

From the Office of the Minister
Diane Dodds MLA



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Dear Eugene,

Suggestions to support economic recovery

Thank you for your letter dated 12th April 2021, which includes some suggestions from your members on how best to support economic recovery and also your request for a meeting to discuss these matters.

I sincerely apologise for the delay in responding but as you will understand, my Department continues to receive an exceptional amount of communication and correspondence.

I am aware that the impact of the pandemic has been felt right across our economy. In particular, I have highlighted on numerous occasions the devastating effect that restrictions, whilst absolutely necessary, have had on our town and city centres, and of course, our wider economy.

Since March 2020, my Department has led in the delivery of the majority of business related support, providing approximately £485 million of much needed funds to support local businesses from all sectors and occupations throughout Northern Ireland, with the primary aim of helping these businesses to survive the pandemic, and protect as many local jobs as possible.

I share your optimism in the ability of our businesses to recover from the impacts of the pandemic, and to that effect, my focus is on the full and un-interrupted re-opening of the NI economy.

I recently launched the Economic Recovery Action Plan, which sets out a road map to rebuilding the economy from the impact of the pandemic. The report includes 147 actions across four key themes, and is aimed at supporting a highly-skilled and agile workforce, stimulating research and development, building a greener economy and promoting investment, trade and exports as the drivers to recovery. The Executive has backed this plan by committing to provide £287 million in additional funding for the plan, including £145m for the High Street Stimulus Scheme (HSSS). This scheme is a key element in our recovery plan and is designed to stimulate local businesses, including retail and hospitality sector outlets, following the pandemic.

You have referred to the supply chain issues associated with EU Exit. I am aware of these challenges and the increased costs experienced by businesses and consumers across Northern Ireland as new requirements under the NI Protocol have come into effect. It is the responsibility of the UK Government to resolve these issues. I continue to engage extensively with them to press for a permanent resolution so that local businesses do not see their supply chains impacted and they can continue to source goods from our largest market in Great Britain.

My Department, alongside InvestNI and InterTradeIreland, continue to provide guidance and support to businesses and a range of online material on how businesses can adapt their supply chains is available on their websites.

<https://www.investni.com/eu-exit>

<https://intertradeireland.com/brexit>

Other devolved issues you have raised are a matter for the Finance Minister, and I have received the following updates on these matters:

Capital Projects

- The Investment Strategy for Northern Ireland (ISNI) portal contains a pipeline of capital projects that are scheduled for release to the market within the next 12, 24 and 36 months. The ISNI portal may be viewed at: <https://isni.gov.uk/home/>.
- In summer 2020, Departments confirmed that the pandemic had no impact on the pipeline of projects coming to the market. No slowdown has been reported by Departments or construction industry representative bodies since then and projects appear to be progressing as planned.

Reduction in Business Rates

- The Finance Minister has introduced a targeted rate relief package for the 2021-22 rating year which will deliver £230 million of further support to almost 29,000 businesses in retail, hospitality, leisure, tourism, manufacturing, childcare, newspaper production, and the 3 main airports. The Rates (Coronavirus) (Emergency Relief) Regulations (NI) 2021 provides for a further 12 month targeted business rate support giving 100% relief from rates.
- In addition the Minister has introduced a number of other measures to assist businesses at this difficult time, including: a freeze in the non-domestic Regional Rate at the same level set last year following an 18% reduction; a delay in the issuing of this year's bills until June; and continued support provided through the range of other long-standing reliefs provided through the rating system, including Small Business Rate Relief, which he has recently extended for the 2021-22 rating year.

Engagement with local banks (SPAR)

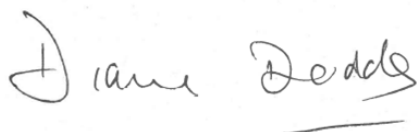
- Whilst the regulation of the sector is a reserved matter for the British Government, the Finance Minister has hosted a roundtable discussion with representatives from the local banks on 24th March 2021 where he stressed how important it is that businesses and households impacted by Covid-19 are treated reasonably and fairly.
- The Minister and his officials have made it clear to the banks and Treasury that the repayment of debt for those that have relied on it during the pandemic needs to be carefully managed. Businesses in distress should not be put under undue pressure to repay, particularly as they haven't been able to trade in recent months.
- Unfortunately, there is a limited role the Department of Finance can play.

You will have also noted that the Finance Minister also recently announced a £178 million package of business support grants, and a further twelve months of rates relief for sectors most directly impacted by Covid-19, aimed at helping businesses and to safeguard jobs through the period ahead as we emerge from the current restrictions.

With regard to additional grant schemes, my Department has no plans to introduce any new schemes at this time. However, I remain fully committed to working with all of my Executive colleagues to consider how best to support those who require ongoing financial assistance, within the designated budget available to us.

I hope this information is helpful. As you will understand, my diary is heavily committed at present, and unfortunately I am unable to accept the Chamber of Commerce's invitation to meet at this time.

Yours sincerely,

A handwritten signature in black ink that reads "Diane Dodds". The signature is written in a cursive style and is positioned above a short horizontal line.

DIANE DODDS MLA
Minister for the Economy