

Oral Assembly Statement: Minister for the Economy, Diane Dodds

24 March 2020

Thank you Mr Speaker

I am sure that I don't need to remind any Member of the gravity of the situation we are facing. It is without question the most serious global health and economic crisis any of us have ever lived through.

First and foremost may I place on record my gratitude to all of those working on the front line to keep us safe and give medical support to those who need it.

Can I also appeal to people to act responsibly; follow the advice, stay home if you can and help medical staff by not acting recklessly and adding to the burden on our Health Service.

Business owners must too follow the advice – non-essential retail is closed but if you are outside that category and you are remaining open then make sure that you take the necessary steps to protect your workers and practice social distancing.

Workers should not feel forced to work side-by-side, if a job can't be done within the PHA advice for social distancing then employers need to let employees go home until a better system is in place. This is too serious for shortcuts.

The impact of the virus and the necessary measures that have been put in place to contain it, have had a devastating impact on economies around the world, and Northern Ireland is no exception.

This won't be fixed overnight. The impact of coronavirus will be felt for many years to come.

Our economy is suffering, our businesses are under extreme pressure and people are not only living under the threat of the virus but also the threat of losing their jobs.

The impact is on real people, and real families. People are concerned about how to put food on their table. People who have spent a lifetime building up their business are afraid that it will be gone.

Over the past two weeks I have had a series of meetings and teleconferences with representatives from the retail sector, hospitality sector and from right across our business community

There is fear about the future of their sectors. There is a fear about the livelihood of their staff. And there is a fear about how they get through these most challenging of months.

Our economy will suffer, but we will bounce back.

I have heard many of the challenges that business is facing, but I have also been inspired by the determination of people.

Businesses who have offered help in sourcing things. Individuals who have offered their help in looking after people or providing vital services. Companies who have said they can adapt their production lines to produce ventilators or personal protection equipment.

More than thirty companies have offered to participate in manufacturing consortia to make ventilators;

O'Neills have started to manufacture PPE, and another two companies are exploring doing the same;

A number of individuals and companies have sourced PPE masks from markets across the world;

Several companies are in the process of accreditation to manufacture hand sanitisers;

And there are four companies in Northern Ireland working on providing COVID-19 testing.

Business is doing what business does. It is reacting and innovating. It is stepping up.

People who have found themselves out of work have also offered to help, and examine how their skills could be used elsewhere where the greatest need is.

It is that spirit of determination that gives me confidence that we will see this through, and that our economy will recover. And I will be ready to assist in that recovery phase.

I am examining a proposal is to develop a holistic solution with coordination between Economy and Communities. This would include utilisation of the current online systems - Employer Vacancy Service (EVS) and Job Centre Online (JCOL) complemented with wrap-around support through Careers Service and Universal Credit.

But I also recognise how difficult the current challenge is, and pledge to do what I can to help businesses through this challenging period.

I have already met with the local banks and urged them to be flexible and work in partnership with government. I am pleased that yesterday we made progress with the launch of the Coronavirus Business Interruption Loan Scheme, and that some of our local banks helped to co-design the scheme so that it works for NI business customers.

The Coronavirus Business Interruption Loan Scheme is a crucial step in getting credit flowing to firms who urgently need it during this difficult period.

I would encourage businesses to work with the relevant financial institutions to ensure that the scheme delivers cash to those in need as quickly as possible.

The Chancellor's statement on Friday evening, when he announced an employment support package is also welcome, and is one of the most important measures to have been introduced.

We know that we need to keep people on the payroll to allow companies to weather this storm and pick up quickly on the other side.

The Job Retention Scheme reflects the calls from this Executive, our business leaders and trade unions who have seen similar schemes introduced across Europe to help firms pay wages and retain their employees.

I am pleased that many companies who had already announced that they were having to cut huge numbers of staff have now rescinded those announcements. This demonstrates why the scheme is so important.

Yes it is an extraordinary government intervention, but extraordinary crises require extraordinary bold action. I am encouraged that the Government has listened to our call.

I would urge all eligible firms to take advantage of the measures announced to support their workers. The coronavirus job retention scheme will provide an income of up to £2,500 a month for those employees not working. It will be backdated to March and will be available in weeks.

The self-employed and sole traders still require further help. Sadly these schemes do not cover everyone, so the Executive has asked Treasury to extend support to this category, either by averaging out the past years' earnings to calculate a figure or by paying a guaranteed income. Although this is not yet forthcoming, I understand that the Chancellor is currently considering these parts of the economy.

The increases to both working tax credit and universal credit by £1,000 per year will also help to protect the most vulnerable in society.

In addition to the Finance Ministers recent announcement on a freeze on business rates for 3 months we have also made an announcement confirming that we will pay a £10,000 grant for small businesses and a grant of £25,000 to companies in our beleaguered hospitality, tourism and retail sectors. Together, these schemes will inject some £370million to support tens of thousands of our most vulnerable businesses to help with cash flow.

These grants schemes will benefit some 27,000 small local businesses and a further 4,000 businesses in the tourism, hospitality and retail sectors under the larger scheme.

I understand that time is of the essence as some businesses have already announced closures. Officials from my Department have been working hard with officials in DoF over the weekend to ensure that we have a suitable mechanism to make these payments and that those companies facing cash flow issues are issued payment as expeditiously as possible.

The administration of a scheme involving payments of £370 million was never going to be a straight forward exercise. We are endeavouring to deliver in days something which in normal circumstances would take months to put in place. In making this operational we are ahead of where counterparts in England Scotland and Wales are at this point.

I can now update the House that the ratings system will be used as the mechanism to identify eligible businesses in Northern Ireland. Payment will then be made directly into the bank accounts of those businesses. Last year's rating list will be the basis for payment. I am looking at how to get wider scope for those who are eligible as a result of revaluation.

I want to make sure that payments are made directly to businesses, for the benefit of businesses. Currently, LPS only hold bank details for just over 9,000 of small businesses who qualify and obviously payment can be expedited to those companies. Our focus will be on getting this out as quickly as possible.

An online web portal will be set up this week for the remaining eligible businesses to register their details.

Our immediate focus has been on putting in place a system for processing the £10,000 grant. However, I can assure colleagues that we are also working hard to put in place processes for the £25,000 grant for our hospitality, tourism and retail sectors as soon as possible. I hope to be in a position to provide an update on that to you on this in due course.

I am also seeking to identify any gaps in the measures that have been announced both nationally and in Northern Ireland and I hope to be able to be in a position to respond further to meet the particular needs of our businesses here; particularly in relation to self-employed people, clarity for those on zero hour contracts and for those businesses that cannot avail of some of the support packages announced.

I said earlier that we will bounce back and while we must rightly focus our full attention on the here and now, we must also prepare to support the economy to recover.

In terms of higher and further education; all institutions have convened a number of measures in order to manage and deal with the pandemic, such as the establishment of major incident teams and the activation of contingency measures. As the situation develops, all institutions are in contact with the Department, informing it of any major developments.

Each Northern Ireland higher education institution, with the exception of St Mary's, is closed for teaching and social activities. St. Mary's remains open but face to face classes and tuition is being undertaken online.

All institutions are working hard to facilitate remote working for staff members where possible.

In relation to Examinations and Assessments;

Queen's University Belfast have cancelled all exams. The university will be arranging alternative ways to assess students instead. Stranmillis, a College of Queen's, will also be operating under the same measures.

Ulster has also cancelled examinations and other face to face assessments scheduled for the end of the current semester which will be replaced by alternative on-line assessments. The Open University has also taken the decision to cancel face to face exams.

In respect of Accommodation;

Student accommodation at the institutions remain fully operational and students who wish to remain in university and university college residences will be supported by their institutions to do so.

In relation to International Students;

Both Queen's and Ulster recognise the particular difficulties being faced by their international student communities. Students who are not normally resident in Northern Ireland who wish to return home as a result of the pandemic will suffer no academic disadvantage.

Colleges are now distributing technology and equipment to allow the buildings to be closed completely except for access in event of a significant technical failure or to allow essential maintenance.

Face to face delivery will continue remotely including the use of digital learning, in so far as this is possible.

Each College is continuing to work through the ramifications and practicalities of the revised operating arrangements at a local level.

I recognise that we are facing very challenging times and welcome the positive response that Further Education colleges have made to continue to deliver for their students through digital learning and by maintaining college administrative processes to ensure that student support services including Education Maintenance Allowance (EMA), FE Grants, Hardship Fund continue to be paid.

College staff have an important job to do and will keep further education operational, albeit remotely, for learners as best as possible. They are working to ensure that we are ready for recruitment for next year, to maintain the IT and Estate infrastructure, make payments to suppliers and staff and our number one

priority is to try to maintain delivery of the best possible teaching and learning to students at this time.

College staff will continue to ensure that our most vulnerable students are supported. Arrangements are now in place which will lead to the continued payment of a weekly training fee and the participants' Education Maintenance Allowance (EMA).

The Executive has agreed to the provision of a payment (£2.70 per day) for each pupil/student who is entitled to Free School Meals.

The Education Authority is currently engaged in preparing a payment file that will make fortnightly payments to entitled families direct to their bank account. The intention is that this will include those students in the FE sector.

My officials are liaising closely with the Regulator, CCEA who are working with awarding organisations to establish ways of awarding vocational qualifications and we will do this in conjunction with other UK regulators, awarding organisations and stakeholders.

There are also other areas of my Department of vital importance.

My officials have been working closely with energy's critical national infrastructure providers (including the SONI, NIE Networks, the Power Stations, Mutual Energy and the gas network operators, Phoenix, firmus and SGN) on a daily basis to

ensure that their business continuity plans are sufficiently resilient to mitigate the risk of interruption to services.

Officials are also liaising on a daily basis with the Utility Regulator, to support its work on maintaining the electricity wholesale and retail markets. Our first priority is maintaining supply, especially to vulnerable consumers, in these unprecedented times.

One of our key priorities over the coming months will be to ensure that there is food on people's tables. This week I have had a teleconference with food producers and retailers.

The agri-food sector has proven itself extremely resilient in the past, having overcome numerous challenges and I have every confidence that our farmers, processors and retailers will continue to put food on our tables.

In order to ensure that government is best placed to ensure the sustainability of the agri-food supply chain, we will engage regularly to collaborate with those who keep the food chain functioning.

My message to people is simple. Our food supply chains are strong. You do not need to panic buy or stockpile. This only hurts other people.

Be sensible, our shops will be open for food, and when you do shop ensure you follow the social distancing guidelines.

To supermarkets, please remember your responsibility to protect your workers and shoppers at these times.

None of this is easy. But working together for a common goal, we can, and will get through this.