

**Minister of Finance**

**Statement to the Northern Ireland Assembly**

**23 November 2020**

**2020-21 NOVEMBER COVID-19 FUNDING**

## **INTRODUCTION**

I wish to provide Members with an update on the further allocations of COVID-19 support funding for the financial year 2020-21.

## **CONTEXT**

The Covid crisis has created a highly uncertain financial context.

We have not known what course the virus would take.

We have not known what the Health experts would recommend in response to the virus.

And we have not known how much money we would receive from the Treasury.

This uncertainty has made financial planning very difficult.

The background to the allocations I am announcing today reflects that financial reality.

Just over two weeks ago the Treasury provided a further £400 million to the Executive to support our response to COVID-19.

I requested urgent proposals from Executive colleagues to use this funding to support businesses, public services, and vulnerable people.

Some members have questioned why this funding wasn't dispersed immediately.

Had we as an Executive allocated this funding immediately, we wouldn't have been able to take into account the new restrictions agreed by the Executive last week.

In my view it was right to have a plan in place to take us to the New Year, before making these allocations.

It has been argued that the Financial Package I am announcing today should have been made at the same time as the new restrictions were agreed last Thursday.

My Speaker, the first indication I had of the restrictions being proposed was that Thursday morning.

The proposed restrictions were discussed by the Executive throughout that day and agreed that Thursday night.

It was only at that point that a Financial Package could be finalised and my officials and officials in other departments have worked over the weekend to put this in place.

## **COVID-19 ALLOCATIONS**

### **BUSINESS SUPPORT**

Mr Speaker, Covid is first and foremost a global health crisis. But it has created a global economic crisis and extensive support to businesses and workers has been provided to protect peoples' livelihoods.

The extension of current restrictions means there is a requirement to also extend the current support measures.

An additional £55 million is also being allocated to extend the Localised Restrictions Support Scheme operated by my Department. This will be expanded to include non-essential retail and leisure and entertainment businesses required to close for 2 weeks.

The Department for Economy's COVID Restrictions Business Support Schemes will also be extended.

I understand the frustrations of businesses with the speed at which payments are being made.

It is also important to understand that schemes that would usually be designed and implemented over many months, are being turned around in days.

And many Government Departments have repurposed themselves to provide grant support.

For example, Land & Property Services within my own Department is rates **collection** agency. It has transformed itself into a grant making agency and taken on new powers to do so.

Similarly the Department for Communities has stepped to deliver a scheme for Social Enterprise and Charities. The Department for Infrastructure has done likewise for taxi drivers.

Designating a Department, devising a scheme, checking applications, and issuing payments takes time.

And we have a duty to minimise fraud and error.

These grants are taking longer to issue than I would hope but officials are working as fast as they can do process payments.

Today, the Executive has agreed to provide a further £213 million of business support.

The Executive provided a full years' rates holiday to the sectors worst affected by the pandemic – retail, hospitality, tourism, leisure, childcare, and airports.

I appreciate these sectors will continue to suffer stress into next year.

I fully understand this and my Department is considering options for how best to deliver further rates relief. I am therefore today setting aside £150m for this purpose while this work is completed as a matter of urgency.

A £95 million High Street Voucher Scheme will give people a pre-paid card for use on the high street, which has been devastated by Covid. DfE are finalising the details of this scheme.

£20 million has been provided for Company Directors, a group that has been excluded from previous support.

£20 million has been allocated to extend this financial year's 12 month rates holiday to manufacturing businesses. This will bring the sector into line with what has already been offered to hospitality, tourism, leisure and retail.

£10.6 million has been allocated to Wet Pubs. This will support approximately 1,000 licenced premises who are experiencing additional financial hardship as a result of the Health Protection Regulations.

£5 million will top-up the Tourism and Hospitality Scheme reflecting the extraordinary costs of some businesses forced to close.

£4.1 million for Bed and Breakfasts - aimed at approximately 953 certified accommodation businesses that were excluded from previous support because they pay domestic rates rather than business rates.

£3 million for the extension of Digital Selling Capability Grant to help local businesses grow their online sales.

These allocations are in addition to the £60 million previously provided for DfE led Covid Restrictions Business Support Scheme.

### Department for Communities

The Department for Communities has been allocated £71.5 million.

This will see £44.3 million to enable a one-off heating payment of £200 to disabled people on higher rate allowances and older people in receipt of pension credit. This

recognises the additional cost imposed on these vulnerable groups by the Covid-19 pandemic.

It also includes a further £10 million each for support for councils and sport, £2.25 million for social enterprise support which will allow the oversubscription to the Social Enterprise Fund to be funded and £5 million in respect of Charitable Grants which will ensure no charities are left unsupported for the remainder of this financial year.

### Department of Education

The Department for Education has been allocated £20.6 million in relation to Covid response measures and £5.8 million in respect of Covid Education restart measures. This includes vital funding to ensure families of young people who are entitled to Free School Meals will receive food grants during school holidays.

### Department for Infrastructure

Dfi has been allocated £1.2 million from the £10 million set aside for support for airports to provide further support to the City of Derry Airport. Dfi has also been allocated £26.3 million in relation to lost income across the department and its arm's length bodies.

### **Outcome**

Today's allocations total £338.1 million.

There is also £150 million set aside for consideration of longer term rates support. A further £26.6 million is being held in reserve.

Previously centrally held allocations including £6 million for Taxi, Bus & Coach, £8.8 million for airports, and £60 million for DfE led schemes remain pending.

I will continue to keep the Assembly informed of funding for further measures as these are agreed.



## **INDEX OF TABLES**

### **ANNEX A - ALLOCATIONS**



## Annex A

Dept	Allocation	Resource
DfC	Local Councils	10.0
	Sport Hardship Fund	10.0
	Social Enterprise Support	2.3
	Charitable Grants	5.0
	Heating Payment	44.3
		<b>71.5</b>
DfE	Company Directors	20.0
	Top- up to Large Tourism, Hospitality, Retail and Leisure Business Scheme	5.0
	Wet Pubs	10.6
	B&Bs	4.1
	Extension of Digital Selling Capability Grant	3.0
	High Street Voucher Scheme	95.0
		<b>137.7</b>
DE	Childcare Sector Funding Support (Jan to Mar)	5.8
	Holiday Food payments (Christmas, half term and Easter)	7.8
	EA Quarter 1 Block Grant	2.9
	Schools' Maintenance	0.2
	School Meals	1.4
	Outdoor Learning/Residential Centres	1.0
	Preparatory Schools	0.7
	Boarding Schools	0.4
	Other Voluntary Grammar / Grant Maintained Integrated Lost Income	0.4
	Education Restart School Meals: Free School Meals (FSM) and Loss of Income	3.4
	Education Restart Schools Pressures	2.4
		<b>26.4</b>
DoF	Extension of Support to businesses	55.0
	Manufacturing Rates Relief	20.0
		<b>75.0</b>
DfI	Crumlin Road Gaol Lost Income	0.2
	DVA Lost Income	12.0
	Parking Changes Lost Income	3.7
	Lost Passenger Income	10.0
	Planning Application Fees Lost Income	0.1
	Rathlin Ferry Lost Income	0.3
	City of Derry Airport	1.2
		<b>27.5</b>
<b>Total</b>		<b>338.1</b>