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**MEMORANDUM E (20) 61 (C)**

**FROM: DIANE DODDS  
MINISTER FOR THE ECONOMY**

**Date: 17 APRIL 2020**

**To: Executive**

**FINAL EXECUTIVE PAPER - Covid19 – Business Relief**

1. The Executive has, over recent weeks, taken forward a number of initiatives to try and support the local economy through this unprecedented economic crisis. The challenge that lies ahead in terms of revitalising the economy is daunting. The next few weeks will see businesses take decisions on viability that will have widespread economic and social ramifications.
2. It is therefore incumbent on the Executive to try and provide as much support and confidence as possible over the next few weeks as companies and society struggle to identify a path to recovery beyond 9<sup>th</sup> May. Our financial interventions to date – the £10k grant scheme for Small Business Rate Relief recipient, the £25k grant scheme for the tourism, hospitality and leisure sectors and the 3 month non-domestic rate relief initiative have offered a degree of reassurance and bought some time in deferring significant negative economic shocks. These local initiatives complement the UK-wide interventions announced by UKG.
3. However there remains some sectors / firms unable to avail of any of these financial support mechanisms. Over the coming days I will discuss further with the Finance Minister how to best reach out to these remaining sectors / firms. Hopefully a third assistance package might then be brought to the Executive for approval to support these businesses in the short term.
4. These local schemes, and indeed the UK-wide initiatives, are very much focussed on keeping firms in existence until end May. I am now becoming increasingly worried about how firms might perceive the financial support environment thereafter. My expectation is that the economic climate will see us endure the most severe economic recession as both the supply and demand sides of our economy try to recovery from profound shocks. Colleagues will be

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aware of the dire economic forecasts being set out for Northern Ireland. Indeed my officials have just replicated the Office of Budgetary Responsibility's (OBR) Covid19 impact forecasts. These suggest that our local economy will contract by 34% in just Quarter2 of 2020. This will mean lots of company closures, redundancies etc.

5. It is in that context that I think it important that we set out some more medium term economic interventions to try and restore confidence. One obvious step we could take would be to extend the non-domestic rates holiday through to December 2020. I appreciate that this could cost circa £200m but it would be a small price to pay if it saved thousands of local jobs.
  
6. I would therefore ask the Executive to consider this proposal seriously when it comes to discussion on how best to allocate out the recent tranche of Covid 19 Barnett consequentials just received plus funding already retained at the Centre.

**DIANE DODDS**

**Minister for the Economy**

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