

Witness Name: Department of Finance

Statement No.:

Exhibits:

Dated:

UK COVID-19 INQUIRY

WITNESS STATEMENT OF THE DEPARTMENT OF FINANCE

I, Ian Snowden, will say as follows:

1. As a senior Civil Servant, I am the Chief Executive of Land & Property Services (LPS) in the Department of Finance (DoF). I have responsibility for the delivery of a range of land and property services to citizens, businesses and the public sector in Northern Ireland, including Ordnance Survey Northern Ireland, the Land Registry for Northern Ireland, property valuation and the assessment, billing, collection of rates revenue for the Northern Ireland Executive and district councils. This has been my role before, during and after the pandemic. Throughout this time I have been a member of the senior management team for the Department.
2. The arrangements for devolved government in Northern Ireland (NI) are set out in the Northern Ireland Act 1998 (the NI Act) which was enacted following the Belfast Agreement. The NI Assembly is responsible for the delivery of public services in Northern Ireland which are devolved to the NI Assembly under the NI Act. The NI Executive committee is the devolved government in Northern Ireland and is answerable to the Assembly, as the legislature. It is made up of the First Minister and deputy First Minister who are joint Chairs, two Junior Ministers and eight other government ministers, seven of which are nominated by the political parties in the Assembly and the Minister of Justice who is appointed through a cross-community vote in the Assembly.

3. Each Minister oversees a Department. The Department of Finance (DoF) is one of nine Northern Ireland departments constituted under the Departments Act (Northern Ireland) 2016 and the Departments (Transfer of Functions) Order (Northern Ireland) 2016. Each Department is a legal entity in its own right with a specific role and functions. Prior to 2016, the Department was named the 'Department of Finance and Personnel (DFP)'.

4. The overall aim of the Department of Finance is to help the NI Executive secure the most appropriate and effective use of resources and services for the benefit of the community and deliver quality, cost effective and efficient public services and administration in the Department's areas of executive responsibility. This includes Finance, Departmental Procurement, and Policy including Public Sector Reform; Business Consultancy Services; Construction and Procurement Delivery; the Departmental Solicitor's Office; Internal Audit Services; NICS shared services for personnel, finance, ICT, training, digital transformation and service related administration costs; NICS Accommodation Services; some grant-in-aid payments; receipt of grants; the administration of centralised funds from UK Treasury; services provided by the Northern Ireland Statistics and Research Agency (NISRA) and Land and Property Services (LPS); grants to district councils; operational and programme costs of the Special European Union Programmes Body (SEUPB); payment and income under the European Union structural funds programmes; operational costs of the Fiscal Council and Fiscal Commission; the sponsorship and provision of secretariats in respect of other independent bodies; other common services; settlement of NICS equal pay claims; expenditure on activities that are required as a result of the United Kingdom's exit from the European Union; contribute to Governmental response to the coronavirus COVID-19 pandemic; severance payments; compensation payments; associated non-cash items.

5. DoF is responsible for advising the Northern Ireland Executive and Assembly on the control and management of all public expenditure resources. When the Executive has determined, and the Assembly assented to and approved, the allocation of resource to individual departments it is then the responsibility of individual Departmental Accounting Officers, operating under the direction of their minister to manage and account for the deployment of these resources. This delegated responsibility is

embedded in 'Managing Public Money NI' (MPMNI) (*IS/01–INQ000120697; IS/02–INQ000120698*) which is the accountability framework that Accounting Officers are held to by the NI Assembly. This document provides guidance on a wide range of issues, relating mainly to the **proper handling and reporting of public money**. It sets out the main principles for managing resources used by public sector organisations in Northern Ireland. MPMNI current version is issued by the Department of Finance (DoF).

6. Specifically, the Public Spending Directorate (PSD) within DoF is responsible for supporting the Finance Minister and Executive in securing the allocation and effective use of resources available to NI. The PSD also manages the process around draw down of the associated cash grant from the Northern Ireland Office (NIO) and onward distribution to departments.
7. The PSD has also responsibility for the management of public expenditure in Northern Ireland which includes the Executive's Budget process which sets departmental expenditure limits (DEL) budgets for future years and for the management of the in-year monitoring process which facilitates adjustments to those DEL budgets during the relevant financial year. These processes involve gathering information from departments, including requests for additional funding, and using this to inform recommendations by the Finance Minister to the Executive for final decision. Departmental allocations agreed as part of the Executive's Budget are set out in published budget documents.
8. In normal circumstances, the in-year monitoring process provides the NI Executive with three opportunities each year to assess and review NI departmental budgets and address emerging risks and issues by directing available resources appropriately. Any changes agreed by the Executive through the in-year monitoring process are detailed in statements to the Assembly by the Finance Minister.
9. Departments are expected to manage emerging needs and prioritise budgets in the first instance, when required. This includes addressing pressures within the Arm's Length Bodies for which they are responsible. As well as re-prioritising internal budgets, Departments may bid for additional funding, usually during monitoring

rounds, but this was amended during the pandemic. While in some instances internal reprioritising may require DoF approval, this can be facilitated quickly in emergency situations.

10. The number of in-year financial exercises can be increased to take account of emerging issues such as health emergencies. Should additional funding be provided centrally from UK Treasury, it is included in the next appropriate financial exercise. Departments will then have an opportunity to submit bids to the Department for additional funding, including for their arm's length bodies and other entities for which they have responsibility. Most of the funding received from UK Treasury is received under the Barnett Formula and is unhypothecated – meaning it is for Executive Ministers in NI to allocate it in line with local needs and priorities. This was the case during the Covid pandemic when 14 additional exercises were carried out to allocate additional funding received from UK Treasury. This provided an agile and responsive process for the Executive to respond swiftly to changing needs. The UK Treasury annually publish Block Grant Transparency documents which shows a breakdown of changes in the devolved administrations' block grant funding.

The Department's Role in Executive Decision-making during the Pandemic

11. The NI Executive, which, as previously outlined, is accountable to the NI Assembly, exercises executive authority and so was responsible for the Northern Ireland response to the Covid Pandemic. This was primarily because it had to take decisions on significant and controversial issues, such as non-pharmaceutical interventions (NPIs) and under Section 20 of the NI Act 1998, this required Executive approval. There was also a need for a common Executive position, approval of legislation proposed by ministers and decisions which cut across the responsibility of two or more ministers. As part of the Executive, the Finance Minister, supported by the Department of Finance contributed to the Executive's response to the pandemic.
12. Overall civil contingency policy and strategy coordination is the responsibility of the Executive Office (TEO) which provides the Executive with immediate oversight of cross-cutting civil contingency arrangements for devolved matters including managing emergency responses to pandemics. TEO have published a NI Civil Contingency

Framework 'Building Resilience Together' which sets out the Northern Ireland arrangements for effective emergency management, identifying the processes involved in preparing for, responding to and recovering from an emergency. It cannot be prescriptive in terms of the incidents it outlines but provides generic guidance for all types of emergencies.

13. As outlined, DoF provides the NI Civil Service and other public bodies with money, staff, professional services and business support systems, helping them to deliver excellent, value for money public services. In responding to the COVID-19 crisis, and in line with the civil contingency response, the Department's primary objectives were to support the Finance Minister and the Executive, to work collaboratively with all other government departments to ensure the safety and wellbeing, the provision of support for the citizens of Northern Ireland and provide financial advice to the Executive on funding for meeting the challenges arising from the pandemic.

14. DoF also supported the Executive Covid Taskforce (ECT), which was established by the Executive Office to inform the work of the departments during the pandemic. The overall purpose of this taskforce was to provide ongoing support to the response to the evolving nature of the pandemic. Its main objectives were to improve clarity of mission, co-ordination of activities, and provide a holistic approach to communication. It also co-ordinated a whole of Government approach on recovery in terms of rebuilding the economy and societal well-being. It focused on 4 key areas, these being adherence and compliance, protecting the public, strategic communication and recovery. As noted in the Finance Minister's response to an Executive Memorandum regarding the establishment of this taskforce, DoF did not form part of the core membership of the Executive Covid Taskforce but provided support/advice to it as required on matters that lay within DoF's remit including Covid funding and business support measures at an official level. *(IS/03-INQ000130133)*

15. The Finance Minister's response to the establishment of the ECT refers to challenges and I am informed that these had arisen regarding the imposition of restrictions and specifically the operation of the Localised Restrictions Support Scheme, which provided financial support for businesses required to close or severely curtail their business operations by the Health Protection restrictions. As the restrictions were

changed – for example, as different categories of business were required to close or permitted to re-open at different dates – the eligibility for support changed. I am aware that the context for the comments in the Finance Minister’s response to the Executive Ministers was the rapid sequence of changes to the restrictions announced on 12th and 19th November 2020. The Executive’s decisions required pubs, licensed restaurants, hotels, guesthouses and B&Bs to remain closed until 10 December 2020. Further, close contact services, cafes and unlicensed restaurants were permitted to reopen on 20 November 2020 and then close again for two weeks between 27 November to 10 December 2020. I can confirm that the most significant issue for DoF was that it was impossible, from the data that was available on existing databases at that time, to differentiate between licensed restaurants – which had to remain closed – and cafes and unlicensed restaurants – which could re-open for a week. There were other distinctions in the restrictions that were challenging to convert into clear cut categories of business – for example, between ‘homeware’ retailers (required to close) and ‘hardware’ retailers (allowed to remain open), or between physiotherapists and sports massage therapists (allowed to remain open) and sports therapists and massage therapists (required to close).

16. Decisions on the restrictions were taken by the Executive; however, proposals for changes to restrictions were developed by the Department of Health and The Executive Office. At that time, DoF officials working on the financial support schemes were not consulted by colleagues in the aforementioned departments on proposed changes before they were presented to the Executive and Executive papers were not issued significantly in advance of the meeting meaning that on some occasions consideration and briefing could not issue to the Minister prior to the decisions being made. DoF officials considered that prior discussion may have allowed minor adjustments or clarifications that would have improved the effectiveness of both the restrictions and the financial support schemes. From January 2021 onwards, DoF officials were more directly involved in the discussions about possible changes to the restrictions, particularly as they started to ease from March 2021 onwards, which resulted in better alignment between the decisions and the administration of the financial support.

17. The Department's response to the pandemic primarily operated within the framework of The Health Protection (Coronavirus, Restrictions) Regulations (Northern Ireland) which came into force on 28 March 2020.
18. The Department was also guided by the agreed NI Executive's document, published in May 2020 called '*Coronavirus: Executive Approach to Decision-Making*'. This document looked ahead and set out the approach that the NI Executive agreed to adopt in the regular reviews of the Coronavirus Regulations. The document was informed by the provision and consideration of advice from public health guidance, the Chief Medical Officer, Chief Scientific Adviser and Department of Health. The Executive, as a whole, agreed to take the best medical and scientific advice available into account in reaching the judgements required, but also stated that decisions reached would require judgements that balanced the need to control the spread of infection, with the impacts the restrictions had on health, well-being, the economy and way of life. *(IS/04–INQ000237278; IS/05–INQ000267748)*.
19. I understand the Inquiry has asked whether the Department sought to advocate any consistent principled position about the response to the pandemic and I can confirm that the Department aligned to the Executive agreement in their approach. In addition the Department was always mindful of its key purpose to provide money, staff, professional services and business support systems, to help deliver excellent, value for money public services.

The Department's Management

20. In order to respond effectively and at pace to the pandemic, the senior management team supported the Finance Minister, provided advice and proposals on how to manage the work of the Department and responded to the needs of the Executive. Senior management were responsible for the policy work of their teams. The Permanent Secretary supported the Minister as the head of the Department, and the Accounting Officer for the decisions made. The Permanent Secretary was also responsible for the day-to-day running of the Department during a challenging and unprecedented period. *(IS/06–INQ000128637; IS/07–INQ000128638; IS/08–*

INQ000128639; IS/09–INQ000128640; IS/10–INQ000128641; IS/11–INQ000128642)

21. During the period 11 January 2020 to 18 March 2022, the Finance Minister was Conor Murphy, supported by the Special Advisor Eoin Rooney. The Permanent Secretary during this time, up to May 2021, was Sue Gray, who was succeeded by Colum Boyle in a temporary capacity until Neil Gibson was substantively appointed to the post in April 2022.
22. The senior management team provided advice and support to the Finance Minister and Permanent Secretary and also played a significant role in supporting all Departments with shared services.
23. As of 31st March 2021, the senior management team were Bill Pauley, Director of Strategic Policy and Reform who led on the provision of strategic economic, financial and fiscal policy advice; Stewart Barnes, who led on Departmental specific finance and corporate services; Mark McLaughlin, who led on Departmental communications and engagement; Joanne McBurney, Director of the Public Spending Directorate provided financial advice on the management of public expenditure; Des Armstrong, Director of Construction and Procurement Delivery provided advice on matters related to construction and procurement which impacted across the service; Jill Minne, Director of NICSHR led on all human relations related matters across the civil service; myself, Ian Snowden, Chief Executive of Land & Property Services led the work relating to rates and rate related grant schemes during that period; Paul Duffy, Director, led on Enterprise Shared Services during this period; Siobhan Carey, led the Executive Agency, the NI Statistics and Research Agency; and Hugh Widdis, headed the Departmental Solicitor’s Office which has solicitors allocated to each department to provide the necessary legal advice.

The Department’s Role in Shared Services and Executive Agency

24. As outlined, DoF has a dual role, in that it has core departmental responsibilities and also carries out shared services, with responsibility for Human Resource (HR), Information Technology (IT), Finance and Digital Services. The Construction and

Procurement Delivery Directorate also acts as a Centre of Procurement expertise for the NICS Departments and is also responsible for the management of NICS Estate Properties. This reflects the fact that there are synergies and opportunities to deliver shared services from a single organisation to harness expertise and create additional efficiencies and greater effectiveness.

25. The Department also includes the Departmental Solicitor's Office (DSO) which is operationally independent as it provides legal advice and counsel to the NI Executive, Ministers, Departments, their Agencies and NDPBs; represents Departments and other clients in litigation and in property and commercial transactions; and develops proposals for civil law reform.

26. A further shared service is that of the centralised Group Internal Audit and Fraud Investigation Service which is established as a separate division within DoF. The Group Service provides specialist fraud investigation services to NICS Departments, Executive Agencies and Arm's Length Bodies. The Group Service also comprises departmental internal audit teams who are outposted to the department to which they provide a service. While the Group Service is located in DoF, the Group Service is accountable to individual departmental Accounting Officers. Any fraud investigations or audit activity undertaken by the Group Service is undertaken on behalf of the relevant department and reported to the relevant department – there is no reporting line on these matters to DoF and so any information regarding this Inquiry will be submitted via the departments, rather than the DoF Corporate response.

27. The Innovation Lab (iLab), which is part of Public Sector Reform Division within the Strategic Policy and Reform arm of DoF, also provides a shared service across the NI Civil Service. It should be noted that during the period 11 January 2020 to 18 March 2022, the iLab was commissioned by TEO to participate in and provide input to the Executive's Covid Recovery Task Force on Adherence. This was with particular reference to the application of behavioural science. (*IS/12-INQ000128689; IS/12a-INQ000128690; IS/12b-INQ000128692; IS/12c-INQ000128693; IS/13-INQ000128694; IS/13a-INQ000128695; IS/14-INQ000128725; IS/14a-INQ000128726; IS/15-INQ000128727; IS/15a-*

INQ000128728; IS/16–INQ000128729; IS/16a–INQ000128730; IS/17–
INQ000128731; IS/17a–INQ000128732; IS/17b–INQ000128733; IS/17c–
INQ000128734; IS/18–INQ000128735; IS/18a–INQ000128736; IS/19–
INQ000128737; IS/19a–INQ000128738; IS/20–INQ000128812; IS/20a–
INQ000128813; IS/20b–INQ000128814; IS/20c–INQ000128815; IS/21–
INQ000128816; IS/22–INQ000128862; IS/23–INQ000128863; IS/24–
INQ000128864; IS/25–INQ000128901 IS/25a–INQ000128902; IS/26–
INQ000128804; IS/26a–INQ000128805; IS/27–INQ000128806; IS/27a–
INQ000128807; IS/28–INQ000128808; IS/28a–INQ000128809; IS/29–
INQ000128810; IS/29a–INQ000128811)

28. The iLab provided advice and guidance in response to a range of issues that were raised over the period at Task Force meetings. The iLab also provided direct input to the Task Force in relation to the commissioning of population polling, which was carried out by IPSOS MORI. This was throughout the lifetime of the polling as it was shaped/evolved to changing scenarios, and as it was wound down. A series of reports prepared by IPSOS MORI with associated commentary from iLab were produced, which were fed into the Task Force and then a subgroup of the Task Force focused on polling itself. *(IS/30–INQ000128739; IS/30a–INQ000128740; IS/30b–INQ000128741; IS/31–INQ000128742; IS/31a–INQ000128743; IS/31b–INQ000128744; IS/31c–INQ000128745; IS/32–INQ000128746; IS/32a–INQ000128747; IS/32b–INQ000128748; IS/33–INQ000128749; IS/34–INQ000128750; IS/34a–INQ000128751; IS/34b–INQ000128752; IS/34c–INQ000128753; IS/34d–INQ000128754; IS/35–INQ000128755; IS/35a–INQ000128756; IS/35b–INQ000128757; IS/35c–INQ000128758; IS/35d–INQ000128759; IS/36–INQ000128760; IS/36a–INQ000128761; IS/36b–INQ000128762; IS/37–INQ000128763; IS/37a–INQ000128764; IS/38–INQ000128765; IS/38a–INQ000128766; IS/39–INQ000128767; IS/39a–INQ000128768; IS/40–INQ000128769; IS/41–INQ000128770; IS/41a–INQ000128771; IS/42–INQ000128772; IS/42a–INQ000128773; IS/43–INQ000128774; IS/43a–INQ000128775; IS/44–INQ000128776; IS/44a–INQ000128777; IS/45–INQ000128778; IS/46–INQ000128779; IS/47–INQ000128780; IS/47a–INQ000128781; IS/47b–INQ000128782; IS/47c–INQ000128783; IS/48–INQ000128784; IS/48a–INQ000128785; IS/48b–*

INQ000128786; IS/48c-INQ000128787; IS/48d-INQ000128788; IS/49-INQ000128789; IS/50-INQ000128790; IS/50a-INQ000128791; IS/51-INQ000128792; IS/51a-INQ000128793; IS/52-INQ000128794; IS/52a-INQ000128795; IS/53-INQ000128796; IS/53a-INQ000128797; IS/54-INQ000128798; IS/54a-INQ000128799; IS/55-INQ000128800; IS/55a-INQ000128801; IS/56-INQ000128802; IS/56a-INQ000128803; IS/57-INQ000128865; IS/58-INQ000128866; IS/58a-INQ000128867; IS/58b-INQ000128868; IS/58c-INQ000128869; IS/58d-INQ000128870; IS/59-INQ000128871; IS/60-INQ000128872; IS/60a-INQ000128873; IS/60b-INQ000128874; IS/60c-INQ000128875; IS/61-INQ000128876; IS/61a-INQ000128877; IS/62-INQ000128878; IS/62a-INQ000128879; IS/63-INQ000128880; IS/63a-INQ000128881; IS/64-INQ000128882; IS/64a-INQ000128883; IS/64b-INQ000128884; IS/64c-INQ000128885; IS/65-INQ000128673; IS/65a-INQ000128674; IS/66-INQ000128886; IS/66a-INQ000128887; IS/67-INQ000128888; IS/67a-INQ000128889; IS/67b-INQ000128890; IS/68-INQ000128891; IS/68a-INQ000128892; IS/69-INQ000128903; IS/70-INQ000237275).

29. In addition, iLab was commissioned by the Department for Communities (DfC) to give behavioural science advice as part of their support and advice to people who were shielding during the pandemic. Finally, at the request of the Department of Health, behavioural science commentary was provided on small number of occasions in connection with Contract Tracing advice and messaging (*IS/71-INQ000128683; IS/72-INQ000128685; IS/72a-INQ000128686; IS/73-INQ000128687; IS/73a-INQ000128688*)

30. Whilst the iLab made suggestions to the various Departments who commissioned them, any decisions to progress these suggested remained with the commissioning Department. For example, in February 2021, the Head of iLab suggested that the issue of 'getting messages to non-national communities in NI in the context of clusters in workplace settings' should be 'referred for in-depth research'. However no additional research was undertaken by or organised by the iLab subsequent to this and so the iLab's involvement ended at this point.

31. Further to the provision of shared services, the Department also has one Executive Agency, Northern Ireland Statistics and Research Agency (NISRA). The agency, while subject to the overall direction of the Finance Minister who is accountable to the NI Assembly for the appropriate operation of it, are there to support decision makers in the formulation of evidence-based policy and inform public debate through the production and dissemination of high quality, trusted, meaningful analysis; facilitate research and deliver the decennial population census and cost effective civil registration services.
32. NISRA, incorporates the General Register Office (GRO), and was established on 1 April 1996 as an executive agency. The Agency is the principal source of Official Statistics and social research on Northern Ireland. These statistics and research not only inform public policy but also academic and private sector research, and contribute to debate in the wider community. NISRA provide services and second staff to a wide range of Government Departments and Non-Departmental Public Bodies, as well as Local Councils to assist the policy development process and the delivery of their business objectives. The NISRA Framework Document has been developed to set down relationships between the Minister, the Agency and its parent Department, the Department of Finance (DoF).
33. I understand that NISRA has received a Rule 9 request for this module and will provide insights into the production and dissemination of data modelling aspects of the Covid-19 virus and outline how they provided this information across the relevant Departments. NISRA will also provide detail on the registration of births and death during this period and how the maintenance of registration records and the production of certificates was achieved.

The Department's Key Decisions and Legislation

34. The Finance Minister, as part of the NI Executive, played a role in the cross ministerial department decision-making taking account of advice provided by other government departments. Initial strategies relating to community testing, surveillance, the movement from 'contain' to 'delay' was based on information and advice provided by the Department of Health, which included information and advice

provided by the Chief Medical Officer (CMO) and the Chief Scientific Adviser (CSA). Neither the Finance Minister nor the Department sought additional independent scientific advice or information. In addition, any view on economic and social impacts regarding NI Executive decisions would have been a matter for the Department for the Economy to communicate as well as providing any analysis, modelling, forecasting or impact assessments relating to the Economy, as the department responsible for economic development. On that basis, the Department of Finance did not consider or assess the impact of NPIs on the NI economy, nor indirect impacts or longer-term impacts or harms.

35. The Minister provided 114 responses, either as written responses, verbally at meetings or a noted response, to Covid related Executive papers tabled by other government departments. As each non-pharmaceutical intervention (NPI) was presented, DoF officials would have considered the content and provided the Finance Minister with advice at that time. The Executive as a whole then made a decision on the paper. In general, the Minister was in agreement with the approach of Ministerial colleagues but did express a specific view in respect of 31 papers. The Minister's comments were primarily directed to papers tabled by the Executive Office (TEO) and the Ministers of Health and Economy. His comments focused on the need to fully consider financial implications of initiatives collectively across all Executive priorities and within public expenditure limits; the need to ensure the advice and guidance of the Chief Medical Officer and Chief Scientific Adviser was followed as agreed in the '*Coronavirus: Executive Approach to Decision-making*' published in May 2020; and the requirement for clarity in messaging of information provided to the public. He expressed a specific concern in correspondence to the Minister of Health on 21 December 2020 that steps were not being taken immediately to restrict movement between Great Britain and Northern Ireland and asked him to reconsider his approach. The Minister also requested further information be provided, where necessary, to facilitate fuller consideration of financial impacts by DoF or to inform more detailed discussions by the Executive. (IS/74-INQ000130079; IS/75-INQ000130107; IS/76-INQ000130108; IS/77-INQ000130109; IS/78-INQ000130110; IS/79-INQ000130111; IS/80-INQ000130112; IS/81-INQ000130113; IS/82-INQ000130114; IS/83-INQ000130115; IS/84-INQ000130116; IS/85-INQ000130117; IS/86-INQ000130118; IS/87-

*INQ000130119; IS/88-INQ000130120; IS/89-INQ000130121; IS/90-
INQ000130122; IS/91-INQ000130123; IS/92-INQ000130124; IS/93-
INQ000130125; IS/94-INQ000130126; IS/95-INQ000130127; IS/96-
INQ000130128; IS/97-INQ000130129; IS/98-INQ000130130; IS/99-
INQ000130131; IS/100-INQ000130132; IS/03-INQ000130133] IS/101-
INQ000130134; IS/102-INQ000130135; IS/103-INQ000130136)*

36. There were 33 pieces of legislation taken forward by DoF which evolved as a direct consequence of the originating coronavirus legislation and ensuing response to the pandemic, and I will outline this legislation as I provide further details on the key decisions of the Department.
37. DoF tabled 40 Covid related papers for discussion and agreement by the Executive which covered funding issues and proposals for support packages associated with the response to the pandemic.
38. DoF has responsibility for Human Resources (HR) policy for the NI Civil Service and delivers HR services to each of the nine government departments and some arm's length bodies. Following publication of the key public health advice in February 2020 by the UK Government Chief Medical Officer and the direction from the UK Government and NI Executive action plans, DoF had a role to introduce advice and guidance for all NICS employees in respect of employment matters arising from the pandemic and to prevent the spread of the virus. This guidance was produced, taking account of similar guidance for staff in other jurisdictions. The guidance was agreed by NICS Board Members on 4 March 2020 and first edition made available to all staff from 5 March 2020. The guidance, which followed the recommended Public Health Agency (PHA) advice to help prevent the spread of respiratory viruses, provided information to staff and line managers on social distancing in the workplace, self-isolation, recording and treatment of covid related absence, introduction of revised special leave arrangements, occupational sick pay entitlement, advice for staff in vulnerable and clinically extremely vulnerable groups. The Finance Minister agreed specific arrangements for agency workers in respect of self-isolation and covid related sick absences. The Guidance for Staff and Managers was routinely reviewed and updated to take account of changes in PHA

advice throughout the specified period. The Finance Minister also agreed additional flexibility on payments for Prison Officer grades and to allow Grade 6 staff to claim overtime during the pandemic period, which prior to the pandemic, was only available to Grade 7 and below. Operational decisions were made to extend elements of bonus pay for industrial employees and forest guides by the Department for Infrastructure Permanent Secretary and a former Grade 5 in NICSHR respectively. (*IS/104–INQ000130631; IS/104a–INQ000130632 IS/104b–INQ000130633 IS/104c–INQ000130634 IS/104d–INQ000130635; IS/105–INQ000130636 IS/106–INQ000130637; IS/107–INQ000130638; IS/108–INQ000130639; IS/109–INQ000130640; IS/110–INQ000130641; IS/111–INQ000130642; IS/112–INQ000130643; IS/112a–INQ000273890; IS/113–INQ000130644; IS/114–INQ000130645*)

39. The General Register Office (GRO), which is part of NISRA, was responsible for drafting legislation that was included in the UK wide Coronavirus Act 2020 s18 (3) and Schedule 13. This legislation put in place the temporary modification of legislation relating to the registration of deaths and still births in Northern Ireland. The modifications included the introduction of electronic transfer of documents between stakeholders (medical practitioners, Registrars, family members and funeral directors) to reduce face to face contact and changes to signing of the certificates of cause of death. Both changes were to ensure that burials and cremations were able to take place without delay.

40. Advice on all aspects was provided to the Finance Minister, the Executive and where appropriate UK Government colleagues, and resulted in legislative change to implement the proposals to reduce contact. (*IS/115–INQ000103046; IS/115a–INQ000103047; IS/116–INQ000103048; IS/117–INQ000103049; IS/118–INQ000103050; IS/119–INQ000103051; IS/119a–INQ000103052; IS/120–INQ000103053; IS/120a–INQ000103054; IS/121–INQ000103055; IS/121a–INQ000103056; IS/122–INQ000103057; IS/122a–INQ000103058; IS/122b–INQ000103059; IS/123–INQ000103060; IS/123a–INQ000103061; IS/123b–INQ000103062*).

41. In the case of the Coronavirus Act 2020 inclusions, the Finance Committee was briefed, and the matter was debated in the NI Assembly. Commencement Regulations for the Act were enacted 26th March 2020. More recently, the GRO has laid the Coronavirus Act 2020 (Registration of Deaths and Still-Births) (Extension) Order (NI) 2022 to extend all of the provision commencement from March 2022. (*IS/124–INQ000103043; IS/124a–INQ000103044; IS/124b–INQ000103045*).
42. Land and Property Services (LPS), whilst still collecting rates, was repurposed with additional duties during the scope of this period to take on responsibility for designing and administering a number of financial support schemes for businesses impacted by the Health Protection restrictions introduced to control the COVID-19 pandemic in Northern Ireland, and introduced Business Tenancy protection from eviction during lockdown. With the continuation of the pandemic into 2021-22, LPS was tasked with the design and administration of a number of new schemes.
43. LPS was also responsible for drafting legislation that impacted on both domestic and non-domestic ratepayers. In all cases it was designed to support ratepayers within the taxbase at different stages of the pandemic to ensure, as far as possible, that those businesses worst affected were provided with rate relief, and domestic ratepayers on low incomes would not be adversely affected in the calculation of their rate rebate entitlement.
44. Advice on all aspects of this, including cost, was provided to the Finance Minister, and then to the Executive, resulting in legislative change to give effect to the proposed measures. I will now outline the various changes which were made and approved by the Finance Minister and Executive.
45. A non-domestic rates 'holiday' over the period April 2020 to June 2022 was provided, meaning that no rates would be collected from eligible businesses for that period in relation to non-domestic properties. On 17 March 2020 an emergency rate relief package was announced in the early phases of the pandemic that would support all business ratepayers, with a number of selected exclusions. The requirement for a swift response to lockdowns was handled through the use of pre-existing enabling

powers available within the Primary rating legislation that allowed rate relief to be put in place through subordinate legislation. This step was very clearly done in the emergency context of the pandemic with approval of the Finance Minister and the Executive and supported by the Finance Committee in their May and June 2020 sessions. This intervention allowed swift targeted support to be provided in a relatively short time frame. **(IS/125-INQ000146211; IS/126-INQ000146212; IS/127-INQ000146216; IS/128-INQ000146217; IS/129-INQ000146222; IS/129a-INQ000146220; IS/129b-INQ000146223; IS/130-INQ000146224; IS/131-INQ000146227; IS/132-INQ000146251).**

46. This scheme was then adjusted during the 2020/21 year to target extended rate relief for those sectors most affected by the pandemic, and that support rolled over for the duration of the 2021/22 rating year. Covid-19 rate relief was then phased out during the 2022/23 rating year with a general one month 100% rate relief for all business ratepayers with certain limited exclusions, and a further two months (three months in total) 100% rate relief for those sectors most affected by the pandemic (i.e. those who had received support for the duration of the 2021/22 rating year). Legislation included The Rates (Coronavirus) (Emergency Relief) Regulations (Northern Ireland) 2020; The Rates (Coronavirus) (Emergency Relief) (No. 2) Regulations (Northern Ireland) 2020; The Rates (Coronavirus) (Emergency Relief) (No. 2) (Amendment) Regulations (Northern Ireland) 2021; The Rates (Coronavirus) (Emergency Relief) Regulations (Northern Ireland) 2021; The Rates (Coronavirus) (Emergency Relief) Regulations (Northern Ireland) 2022 and The Rates (Coronavirus) (Emergency Relief) (No. 2) Regulations (Northern Ireland) 2022. **(IS/129-INQ000146222; IS/129a-INQ000146220; IS/129b-INQ000146223; IS/133-INQ000146230; IS/133b-INQ000146233; IS/134-INQ000146234; IS/135-INQ000146235; IS/135a-INQ000146236; IS/136-INQ000146238; IS/136a-INQ000146239; IS/136b-INQ000146241; IS/137-INQ000146243; IS/137a-INQ000146245; IS/137b-INQ000146246; IS/138-INQ000146247; IS/139-INQ000146248; IS/139a-INQ000146250; IS/140-INQ000146271)**
47. Land and Property Services (LPS) also provided administrative assistance to the Department for Economy (DfE) Business support grant schemes. The DfE schemes were introduced to provide financial support and designed to target those sectors

worst affected; they were administered by LPS. The rateable value, use and occupier of the premises were the key indicators of eligibility deployed. A grant of £10,000 was provided to all small businesses eligible for the Small Business Rate Relief Scheme, estimated to benefit around 27,000 businesses. A grant of £25,000 was provided to companies in the retail, tourism and hospitality sectors with a rateable value between £15,000 and £51,000. This assisted 4,000 business. **(IS/141-INQ000146140)**

48. In October 2020 the Localised Restriction Support Scheme (LRSS) was introduced, initially only in the Derry City and Strabane District Council area due to accelerating transmission rates of Covid in that specific area. LRSS awarded weekly payments (at a higher or lower rate) to eligible restricted businesses primarily in the hospitality industry, during a qualifying period. Put simply the eligibility criteria for the scheme tracked the enforced business closures or restrictions implemented by the Department of Health. The scheme was later extended to all of Northern Ireland, by use of a Ministerial Direction from the Finance Minister **(IS/142-INQ000269202)**. This was required as the pandemic worsened and spread during autumn 2020 and would apply for the period of the most intensive restrictions. **(IS/143-INQ000146094)**
49. The original legislation, and the subsequent amendment legislation which made incremental amendments to adjust the scheme in tandem with the changes to the underpinning Health restrictions are The Financial Assistance (Coronavirus) Regulations (Northern Ireland) 2020; The Financial Assistance (Coronavirus) (No. 2) Regulations (Northern Ireland) 2020; The Financial Assistance (Coronavirus) (No. 2) (Amendment) Regulations (Northern Ireland) 2020; The Financial Assistance (Coronavirus) (No. 2) (Amendment No. 2) Regulations (Northern Ireland) 2020; The Financial Assistance (Coronavirus) (Soft Play Businesses) Regulations (Northern Ireland) 2021 and The Financial Assistance (Coronavirus) (No. 2) (Amendment) Regulations (Northern Ireland) 2021. **(IS/144-INQ000146252; IS/145-INQ000146255; IS/146-INQ000146257; IS/146a-INQ000146258; IS/147-INQ000146259; IS/148-INQ000146260; IS/148a-INQ000146262)**.
50. In 2021 four further financial assistance schemes were later introduced by the Executive with DoF designated as the Department responsible for developing the

Financial Assistance schemes designed to mitigate the effect of the pandemic on a number of business sectors who had been unable to access adequate funding through other schemes. A Ministerial Direction was issued to implement these schemes. (*IS/149–INQ000237276*). The legislation associated with those schemes is The Financial Assistance (Coronavirus) (Large Business) Regulations (Northern Ireland) 2021; The Financial Assistance (Coronavirus) (Business Support) Regulations (Northern Ireland) 2021; The Financial Assistance (Coronavirus) (Industrial Business) Regulations (Northern Ireland) 2021 and The Financial Assistance (Coronavirus) (Soft Play Businesses) Regulations (Northern Ireland) 2021. (*IS/150–INQ000146229; IS/151–INQ000146242; IS/152–INQ000146253; IS/153–INQ000146254; IS/154–INQ000146111; IS/155–INQ000146112; IS/156–INQ000146113; IS/157–INQ000146114; IS/158–INQ000146115; IS/159–INQ000146117*).

51. The Omicron Hospitality Payment Scheme (OHPS), approved by the Executive under Urgent Procedure, was designed to support the hospitality sector in December 2021 when new restrictions had been introduced. The Omicron variant was spreading at the busiest time of the year for this sector and affecting consumer behaviour. The OHPS was quickly extended to include other sectors not initially included (hotels, licensed bars and restaurants operated by a sports club, trampoline and inflatable parks, soft play businesses with cafe). A Ministerial Direction was issued by the Finance Minister due to the lack of time available to mitigate the risks to the use of public funds (*IS/333–INQ000237277*). The legislation which implemented the scheme is The Financial Assistance (Coronavirus: Hospitality) Regulations (Northern Ireland) 2022 and The Financial Assistance (Coronavirus: Hospitality) (Amendment) Regulations (Northern Ireland) 2022. (*IS/161–INQ000146101; IS/162–INQ000146264; IS/162a–INQ000146265; IS/163–INQ000146266; IS/164–INQ000146269; IS/165–INQ000146270*).

52. The Non-domestic Rates Valuations (Coronavirus) Bill 2022 was introduced by the Department of Finance as new primary legislation in March 2022 to disregard matters directly or indirectly attributable to coronavirus in a valuation assessment for commercial rating purposes. The aim of this Bill was primarily to protect regional and district rate revenue over a three-year period and avoid double awarding of support.

The Finance Committee was briefed, and the matter was debated in the NI Assembly.

53. This Bill (now an Act since 30 March 2022) harmonised with the approach taken in Great Britain. Although the Minister had initially sought and agreed accelerated passage with the NI Executive, the Bill proceeded through the full stages of the Assembly Bill process at the behest of the Finance Committee as the Non-domestic Rates Valuations (Coronavirus) Bill. *(IS/166-INQ000146089; IS/167-INQ000146272; IS/168-INQ000146273; IS/169-INQ000146274; IS/170-INQ000146124; IS/171-INQ000146125; IS/172-INQ000146127; IS/172a-INQ000146129; IS/173-INQ000146132; IS/173a-INQ000146133).*
54. The NI provision of the Westminster Coronavirus Act 2020 included provisions for protection for Business Tenancies in NI which was within the responsibility of DoF. Section 83 ensured that normal forfeiture for non-payment of rent by business tenants could not be enforced, and it provided protection from eviction for business tenants for a set period. That initial 3-month period was subsequently extended multiple times by the NI Assembly by Regulations until the provisions of the Act expired in March 2022. The relevant legislation was the Coronavirus Act 2020; The Business Tenancies (Coronavirus) (Restriction on Forfeiture: Relevant Period) (Northern Ireland) Regulations 2020 (revoked); The Business Tenancies (Coronavirus) (Restriction on Forfeiture: Relevant Period) (Northern Ireland) (No. 2) Regulations 2020 (revoked); The Business Tenancies (Coronavirus) (Restriction on Forfeiture: Relevant Period) (Northern Ireland) (No. 3) Regulations 2020 (revoked); The Business Tenancies (Coronavirus) (Restriction on Forfeiture: Relevant Period) (Northern Ireland) Regulations 2021 (revoked); The Business Tenancies (Coronavirus) (Restriction on Forfeiture: Relevant Period) (Northern Ireland) (No. 2) Regulations 2021 (revoked) and The Business Tenancies (Coronavirus) (Restriction on Forfeiture: Relevant Period) (Northern Ireland) (No. 3) Regulations 2021. *(IS/174-INQ000146088; IS/175-INQ000146275; IS/149-INQ000146276; IS/160-INQ000146277; IS/178-INQ000146281; IS/179-INQ000146282; IS/180-INQ000146283; IS/181-INQ000146102; IS/182-INQ000146104; IS/182a-INQ000146105; IS/182c-INQ000146106; IS/183-INQ000146107; IS/184-INQ000146108; IS/184b-INQ000146110).*

55. The Rate Rebate Scheme was introduced in 2017, in line with the introduction of Universal Credit (UC), with those entitled to UC possibly also being entitled to a rate rebate. After 2017, an issue had been identified were the effect of one-off payments to a claimant could impact and reduce the Rate Rebate (RR) award for a full year, as it was only reviewed annually. During Covid, regulations were introduced to ensure that anyone facing redundancy as a result of the pandemic, who received a one-off payment which inflated their income, benefitted from RR. The Rate Relief (Coronavirus) (Amendment) Regulations (NI) 2020 was brought in to allow the new rule to apply back to the date of the first Coronavirus restrictions. (*IS/185 - INQ000146118; IS/186-INQ000146119; IS/186a-INQ000146121; IS/186b-INQ000146122; IS/187-INQ000146123*)

The Department's Role in Non-Pharmaceutical Interventions (NPIs) and Mitigations

56. As outlined previously, decision-making in relation to the imposition or non-imposition of non-pharmaceutical interventions (NPIs) including lockdowns, local restrictions, working from home, reduction of person-to-person contact, social distancing, the use of face coverings and border controls was taken by the NI Executive, which the Finance Minister was part of. It should be noted that none of the NPIs were proposed by the Finance Minister. Regarding the responses to these proposals, the Minister was, in general, in agreement with the NPIs being proposed. However, I would confirm and as previously outlined in paragraph 34, he expressed specific views on the need to consider financial implications, the advice and guidance of the Chief Medical Officer and Chief Scientific Adviser, restrictions on movement and the requirement for clarity in messaging of information provided to the public. In addition, the Finance Minister did not provide advice on the impact of NPIs on the interests of at-risk, vulnerable or disadvantaged groups.
57. Whilst DoF did not propose any of these NPIs, the Minister was provided with information from officials on proposed schemes and actions which could be implemented to assist and reduce the significant financial impact of the NPIs. As part of these decisions, advice was provided to the Finance Minister on the likely impact of these and following his approval, the schemes were brought to the

Executive for final approval. I will briefly outline these mitigations but understand that a Module in the future of the Inquiry will provide further opportunity for the Department to provide more extensive and comprehensive information regarding the financial schemes.

58. During this period, following agreement from the Permanent Secretary, Land and Property Services (LPS) commissioned reports from Ulster University Economic Policy Centre (UUEPC). (*IS/188–INQ000237283; IS189–INQ000237284; IS/190–INQ000237285*) UUEPC provides independent economic policy analysis and advice to Government. DoF, the Department for the Economy and Invest NI provide funding for UUEPC via a sponsor arrangement alongside other local government and private sector sponsors. UUEPC carried out internal economic analysis and impact assessments to cost options for implementing support at different levels, over the period April 2020 to June 2022. Data sources included the various LPS operating systems which hold rateable values, rate bill assessments, rate relief awards, rate bill payers' details and payments. In some cases, inputs were sought from DoF colleagues in Strategic Policy and Reform. The analysis was provided to the Permanent Secretary and Minister to inform decision making and to seek Executive approval to proceed with regard to several financial assistance schemes.
59. LPS was able to utilise the Department's pre-existing sponsorship arrangement with the UUEPC to ask them to rapidly assess the economic impact of the pandemic on the business sector and the extension of rate holidays. Subsequent update reports were used to inform decision-making by Minister and Executive at key stages throughout the relevant period. The reports were drafted and presented via Zoom calls to the Finance Minister and Senior Departmental officials by UUEPC Director, Gareth Hetherington and his team. The reports as presented were then published for public scrutiny on the UUEPC publications listing on their websites. (*IS/191–INQ000146055; IS/192–INQ000146087; IS/193–INQ000146116; IS/194–INQ000146154; IS/195–INQ000146186; IS/197–INQ000146201*)
60. The "Rates Relief Information Paper", May 2020 was produced by the UUEPC upon request from Department of Finance officials. Its purpose was to advise the Executive on sectors which would be in greatest need of extended relief beyond the

initial three-month period of the rates holiday to inform decision making. The Executive's decision in May 2020 was to extend the relief to all non-domestic ratepayers for one further month (with a few exclusions on public sector and utilities) with relief then targeted at named sectors for the remainder of the financial year, i.e., to 31 March 2021. **(IS/198a-INQ INQ000146057; IS/198b-INQ000146058; IS/198c-INQ000146059; IS/198d-INQ000146060; IS/198e-INQ000146061; IS/198f-INQ000146062; IS/198g-INQ000146063; IS/198h-INQ000146064; IS/198i-INQ000146065; IS/198j-INQ000146066; IS/198k-INQ000146067; IS/198l-INQ000146068; IS/198m-INQ000146069; IS/198n-INQ000146070; IS/198o-INQ000146071; IS/198p-INQ000146072; IS/198q-INQ000146073; IS/198r-INQ000146074; IS/198s-INQ000146075; IS/198t-INQ000146076; IS/198u-INQ000146077; IS/198v-INQ000146078; IS/198w-INQ000146079; IS/198x-INQ000146080; IS/198y-INQ000146081; IS/198ab-INQ000146083; IS/198ac-INQ000146084; IS/198ad- INQ000146085; IS/198ae-INQ000146086).**

61. The 'Rates Relief Extension beyond March 2021' UUEPC briefing paper informed advice and a recommendation to the NI Executive from the Finance Minister on the targeting of non-domestic rates relief beyond March 2021. This second paper recognised that even with a vaccine roll-out programme well underway, during 2021 some sectors were still in 'survival' mode and others in need of support to assist in the economic recovery. Therefore, the purpose of this UUEPC research was to inform extended rates intervention to assist with this dual objective of 'survival' and 'recovery'. The Executive's decision in 2021 was to continue the rates holiday for named sectors to the 31 March 2022. **(IS/199-INQ000237286; IS/199a-INQ000237287; IS/157-INQ000146114; IS/200-INQ000146097; IS/200c-INQ000146098; IS/201-INQ000146100)**

62. The Economic Stress, November 2021, UUEPC report and presentation to the Finance Minister provided analysis of recovery and continuing stresses within the business sector as well as challenges to sustaining economic growth. **(IS/202-INQ000146137; IS/203-INQ000146204; IS/204-INQ000146206)**

63. The Multi-site analysis report December 2021 report gauged the extent to which NI multi-site businesses in Retail, Hospitality and Leisure were impacted by the

differing grant regime here compared to England. It provided estimated potential costs as to replication of the English scheme. **(IS/205-INQ000146156; IS/206-INQ000146190; IS/207-INQ000146192 IS/208-INQ000146196; IS208a-INQ000146197; IS/209-INQ000146198; IS/210-INQ000146199; IS/211-INQ000146200; IS/212-INQ000146202).**

64. The Commissioner of Valuation (LPS) sought advice in late March 2020 from DSO and Counsel on the interpretation of Article 39A of the Rates (NI) Order 1977 in light of the need to publish a new non-domestic valuation list (Revaluation 2020) by 31 March 2020. The Commissioner sought, in particular, advice on whether the closure of business premises brought about by the Health Protection (Coronavirus) Northern Ireland Order 2020, 3 days prior to the publication date, would negatively impact on the rateable values in the new 2020 list, and consequently have a direct impact on the amount of rates revenue for the NI Executive and District Councils, both immediately and over the next three years. Consideration of the advice received was included in a submission to the DoF Permanent Secretary and Minister to indicate publication of the new valuation list would proceed as planned, but noting uncertainty around the impact on public finances. **(IS/213-INQ000146207; IS/214-INQ000146209; IS/215-INQ000146210).**
65. As outlined previously, a Rates Holiday scheme was introduced. In 2020, 3 months of a general rates holiday for all business properties with certain limited exclusions was implemented, which was later extended for an additional 1 month. The rates holiday was then extended as a targeted measure for those worst affected by the pandemic in line with UUEPC research. This was provided for with an additional 8 months for named sectors giving them a total 12-month holiday in 2020. In 2021 a further 12 months rates holiday was implemented. In 2022 a 1-month rate holiday was implemented for all, with certain limited exclusions, plus 3 months in total for specific named sectors. The sectors eligible for the extended targeted rates holiday were widened to include additional sectors of newspaper printing works, airports, childcare facilities, factories. **(IS/191-INQ000146055; IS/192-INQ000146087)**
66. The Department for Economy (DfE) Grants schemes for businesses was approved by the Executive under urgent procedure. **(IS/216-INQ000237279; IS/217-**

INQ000237280; IS/218–INQ000237281; IS/219–INQ000237282) LPS assisted DfE by carrying out ancillary analysis on estimates of numbers of properties eligible in the various Non domestic Net Annual Valuation bands. This was then applied for top up payments. (**IS/220–INQ000146092; IS/221–INQ000146157; IS/222–INQ000146158; IS/223–INQ000146161; IS/223a–INQ000146162; IS/224–INQ000146163; IS/225–INQ000146164; IS/226–INQ000146165; IS/227–INQ000146166; IS/227a–INQ000146167; IS/228–INQ000146168; IS/229–INQ000146169; IS/230–INQ000146170; IS/230a–INQ000146171; IS/231–INQ000146178**).

67. The Industrial business scheme for manufacturing businesses (**IS/232–INQ000146181; IS/232a–INQ000146182**) and large business scheme for businesses occupying property with Non domestic Net Annual Value (NAV) in excess of £51K (**IS/220–INQ000146092; IS/233–INQ000146185; IS/195–INQ000146186**) were also supported by LPS. (**IS/234–INQ000146159; IS/234a–INQ000146160; IS/235–INQ000146172; IS/236–INQ000146173; IS/237–INQ000146174; IS/238–INQ000146175; IS/239–INQ000146176; IS/240–INQ000146177; IS/241–INQ000146179; IS/242–INQ000146180; IS/243–INQ000146183; IS/244–INQ000146184; IS/245–INQ000146187**).

68. As outlined previously, the Omicron Hospitality Payment Scheme December 2021, was designed to provide assistance to the hospitality sector which had been affected by a change in consumer behaviour arising from the surge in cases arising from the Omicron variant and in response to the NPIs. The eligibility was extended in January 2022 to include other business types that had also been affected (hotels, licensed bars and restaurants operated by a sports club, trampoline and inflatable parks, soft play businesses with cafe). (**IS/161–INQ000146101**)

69. LPS successfully introduced new rating legislation in March 2022, as referred to in paragraph 48, which disregarded the direct and indirect impact of Covid on rateable valuations. This meant the impact of the pandemic on rental levels could not be used as a valid ground for appealing a rateable value. This necessitated detailed analysis, using LPS operating systems, of the impact of not progressing the legislative change on rate revenue at council and NI level over a three-year period.

This analysis was part of the information provided to Minister and Finance Committee as part of the legislative process. *(IS/246-INQ000146188)*

70. In the latter part of 2021 and during 2022, LPS considered options for payment of additional grants to businesses occupying multiple sites. In NI, these businesses had been limited to one grant per business, whereas in other UK jurisdictions grants had been paid in respect of each premises. Analysis of the value of grant payments for businesses in NI and equivalent businesses in England was carried out. No additional grants were paid out. *(IS/193-INQ000146116; IS/247-INQ000146155)*
71. Subsequent to an earlier scheme in 2020 provided to airports and airlines in NI led by the UK Department of Transport, DoF also delivered a scheme of financial support for the two Belfast airports to cover losses throughout the period of September 2020 – March 2021. At that time, no department had the necessary powers to provide the assistance as proposed (DoF has no legislative or policy responsibility for aviation or airports, DfI powers are drawn from the Airports Order 1994 and are limited to regulatory powers and to the provision of capital grants or loans and DfE has responsibility for airline connectivity). Consequently, the Executive agreed to use Exceptional Circumstances powers under the Financial Assistance Act 2009 and designated DoF as responsible to take forward the scheme as a last resort to prevent further reduction in Airport services.
72. This scheme was introduced to mitigate against the impacts of the decisions taken in relation to the NPIs that were put in place in response to COVID-19 on the airports. DoF was not able to accurately assess the impact that the NPI was likely to have on the economy, given the scheme to mitigate impacts had to be delivered at pace, subject to a Ministerial Direction and agreement by the Executive, and such an assessment would have taken many months to research and develop. However, DoF broadly anticipated that the impact of the potential closure of one or both of the largest airports in Northern Ireland, each with international destinations, would have had a significant detrimental economic impact, and potentially well into the future. There was no advice requested or received external to the NI Executive or the airports relating to the economic impacts of implementing or easing NPIs. Financial information was provided by the airports, who advised that without support there

was a substantial risk to future operations. Internal financial analysis was undertaken as regards profits, losses and the cost of the support. The key decision-making documents include the initial context/options paper sent to the Permanent Secretary; a submission to the Minister regarding the need for a Ministerial Direction, this includes the agreed Executive Paper; a record of the Committee for Finance meeting where it was agreed they had no issues with the legislation as laid and the financial analysis spreadsheet created by DoF. (*IS/70–INQ000237275; IS/249–INQ000128916; IS/250–INQ000128917; IS/251–INQ000128918; IS/252–INQ000128919; IS/253–INQ000128920*).

73. Following representation to the Minister, DoF (SPAR) initially engaged with Association of NI Travel Agents (ANITA) to discuss financial support for the travel industry due to COVID-19 restrictions. DoF officials engaged directly with ANITA to establish sectoral need for financial assistance. In December 2020 the Minister of Finance wrote to TEO with this evidence of ANITA's financial hardship, noting that TEO were considering the most appropriate Department to take forward the design and delivery of a potential scheme for the travel agent industry. In March 2021 the Executive Office (TEO), following Executive approval, led on development and administration of The Travel Agents (Coronavirus) Financial Assistance Scheme 2021. (*IS/254–INQ000128911; IS/254a–INQ000128912*).
74. The Construction and Procurement Delivery (CPD) directorate within DoF provided support to mitigate the impact of Non-Pharmaceutical Interventions (NPIs). They implemented Supplier Relief Policies and a Procurement Advisory Note, as approved by the Finance Minister and NI Executive. The NPIs that were imposed in Northern Ireland had an impact on suppliers and contractors that were 'in contract' with NI Central Government Bodies, Non-Departmental Government Bodies (NDGBs) and Arm's-Length Bodies (ALBs). To reduce the financial impact on suppliers and contractors, CPD developed procurement guidance notes on the approach to supplier relief due to COVID-19 and recovery and transition from COVID-19 and published a procurement advisory note on construction material costs during pandemic recovery. The aim was to provide advice and guidance to public bodies, so that contracts could be maintained during the unprecedented

global market conditions. *(IS/255–INQ000267876; IS/256–INQ000267877; IS/257–INQ000267878)*

75. The imposition of NPIs also influenced the procurement of goods and services as sanitiser, face coverings and other goods associated with public health and social measures were needed in unprecedented quantities. The Executive established a TEO led Covid Hub. DoF was asked by the TEO Covid Hub to establish a team to assist with the procurement of personal protective equipment (PPE) for Northern Ireland Central Government Bodies, Non-Departmental Government Bodies (NDGBs) and Arm's-Length Bodies (ALBs). The PPE team was established within CPD.

The Department's Key Meetings and Working with Other Jurisdictions

76. The Finance Minister was involved in a wide range of meetings with Ministerial Colleagues, stakeholders, and internal officials, including from Whitehall and other administrations in Scotland and Wales *(IS/258–INQ000130081)*. I understand that agendas for Executive Committee meetings and the Executive Covid Crisis Management Committee meetings will be provided by TEO.
77. The Minister held regular weekly internal key issues meetings *(IS/103–INQ000130136)*. These meetings covered the Department's response to the pandemic and included reviewing departmental priorities, support schemes and emerging issues with the Permanent Secretary and relevant officials. When required, additional ad hoc meetings were convened.
78. The Minister liaised regularly with the Devolved Administrations *(IS/259–INQ000130080)* and Whitehall Ministers. Between the period 11 January 2020 to 18 March 2022 the Minister had six trilateral meetings with the Finance Ministers of Scotland and Wales. The Minister also attended 11 meetings with the Chief Secretary to the UK Treasury (CST) as part of finance quadrilaterals with all three Devolved Administrations.

79. These meetings were to discuss and agree measures for handling the response to the pandemic both by UK Government and the Devolved Administrations. There was discussion on a range of matters including Barnett consequential and additional arising costs, mechanisms for provision of support and assistance across different sectors of the economy, the operation of UK packages and financial requirements of the Devolved Administrations to manage the response to the pandemic and recovery plans. I believe concerns were raised in those meetings about the late notice given in relation to the announcement of English support measures and the associated Barnett consequential. Where little or no notice was given for English support scheme announcements, the Executive was unable to consider its response before a level of public expectation was raised. The Finance Minister sought for further flexibility to manage the NI Budget including an ability to switch funding between Capital and Resource and a loosening of the restrictions on amounts that could be carried forward from one year to the next. These mechanisms would then allow the Executive to manage its own budget more appropriately. The Finance Minister also raised his view that COVID-19 allocations were disappointing - this view would be a matter for the then Finance Minister to comment further upon. *(IS/260-INQ000130082; IS/261-INQ000130083; IS/262-INQ000130084; IS/263-INQ000130085; IS/264-INQ000130086; IS/265-INQ000130087; IS/266-INQ000130088; IS/267-INQ000130089; IS/268-INQ000130090; IS/269-INQ000130091; IS/270-INQ000130092; IS/271-INQ000130093; IS/272-INQ000130094; IS/273-INQ000130095; IS/274-INQ000130096; IS/275-INQ000130097; IS/276-INQ000130098; IS/277-INQ000130099; IS/278-INQ000130100; IS/279-INQ000130101; IS/280-INQ000130102; IS/281-INQ000130103; IS/282-INQ000130104; IS/283-INQ000130105; IS/284-INQ000130106).*

80. The Minister also corresponded during this time with the Secretary of State for NI (SOSNI), Chancellor of the Exchequer (CX), the Chief Secretary to the UK Treasury (CST), the Chancellor of the Duchy of Lancaster (CDL), the Minister of State for Northern Ireland, the Secretary of State for Transport and the UK Aviation Minister. Matters raised included payments and access to the Coronavirus Job Retention and Self-Employment Income Support Schemes, eligibility and support through the UK

Government Covid-19 loan guaranteed schemes, support for the aviation industry, Covid-19 funding requirements and funding for recovery.

81. In April 2020, the Ministers of Finance and Health wrote jointly to the Irish Minister for Health in respect of Personal Protective Equipment. (*IS/285-INQ000130077; IS/285a-INQ000130078*).
82. During this period of unprecedented and unique circumstances, to support the Finance Minister, I am informed that the then Permanent Secretary, Sue Gray, utilised new and previously established working relationships across stakeholders and Whitehall departments to move actions forward at pace. Sue Gray was on secondment from Cabinet Office to the post of DoF Permanent Secretary during the period 11 January 2020 to 14 May 2021, which is part of the timeframe being examined by the Inquiry.
83. When the NI Assembly returned in January 2020, the then Permanent Secretary assisted in arranging a number of meetings for the Minister of Finance in London including with Rishi Sunak, the then Chief Secretary to the Treasury, and Michael Gove, in his role as Chancellor of the Duchy of Lancaster/Minister for the Cabinet Office. Following this, Sue Gray was involved in assisting with meetings with future Chief Secretary's to the Treasury, the Secretary of State for Transport and the Secretary of State for Northern Ireland. Meetings were held in person in London in January 2020, and subsequently as the extent of the pandemic became known and restrictions were put in place, virtually thereafter. These meetings initially started as an opportunity for discussion but developed into conversation around Covid funding and support mechanisms. (*IS/286-INQ000267749; IS/287-INQ000267750; IS/288-INQ000267751; IS/289-INQ000267753; IS/290-INQ000267754; IS/291-INQ000267755*).
84. The Permanent Secretary also worked collaboratively with NICS Permanent Secretary colleagues and other departments' officials in developing the DoF/NICS response to the spread of coronavirus as illustrated previously by LPS. (*IS/292-INQ000267756*)

Lessons Learned and the Future

85. It is important to note that having a local Executive and Assembly in place during the Covid pandemic allowed NI to make local interventions at pace. In September 2020, the then NI Comptroller and Auditor General, Mr Kieran Donnelly CB, published a report on an “Overview of the Northern Ireland Executive’s response to COVID-19”. The report sets out, at August 2020, the total estimated cost of the COVID-19 response relating to Northern Ireland. Second and third reports were issued in June 2021 and July 2023 respectively providing an update on the Northern Ireland Executive’s expenditure in response to the pandemic.
86. The Minister of Finance’s Private Office introduced agile working and moved to fully electronic methods to support and facilitate the delivery of the Ministerial and Executive priorities in response to the pandemic. This practice was maintained following the Covid period.
87. The Public Spending Directorate’s process of in-year monitoring, set out in paragraph 10, altered the frequency of in-year monitoring and provided an agile and responsive process to deal with the additional funding from UK Treasury. This provided Northern Ireland with flexibility to respond to local needs. The Covid response placed a significant additional burden on staff including finance teams within DoF and wider Departments. The bidding and assessment process was however robust, and decisions informed by evidence, analysis and assessment.
88. DoF also put in place an additional mechanism whereby departments could identify any urgent requirement for funding which arose outside the more frequent in-year exercises. This was accompanied by a shortened and a streamlined process for the approval of expenditure relating to the Covid response. This provided a proportionate template which, while facilitating a quick response, also reviewed each approval request from a Value for Money, regularity and propriety lens as required under Managing Public Money Northern Ireland.
89. Where the need for urgent intervention meant that the Department was not able to satisfy itself that an expenditure proposal met the required standards of Value for

Money, Regularity or Propriety, the Ministerial Direction process was invoked by the Minister of the Department making the request. This process was also robust and ensured a transparent decision-making process.

90. In summary additional funding requests were addressed quickly and funding allocated to key Covid pressures across the period of the response. (*IS/293-INQ000237288*).

91. Continuity of DoF services and activities provided one of the greatest challenges to the Department. The rollout of working from home, enabled primarily through the issuing of laptops and supporting software to the majority of staff, provided the ability for staff to carry out their activities from the safety of their homes. This allowed the Department to continue service provision without any notable reduction in quality or extent. Where services could not be provided remotely, safe arrangements, adhering to government guidelines, were put in place to enable attendance in the office for a small number of staff. The Board discussed this, and it was reflected on the Departmental Risk Registers. (*IS/294-INQ000128643; IS/295 -INQ000128646; IS/296-INQ000128648; IS/297-INQ000128649; IS/298- INQ000128650; IS/299-INQ000128651; IS/300-INQ000128652; IS/301-INQ000128653; IS/302-INQ000128654; IS/303-INQ000128655; IS/304-INQ000128656; IS/305-INQ000128657; IS/306-INQ000128658; IS/307-INQ000128659; IS/308-INQ000128660; IS/309-INQ000128661; IS/310-INQ000128662; IS/311-INQ000128663; IS/312-INQ000128664; IS/313-INQ000128665; IS/314-INQ000128666; IS/315-INQ000128667; IS/316-INQ000128668; IS/317-INQ000128669; IS/318-INQ000128670; IS/319-INQ000128671; IS/320-INQ000128672*).

92. The Executive guidance on working from home resulted in the majority of NI Civil Servants working remotely. Whilst trials and discussions regarding hybrid and hub working had been taking place prior to the pandemic, the way the service delivers its services has changed irrevocably since the onset of the pandemic. The resulting scale of home working in the NICS was unprecedented and proved the NICS's capability and effectiveness to deliver key functions, across central government, remotely. The COVID-19 response demonstrated the ability to successfully adapt

and innovate and the effective new ways of working and communicating that emerged. Feedback across departments unanimously reflected the desire to maintain and build on the many benefits of these new ways of working whilst reinvigorating team spirit and collaboration. Therefore, a HR policy was developed and implemented, namely the 'Hybrid Working Policy'.

93. In June 2020, I presented a review of the DoF Departmental Operating Centre, named '*C3 COVID-19: Report on the Departmental Operating Centre*' to the DoF Departmental Board. (*IS/321-INQ000128647*).
94. The Department of Finance 'stood up' its Departmental Operating Centre (DOC) on Monday 23 March 2020 as part of the Civil Contingencies structures for managing the pandemic in Northern Ireland. Each department had its own DOC, which reported into the NI Hub established by The Executive Office. Each department also had Liaison Officers who were assigned to work in the NI Hub and act as a link between the Hub and the DOCs. The structure mirrored the approach developed for the Brexit planning arrangements (Operation "Yellow Hammer").
95. The main purpose of the DOC was to collate information about the impacts of the pandemic on the department's functions, progress on the measures - such as distribution of laptop computers to enable home working - to mitigate those impacts, emerging risks and issues, and progress of pandemic related interventions - such as procurement of PPE or delivery of grant schemes for businesses - that the department was delivering. The main mechanism for this was the collation of daily situation reports. The reports were populated with inputs from departmental business areas and provided to the NI Hub, the Finance Minister and senior officials in the department.
96. While some other departments set up their DOCs in a virtual format, with staff working remotely, the Department of Finance operated a physical DOC in one of the department's offices. The DOC was staffed by volunteers who worked a 12-hour shift pattern between 7am and 7pm seven days per week. The DOC was managed by two 'Chiefs of Staff', who split responsibility for leadership of the office-based team across the week. The Chiefs of Staff held fortnightly catch-up meetings with

the DoF Liaison Officers to ensure clear channels of communication were maintained.

97. The DoF DOC operated in the first wave of the pandemic between March and June 2020. In June 2020, a review of the DoF Departmental Operating Centre was undertaken and I presented the results to the Departmental Board in a paper named 'C3 COVID-19: Report on the Departmental Operating Centre'. (DOF-FCSD-09). The Departmental Operating Centres and NI Hub were not stood up for the second wave of the pandemic from the autumn of 2020 to the spring of 2021 as a different structure had been devised by The Executive Office in light of the learning from the first wave.
98. Since the COVID-19 pandemic in March 2020, Land and Property Service (LPS) has drafted two separate internal Lessons Learned Reviews in relation to the business support grants which it had responsibility for administering. The first report was drafted in November 2021, which covered all business support grants administered by LPS between March 2020 and October 2021. A second report was finalised in January 2023 to include further information in relation to the Omicron Hospitality Payment Scheme. All figures within this report were updated to reflect the financial position as of 31st December 2022. (***IS/322-INQ000146135; IS/323-INQ000146136***).
99. The purpose of the Lessons Learned Reviews was to analyse the systems and processes put in place by LPS to implement the various schemes and bring together the lessons learned by LPS as an organisation in the provision of the COVID-19 Business Support Grants.
100. The Lessons Learned Reviews were carried out by the LPS Business Support Grants Internal Governance team through a phased approach which included desk top research; one to one online virtual discussions; staff questionnaire; data gathering and analysis; end to end process mapping; Key stakeholder consultation; and online virtual group workshops.

101. The Review Team also considered seeking the views of applicants by conducting a survey amongst the recipients of the LRSS scheme. However, following discussions with key internal stakeholders, it was agreed that, at this stage with the grants only recently closing, this proposed approach had the potential to mislead applicants into thinking there was a possible reopening/reconsideration of the scheme which could subsequently create a significant increase in correspondence.
102. Further to this point, the Review Team arrived at the conclusion that successful applicants were much more likely to have a positive view of the process than unsuccessful applicants. Taking these factors into consideration, it was agreed, that on balance, conducting an applicant survey would neither be beneficial to the applicants nor to the reviews.
103. The lessons learned reports found that from the start of the first business support grant was introduced in March 2020, LPS staff were operating under extreme pressure with a primary focus on getting essential payments out to businesses. Despite these significant pressures, LPS staff applied an ongoing continuous improvement approach to the delivery of business support grants throughout the pandemic by continually reviewing and improving their systems, processes and governance as each grant was rolled out. ***(IS/324-INQ000146138; IS/325-INQ000146139)***
104. Initially, the processes in place were somewhat disjointed which resulted in a lack of integration between the various business areas administering the grants. The initial work practices were extremely labour intensive, and given LPS staff were working remotely, it was difficult to monitor progress effectively. However, LPS embraced these challenges and developed an operational delivery model built on continuous improvement and experiential learning to ensure the process was as effective and efficient as it could be.
105. As issues or problems within the process were identified, potential changes and improvements were discussed amongst the relevant stakeholders, and where appropriate, changes to the IT systems and processes were introduced immediately and continually reviewed to ensure they were fit for purpose. A chronology of

activities and continual lessons learnt by LPS has been produced including the specific actions taken to improve the delivery of administering a wide and diverse range of COVID-19 Business Support Grants.

106. In addition to the positive findings on how LPS had managed the challenges of administering the grants, the Lessons Learned report also noted a number of challenges. In relation to the administration of the £10,000 small business support grant between March and June 2020 which was administered by LPS, although responsibility for policy decisions and the budget rested with the Department for the Economy (DfE). I understand that the policy for the scheme had to be developed and refined as the payments were being administered. DoF staff identified issues that required policy decisions as they considered the eligibility of certain businesses; these issues were referred to the DfE for decision. The difficulties which were encountered related mainly to the speed at which policy matters could be considered and decisions could be taken and implemented. Some examples are the decision on whether to extend the grant to small industrial businesses (which was agreed 7 weeks into the scheme), whether wind turbines and other renewable energy generation assets were eligible (decision communicated in June 2020) and DfE asking for decisions on certain types of non-sporting clubs to be referred on a case by case basis. The competing priorities of the two departments were a factor in the speed of decision making. There is no indication that the efficacy of the scheme was affected by these issues.
107. The lessons learned report also identified another key issue regarding the lack of interoperability between datasets held by different departments and agencies, especially in the incompatibility or lack of alignment in address information and address formatting. This made it impossible to automatically cross-reference datasets, which then required significant manual intervention by staff. This impacted on the speed at which the eligibility for grants could be assessed. For example, efforts were made to cross reference the applications to data held by district council environmental health departments (in relation to hospitality and close contact services) and Tourism NI (in relation to tourist accommodation); however, the rate of successful matching between the datasets on the basis of addresses was very low, which meant that automated straight through processing of applications for

support was not possible. The consequence was that manual processing by staff was necessary and it was approximately 5 weeks before payments started to flow in significant volumes.

108. A second area which was impacted by the lack of interoperability of datasets was checking for duplicate payments between grant schemes. There were some grant schemes that were mutually exclusive – if an applicant received one, they could not receive another grant from a different funder. This was a feature in particular of the eligibility rules for the Localised Restrictions Support Scheme administered by DoF, and the Coronavirus Restrictions Business Support Scheme administered by DfE, although there were also some overlaps between the LRSS and grant schemes delivered by the Department of Communities. To avoid double payments being issued, the Departments needed to cross-reference their payees to ensure each business was receiving the correct amounts of money. This had to be a manual process taking a number of weeks as it was not possible to automatically compare the datasets held by each department. In order to address the issues identified, the NI Civil Service Board, has now mandated the use of a common addressing standard called Pointer. This assigns unique identifier numbers to addresses which will allow automated cross-referencing and matching of any datasets which contain address information.
109. I am informed that a related but separate issue regarding datasets is that the Digital Economy Act Part 5 has not yet being enacted in NI. If this had been enacted, Chapter 1, Article 36 in particular would have provided a clear legislative route for the sharing of data between departments in the emergency context of the pandemic. Instead, an appropriate pre-existing legislative pathway had to be identified in every case where departments proposed to share data. Whilst this issue has been identified, it has not yet been addressed.
110. A Cross-Departmental Group on Covid Funding was established in early 2021 by officials in several Departments who were working through similar issues in the delivery of grant schemes. The meetings of the Group focussed on co-ordinating scheme design and eligibility criteria to mitigate risks of overlaps and gaps between schemes, to manage identified issues with duplicate funding, to share information

and learning, and to co-ordinate common pieces of work such as sharing data with HMRC. During 2022, the Group considered the approach to evaluation of grant schemes including lessons learned and identifying lessons that could be applied to large scale emergency interventions if required in the future. The membership changed over time as individuals moved on to new roles. However the core membership at senior civil service level was: myself, Ian Snowden, Chief Executive of Land & Property Services (co-chair); Iain Greenway, Director of Historic Environment Division, Department of Communities (co-chair); Helen Toner, DoF (until October 2021); Kathryn Hill, Director of Active Communities, DfC; Keith Forster, Department for the Economy and Chris Hughes, Department for Infrastructure. Other officials at Grade 6 and 7 level attended with additional departmental representation from the Executive Office, the Department of Education and Department of Agriculture, Environment and Rural Affairs.

111. As outlined, the group considered the approach in the evaluation of the grant schemes. It was agreed that it will scope the monies disbursed by Executive Departments to individuals and organisations outside the public sector as grants, including financial payments to private businesses and third sector organisations. This scope excludes payments within the public sector, and to service providers. It includes sector-specific rate holidays and similar interventions; but excludes the 12.5% reduction in the regional rate in 2020, and the universal rate holidays for all businesses. *(IS/326-INQ000146141)*
112. There are three phases to the review: collation of quantitative and qualitative factual information in a consistent format on each Covid related grant scheme; a survey of grant applicants from NICS and Arms-Length Body schemes using a questionnaire administered by the Northern Ireland Statistics & Research Agency; and a Lessons Learned report. The work on Phase 1 was undertaken by the Departments which delivered Covid-related grants between March 2020 and April 2022. This work was completed in the latter half of 2022.
113. The survey of grant applicants was launched on 1 December 2022 and closed on 31 January 2023. NISRA collated data from all the relevant departments to create a unified dataset of all grant applicants and recipients. The survey was issued to a

75% sample of this unified dataset, amounting to 48,043 businesses and other organisations with a response rate of 18%. (*IS/327-INQ000146152*).

114. The Lessons Learned Report was completed by external consultants to provide independence in the findings and recommendations. The consultants were engaged through a Covid Surge Support contract established by The Executive Office (TEO) to provide the NICS with access to additional capacity and expertise to deliver tasks related to the response to the Covid pandemic. The expenditure on the external consultants is covered by the Department of Finance, approved by the Permanent Secretary of the Department. The Lessons Learned Report had been anticipated in July 2023; however, this timeframe was revised due to some further work required. The final paper was submitted by the consultants on 26 October 2023. (*IS/328-INQ000146142; IS/329-INQ000146143; IS/330-INQ000146144; IS/331-INQ000146145; IS/331b-INQ000146147; IS/331c-INQ000146148; IS/331d-INQ000146149; IS/331e-INQ000146150; IS/331f-INQ000146151; IS/332-INQ000347008*)

Statement of Truth

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 of its truth.

Signed: Personal Data
Date: 29 November 2023