

From the Office of the Minister
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To: EXECUTIVE COLLEAGUES

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Irrelevant & Sensitive

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DfE EXEC 0065-2020: ECONOMIC IMPACT OF THE 4 WEEK CIRCUIT BREAKER AND PROPOSED RECOMMENDATIONS

The purpose of this paper is to give a brief summary of the economic impact of the 4 week circuit breaker and to recommend actions moving forward.

The Department for the Economy has undertaken an initial assessment of the economic impact of the four-week circuit breaker in Northern Ireland. Attached as a Annex is the full assessment, however we consider that the measure is likely to have had the following impact which require immediate consideration by the Executive:

- Initial indications are that the four-week circuit breaker introduced in Northern Ireland may lead to **a loss of £400m to our economy**.
- The figures include direct and indirect losses along with the costs of a potential delay to the partial recovery.
- This comes on top of **losses of £4bn to 5bn already caused by the impact of Covid-19 and the original lockdown earlier this year**.
- Severe financial consequences experienced by the Accommodation & Food, Close Contact Services and the Arts, Entertainment & Recreation sectors, and supply chain businesses, with a **direct impact of the circuit breaker on around 60,000 jobs**.
- Many workers have been affected, but indications are that **females, younger workers and those on low pay may have been most adversely affected**.

The full details of the findings are provided in the main paper¹. However, it is clear the costs to the economy of all form of lockdown are high and the preferred economic approach will always see businesses opening and trading as preferable to being closed and in receipt of grants.

Welcome progress has recently been observed in relation to behavioural change and progress in reducing the 'R' rate. This improvement on the health side is hugely valuable for the economy, and for those sectors currently restricted this could provide some welcome scope for some cautious steps toward reducing restrictions and a return to trading.

Whilst my preferred option, based on the attached modelling, would be to see the economy reopened in full, I recognise that we need to attempt to find an agreed consensus around the Executive and therefore suggest:

- a. The Executive should continue its messaging around behavioural change (wash your hands, wear a mask, socially distance)
- b. Need for increased visibility of relevant agencies to support adherence to measures
- c. From 13th November close contact services including driving instructors will be able to re-open by appointment
- d. Retail will continue to stay open, and hospitality will reopen in a graduated and controlled manner
- e. Unlicensed premises such as cafes and coffee shops can open from the 13th Nov
- f. Licensed premises will reopen on 27th and a 'Safely Open' group, as had been discussed at the Executive meeting earlier this week, involving the hospitality sector and local government will be established
- g. Hotels will be able to serve food and alcoholic drinks to residents
- h. Pubs and bars will be permitted to sell sealed off sales from the 13th Nov

¹ It should be noted that this is an initial assessment of the 4-week circuit breaker only, is not a forecast, and may be subject to further refinement as more data becomes available.

RECOMMENDATION

You are recommended to agree the approach outlined at a.-h. above.

Personal Data

DIANE DODDS MLA

Minister for the Economy