

**From: Mike Brennan**

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**Date: 8 April 2020**

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**To:** 1. **Special Adviser**  
2. **Minister**

**LABOUR RELATIONS AGENCY: ENGAGEMENT FORUM ON COVID -19  
UPDATE.**

**Issue:** To update the Minister on the multi-stakeholder forum set-up to advise the Executive on how best to manage the challenge of Covid-19 as it applies to the NI Economy/Labour Market.

**Timing:** Desk Immediate

**Executive Referral:** Yes.

**PfG Implications:** N/A.

**Presentational Issues:** High interest from Media, Political Parties.

**Freedom of Information:** Fully Disclosable

**Financial Implications:** Budget is available to meet the cost of facilitating the Forum.

**Legislative Implications:** N/A

**Statutory Equality Implications:** Compliant with Section 75.

**Recommendation:** It is recommended that you:

- Note the contents of this submission and related Annex
- **Annex A** - Lines To Take

**Background**

1. The Northern Ireland Executive asked the Labour Relations Agency to form a group of business representative organisations, trade unions and other stakeholder bodies to advise the Executive on how best to manage the challenge of Covid – 19 as it applies to the Northern Ireland Economy/ Labour market; and to be the primary conduit for the Executive to consult on new approaches in response to emerging pressures.
2. The Forum consists of six business organisations;

- the Northern Ireland Chamber of Commerce;
  - the Confederation of British Industries;
  - the Federation of Small Businesses;
  - Institute of Directors;
  - Manufacturing NI and NI Retail Consortium.
3. The trade unions are;
- the Northern Ireland Committee of the Irish Congress of Trade Unions,
  - USDAW,
  - UNISON,
  - NIPSA,
  - INTO and
  - UNITE.
4. The Public Health Agency, the Health and Safety Executive, SOLACE are also members, and an official from the Department for the Economy also attend. Junior Ministers Kearney and Lyons are observers on the Forum.

### **Work to Date**

5. The Forum met in plenary three times over the last two weeks, most recently on Monday 6<sup>th</sup> April. At the second meeting (Wednesday 1<sup>st</sup> April) they agreed to form two sub groups.
6. One Group was to prepare detailed proposals to establish a list of priority business sectors and a framework by which eligibility criteria could be drawn up to assess whether a sector or supply chain was considered a priority or not.
7. The second sub group was to develop guidance on safe working practices during the current Covid -19 health crisis.

### **Draft Proposals**

8. The sub group tasked with establishing a list of priority sectors has met twice, Thursday 2<sup>nd</sup> April and again on Saturday 4<sup>th</sup> April. As a result the sub group published a set of proposals for circulation to the LRA Engagement Forum. On Monday 6<sup>th</sup> April there was a discussion and it was agreed the final draft will be brought to the plenary Forum meeting today Wednesday 8<sup>th</sup> April.
9. The proposals drafted by the sub group create some initial concerns for the Department. The proposals recommend that a Registration Scheme is established and managed by the Department and that all businesses in Priority Sectors are to register voluntarily and have 5 days to do so.

10. It is suggested that this list will form part of the verification process used by government agencies responsible for the enforcement of the new health regulations and to enable signposting of evolving procurement opportunities.
11. The establishment of a Registration Scheme would lead to a number of initial concerns. No other jurisdiction in the UK or Ireland has adopted this approach, in fact the Cabinet Office on Friday scrapped plans to develop such a list to assist the Department of Education list key workers for childcare arrangements.

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13. The proposals also contain recommendations that “Should a business be forced to close, contrary to the advice provided by the UK government, then the NI Executive must confirm that those impacted businesses will fully qualify for the furlough scheme/ Job Retention Scheme.”
14. The Job Retention Scheme is initiated under the authority of HMRC and is a reserved matter and not the responsibility of the Department or the Executive.
- i. Under the current scheme it is the responsibility of the Companies to designate affected employees as ‘furloughed workers’ (i.e. employees are kept on the payroll, rather than being laid off) and must notify employees of this change - changing the status of employees remains subject to existing employment law. Companies must submit information to HMRC about the employees that have been furloughed and their earnings through a new online portal.
  - ii. HMRC will reimburse 80% of furloughed workers wage costs, up to a cap of £2,500 per month. HMRC are working to set up a system for reimbursement. Existing systems are not set up to facilitate payments to employers.
15. Finally the sub group has recommended the establishment of a ‘Resilience Fund’ similar to the one developed in Wales to enable grants to be provided to any business forced to close as a consequence of the priority list. The Welsh Government announced the Economic Resilience Fund to ‘plug the gaps’ in the support schemes already announced by the UK Government, including the Job Retention Scheme and the Self-employed Income Support Scheme, which will guarantee 80% of people’s wages and income.

16. The Fund aims to support businesses that have been temporarily forced to cease trading – to go into 'hibernation' – or those that need cash flow support to adapt to a remote way of working. It is open to firms of all sizes, including social enterprises, with a focus on those that have not yet benefited from the coronavirus grants already announced by the Welsh Government.
17. The establishment of a 'Resilience Fund' would be a matter for the NI Executive as it would be cross cutting in its nature and would likely draw enquiries from the private and third sector organisations. There are no indicative costs established for such a fund but it can be assumed that they would be substantial.

## **RECOMMENDATION**

1. It is recommended that you:
  - Note the contents of this submission and related annex.
  - Annex A Lines to take

Signature

Personal Data

**Mike Brennan**

## **Distribution List:**

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## ANNEX A

### Lines to Take

- The LRA has established an Engagement Forum bringing together the business interests and trade unions and other statutory stakeholders and much good work has been done in a very short period of time. The Forum has met three times in plenary and will meet again this week.
- The Forum also established two sub groups; one to undertake the detailed work of developing a list of Priority Sectors and develop a framework to determine which sectors and businesses should be on the list; the second sub group is developing guidance on safe working practices for those businesses that remain operational. Clearly, the safety of all workers is paramount.
- Subject to the Forum's approval, we expect to receive the proposals on the Priority Sector List later today. This is great work in a very short time from a diverse group acting as one in this emergency.
- However, the sub group's proposals contain recommendations which have gone beyond their original remit and these may cause some concerns.
- Although the suggested list is based on voluntary sign-up it is suggested that the Department then would be responsible for its management, publishing and dealing with appeals.
- There is no clearly defined purpose for the list and so there is a danger that multiple parties will use the list for their own purposes.
- Currently the only body who can tell businesses to close are the Department of Health under the new Health Regulations.
- No other jurisdiction in the UK or Ireland has chosen to do this. In fact, the UK Cabinet Office decided last Friday to scrap plans to draw up such a list of key companies and workers.
- The use of such a List would effectively take away from businesses the decision to stay operational or not and making that the responsibility of Government/ the Executive. This is a complete departure from the policy we have adopted to date.

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- Should the Executive decide it wishes to accept this recommendation and establish a Registration Scheme for these purposes then there will likely be an enormous administrative burden and costs that the Executive will have to absorb.
- There is a further suggestion that should any business have to close as a result of the Priority List then they should have immediate access to the UK Job Retention Scheme. The Job Retention Scheme is the remit of HMRC and it is they who decide the eligibility rules. As an Executive we can, of course, offer advice to HMRC on how the Scheme is working in Northern Ireland but we can do little more.
- Finally, it is likely that the Forum will ask the Executive to establish a 'Resilience Fund' similar to one announced recently for Wales. This 'Resilience Fund' is to allow affected businesses to apply for grants to cover costs such as contractual liabilities, pay salaries until the HMRC rebate is paid, ongoing running fixed costs and to cover additional security costs as a result of buildings being vacant of workers.
- This will need to be considered by Executive colleagues. No costs of such a Fund have been detailed but given the nature of the Forum's proposals they are likely to be large.