

Witness Name: Mike Brennan  
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## **UK COVID-19 INQUIRY**

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### **WITNESS STATEMENT OF MIKE BRENNAN, PERMANENT SECRETARY, DEPARTMENT FOR THE ECONOMY (NI)**

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I, Mike Brennan, of Adelaide House, 39/49 Adelaide Street, Belfast, BT2 8FD, Permanent Secretary for the Department for the Economy will say as follows: -

#### **Overview of Roles and Responsibilities**

1. I am the Permanent Secretary for the Department for the Economy (DfE) and am duly authorised to make this statement on behalf of DfE. I was initially appointed as temporary Permanent Secretary in December 2019 and was then permanently appointed to the role in December 2020. I was therefore in the role during the final portion of the period with which Module 1 is concerned, namely between June 2009 and January 2020 ("the Specified Period").
2. My role as Permanent Secretary includes the following roles and responsibilities:
  - a. Acting as Head of DfE,
  - b. Chair of the Departmental Board,
  - c. Representing DfE on the Northern Ireland Civil Service (NICS) Board,
  - d. Acting as the principal advisor to the Economy Minister,
  - e. Overall responsibility for managing DfE, it's staff and resources,
  - f. Acting as the Accounting Officer for DfE, with responsibility to the NI Assembly for the sound management of public funds by DfE.
3. I make this statement for the purpose of Module 1 of the UK Covid-19 Inquiry.

## Background to DfE

4. DfE was established in May 2016 shortly after the Northern Ireland Assembly Election in 2016 and is one of nine government Departments headed by Ministers of the Northern Ireland Executive. DfE is the lead Department for issues related to the economy in Northern Ireland. However, it should be noted that DfE does not have responsibility for every decision that may have an impact on the economy in Northern Ireland.
5. Following the re-organisation of the Departments in 2016, DfE encompassed the functions that were previously assigned to the Department of Enterprise, Trade and Investment (DETI); and the Department for Employment and Learning (DEL), with the exception of the Employment Service (ES). The ES helps individuals gain new skills, find a job or stay in work and is now assigned to the Department for Communities (DfC).
6. DfE's overarching mission is to develop and implement agile policies and programmes which promote a competitive, sustainable and inclusive economy through investment in skills, economic infrastructure, research and innovation and business development.
7. DfE's responsibilities include:
  - a. wider economic policy, including specific areas like Energy, Tourism and Telecoms;
  - b. the operation of a range of employment and skills programmes;
  - c. oversight and funding of the further and higher education sectors;
  - d. various aspects of employment law; and
  - e. the management and operation of various EU funding programmes.
8. DfE was also the lead Department on Outcomes 1, 5 and 6 of the NI Executive's 2016 draft Programme for Government (PfG), which were:
  - a. Outcome 1 – We prosper through a strong, competitive, regionally balanced economy;

- b. Outcome 5 – We are an innovative, creative society, where people can fulfil their potential; and
- c. Outcome 6 – We have more people working in better jobs.

## **Structure of DfE**

9. DfE operates under the direction and control of the Minister for the Economy, who is responsible and answerable to the Northern Ireland Assembly (NI Assembly) for the exercise of the powers on which the administration of DfE depends. The Minister has a duty to the NI Assembly to account, and to be held to account, for all the policies, decisions and actions of DfE, including its Delivery Partners (formerly referred to as “arm’s length bodies” or “ALBs”). Since the creation of DfE in 2016 to the end of the Specified Period, two different Ministers held the post of Minister for the Economy hereafter referred to as “the Minister”:
  - a. Simon Hamilton from May 2016 to March 2017; and
  - b. Diane Dodds from January 2020 to June 2021.
10. Prior to the creation of DfE, DETI and DEL were also under the control of Ministers in the same manner. During the Specified Period, two different Ministers held the post of Minister for the Economy:
  - a. Arlene Foster from June 2008 to May 2015; and
  - b. Jonathan Bell from May 2015 to March 2016.
11. During the Specified Period, three different Ministers held the post of Minister for Employment and Learning. These Ministers would have had responsibility for the matters within DEL that transferred to DfE upon its formation:
  - a. Sir Reg Empey from May 2007 to October 2010;
  - b. Danny Kennedy from October 2010 to May 2011; and
  - c. Stephen Farry from May 2011 to March 2016.
12. As the Permanent Secretary, I am the Departmental Accounting Officer with responsibility for the overall organisation, management and staffing of DfE. I also have responsibility for maintaining a robust governance and risk management

structure and a sound system of internal control that supports the achievement of departmental policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible. In discharging those functions, I operate in accordance with the Department of Finance's (DoF) key guidance, Managing Public Money Northern Ireland.

13. Since the creation of DfE in 2016, the role of Permanent Secretary has also been held by two other officials:

- a. Andrew McCormick from May 2016 to February 2018; and
- b. Noel Lavery from February 2018 to November 2019.

14. During the Specified Period, the role of Permanent Secretary in DETI was held by:

- a. Stephen Quinn from October 2008 to October 2009;
- b. David Sterling from October 2009 to June 2014; and
- c. Andrew McCormick from July 2014 to May 2016.

15. During the Specified Period, the role of Permanent Secretary in DEL was held by:

- a. Aideen McGinley from February 2006 to September 2009;
- b. Catherine Bell (Acting) from September 2009 to February 2010;
- c. Alan Shannon from February 2010 to May 2013; and
- d. Derek Baker from June 2013 to May 2016.

16. The Departmental Board, which is the formal senior management forum (and includes senior officials and non-Executive Directors), manages DfE within the strategic policy and resources framework set by the Minister. It supports me in my role as Permanent Secretary by providing collective leadership and taking ownership of DfE's performance.

17. The Board, which I chair, meets monthly and is comprised of DfE's Deputy Secretaries, the Director of Finance Division, the Director of Central Services Division and the Strategic HR Business Partner, along with two Independent Board Members, Fiona Keenan and Michael McKavanagh, who are not civil servants.

18. As well as being members of the Board, the Deputy Secretaries each have responsibility for one of the five groups covering the main policy areas of DfE:
- a. International and Economic Relations,
  - b. Economic Strategy,
  - c. Management Services and Regulation,
  - d. Skills and Education, and
  - e. Energy.
19. At the end of the Specified Period, a total of 25 Divisions sat under these groups and were aligned to DfE's main policy areas.
20. The structure of DfE, at its creation and at the end of the Specified Period, including the names of the Heads of Groups and Divisions are included at Exhibit [MB/1 – INQ000146989].

### **Areas of Overlapping Policy Responsibility**

21. In terms of core policy, there is some overlap between DfE and the Department of Education (DE) in Northern Ireland in relation to the education of students aged 16-19 years old. DfE has policy responsibility in relation to further and higher education, whereas DE has policy responsibility in relation to post primary schools.
22. In addition to the work of the core Department (i.e. those functions managed within DfE rather than under DfE's Delivery Partners) outlined above, DfE works with its Delivery Partners to deliver its wider objectives. Details of DfE's Delivery Partners and their remit can be found at Exhibit [MB/2 – INQ000146990].
23. As referenced at paragraph 6, DfE's overarching mission is to develop and implement agile policies and programmes which promote a competitive, sustainable and inclusive economy through investment in skills, economic infrastructure, research and innovation and business development. As noted above, DfE is not responsible for every decision that may have an impact on the economy within Northern Ireland. UK Government decisions will also have an

impact and other NICS Departments are also active in the economic sphere, insofar as it relates to their departmental remit.

24. It is also useful to note that the 11 local Councils within Northern Ireland, play a role in local economic development. They support local economies and drive growth within their Council area.
25. In terms of contingency planning and emergency response planning, The Executive Office (TEO) (formerly known as the Office of the First Minister and deputy First Minister (OFMDFM)) is the Department with policy lead within the NICS. DfE's responsibilities in this matter relate to the continued provision of its services in an emergency and the civil contingencies matters that fall within its policy remit. A more detailed explanation of these responsibilities is provided at paragraph 29 below.
26. Outside of these areas, there are no other areas of government policy in which DfE has a shared competence with other departments, agencies or public bodies in Northern Ireland.

### **Role in Civil Contingencies and Emergency Response Planning**

27. The policy lead on strategic civil contingencies preparedness for the public sector in Northern Ireland is TEO. It is responsible for co-ordinating the non-health preparedness of the NI Departments and their associated sectors for an influenza pandemic. The focus of these preparations is to ensure that all public service organisations and utilities have business continuity arrangements in place to enable them to maintain essential services during an influenza pandemic and to provide for the effective management of supply lines and the operations of government. This work is overseen by the Civil Contingencies Group (NI) (CCG(NI)), which is chaired by TEO.
28. Throughout the Specified Period, TEO was designated to take the lead on work across the public sector in Northern Ireland to promote and encourage the development of effective emergency preparedness to mitigate the effects of a civil emergency on the public and the environment. In addition to its preparedness

agenda, TEO facilitates the effective delivery of the central strategic crisis management arrangements within government in Northern Ireland to deal with the most serious types of emergencies. Individual NICS Departments then take forward workstreams that fall within their policy remit.

29. During the Specified Period, DfE's emergency response responsibilities focused on civil contingencies emergencies in which DfE would take a lead role within Northern Ireland, namely emergencies which:

- a. seriously disrupt the supply of oil, electricity, gas and other fuels;
- b. include dangerous land subsidence at abandoned mines, including salt mines;
- c. are in consequence of a serious incident at industrial premises (in conjunction with the Health and Safety Executive Northern Ireland (HSENI)), which come within the provisions of the relevant Control of Major Accident Hazards (COMAH) sites; or
- d. concern a major failure of the NI telecoms infrastructure.

30. As noted above, one of DfE's (and formerly DETI's) areas of policy responsibility is Energy. As Energy forms part of the Critical National Infrastructure, DfE has a responsibility in related emergency responses. Critical National Infrastructure are those critical elements of Infrastructure (facilities, systems, sites, property, information, people, networks and processes), the loss or compromise of which would result in a major detrimental impact on the availability, delivery or integrity of essential services, leading to severe economic or social consequences or to loss of life. DfE was also one of a number of organisations which would respond to a serious disruption to the food supply chain.

31. Throughout the Specified Period, DETI and then DfE, regularly engaged with businesses within the energy industry, which formed part of the Critical National Infrastructure, to discuss their respective business continuity plans (BCPs) in the event of an emergency. Throughout the Specified Period, business continuity during a pandemic was identified as a top risk for the energy industry. During its regular engagement with these businesses within the energy industry, DETI / DfE discussed how pandemic planning was being incorporated into their BCPs.

Engagement with businesses in this sector took place on approximately a quarterly basis by telephone, alongside a once yearly in-person site visit by DETI / DfE officials. In December 2019, when Covid-19 began to emerge as a potential pandemic, DfE approached these businesses within the energy industry again to remind them of the importance of having their BCPs in place and to reinvigorate their thinking about the matter.

32. DETI and then DfE, also regularly engaged with counterparts in the UK and Irish Government in relation to the security of supply of electricity, gas and oil to Northern Ireland throughout the specified period. An all-Ireland joint steering group, comprised of DETI / DfE and the Irish Government's Department of the Environment, Climate and Communications (DECC) met quarterly in relation to gas and electricity. In addition, a biannual meeting about security of supply took place between DETI / DfE, the Irish Government and UK Government. As these meetings took place throughout the Specified Period, a forum for addressing any potential issues relating to security of supply was already well established prior to the Covid-19 pandemic and facilitated ongoing collaborative work between the organisations in relation to pandemic planning and preparedness.
33. During the Specified Period, DEL / DETI / DfE did not engage with the North South Ministerial Council (NSMC) on matters relating to pandemic planning or preparedness. DfE was simply a conduit for communications between the cross-border organisations it works with, Intertrade Ireland and Tourism Ireland, and the NSMC. Neither did DEL / DETI / DfE engage with the British-Irish Intergovernmental Conference on these matters during the Specified Period. TEO was the lead Department for engagement with both the NSMC and the British-Irish Intergovernmental Conference during the Specified Period and would be best placed to provide an overview of these bodies. Likewise, for details of any engagement relating to health matters, the Department of Health (DoH) would be best placed to comment.
34. Throughout the Specified Period, contingency / emergency planning, including pandemic planning, was managed via BCPs. DETI, DEL and then DfE, had operational level BCPs in place. These plans were at Branch / Division level, or for



the operation of a departmental building. They focused on the contingency arrangements for continued operation of the priority functions of the respective Departments in the event of an emergency such as loss of a physical location, access to IT or in the event of a pandemic.

35. In June 2009, and in addition to the operational level BCPs, DEL began planning for a Swine Flu pandemic and BCPs were updated to take account of the potential impact of that pandemic and put in place at Branch / Division level by July 2009. In August 2009, following the declaration of the Swine Flu pandemic by the World Health Organisation (WHO), DETI also put in place Pandemic Flu BCPs. Guidance on the completion of BCPs was issued to staff in both DEL, Exhibit [MB/3 – INQ000146991], and DETI, Exhibit [MB/4 – INQ000146992]. These plans sat alongside the overarching DEL and DETI BCP arrangements with a focus on two main aspects;

- a. the practicalities of the continued operation of the respective Departments' priority functions; and
- b. reducing the risk of spreading the infection within the respective Departments' offices.

36. Upon its creation, DfE built on existing arrangements and put in place a Business Continuity Management (BCM) process, whereby each Branch / Division and departmental building had a dedicated and managed BCP. These plans focused on;

- a. the practicalities of the continued operation of DfE,
- b. it's physical office locations; and
- c. delivery of DfE's services to the public.

37. The BCPs were internal, operational documents focused on the ability of the respective Departments to continue delivering their services to the public. Neither the standard BCPs nor Pandemic Flu BCP focused on planning for the wider economic impacts of a pandemic on the Northern Ireland economy. DfE's current BCP guidance can be found at Exhibit [MB/5 – INQ000146993].

38. The BCPs generated by DETI, DEL and DfE during the specified period have not been exhibited as they run to hundreds of low-level documents produced at Branch / Divisional level focusing solely on the continuity of DfE functions. It is hoped that the guidance referred to at paragraphs 35 and 37 above will give the Inquiry a flavour of the content of the BCPs which will in turn enable the Inquiry to make an informed decision about whether it wishes to have sight of any BCPs.

### **Exercise Cygnus**

39. In October 2016, Public Health England, on behalf of the UK Department of Health, delivered Exercise Cygnus. The exercise was designed to assess the UK's preparedness and response to a pandemic flu outbreak. This exercise, the report it produced, and the ensuing lessons learned from it, focused on the health response to a pandemic and did not have any focus on the economic implications.
40. DfE was not listed as a participating organisation within this exercise. The only listed participating organisation in Northern Ireland was DoH. However, DfE was alerted to the fact that the exercise had touched on the maintenance of gas and electricity supplies during a pandemic. That issue fell within DfE's remit and was addressed by the continuation of the arrangements that were already in place as part of the Critical National Infrastructure responsibilities for Energy.
41. One of the lessons identified by Exercise Cygnus was that all organisations should examine the issues surrounding staff absence to provide greater clarity for planning purposes. This lesson focused on BCP arrangements and the ability to maintain functionality in light of high levels of staff absenteeism.
42. The BCPs of DETI, DEL and DfE were already cognisant of this issue and no other required changes were identified on foot of the Exercise. Staff absence was also the cornerstone of discussions with the energy industry in relation to their continuation of critical national infrastructure services in the event of a pandemic.

### **Draft Pandemic Influenza (Emergency) Bill**

43. In 2018, the UK Government engaged with the Devolved Administrations to ensure the UK was adequately prepared for an outbreak of a flu pandemic. The UK Government proposed drafting a Pandemic Influenza (Emergency) Bill to be enacted in an emergency. DoH, the Department of Justice (DoJ) and TEO were the lead Departments on this Bill with TEO, in their role CCG(NI) role, coordinating the Northern Ireland legislative requirements for all NICS Departments.
44. DfE's engagement in this draft Bill was primarily via the CCG(NI) and in respect of the Bill having the power to close Further and Higher Education Institutions during an emergency. DfE officials also engaged directly with officials from the Department of Education (UK). However, it was subsequently agreed that inclusion of such a power in the draft Bill was unnecessary and a non-legislative arrangement between DfE and the affected education institutions would be utilised.

#### **Civil Contingencies and Emergency Response Planning in the Absence of the NI Executive**

45. Contingency / emergency planning is an important function of government Departments, and it can be conducted in the absence of Northern Ireland Ministers to the extent that is permitted by law. All Departments are required to have contingency arrangements in place, including plans for continuity of service during a pandemic.
46. In the initial period following the collapse of the devolved institutions in January 2017, DfE endeavoured to maintain a "business as usual" approach. In the absence of the NI Executive, as civil contingencies and emergency planning within DfE was an operational matter that did not ordinarily require Ministerial approval, work on BCPs continued and BCPs were accordingly agreed.
47. However, on 14 May 2018 the High Court in Northern Ireland ruled, in the *Buick* judicial review, that the functions of a government Department must, at all times, be subject to the direction and control of its Minister, albeit that the level and extent to which the Minister actually exercises direction and control may vary in any given

circumstances. In so doing, the Court rejected the argument that, whilst the legislative framework anticipated that Ministers and an Executive would be in place, it did not require it. The *Buick* judgment was in relation to a challenge to the exercise of a planning function performed by the Department for Infrastructure (DfI) in absence of its Minister. The Courts ruled against the DfI at first instance, and on appeal.

48. In July 2018, the Court of Appeal ruled that the issue of planning permission was crosscutting, significant and controversial and that, accordingly, decisions in that sphere could only be taken by the Executive Committee. The Court went on to say that *“any decision which, as a matter of convention or otherwise, would normally go before the Minister for approval, lies beyond the competence of a senior civil servant in the absence of a Minister”*.
49. The *Buick* decision prompted legislative intervention in the form of the Northern Ireland (Executive Formation and Exercise of Functions) Act 2018 (“the 2018 Act”), which came into force on 1 November 2018. In accordance with section 3 of the 2018 Act, a senior officer of a Northern Ireland Department could exercise a function of the Department during the period for forming an Executive, if it was in the public interest to do so.
50. Section 3 was underpinned by statutory guidance, *“Guidance on Decision-making for Northern Ireland Departments”* which was published by the Secretary of State for Northern Ireland, Exhibit [MB/6 – INQ000146994]. This included the principle that *“any major policy decisions, such as the initiation of a new policy, programme or scheme, including new major public expenditure commitments, or a major change of an existing policy, programme or scheme, should normally be left for Ministers to decide or agree.”*
51. The 2018 Act clearly stated that the absence of discussion and agreement by the Executive did not prevent the exercise of relevant functions of a Northern Ireland Department. It also sought to remove any doubts as to the status of earlier decisions by stating that the absence of Northern Ireland Ministers was not to be treated as having prevented a senior officer from exercising departmental functions

during the period beginning with 2 March 2017 and ending when the Act was passed (i.e. 1 November 2018).

52. Emergency planning for civil contingencies and business continuity are essentially operational matters and, ordinarily, one would not expect the Minister's views to be sought at every turn. However, in the period between the Courts' rulings in *Buick* and the coming into force of the 2018 Act ("the interim period"), general decision-making was constrained and, even after 1 November 2018, all departmental activities were carefully considered in order to ensure that they were within the parameters established by the 2018 Act and associated guidance above.
53. As noted above, emergency planning for civil contingencies, including pandemic planning, did continue within DfE both during and prior to the interim period. That included the planning in respect of the UK leaving the EU, some of which was relevant to the pandemic (e.g. the work in relation to maintaining energy supplies as part of the Critical National Infrastructure) as well as the work in relation to the draft Pandemic Influenza (Emergency) Bill. This was on the basis that the work was routine work that would not ordinarily be submitted to the DfE Minister.
54. Prior to the enactment of the 2018 Act the legal basis was the fact that the work did not ordinarily require Ministerial approval; this does not detract from the level of importance attributed to that aspect of DfE's business. After 1 November 2018 the legal basis was the 2018 Act.
55. As noted at paragraph 53 above, emergency / contingency planning, including pandemic planning, was progressed by DfE, even in the absence of Ministers. Central guidance, developed by TEO as the lead Department on civil contingency planning, was already in place. Moreover, any required professional advice could be easily commissioned by DfE, in the same way as it would have been, had Ministers been in place.
56. In addition, the absence of Ministers did not prevent civil contingencies planning from proceeding - and this was not changed by either the *Buick* judgments or the 2018 Act. The reason being that no civil contingencies planning matter that 'as a

*matter of convention or otherwise would normally go before the Minister for approval* arose during this period.

57. It is difficult to say whether the absence of an Executive had a positive or negative impact on pandemic planning and DfE does not consider that it would be appropriate to speculate one way or the other. As noted above contingency / emergency planning proceeded in the absence of Ministers. Following the return of Ministers, the Minister for the Economy was keen to engage on all departmental matters and was very active in terms of initiating and participating in cross-departmental discussions and directing departmental activities.
58. Ultimately, it would have to be conceded that the nature and extent of the pandemic went beyond anything that had previously been discussed or modelled in the exercises above. The potential for an almost complete shutdown of the economy and the extent of other non-pharmaceutical interventions had never been mooted and was not explored in any of the previous planning exercises / discussions. Accordingly, DfE had no contingency plans in that regard. and it would, therefore, seem reasonable to assume that, if Ministers had been in place, they too would have been reacting to the medical evidence and advice, as it unfolded.

## **Risks and Economic Planning**

59. Previous pandemic preparedness strategies and exercises that are referred to within this statement did not identify the potential for an almost complete shutdown of the economy. Instead, they focused on the UK continuing business as usual as far as possible but with a specified staff absence rate. As noted above, there was no reasonable expectation made within these that a pandemic would have as severe an impact in terms of full lockdowns, restriction of mobility and closure of large sections of the economy as happened during the Covid-19 pandemic.
60. The UK Influenza Pandemic Preparedness Strategy 2011 would have influenced DfE's approach to both economic planning and BCPs. This Strategy was led by the UK Government's Department of Health, with input from the devolved

administrations (from Northern Ireland, this was the Department of Health, Social Security and Public Safety (DHSSPS), now known as DoH). It advised that;

- a. Given the lack of relevant information, assessments of the impact on the UK economy were necessarily simplistic and could only be illustrative.
- b. Business continuity planning could be used to reduce the impact.
- c. Absence figures of approximately 20% of staff on any given day were generally used as a working example for planning.
- d. It was anticipated that the duration of this level of staff absence would be short, with similar levels remaining for one to three weeks and then declining.
- e. The Government would encourage those who were well to carry on with their normal daily lives for as long, and as far as, that is possible, whilst taking basic precautions to protect themselves from infection and lessen the risk of spreading influenza to others.
- f. The UK Government does not plan to close borders, stop mass gatherings or impose controls on public transport during any pandemic with a view to maintaining essential services and normal life.

61. It is worth noting point b. of the paragraph above as DfE's contingency / emergency planning was focused on the continuity of its services via its BCPs and on the continuity of energy supplies, again by the promotion of consideration of continuity of service via BCPs to businesses within the energy industry.

62. In the wider context, the focus of economic planning and policy has been on growth of the Northern Ireland economy. Following the financial crisis of 2008 and ensuing global downturn, the NI Executive published the Northern Ireland Economic Strategy in March 2012, Exhibit [MB/7 – INQ000146995]. This set out the strategic framework for growth with a focus on rebalancing and rebuilding the NI economy. Much of the delivery of this strategy fell within the remit of DETI, DEL and latterly DfE and their Delivery Partners. Economic policy has focused on encouraging business growth, innovation, research and development, improving the skills and employability of the entire workforce and developing trade and investment opportunities.

63. DfE does not have responsibility for wider reserved matters of fiscal policy however, it does have an interest in these areas as issues such as rates of tax will influence economic development within the region.
64. As stated at paragraph 1.7 in HM Treasury's "Statement of Funding Policy (2021)" Exhibit [MB8 - INQ000146996], responsibility for UK fiscal policy, macroeconomic policy and funding allocation across the UK remains with HM Treasury.

### **Funding Arrangements for Civil Contingencies**

65. The main source of financing for public expenditure within Northern Ireland is from HM Treasury. The NI Executive has discretion over the Departmental Expenditure Limit (DEL) allocation, frequently referred to as the NI Block Grant. The NI Executive sets the Budget based on the outcomes of its Programme for Government (PFG). In the absence of an Executive, the Secretary of State for Northern Ireland has set the Budget.
66. DoF then manages the practical allocation of funds, as set out in the Budget, to the nine NICS Departments to allow them to deliver their services to the public.
67. DoF also maintains an oversight of the Budget throughout the year during a series of monitoring rounds. This process also facilitates reallocations of funds as a result of over or under spends, in line with the priorities of the PFG. Should any of the NICS Departments require additional funding throughout the year, they may submit a bid to DoF.
68. During the Specified Period, DEL / DETI / DfE did not have a dedicated budget for civil contingences or pandemic planning. Instead, any costs incurred would have had to have been met from within the respective Department's existing budget allocations.
69. Meeting unexpected costs may involve a redistribution of funds within DfE, based on a review of departmental priorities. Should a significant issue arise that DfE



could not meet from within its existing budget allocations, a bid could be made to DoF for additional funds to be made available to it as part of the in-year monitoring process. Exceptionally, additional funding may be made available to Northern Ireland government from HM Treasury, as happened in the 2020 / 21 financial year to support the response to, and recovery from, the Covid-19 pandemic. In their role as Accounting Officer, the relevant Permanent Secretary would, at each stage throughout the Specified Period, have made the final decision regarding the significant redistribution of funds within their Department or on submitting bids for additional funding to DoF.

70. During the Specified Period, there was no such requirement to seek additional funds for civil contingencies, either from within DEL / DETI / DfE's existing budget allocations or from DoF during monitoring rounds.

### **Overarching Preparedness and Reflections**

71. During the Specified Period, DfE did not carry out analysis of the economic impact of previous potential public health emergencies. Contingency / emergency planning within DfE had focused on business continuity and the ability of DfE to continue to deliver its services to the public. As previously advised, DfE is not responsible for every decision that may have an impact on the economy in Northern Ireland and other NICS Departments and local Councils are active in the economic sphere, insofar as it relates to their remit.
72. To add context to the economic and resourcing priorities of DfE during the Specified Period, it should be noted that resources within DfE were focused on some key strategic challenges, especially recovery from the 2008 financial crash and the outworkings of the EU Exit referendum.
73. By reason of the matters set out in paragraphs 59 and 71 above, it is difficult for DfE to comment on the overarching state of economic readiness of Northern Ireland for a health pandemic. However, the issues that had been raised in the context of previous planning exercises and which fell within DfE's remit, namely the continuity of energy supplies, the availability of staff and the ability of DfE to

continue to discharge its functions, had all been addressed, either as part of the Critical National Infrastructure or BCPs.

74. In terms of lessons learned, a report from the Ulster University entitled “A Covid Counterfactual: What if Government had not provided support?”, published on 13 January 2023, examines a Covid counterfactual scenario to estimate the impact on the Northern Ireland economy in the absence of government interventions, Exhibit [MB/9 – INQ000146997]. Among the key findings were that, had Government not provided support, the NI economy would, as a result of Covid, have taken an additional two years to return to pre-pandemic output levels and had an additional 40,000 unemployed persons.
75. The report also makes a number of recommendations covering areas such as targeting vs universality of support, exit strategies for support schemes, exploring the ability to access information already held by other government Departments and reviewing the conditions applied to companies in receipt of support. The report further highlighted an important lesson for companies themselves in terms of retaining skilled staff in challenging economic times, with the pandemic having exposed the problems of recruitment when an economic crisis eases.
76. It is worth noting that, when it became evident that a coordinated response to the Covid-19 pandemic would be required, DfE was able to quickly stand up dedicated internal coordination and communication structures to feed into other NICS and UK communication structures.
77. In preparation for the UK leaving the EU, the NICS had established a central coordination and communication structure, referred to as C3 (command, control and communication). This took the form of a central NI Hub, which was based within TEO, with Departmental Operations Centres (DOCs) being established within DfE and other NICS Departments. The NI Hub liaised with the UK Government on behalf of all NICS Departments while the DOC's main roles were to facilitate clear lines of communication between DfE and the NI Hub, provide Situation Reports (SitReps) to the NI Hub and to liaise and coordinate activity with

other NICS Departments' DOCs. These structures had been stood down following the exit from the EU.

78. The central coordination and communication structures that had been put in place to respond to the UK leaving the EU were both relevant and helpful and were able to be quickly resurrected and implemented to support DfE's response to the Covid-19 pandemic. Preparing for, and participating in, exercises carried out as part of the EU Exit was advantageous and enhanced DfE's ability to understand and manage its response to the pandemic, in conjunction with the coordinated response.

79. In closing, I would restate that previous pandemic preparedness strategies and exercises referred to within this statement did not identify the potential for an almost complete shutdown of the economy. Rather, they focused on the health implications of a pandemic, with business-as-usual continuing in the rest of the economy as far as possible, but with a specified staff absence rate. Accordingly, many of the actions which DfE took in response to the Covid-19 pandemic in order to address the specific economic impacts within its remit, were devised in situ and by reference to the developing picture, as it unfolded.

### **Statement of Truth**

80. I believe that the facts stated in this witness statement are true. I understand that proceedings may be brought against anyone who makes, or causes to be made, a false statement in a document verified by a statement of truth without an honest belief in its truth.

**Signed:**

**Personal Data**

**Dated:** 26 April 2023