

**FROM THE OFFICE OF THE MINISTER  
Diane Dodds MLA**



**From: Minister for Economy**

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**Date: 09/04/2020**

**To: Arlene Foster, First Minister      Michelle O'Neill, deputy First Minister**

### **CORONAVIRUS – APPROVAL FOR BUSINESS SUPPORT GRANT SCHEMES**

I am writing to request an Executive decision via the urgent procedure in accordance with paragraph 2.4 of the Ministerial Code.

The Executive announced a small business grant scheme to provide £10,000 to help with fixed costs for small businesses across Northern Ireland, with a higher rate of £25,000 being provided to businesses in the hospitality, retail and leisure sectors.

The £10,000 grant scheme has been operational since 26 March and in the first 10 days some £140million was distributed to 14,000 small businesses. Applications are still being logged and processed.

Having assessed the ongoing economic impact of the current situation, I am convinced that small industrially de-rated businesses are being severely impacted. I have discussed the position with the Minister of Finance, who is in agreement that it would be appropriate to include these businesses within the £10k scheme. The LPS database indicates there are approximately 2,500 businesses in this category and therefore the Executive is asked to note that an addition £25million will be made to cover these businesses. Officials will continue to assess whether other categories of businesses should be included.

This was never intended to be an open ended scheme and I believe there is a need to set a date for the closure of this scheme. This will allow the level of financial exposure to be determined and enable any used funds are made available for other much needed support schemes. Therefore, I would ask that the Executive note my intention to announce a closure date for applications to the scheme (31 May 2020).

Operationalisation of the £25,000 scheme has proven more difficult due to the lack of a comprehensive database from which identification of the cohort of eligible businesses in the hospitality, tourism and retail sectors could be made.

Comprehensive work has been undertaken by my officials, with the assistance of those in LPS and others, to construct a workable solution. I am therefore seeking urgent confirmation that the Executive is willing to approve the scheme as outlined in the attached paper, cognisant of the risks and issues identified. You will note that up to 4,800 companies may be eligible to claim this grant. Therefore as part of Executive's approval to proceed I am seeking confirmation that finance cover **up to** £126 million be made available to my Department, although, as detailed in the attached paper, the final figure could be lower than this.

It is recognised that there are a large number of other businesses across Northern Ireland who are being adversely impacted at present and facing financial hardship and have not been able to access any of the existing national or regional schemes. Many of these businesses continue to have overhead and other fixed costs when not trading. I have discussed this matter with the Minister of Finance and we have agreed that a hardship fund of up to £60million be made available for further economic support measures. While recognising it will not be possible to provide support to every individual or every business, my officials will analyse potential options and bring forward proposals aimed at ensuring targeted interventions providing best use of these public funds,

My officials are continuing to assess what support is needed to ensure we have a credible and viable business and industrial base on which to rebuild the Northern Ireland economy. I will of course continue to closely monitor the budgets within my

own Department and seek any appropriate allocation of reallocation of budgets through the monitoring channels.

Unfortunately, due to the range of issues we have all been dealing and the desire to press ahead as quickly as possible I have not been able to engage in as substantive manner as I would have liked with Ministerial Colleagues on these matters.

In summary I am seeking urgent Executive approval for the £25k grant scheme, as outlined in the attached paper, cognisant of the risks and issues identified with the necessary financial cover up to £126 million.

Executive colleagues are also asked to note agreement with the Finance Minister to:

- Include industrial de-rated businesses in the £10k grant scheme at an extra cost of £25 million; and
- The establishment of a hardship fund of up to £60million to support businesses who have been unable to access financial support through any of the national or local support schemes

I would be grateful for your urgent consideration and approval of this support scheme. It would be my intention to announce details of the £25k scheme following receipt of approval by Ministerial colleagues.

I am copying this letter to Executive Ministers for information.

**Personal Data**

**DIANE DODDS MLA**