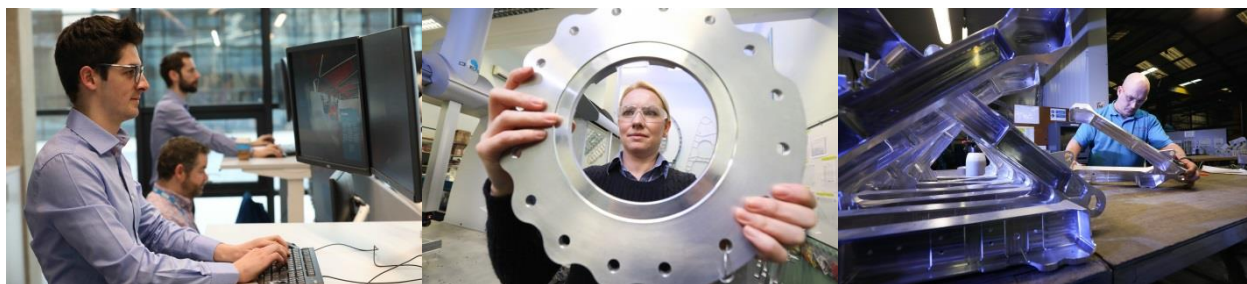




Comhairle Ceantair
Lár Uladh
Mid Ulster
District Council

Mid Ulster Covid-19 Business Recovery Plan

May 2020



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1.0 Background and Introduction

In addition to its impact on public health, the Covid-19 global pandemic will undoubtedly have a devastating impact on the local economy. Northern Ireland is facing its sharpest recession in history as a result of the ongoing crisis. Ulster University¹ have suggested that economic output could fall by almost 10% in 2020 and approximately 235k workers either temporarily laid-off or have their salaries funded through the government's Job Retention Scheme (see Appendix 1). Recent information from Invest NI on client companies indicate the highly critical and precarious situation facing Mid Ulster, as highlighted in Figure 1 below.

Furloughed Workers

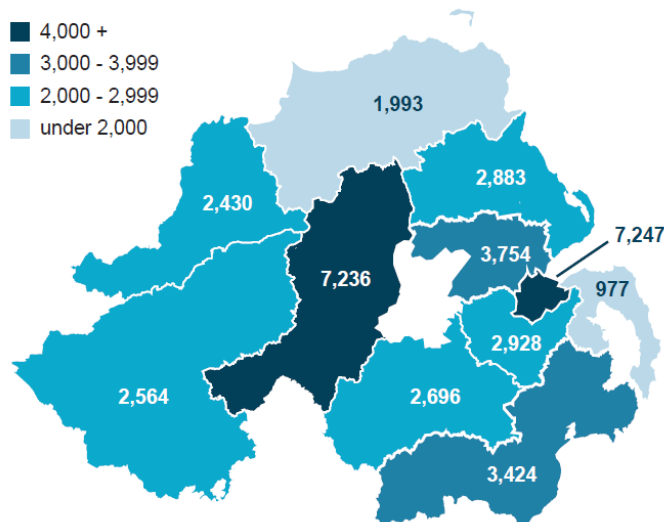


Figure 1: Workers Furloughed by Council Area: period 2nd March to 1st May 2020²

A study by the Centre for Progressive Policy (CPP)³ reported that Mid Ulster will endure the greatest economic impact of Covid-19 in Northern Ireland. Indeed, the report highlighted Mid Ulster as the only area locally to feature in the top 10 worst-impacted places within the UK's 382 local authority regions (see Appendix 2). The think tank estimates that GVA could temporarily fall by a staggering 45% in the short term, which presents an immense challenge for local companies and jobs. The extent of the anticipated decline is largely as a result of Mid Ulster's position as the centre of manufacturing and engineering, where it accounts for 21% of the local economy, compared to 9% in the rest of Northern Ireland.

The scale of the impact of the Covid-19 pandemic on our businesses, residents and community calls for collective local leadership to provide strong strategic direction to support our businesses during this global crisis and lead our post Covid-19 recovery. Mid Ulster District Council is committed to listening to business and are already working with our partner organisations such as MEGA (Manufacturing & Engineering Growth and Advancement) Network, Mid Ulster Skills Forum, Mid Ulster Tourism Development Group and local Town Centre Forums to understand the significant and singular challenges our business community is facing.

¹ Gareth Hetherington et al, 'Economic consequences of COVID-19 in Northern Ireland', *UUEPC Publications*, April 2020

² Invest NI 'Bulletin' Invest NI Supported Businesses Weekly Redundancies & Furloughed Workers Bulletin', *Invest NI*, May 2020

³ Andy Norman, 'Which local authorities face the biggest immediate economic hit?', *Progressive-policy.net*, April 2020

Council officers engaged with a cross section of over 100 businesses (from micro to small and medium sized enterprises) from the top four sectors identified by the Ulster University to be most affected by the Coronavirus lockdown; Retail, Manufacturing / Engineering, Construction and Tourism/Hospitality. The purpose of this paper is to inform government of the unique challenges and issues facing local businesses and the interventions and support needed to help industry recover from the ongoing Covid-19 pandemic.

2.0 Findings

2.1 Retail Sector

The following feedback is from two indigenous retailers with multiple premises in Northern Ireland:-

Return

- Expects zero sales across multiple premises for 3/4 months
- All staff are furloughed
- Suppliers or Landlords have not been paid since February (most are understanding)
- Applied for Business Interruption Loan, awaiting decision
- Seriously concerned about ability to restart multiple stores

Recovery

- Rates Holiday - the current 3-month window saves one business £217k whereas a 12 month window (in line with England) saves £870k, that is over £650k less borrowing. In contrast, retailers with multiple premises elsewhere in the UK who are getting a 12-month rates window will be able to “wipe the floor with NI based multiples” as part of any recovery process.
- Grant Support announced for NI i.e. businesses with a NAV £15,001-£51,000 get assistance of £25k, but applies only to one store and excludes businesses with multiple premises across NI therefore increasing debt considerably.
- Grant Support - the support scheme as referenced above in England and Wales applies to all Stores, thereby it is not capped to one store, giving them a further massive advantage.
- Need for clear guidance on social distancing measures for businesses to operate and financial support to implement same.
- The importance of the banks in supporting business at this time was stressed.
- Many NI based indigenous multiples will never survive a recovery process with these issues stacked against them.

The collective views of thirteen small retail businesses represented on five Town Centre Forums in Mid Ulster:-

Return

- Majority of retailers are closed and staff furloughed.
- Some (hopefully all) staff will come back on a phased approach as part of the recovery.
- All retailers are considering viability of opening due to cash flow pressures and concerns over market demand and customer spending on non-essential items.
- Some retailers have focused upon on-line sales growth during closure.

Recovery

- Rates is a significant burden and critical to survival will be an extension to 12 months of the current 3-month rates holiday (similar to England).
- Businesses will face restrictions and perhaps closure from time to time so a rates holiday and other financial support measures should be reviewed on a rolling basis.
- Need for targeted mentoring support for businesses as they restart their business.
- Need for investment in town centres built upon planned and sustained marketing as attractive places to shop and visit.

- Need for the Furlough period to be extended to allow for a phased return.
- Need for clear guidance on social distancing measures and financial assistance to implement.

Sector Synopsis:-

The high street was one of the most impacted areas of the economy during the 2007/08 recession and the expectations is that the likely recession which will follow the Covid-19 crisis will be much deeper, albeit perhaps for a shorter time period. The scale of the crisis facing the retail sector is grave and creative policy thinking and future planning of town centres will be an essential part of the recovery. Many local retailers feel that even when restrictions are relaxed they will struggle to get customers through the door due to consumer anxiety, changed consumer behaviour leading to increased online sales, many other complementary businesses within the tourism/hospitality sector remaining closed as well as social distancing implications.

In addition, a number of businesses have fallen through the gaps of the COVID-19 Small Business Grants, for two reasons – firstly, larger premises with a NAV greater than £51,000, and secondly, businesses who pay rent and rates as a single payment directly to their landlords e.g. tenants in shared space who do not receive a separate rates bill. Both categories are currently ineligible to apply for essential funding support.

Feedback would also suggest there is an absence of a body representing the broad range of small local retailers on our high streets and highlighting key issues and providing guidance.

2.2 Manufacturing & Engineering Sector

The following key points are from over thirty manufacturing and engineering companies that form the MEGA Network:-

Return

- Several of the larger material handling companies have extended their return date to May. Some companies have a small number of staff currently putting plans in place for safe returning.
- Suppliers are dependent on their customers re-opening.
- Most are considering a phased return. One company said they will 'drip feed back to work starting with the younger guys as we are nervous taking some of the older guys back due to the risk of them getting sick', also people with vulnerable ones living with them are also reluctant to come back.
- Some companies are taking a small team back earlier to meet industry needs e.g. agriculture customer base
- Some are anticipating that this might have to be extended again but too early to call yet and if reliant on international sales (as most in Mid Ulster are), then return will be shaped by the COVID-19 reaction in those respective countries.
- There is a concern that procedures need to be in place to protect existing apprenticeships and new apprenticeships in September 2020. (On average SWC have 350 engineering apprentices on their books every year with an intake of around 100 new apprentices). It also threatens any recovery effort by removing skilled workers from industries trying to rebuild after the pandemic.

Recovery

- This will largely be dictated by the state the markets will be in.

- Much will also be dependent on whether the Furloughing scheme is extended - it might be an option to reduce the 80% if it allows the scheme to be extended.
- It would help companies if the furloughing scheme covered wages up to a capped amount for employees returning to work who were only required for instance 20 hours a week (instead of their normal full-time hours)
- For some companies it highlights the need to focus on industry that generates jobs and revenue so that we can support our health service etc.
- The government needs to focus on encouraging some local companies to manufacture PPE in the long term and to strengthen supply chain resilience.
- Extend rates holiday as there will be huge disruption after the lockdown.
- One of the first things to do is to loosen up the shipping routes, need to get haulage up and running as there is a massive backlog of containers.
- Opportunity for government to pay apprenticeship wages for a few months.
- Need to put plans in place with Colleges and Departments to protect and retain apprentices in the sector.
- Need for a Manufacturing Taskforce to protect the economic and employment base in Mid Ulster.

Sector Synopsis:-

The Manufacturing sector has responded to the call to action to work collaboratively and repurpose to produce essential PPE for frontline workers where possible to tackle the Covid-19 pandemic. These companies will require support to sustain local supply chain resilience in order to continue to manufacture vital products and equipment for our frontline whilst being able to return to producing their core products. The government as a major buyer must have a stronger commitment to sourcing products here in Northern Ireland to help develop and sustain the manufacturing sector as we rebuild the economy.

There is a real and significant threat of local redundancies in this critical sector and it is estimated that GVA in Mid Ulster could temporarily fall by a staggering 45% in the short term, which presents an immense challenge to the area. Mid Ulster is the recognised “manufacturing hub” of Northern Ireland and government support for a Taskforce will be required to protect the economic and employment base within Mid Ulster.

2.3 Construction Sector

Following engagement with a number of construction companies, the following key points are of note:-

Return

- All businesses are closed bar some minor work.
- Majority of staff have been furloughed.
- Government support to business has been welcomed, however, there are concerns about the potential for delay in receiving the financial support, prompt payment is essential.

Recovery

- Rates relief period needs extended to 12 months.
- Should restrictions remain for longer than the initial period, the Furlough scheme needs extended accordingly.
- The importance of the banks in supporting business at this time was stressed

- All four recognise the significant challenges that lie ahead but are confident for recovery in the longer term.
- Concerns about the economic impact of the outbreak on public capital expenditure after the lockdown.
- All are keen to see the government begin releasing restrictions (at the right time) and allow them to get back to business.

Sector Synopsis:-

The effects of the coronavirus lockdown have been felt by every industry and construction is no exception, with work now halted on the majority of sites across the UK and Ireland. To help the construction sector to bounce back, the Government's Capital Investment programme should be continued and expanded to boost both the employment within this industry and the economy.

Given the difficulties within this sector, clear guidance on how to protect construction workers is vital – those who need to work side by side, and how to transport workers from site to site whilst still socially distancing are two key questions which need addressed. With so many self-employed individuals within this sector, it is critical that the Self-Employment Income Support Scheme is paid in a timely manner and extended to allow for newly business start-ups.

2.4 Tourism/Hospitality Sector

The following key points are taken from a survey of over forty tourism and hospitality business in Mid Ulster:-

- 50% of businesses stated that there is a risk they may not reopen.
- Need for quicker release of £25k grant scheme.
- 73% of respondents stated that without the job retention scheme they cannot continue to pay staff wages due to cash flow issues.
- B&B's paying domestic rates are ruled out for support including farm activities paying farm rates.
- Businesses with a NAV over £51k have no grant support and must rely on loans and do not want to incur debt.
- New business starts are currently ruled out of the Self-Employment Income Support Scheme.

The Perspective of local Hotel owner:-

Return

- Planning is currently geared towards maximizing a summer season.
- Has furloughed all possible staff to assist with £25k monthly wages.
- All Weddings for March, April, May and June either cancelled or postponed (average 3 per week).
- Huge amount of corporate events and accommodation bookings cancelled for the foreseeable future.

Recovery

- Recovery will focus upon easing into action for Summer season.
- Staff brought back in stages over weeks and months.
- Will aim to build for the Christmas period.

- Needs a 12-month holiday from rates bill.
- Need the Furlough period extended if necessary.
- Leisure, tourism, hospitality and retail premises with a NAV over £51,000 need a cash grant.

The Perspective of a Pub, restaurant and nightclub owner:-

Return

- All businesses temporarily closed.
- Loss of revenue substantial in main revenue generating part of the year.
- All staff furloughed.
- Up to possibly 30% staff redundancies.
- Stockpile of soft drinks and bottled beers which suppliers will not take back.

Recovery

- Planning for phased reopening following government guidance.
- Rates relief period needs extended to 12 months.
- Extension of the Furlough period is critical for survival of sector
- Grants to support social distancing measures e.g. refitting interiors, sanitization - these are going to be very important for the tourism/hospitality industry.
- Need to drive footfall into town centres with “safe measures” in place to build consumer confidence.
- Promotion and development of night-time economy to encourage footfall and spend.

The perspective of an activity-based tourism business:-

Return

- Business is temporarily closed.
- Loss of revenue.
- Ongoing costs such as insurance, utility bills.
- All staff furloughed.
- Staff highly skilled and trained and fears they may not return.
- Cost of training and retraining specialist staff on outdoor activities is substantial as customer safety is vital.

Recovery

- Reopen as a new entity perhaps for weekends initially.
- Planning for phased reopening commencing in October.
- Cost implications of training/retraining specialist staff huge disincentive needing an 8 week window to complete.
- Need guidelines on social distancing to plan ahead.
- Government support on interest and security on loans needs to be forthcoming.
- VAT currently at 20% needs to be abolished.

The perspective of two private bus/coach hire businesses:-

Return

- Currently fall through the gaps in current government supports
- All coach hire trips cancelled
- Business is temporarily closed.
- Loss of revenue

- Ongoing overheads such as insurance, utility bills, bank charges.
- Depreciation of vehicles
- All staff have been furloughed.
- The current suite of government supports do not help private bus/coach hire operators.

Recovery

- Phased opening – will be dependent on how quickly the tourism sector bounces back and how/when social distancing is eased.
- Need Job Retention Scheme to continue until such times as businesses can get up and running again.
- Government and bank support on the payback of loans because operators will suffer a loss of income in the foreseeable future.

Sector Synopsis:-

The tourism/hospitality industry faces the longest lockdown period as by its nature it involves bringing people together in close proximity. There is now an expectation that many pubs will not be able to implement the necessary social distancing restrictions and so may not open at all during 2020. Restaurants and cafes will need continued support if they are to open at 50% capacity, as many require around 75% covers to break even, or like pubs, do not have adequate space to implement the required social distancing restrictions (see Appendix 3).

Whilst Tourism NI has been very proactive in supporting the sector, and domestic tourism/hospitality will present an opportunity in the medium term, survival for many establishments is an immediate concern. Difficult decisions will need to be made by some to fully close their business due to significant challenges facing businesses relating to cash flow and working capital. There is a threat that businesses who find difficulty meeting public demand may find themselves being replaced by other services that can meet the public need for socialising. Many businesses have recognised that there will be a growing problem in recruiting suitably qualified staff at the point of reopening. Evidence would suggest that casual workers in this sector are moving to other industries to survive, and will exacerbate an already considerable problem of a skills shortage.

Furthermore, whilst there has been significant financial resources allocated by the NI Executive to aid Translink's funding shortfall during the crisis, there has been a lack of support for the plight facing small and large private bus/coach operators, where a large part of their trade is derived from the tourism/hospitality sector.

3.0 Common Issues

A number of common issues were highlighted across the four sectors:-

3.1 Rates Holiday

There is an urgent requirement for the three-month business rate relief to be extended to a minimum of twelve months for all businesses in line with elsewhere in the UK. This would help cash flow and business confidence in what are uncertain times.

3.2 Job Retention Scheme

The government have extended the Job Retention Scheme to 31st October 2020. However, many businesses will not have the cashflow to pay employees' full salaries when the lockdown measures are eased and workers are able to return to work, and may instead opt for redundancy. A flexible scheme needs to be introduced where businesses can re-employ staff on a part time basis and still receive a top up payment under the Job Retention Scheme instead of furloughing some staff and expecting others to work full time. There will be a need for further support to businesses within the tourism/hospitality sector over a prolonged period, given that they will be the last to reopen when restrictions are gradually lifted.

3.3 Self-Employment Income Support Scheme

There is a recognition that this scheme needs to be widened to provide support for new business start-ups in the last twelve months.

3.4 Rental Support Scheme

A large number of businesses operate from commercial rented premises who cannot pay their rent because their premises are closed or at reduced capacity due to the virus. This situation is also putting pressure on landlords who have mortgages, loans and overdrafts to service.

3.5 Rising Fixed Costs

Whilst businesses are closed or operating at reduced capacity, fixed costs such as insurance and utilities e.g. broadband, electric. This is draining cash resources within businesses.

3.6 Stock and supply chains

Many businesses are struggling to meet supplier payments for current stock with little or no income. Most of this stock is now obsolete as it is time sensitive and seasonal. There are concerns about supply chains given that many manufacturing companies have been closed due to the COVID 19 outbreak.

3.7 Sustainability beyond the short term

The issue of sustainability beyond the short term will be key; so support will need to be focused on helping businesses to implement inevitable social distancing to protect both employees and customers. There are currently no clear guidelines on how businesses should implement social distancing. It is imperative that this comes from central government as various bodies are starting to produce their own which may not be in line with government medical advice. Grants should be available to allow businesses to make the various adjustments/modifications to their premises such as providing hand washing/hand sanitising stations, perspex screens, awnings where outside queuing may be necessary etc.

It is obvious that many employers will re-evaluate how they do things, homeworking for instance. One academic has suggested that - is it possible to organise businesses remotely with technology and proper training? It is obvious that there will be a number of repercussions once the dust has settled and the question is how do we help businesses to reach these decisions?

3.8 Apprenticeships

One of the common concerns across industry is the need to protect existing apprenticeships and new apprenticeships in September 2020. It will be important to ensure they all still have a job so young people do not lose connections with employers and fail to finish their apprenticeship. It also threatens any recovery effort by removing skilled workers from industries trying to rebuild after the pandemic. Government needs to put plans in place to make sure apprentices stay working while offering opportunities for new apprentices.

3.9 Retraining the unemployed

Re-training for redundant workers will be essential and a comprehensive piece of research is required on this issue to identify what types of jobs are needed as the economy rebuilds post Covid-19.

4.0 Other key considerations

To mitigate against the damage done by COVID-19 and to further support the economic recovery the Council would request consideration of the following policy support measures:-

4.1 Rates Reform

To help bolster the economic recovery from lockdown, Northern Ireland needs immediate and fundamental rates reform to redress the seriously damaging imbalances in the current rating system. There is an acknowledgment that the rates system is dysfunctional and places a disproportional burden upon the retail sector and a new fairer system is required, particularly if town and city centres are to bounce back from the Covid-19 pandemic. As part of the rates reform, the small business rate relief scheme should become permanent and a start-up relief for new businesses introduced.

4.2 Campaign to ban zero-hours contracts

The government should consider supporting unions to negotiate agreements with employers that prevent the use of zero-hours contracts, making sure that workers have greater financial and job security.

4.3 Occupational Sick Pay Scheme

Consideration should be given to regulating the private sector to provide an occupational sick pay scheme that is on a similar same level as the public sector.

4.4 Minimum Wage

The crisis has exposed an army of low-paid but essential workers. There needs to be a major rethink when we move out of the current crisis. It is envisaged that Trade Unions will demand changes which will likely have public support.

4.5 Trade Unions

Trade Unions should have access to and recognition by all workplaces receiving financial support from government in order to protect employees.

4.6 Brexit related uncertainty

The impact of the Covid-19 crisis is against a backdrop of Brexit-related uncertainty for firms following the UK's formal exit from the European Union. There are a number of ongoing concerns for businesses in relation to potential customs processes, trade barriers, additional administration costs and access to skills and migrant labour. Mid Ulster has over 9,000 VAT registered businesses across a range of sectors which are heavily reliant on migrant labour – manufacturing, engineering, agri-food, construction, tourism/hospitality, social care, retail and farming. The success of the economic recovery post Covid-19 will be dependent upon the private sector's ability to access international workers which is a strong foundation of any robust Industrial Strategy.

4.7 Public Purse

The Covid-19 virus has had a hugely damaging impact on public finances within local and central government resulting in a substantial loss of income and increased debt. Budgets assigned for other services and key projects have been reallocated to deliver 'core public services'. The longer the lockdown measures are in place, the harder the impact will be on the public purse. There will be a need for a re-prioritisation of budgets to enable the delivery of Capital investment projects to help rejuvenate and re-energise the flagging economy once the virus recedes.

5.0 Conclusion

The Covid-19 pandemic is delivering an unprecedented economic shock, the full extent of which will not be clear for some time. These are extraordinary times. It is expected that the restrictions will be in place for at least several more months, before gradually being lifted, with some social distancing measures expected to remain for a longer period. The recovery is not going to be easy and different parts of the economy will recover at different speeds.

Supporting local businesses is a key priority of Council and the predicted drop in GVA for Mid Ulster is stark and cannot be ignored. While the Council recognises the importance and value of the Government's package of financial supports for businesses – much more will be needed! The Council's engagement across industry has identified unprecedented challenges and issues facing local businesses in Mid Ulster. This evidence has identified the need for a robust economic response aimed at shoring up our economy in Mid Ulster and protecting our business and employment base.

Both central and local government have a role to play in pump-priming major capital infrastructure projects to stimulate local economies as part of the recovery phase.

A number of recommendations are set out in the next section of this paper, which includes immediate, sustained and targeted support to help businesses who, through no fault of their own are facing economic obliteration. In such a fast-moving environment, time is of the essence for a number of key sectors.

6.0 Recommendations

Mid Ulster District Council would make the following key high-level recommendations to aid the economic restart and recovery within Mid Ulster:-

Cross-Sectoral
<ul style="list-style-type: none"> Extend the current business rates holiday to a minimum of 12 months in line with elsewhere in the UK (and to be kept under review for key sectors e.g. retail).
<ul style="list-style-type: none"> Extend and amend the Job Retention Scheme (furloughing initiative) as needed to allow businesses to claim 80% wages where reduced or part-time hours for staff are needed initially as they reopen under a phased return.
<ul style="list-style-type: none"> Self-Employment Income Support Scheme - widen the scheme to provide for new business start-ups during the last 12 months.
<ul style="list-style-type: none"> Introduce a Rental Support Scheme for commercial rent premises by which government funds a percentage of the rental costs incurred, similar to a scheme France called the 60/20/20, whereby government subsidises rent bills by 60%, the landlord reduces rent by 20% and the commercial tenant pays 20% for 12 months of the crisis.
<ul style="list-style-type: none"> Provide short-term financial support to businesses to assist with ongoing fixed costs during closure such as insurance and utility bills e.g. internet, electric, phones.
<ul style="list-style-type: none"> Issue clear guidance and support to all sectors to help businesses plan ahead for implementing social distancing measures to ensure the safety of staff and customers.
<ul style="list-style-type: none"> Provide support for businesses as they recover from the pandemic and navigate into “a new normal”, to include assistance with developing new business plans, new ways of working and implementing social distancing measures within premises.
<ul style="list-style-type: none"> Government should undertake research to identify skills needs and ‘what will the jobs of the future be’ in the “new normal” as a result of the virus.
<ul style="list-style-type: none"> Develop a retraining and reskilling programme for employees made redundant as a result of the Covid-19 pandemic.
<ul style="list-style-type: none"> Introduce a system / financial intervention to protect existing apprenticeships and new apprenticeships (in September 2020) to ensure there is no loss of opportunities for apprentices in the identified sectors due to this period of enforced inactivity.
<ul style="list-style-type: none"> Ensure Insurance companies fulfil their obligations making payments due under business interruption cover in a timely manner.

Retail Sector
<ul style="list-style-type: none"> £25k Business Grant for Retail, hospitality and leisure sectors – amend the scheme to be based on the number of properties (not per business) in line with elsewhere in the UK.
<ul style="list-style-type: none"> Provide support under a ‘Hardship Fund’ to businesses falling through the ‘gaps’ of current support to include:- <ul style="list-style-type: none"> Commercial premises with a Total NAV > £51,000 Commercial tenants in a shared space who pay rent and rates directly to a landlord and therefore do not receive an annual rates bill from LPS.
<ul style="list-style-type: none"> Provide capital funding support to address the issue of obsolete and time sensitive stock to enable payment to suppliers.

<ul style="list-style-type: none"> • Provide funding support to Councils to plan for and accommodate a “changed town centre”.
<ul style="list-style-type: none"> • Provide funding assistance to support businesses with repurposing and modifying their premises post-crisis in order to adhere to social distancing guidelines.
<ul style="list-style-type: none"> • Provide financial support for the development of new websites and e-commerce to include training in digital marketing, social media and business planning.
<ul style="list-style-type: none"> • Establishment of a Retail Resilience Steering Group to plan for the future recovery and sustainability of the sector including creative policy measures.
<ul style="list-style-type: none"> • Development of a Town Centres Recovery Investment Plan. Council’s Economic Development staff are preparing a Marketing Recovery Plan aimed at reclaiming our Town Centres after the pandemic. Government support will be required to successfully implement the Plan.

Manufacturing & Engineering Sector
<ul style="list-style-type: none"> • The establishment of a Mid Ulster Manufacturing Taskforce comprising key public and private stakeholders aimed at protecting the sector’s economic and employment base.
<ul style="list-style-type: none"> • NI Executive to take the necessary steps to buying PPE locally in Northern Ireland to meet future demand.
<ul style="list-style-type: none"> • Provide assistance to manufacturing businesses to limit the damage and explore growth opportunities and new markets especially in the health sectors and environment.
<ul style="list-style-type: none"> • Provide support with supply chain resilience to ensure products can be easily sourced locally and provided to key sectors.
<ul style="list-style-type: none"> • Relax shipping restrictions to allow haulage flow of materials both in and out of the region.

Construction Sector
<ul style="list-style-type: none"> • NI Executive should prioritise an ambitious Capital Investment Programme in major infrastructural projects to drive economic rejuvenation and boost the local Construction industry. This should include supporting City and Growth Deal infrastructural projects.
<ul style="list-style-type: none"> • Provide support with supply chain resilience to ensure materials can continue to be easily sourced locally.
<ul style="list-style-type: none"> • Relax shipping restrictions to allow haulage flow of materials both in and out of the region

Tourism/Hospitality Sector
<ul style="list-style-type: none"> • Provide short-term financial support to businesses to assist with ongoing fixed costs during closure such as rent, insurance and utility bills e.g. internet, electric, phone.
<ul style="list-style-type: none"> • £25k Business Grant for Retail, hospitality and leisure sectors – amend the scheme to be based on the number of properties (not per business) in line with elsewhere in the UK.
<ul style="list-style-type: none"> • Provide support under a ‘Hardship Fund’ to businesses falling through the gaps of current support e.g. those businesses not paying rates such as B&Bs.
<ul style="list-style-type: none"> • Provide a package of targeted and ongoing support to the private coach and bus industry.
<ul style="list-style-type: none"> • Provide funding assistance to support businesses with repurposing and modifying their premises post-crisis in order to adhere to social distancing guidelines.

- | |
|---|
| <ul style="list-style-type: none">• Provide financial support for the development of new websites and e-commerce to include training in digital marketing, social media and business planning. |
| <ul style="list-style-type: none">• Development of a Destination/Communication strategy to encourage footfall back into tourism/hospitality venues, which needs to allay consumer anxiety, change consumer behaviour and address the anticipated recession. The strategy needs to focus initially at a local and rural level before expanding regionally and then nationally. |
| <ul style="list-style-type: none">• Develop a training and mentoring programme to encourage innovation within the sector to secure its long-term future. |

Appendices

Appendix 1:

Extracts from Ulster University Economic Policy Centre report: 'Economic consequences of COVID-19 in Northern Ireland',

Table 1: Potential economic impact caused by the COVID-19 pandemic is set out below

Country	Equivalent annual % decline in GDP	Peak unemployment	Source
UK	6%	-	Deutsche Bank
	5%	-	Morgan Stanley
	4% - 8%	-	PwC
US	8.25%	20%	Goldman Sachs
Germany	2% - 5%		IfO Institut
RoI	7.1%	18%	ESRI
	7.3%	-	EY
	8.3%	-	Central Bank of Ireland
NI	6.7%	78k job losses	EY

Table 2: Initial estimate of staff nos. temporarily laid-off or furloughed

Sector	
Production & Manufacturing	33k
Construction	15k
Private sector services	187k
TOTAL	235k

Source: UUEPC

Appendix 2:

Extracts from Centre for Progressive Policy Report: 'Which local authorities face the biggest immediate economic hit?'

Mid Ulster ranked 7th most affected area by Covid-19 out of UK's 382 regions)

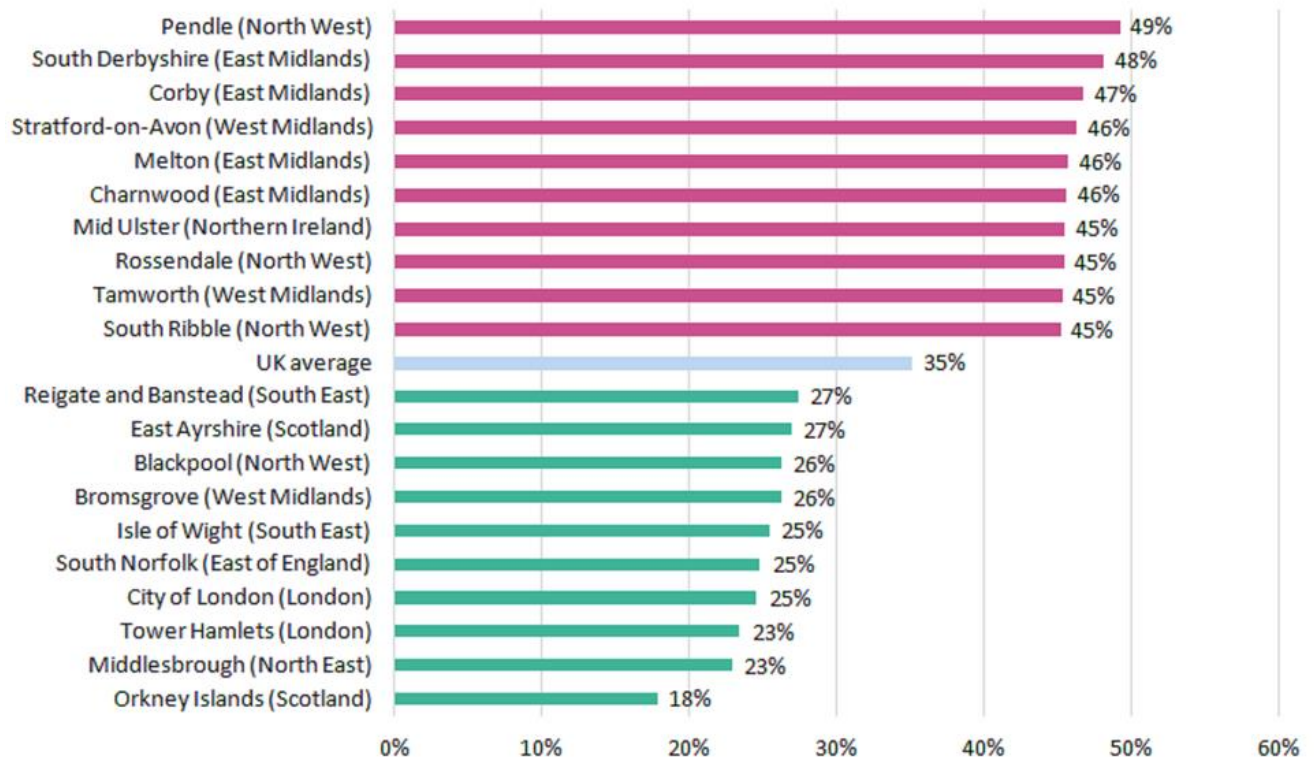


Chart 1: Estimated decline in GVA for the top 10, bottom 10 and median performing local authority districts in the UK

Table 1 from the OBR coronavirus commentary: Output losses by sector in the second quarter of 2020

Sector	Per cent	
	Weight in whole economy value added	Effect on output relative to baseline
Agriculture	0.7	0
Mining, energy and water supply	3.4	-20
Manufacturing	10.2	-55
Construction	6.1	-70
Wholesale, retail and motor trades	10.5	-50
Transport and storage	4.2	-35
Accommodation and food services	2.8	-85
Information and communication	6.6	-45
Financial and insurance services	7.2	-5
Real estate	14.0	-20
Professional, scientific and technical activities	7.6	-40
Administrative and support activities	5.1	-40
Public administration and defence	4.9	-20
Education	5.8	-90
Human health and social activities	7.5	50
Other services	3.5	-60
Whole economy	100.0	-35

Appendix 3:

Extracts from Scenario planning paper for Mid Ulster District Council Tourism Development Group

Table 1: Potential Scenarios for Mid Ulster Hospitality Sector - Outdoor Activity Providers

	End April 20	May 20	June 20	July 20
Best Case Scenario	Preparations to reopen	Reopen mid May		
Good Case Scenario	Preparations	Preparations to reopen Reopen end May		
Likely Case Scenario	Preparations	Preparations to reopen	Reopen mid / end June	
Worst Case Scenario	Preparations	Preparations	Preparations to reopen	Reopen mid July

Table 2: Potential Scenarios for Mid Ulster Tourism/Hospitality Sector - Businesses that can implement social distancing.

	June 20	July 20	August 20	Sept 20	October 20
Best Case Scenario	Reopen end May / June				
Good Case Scenario	Preparations to reopen	Reopen late July / early Aug	Reopen late July / early Aug		
Likely Case Scenario		Preparations to reopen	Preparations to reopen	Reopen Sept	
Worst Case Scenario			Preparations to reopen	Preparations to reopen	Reopen October

Table 3: Summary of Future Support Required

Stage	Sector Reaction	Govt Support	Proposed Council Support
Initial Lockdown Phase (late Mar – mid Apr)	Panic Mode	Not announced	Direct Sectoral Engagement <ul style="list-style-type: none"> Reactive support to sectoral needs – WhatsApp group 100+ members, ongoing series of webinars & signposting.
Lockdown – (Current Position)	Panic / Survival Mode	<ul style="list-style-type: none"> Grants Employment Grants Loans TED Programme 	Engagements & Support – <ul style="list-style-type: none"> Development & launch of destination communications campaign to communicate to local market focus on digital – safe location / open spaces / reconnection. Appeal to community spirit – Me ~ We. Develop family of hashtags, eg #TravelTomorrow #KeepDreaming #ReconnectAndDisconnect #OnYourDoorstep Development of structured support mechanism – Central portal of support & signposting. Bespoke support programme - product & service innovation support & signposting. Investment & development of digital content / virtual tours & programmes Exploration of expanded collaboration and product development.
Sector Preparing to Re-open	Survival Mode	<ul style="list-style-type: none"> Grants Employment Grants Loans TED Programme 	Brand Development Engagements & Support <ul style="list-style-type: none"> Engagement with tour operators & external buyers for 2021 and beyond, eg, Digital meet the buyer Ongoing destination campaign to communicate to local & regional market Ongoing digital content / virtual tours & programmes campaign Structured support – product development / marketing / planning Development of programme of marketing campaigns that can be launched at appropriate time, eg, focus on outdoors and activities or Eating “Out”, development of small immersive experiences that can be developed.
Sector Re-opening	Moving Forward	<ul style="list-style-type: none"> TED Programme Remaining support package not announced 	Brand Development & Awareness Campaigns Sectoral Development Support <ul style="list-style-type: none"> Engagement with the Marketplace Ongoing digital content / virtual tours & programmes.