EXPLANATORY MEMORANDUM TO

The Financial Assistance (Coronavirus) (Large Business) Regulations (Northern Ireland) 2021

S.R. 2021 No. 88

1. Introduction

1.1. This Explanatory Memorandum has been prepared by the Department of Finance to accompany the Statutory Rule (details above) which is laid before the Northern Ireland Assembly.

1.2. The Statutory Rule is made under powers conferred by sections 1(2) and 3 of the Financial Assistance Act (Northern Ireland) 2009 and is subject to the negative resolution procedure.

1.3. The Department of Finance has been designated as a relevant Department under section 1(3)(a) of the Financial Assistance Act (Northern Ireland) 2009 and the Rule is made with the approval of the Executive Office.

2. Purpose

2.1. These Regulations provide for a scheme of financial assistance to be awarded to large commercial businesses affected by the ongoing Covid-19 pandemic. The targeted measures implemented by this scheme apply in respect of the 2020/21 financial year. The scheme is focused upon hereditaments with a net annual value (NAV) over £51,000 that are eligible for the 12-month "rates holiday" provided for by the Executive.

2.2. Regulation 1 contains the citation and commencement provisions.

2.3. Regulation 2 provides for the Financial Assistance scheme to be set out in the Schedule.

2.4. The Schedule to the Regulations lays out the Financial Assistance scheme that will provide support to large commercial businesses.

3. Background

3.1. This is an emergency Statutory Rule made in tandem with the Executive's wider response to COVID-19.

3.2. The scheme provided for by the Rule comes in light of the Finance Minister's statement of 15 March 2021. The statement noted the Executive's agreement to a number of new financial support schemes for businesses in respect of the 2020/21 financial year. The Finance Minister noted that the schemes would be implemented rapidly to make use of available COVID-19 funding within the 2020/21 financial year.

4. Consultation

4.1. This measure is implemented as part of the Executive's emergency response to the COVID-19 pandemic.

5. Equality Impact

5.1. This is an emergency Statutory Rule made as part of the Executive's wider response to COVID-19.

6. Regulatory Impact

6.1. None associated with this Rule.

7. Financial Implications

7.1. Approximately 1,125 businesses will benefit from this scheme with a cost estimate of £56·3 million.

8. Section 24 of the Northern Ireland Act 1998

8.1. It is the view of the Department that this Rule is compatible with section 24 of the Northern Ireland Act 1998.

9. EU Implications

9.1. This Rule is deemed by the Department to be compatible with obligations following EU Exit and the terms of EU-UK Trade and Cooperation Agreement.

10. Parity or Replicatory Measure

10.1. A range of measures has been put in place across GB to reflect the circumstances facing both government and businesses as a result of the COVID-19 outbreak. Each administration has put in place measures in line with budgetary capacity and specific policy requirements.

11. Additional Information

11.1. Not applicable.