

Departmental Comments provided by: June Ingram

- This paper from Minister Swann sets out the impact of the current restrictions on reducing the R number and the results of DoH modelling of the course of the COVID epidemic and the impact of different interventions, and recommends that the current restrictions are extended for a further period of 2 weeks after the 12th November. The paper indicates that with this extension, it may be possible to avoid further intervention before Christmas, though this cannot be guaranteed.
- While the paper considers alternative approaches it concludes that a two week extension to the current restrictions is to be recommended.
- The Minister provides details of the restrictions which would remain should the No 2 Regulations lapse on 12 November 2020 (i.e. Remaining closure of nightclubs, concert halls, conference centres and theatres (except for rehearsals and recordings; restrictions on licensed premises & hospitality sector including 10.30 curfew).
- The paper reports that the R number cannot be less than 1 with both schools and hospitality open.
- Given that closure of non-essential retail is not part of the current restrictions, Minister Swann has not included this in his recommendation.
- The paper also focusses on the impact on the hospitality sector of this proposed extension and recognises that extending the current restrictions is likely to have a particular impact on the hospitality sector, and will compound an already extremely difficult position.

- While Minister Swann deeply regrets that, he emphasises that his recommendations flow from his absolute obligation to protect the Health Service from being overwhelmed. He indicates that the service, and colleagues within it, have been under intense, and growing, pressure for a considerable period of time, and while they are taking any and all internal measures to address the ongoing surge, they must – in parallel – seek to limit the impact of growing case numbers if they are to avoid collapse.
- That said, he remains concerned about the adverse impact on the hospitality sector. While he is aware that the recent extension of the Furlough Scheme will provide a measure of support, he believes the Executive needs to urgently consider some further targeted support for this important sector. He indicates that he has previously written to the Minister on this issue, and would recommend that the Executive gives priority consideration to any measures brought forward from the Department for the Economy.
- The Minister indicates that previous SAGE modelling suggested that an effective TTP service would reduce R by approximately 30%. A separate paper on the NI position has been prepared for discussion. However, the paper has not been included in the Executive papers.
- The recommendations in the paper are therefore to commend that the Executive:
 - i. Agrees a two week extension of the current restrictions; and
 - ii. In recognising the particular impact on the hospitality sector, gives urgent consideration to any mitigating financial support measures brought forward by the Minister for the Economy.

Suggested Lines to Take

- I recognise that these are challenging times for the business community who have already experienced hardship, and that some businesses will face additional difficulties as a result of the four week restrictions and any extension to these.

- The four-week period of restrictions introduced in Northern Ireland may lead to **a loss of around £400m to our economy**. Even if this is an overestimate, we consider the impact is in the magnitude of hundreds of millions of pounds. Inevitably with an extension to restrictions this cost would increase significantly, particularly given the timing as it directly hits the “golden quarter”.
- The effects of a further two week, or longer, closure at this time of year- which is regarded as the “golden quarter” during which most businesses increase their revenue which helps them survive through leaner periods during the year- will be particularly marked. Without the opportunity to trade safely and in a Covid assured manner through this golden quarter many businesses will face an uncertain future. Business reserves are already depleted and this proposed extension may prove fatal to many.
- Planning for the Festive & New Year season and consideration of the impact of any restrictions is essential, and I note that at this stage it is proposed that non-essential retail remains open. Cross departmental work on this matter has been taking place and this paper does not appear to align with this work.
- It is important to note that this comes on top of losses of £4-5billion already caused by the impact of Covid-19 and the original lockdown earlier this year.
- I want to support as many viable business and organisations as possible during these times and have launched Part A of the Covid Restrictions Business Support Scheme which will provide support to those businesses affected, but not covered by the Localised Restrictions Support Scheme

(LRSS). Part B, which will support those supplying goods and services to those businesses named in the health regulations, will be operational soon. If restrictions are to extend beyond the 13 November, it will be necessary for the Executive to consider if further funding is available to extend the support provided through this scheme.

- Any further extension to the current period of restrictions will be devastating for our economy and particularly the local Hospitality Sector. I have previously written to Executive Colleagues to make them aware of my intention to bring forward a support scheme for large businesses in the hospitality and tourism sectors as well as support for the newly self-employed as I recognise the difficulties these groups are facing. I hope to announce further details on these schemes shortly.
- While an extension of the current restrictions is being sought for two weeks only at this stage, it is noted that Minister Swann **cannot guarantee that there will be no further extensions before Christmas.**
- I recognise that Minister of Health's concerns with regard to hospitality sector. However, alternative scenarios such as a phased re-opening detailing a mixed approach and the impact on R has not been presented.
- However, any extensions of the restrictions will have hugely detrimental impact not only on the hospitality sector but also on retail which has already advised that the closure of hospitality is also impacting its trade.
- The UK Retail experts Springboard report that the current restrictions have resulted in Northern Ireland experiencing the highest footfall drop in the UK. Retail NI have confirmed members have lost as much as 60% as

a result of lost footfall putting at risk jobs in retail, hospitality and the wider supply chain over the next few months.

- The decline in footfall may be indicative of the support for the current restrictions and rate of compliance based on their defined length. A further extension may not be as well received or supported.
- We understand that businesses in the retail sector have to date spent £12m on being Covid compliant. This figure is expected to rise to £15m+ by the end of December.
- Similar expenditure has been undertaken across all businesses in the hospitality and close contact services to Covid proof their businesses for staff and customers based on the guidance provided by health officials and businesses are frustrated by this not being deemed sufficient – no additional advice has been considered within the paper.
- The hospitality sector is finding it impossible to plan because of the way in which restrictions are being imposed for periods only then to be extended.
- If additional support measures are to be developed, then the Executive must provide additional funding- we cannot simply stretch the funding already earmarked for another 2 weeks. The Health Minister highlights this in his Executive paper. Whether it be a 2 week extension to restrictions, or further restrictions in the future (which we must do everything possible to avoid), we must support those businesses which are required to close as well as those which supply them.

- The current restrictions have produced a significant decline in footfall in our towns and cities raising the prospect of retail also needing financial support as people are not going to the shops.
- Tourism and hospitality businesses have been massively impacted by COVID and have had little opportunity to gather reserves for the winter period. They face a challenging 2021 and if we do not support the industry it faces a very difficult future.
- The CMO/CSA also needs to provide clarity now on how businesses can reopen safely, once the circuit breaker is lifted.
- The paper indicates that previous SAGE modelling suggested that an effective TTP service would reduce R by approximately 30%. A separate paper on the NI position has been prepared for discussion. However, the paper has not been included in the Executive papers.
- There is scant information on the role that TTP has played in any of this. I note that SAGE modelling suggested that an effective TTP service would reduce R by approximately 30%, but what effect is our TPP System in NI having on the R Rate in NI? And if it were improved what effect could it have?
- The extension of restrictions is a very draconian way to reduce the R rate and bring down the numbers infected, and we are having to go through a second one of these to do it all over again. If this extended lockdown succeeds in reducing the level of infection across the NI population can the TTP system be expected to play an effective role in subsequently

keeping infections down? If not, then we have to ask the question as to what is our exit strategy.

- We are spending vast sums of money supporting business and jobs that are locked out. Is there scope to spend some of those vast sums of money on scaling up, extending or improving TTP activities to a scale that would allow some of those lockdown industries to operate through the pandemic? If something like this could be done there would be a huge cost benefit potential in investing in R supressing activities that permit vast industries to remain open.
- This would assuage the concerns of those businesses across the economy who have invested in PPE, adopted Covid complaint measures and identified the impact of these actions in the NPI papers previously considered and yet have been forced into closure by recent restrictions.
- The proposals from Minister Swann will also mean that close contact services remain closed.
- If restrictions are to extend beyond the end of November, it will be essential that UKG also extends the furlough scheme- the salary support is vital to enable businesses to survive and prevent redundancies.
- The supply chain impact and knock on effect of the recent restrictions on sectors beyond those specifically required to close is clear. In the Spring Lockdown for every one job specifically closed by the regulations and on furlough, nearly another two jobs were also on furlough.

- Indications are that there has been 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.
- We simply cannot keep shutting large parts of the economy down- we need to give in-depth strategic consideration to how we can live with the virus going forward.
- The stop start nature of the application of restrictions will mean every stop will result in us having fewer starts as businesses fail to re-open.
- The Executive should be seeking to articulate a clear strategy for living with Covid 19, and where restrictions are required providing a clear articulation of the requirements, timeframe and exit pathway from any future actions.

FROM: DIANE DODDS MLA

Our Ref:

Your Ref: MEMO(20) 59 (C)

DATE: November 2020

TO: Robin Swann MLA

**FINAL EXECUTIVE PAPER: MODELLING THE COURSE OF THE
COVID EPIDEMIC AND THE IMPACT OF DIFFERENT
INTERVENTIONS AND RECOMMENDATIONS**

Thank you for your Executive paper of 5 November 2020 regarding the above.

I have noted the contents and recognise your obligation to protect the Health Service from being overwhelmed.

I note the proposed recommendations of a two week extension of the current restrictions and in recognition of the particular impact on the hospitality sector that the Executive gives urgent consideration to any mitigating financial support measures brought forward by the Minister for the Economy. However, these recommendations are framed solely within the confines of the health lens.

The paper indicates that previous SAGE modelling suggested that an effective TTP service would reduce R by approximately 30%. A separate paper on the NI TTP position has been provided.

On the issue of TTP there is very limited information on the role that TTP has played in any of the aspects of the paper which is the subject of this letter. In the context of the SAGE modelling suggesting that an effective TTP service would reduce R by approximately 30%, it would be important to know what effect our TTP System in NI is having on the R Rate here, and if it were improved what effect it could have. As an aid to informing businesses who have invested in PPE and introduced Covid compliant operations for the staff and customers this is vital information which is not detailed.

In my previous correspondence to Executive colleagues on “Preparing for the next stage of Covid Response” I highlighted “the need to know the effectiveness of measures in controlling the spread of the virus, but we also must know the impacts of these measures on our communities and services”. My correspondence referenced the Executive’s need “to simultaneously respond to

the evolving nature of the virus while also taking steps to rebuild a more competitive, inclusive and greener economy”.

In setting out your recommendations I am not convinced that the Executive is being presented with a comprehensive analysis of alternative pathways such as a phased lifting of restrictions, additional guidance to allow businesses to continue to enhance the precautions they can make for staff and customers, or a balanced approach to allowing businesses currently closed to have confidence that they will be permitted to trade at the end of the proposed (further) extended restrictions.

I am copying this to the Attorney General, Departmental Solicitor's Office, First Legislative Counsel and to Executive Secretariat.

DIANE DODDS MLA