COVID: Emerging work and education inequalities](#)
- ^{xvii} [UUEPC - Labour market implications of Covid-19](#)
- ^{xviii} [NISRA - Northern Ireland Labour Market Report](#)
- ^{xix} [FT - Furlough leaves 2m UK employees earning less than minimum wage](#)
- ^{xx} [NISRA - Northern Ireland Annual Survey of Hours and Earnings](#)
- ^{xxi} [UUEPC - The Impact of Covid-19 on Northern Ireland Business Activity](#)
- ^{xxii} [Spending Review: Unemployed predicted to rise to 2.6 million - BBC News](#)
- ^{xxiii} [OBR - Economic and Fiscal Outlook November 2020](#)
- ^{xxiv} [Economic and fiscal outlook - November 2020 \(obr.uk\)](#)
- ^{xxv} [Gov.uk - Check if you can claim the Job Support Scheme](#)
- ^{xxvi} [ONS - Coronavirus and the latest indicators for the UK economy and society: 26 November 2020](#)
- ^{xxvii} [OBR - Economic and fiscal outlook November 2020](#)