

**From the Minister of Finance**

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Your reference: C080-20  
Our reference: CORR-1613-2020

Date: 11<sup>th</sup> May 2020

Dear Martin

**EXTENSION OF THE BUSINESS RATE RELIEF SCHEME**

Thank you for your letter of 24 April regarding your request for my Department to bring forward a rate relief scheme commensurate with that being introduced for businesses in the retail, tourism and hospitality sectors in England, as a means of relieving financial pressures being faced by many local businesses.

I acknowledge the current financial stresses being faced by our local businesses as a result of the ongoing Covid 19 pandemic. In relation to my current policy, the 3 months business rates holiday which I introduced represents an immediate response to the issues being faced, one which enabled the Executive to get support out on the ground as quickly as possible and provide immediate reassurance to all businesses at this uncertain time.

This scheme provides support to all business ratepayers as opposed to the English scheme that assists only retail, hospitality, and leisure sectors. If the English scheme had been introduced here, 60% of businesses would have missed out on much needed support. Given your Council's position as home to a significant range of manufacturing, engineering, construction and agri-food industries, a large proportion of your businesses would have received no support should this scheme have been adopted. Under my scheme, however, businesses in the commercial, manufacturing and service sectors, which have all been impacted by the pandemic, have also benefited. Overall this support will save businesses over £100 million. Although the relief covers both the district and regional element of the rate bill, council revenues will not be reduced as the cost is being funded entirely by the Executive.

My Executive colleagues and I have, however, acknowledged that further support by way of rate relief will be necessary to help and promote sustainable businesses in all sectors which have been hardest hit by Covid-19 and also to encourage new businesses to establish as we recover from the pandemic. Recognising the urgency of the need for additional support my Department is currently working with the Ulster University Economic Policy Centre with a view to developing a targeted rates relief scheme for the months ahead so that limited public resources can be targeted at the businesses and sectors hardest hit by the pandemic.

Ministerial colleagues and I met with Mr Hetherington, Director of the Ulster University Economic Policy Centre, on 5 May to discuss his draft findings. I have asked for his final report to be provided as soon as possible as this work will inform proposals which I will bring to the Executive in the coming weeks to allow the most appropriate response to our local circumstances to be implemented. If we were to extend the existing rates holiday for a full year this would cost an additional £300m, resources that are not available to the Executive.

I would also like to highlight that in addition to the 3 months holiday, I also introduced a range of other measures to assist businesses at this time, including the deferral of the issuing of all rate bills from April until June to help businesses with short-term cash flow; a reduction in the Regional Rate for all businesses equating to a significant 18% reduction on the 2019/20 rate; and the extension of the Small Business Rate Relief scheme for the current financial year, thereby providing valuable assistance to almost 27,000 ratepayers. These measures are in addition to £237 million in reliefs and exemptions from rates that the Executive already provides each year.

Going forward, both my Executive colleagues and I are continually working to identify what interventions can be brought forward on an Executive wide basis, to protect our economy and restore confidence to businesses. I expect further measures to be considered in the context of the Covid-19 recovery plan, which the Executive is currently considering. If there are measures that your Council consider should be explored, then I would be happy to discuss these with you.

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A handwritten signature in black ink that reads "Conor Murphy." The signature is written in a cursive, flowing style.

**CONOR MURPHY MLA**  
**MINISTER OF FINANCE**

# SAVING OUR COUNCILS. SUSTAINING OUR COMMUNITY.

## NILGA PRESIDENT CRISIS ACTION UPDATE FOR FULL COUNCIL MEETINGS.

As President of the 11 councils' Local Government Association, I am sending this short, urgent message to elected members and senior officers across our region to inform and be informed by you as we deal with Covid-19 and plan for social and economic recovery. Since mid-March, NILGA has - like all of you - completely refocused our work.

**1. FINANCIAL SURVIVAL:** NILGA and partners have collated and sent financial impact evidence and is lobbying national government and Stormont to get cash into councils. With collective local authority losses per calendar month of just under £11 million, we have targeted key Departments including Communities, Finance and DAERA, plus the NIO, Secretary of State and Treasury to seek a substantial proportion of these first phase losses (using a 16 week model running to end of June 2020). The work of SOLACE, ALGFO and NILGA, together with wider lobbying by e.g. APSE and the Local Government Associations in England, Scotland and Wales continues relentlessly, in an integrated, dynamic way, including a collective push for Treasury / NIO to offer a Crisis Fund to each council and to underwrite the forecast hundreds of millions of pounds of lost rates income this financial year.

**2. FINANCIAL FLEXIBILITY:** I have personally written and engaged further with the Economy Minister, Diane Dodds MLA, to seek radical change in EU economic development funding criteria set by this department and its agencies, so that unspent monies can be diverted to council staff and projects dealing with recovery, rather than projects suspended or cancelled due to the pandemic. This criteria change, based on council information, would release several million pounds into local economies and local government's hard-pressed business support staffing. Tweaking criteria is NOT ENOUGH. Additionally, local councils now have places on both the NI wide Economic Forum and the recently formed NI Tourism Support Group.

**3. FINANCIAL SUSTAINABILITY:** NILGA's Chief Executive has a weekly engagement with the UK Local Government Forum's financial survival group, which directly challenges Treasury at national level to support BOTH the NI Assembly and our 11 councils. We must collectively increase the contingency funding in NI, which currently sits at under £100 million, with financial asks, totalling over £1 billion. We as a region and a community deserve and must seek more.

**4. CORPORATE GOVERNANCE & POLITICAL SCRUTINY:** NILGA's policy guidance, partner co-ordination and cross council, cross departmental participation, communicating very closely with SOLACE and senior officer groups, ensured legislation effective from 1<sup>st</sup> May agreed by the NI Executive to enable councils to take decisions via virtual meetings, offering you much needed flexibility around decision taking, the scheduling of AGMs, whilst we also are seeking investment for new technology required in councils to ensure compliance.

**5. STRONG PUBLIC HEALTH SERVICES:** The co-ordination by NILGA of the NI Strategic Waste Partnership, working closely with the all-council and departmental officer teams on this plus the Civil Contingencies Group, has achieved the very best, collegiate, public health response possible, with work and communications on Recycling, Kerbside Collections and Fly Tipping relayed daily to individual councils in order for planning and delivery to be refined at local level, with staff safety, the public's health, service delivery & risk / resource management remaining the paramount issues.

**6. VULNERABLE PEOPLE SUPPORTED:** Colleagues in the Department of Communities have welcomed suggested improvements by NILGA Executive members to the hugely valuable Food Parcel distribution process and will continue to work with councils at local level, to maintain and enhance this extraordinary service for those in greatest need.

**7. PLANNING ECONOMIC RECOVERY:** NILGA's Regional Economy Group, covering all councils and with a member and officer team, have completely refocused policy and practical work to deliver on local economic recovery and rebuilding, with support now offered by bodies including Enterprise NI and the Construction Employers' Federation. It is now scheduling virtual meetings and will provide important information to the Tourism and Business Groups established through Stormont per 2. above.

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Office of the Minister for Agriculture, Food and the Marine, Dublin 2.

Oifig an Aire Talmhaíochta, Bia agus Mara, Baile Átha Cliath 2.

17<sup>th</sup> April 2020

Councillor Martin Kearney,  
Mid Ulster District Council,  
Burn Road,  
Cookstown,  
Co. Tyrone

Received  
21 APR 2020  
Chief Executive

Our Ref: 2020/63346R/AS

Dear Martin

Thank you for your representation of 23 February 2020 in relation to uncertainties created by Brexit.

The agri-food sector is of critical importance to the Irish economy, and its regional spread means it underpins the socio-economic development of rural areas in particular. As such, Brexit has the potential to have a very significant impact on farmers and on the agri-food sector throughout Ireland, including farmers in the border counties.

The Department has introduced a number of supports to assist the agriculture sector in preparing to address the challenges posed by Brexit. These include:

- the €150 million Low-Cost Loan Scheme;
- the €300 million Brexit Loan Scheme;
- the €300 million Future Growth Loan Scheme; and
- the €100 million Beef Exceptional Aid Measure.

In addition to the above supports, The Department has introduced a range of other measures in recent budgets to assist the agri-food sector in preparing to address the challenges posed by Brexit. These include:

- Direct aid to farmers;
- Capital funding for the food industry;
- Supports for Bord Bia and Teagasc to assist food companies prepare for Brexit including through market diversification and innovation.



In Budget 2020, the Government announced that it would provide a 'no-deal' contingency fund to support our most vulnerable sectors, with up to €650 million available overall, to be activated in tranches as the full impacts of Brexit emerge. €110 million was made available for the agri-food sector in the first tranche, to be supplemented by any exceptional aid provided by the EU.

Since 31 January, the EU's relationship with the UK has moved to a new phase. Both sides have published guidelines for the negotiations for a Free Trade Agreement. The Department has contributed to developing a national position on the EU guidelines, through the Departments of the Taoiseach and Foreign Affairs and Trade.

Negotiations between the EU and UK started last month but are proving challenging due to the Covid-19 crisis. However, both sides have agreed to keep in close contact and explore alternative ways to continue discussions over the period ahead.

Finally, I would suggest that you monitor our Brexit page on the Department's website [www.agriculture.gov.ie/brexit](http://www.agriculture.gov.ie/brexit) as its regularly updated and you will find the latest information there.

Yours sincerely,



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Michael Creed T.D.  
Minister for Agriculture, Food and the Marine