

Witness Name: Mike Brennan
Statement No.: M02C/DFE/01
Exhibits: 69
Dated: 5 July 2023

UK COVID-19 INQUIRY

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

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 then permanently appointed to the role in December 2020. I was therefore in this role during the period with which Module 2C is concerned, namely between early January 2020 and March 2022 (“the Specified Period”).
2. My role as Permanent Secretary involves 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, its staff and resources,
 - f. Acting as the Accounting Officer for DfE, with responsibility to the NI Assembly for the sound management of public funds in DfE.
3. I make this statement for the purpose of Module 2C of the UK Covid-19 Inquiry. The documents referred to throughout this statement are annexed hereto.

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”). During the course of the specified period, three different Ministers held the post of Minister for the Economy hereafter referred to as “the Minister”:
 - a. Diane Dodds from 11 January 2020 to 14 June 2021;
 - b. Paul Frew from 14 June 2021 to 6 July 2021; and
 - c. Gordon Lyons from 6 July 2021 to 28 October 2022.

10. As the Permanent Secretary, I am also the Departmental Accounting Officer with responsibility for the overall organisation, management and staffing of DfE. I 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 these functions, I operate in accordance with the Department of Finance’s (DoF) key guidance - Managing Public Money Northern Ireland.

11. 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.

12. 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.

13. The Board has established a number of committees:

- a. Audit and Risk Assurance Committee (ARAC) - is responsible for providing advice to the Board and Accounting Officer on corporate governance issues. It meets at least four times a year and reports to the Departmental Board following each meeting.
- b. Casework Committee - its role is to deliver better value for the taxpayer by challenging expenditure proposals on the grounds of deliverability, affordability and value for money.
- c. Resourcing and People Committee - provides a strategic view of how the NICS Human Resource policies and procedures can best be applied to ensure that they contribute effectively to the delivery of DfE's business needs.
- d. Delivery Committee - this supports the Departmental Board in developing and managing performance against DfE's Strategic Work Plans, including corporate and annual business plans, and any delivery plans relating to the Programme for Government.

14. 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.

15. Prior to the Specified Period, a total of 25 Divisions sat under these groups and were aligned to DfE's main policy areas. During the pandemic, this increased to 32 although not all changes were as a direct result of the response to Covid-19.

16. The structure of DfE, during the Specified Period, including the names of the Heads of Groups and Divisions are included at Exhibit [MB/1 – INQ000100974]. This also illustrates the changes to structures in light of new areas of work.

17. During the Specified Period, additional, temporary structures were also put in place to meet the unique demands of the pandemic. In July 2020, a Strategic Oversight Group was established to provide a single point of strategic assessment and assurance on DfE's response to the phases of Covid-19 and its preparations for the end of the transition period following the UK's departure from the EU in January 2020. The first meeting was held on 28 July 2020. The creation of this group recognised the strategic

significance and interdependencies in Covid-19 and EU Exit, such as the availability of goods and food items, access to medicines / health services and the maintenance of energy supplies. These interdependencies were managed via a C3 system, which, as its name suggests, focussed on three specific areas, namely command, control and coordination. The overall objectives were to manage the flow of information, with a view to ensuring robust and informed decision-making, and manage the internal and external interfaces thereby ensuring a measure of consistency across Northern Ireland Departments and partner organisations.

18. At the heart of the C3 system is the Departmental Operations Centre (DOC). A DOC was established within each NICS Department and operated as the central coordination for communicating key messages to / from a central NICS team. Further details around the use of the C3 system and the DOC can be found at paragraph 41.
19. In addition, a Pandemic Incident Management Team (PIMT), which I also chaired, was established in March 2020 to lead the response to the crisis within DfE. Further details around the role of the PIMT can be found at paragraph 43.

Areas of Overlapping Policy Responsibility

20. 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.
21. 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 – INQ000100985].
22. In the context of the pandemic response, some of DfE's Delivery Partners were involved in the delivery of support and recovery schemes on behalf of DfE or as an outworking of the Executive's decisions as well as providing advice and guidance to various sectors of the economy.
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.

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 of DfE During the Specified Period

27. In the few weeks prior to St. Patrick's Day, 17 March 2020, and just ahead of the first national lockdown in March 2020, it became evident that the pandemic would have economic implications and that many of the subsequent economic interventions would fall to DfE whereas, other Departments were responsible for delivering economic support in their own policy areas. However, the scale of work that came our way exceeded that which could have been anticipated.

28. As a result of the pandemic, significant sections of the economy were essentially shut down. Interventions were required urgently to support businesses and employees through the crisis they faced. DfE's short-term objectives were no longer about growing our economy, but rather focused on limiting the damage dealt to the economy. As a result of the pandemic DfE's response was guided by its following Covid-19 specific Strategic Objectives, which were approved by the Minister and published in June 2020:

- a. To deliver a strong, competitive and regionally balanced economy with more people working in better jobs through all phases of Covid-19 and the subsequent recovery, within the context of EU Exit.
- b. To maintain and deliver our essential public facing services to the best of our ability in compliance with public health advice.
- c. To assist our Delivery Partners in their management of the crisis.
- d. To protect the safety and wellbeing of our people.

29. While DfE's business functions had to continue, as detailed within the annual plans, the Covid-19 impact quickly generated new areas of work for DfE and that inevitably placed additional pressures on departmental resources. Against the backdrop of the health crisis, DfE endeavoured to help protect jobs, prevent business closures and promote economic recovery. The provision of economic support schemes and the development of an economic recovery action plan and tourism recovery action plan formed a significant portion of DfE's emerging work priorities during this time.

30. To support the Northern Ireland economy during the health and economic crisis, DfE developed and delivered a range of emergency economic support schemes and grants. DfE provided close to £1bn in support to the economy during the course of the Specified Period. This included support grants to eligible small and medium sized businesses with a focus on the hospitality, retail, tourism and leisure sectors, as well as a range of other financial support measures related to apprenticeships and students in further and higher education. Examples of the grant and support schemes provided can be found at Exhibit [MB/3 – INQ000100996]. However, while this formed a very significant portion of DfE's work, I have not detailed the working of these schemes as the Inquiry has indicated that it intends to deal with these issues in future modules.

31. DfE monitored the impact of the pandemic on the economy of Northern Ireland and provided regular economic analysis and briefing to the NI Executive to inform decision making around the imposition and non-imposition of non-pharmaceutical interventions (NPIs). This was achieved by DfE officials keeping key macroeconomic indicators under review (e.g. employment, unemployment, the number of people claiming unemployment-related benefits, business activity and economic output) as well as more "real time" data (on city centre footfall, HGV movements, etc.). Take-up of Government funded support was also monitored and tracked, such as Northern Ireland usage of the Coronavirus Job Retention Scheme (CJRS) and Self-Employed Income Support Scheme (SEISS). Coupled with this, DfE officials also participated in cross

departmental working groups and liaised with businesses, representative trade bodies (e.g. Hospitality Ulster and Retail NI), local councils, etc. to get “on the ground” intelligence about pandemic impacts. In addition, DfE proactively published data on the economic impact of the pandemic on its website, examples of which can be found at paragraphs 70 to 88 below.

32. DfE’s Press Office, along with all other NICS Press Offices, played an instrumental role in communicating messages to the public during this timeframe. These messages related to a range of departmental updates and Covid-19 response programmes. The messages were communicated via numerous press releases, media interviews, social media activity and media briefings as well as DfE’s website, the NI Direct website (NI equivalent of Gov.UK).
33. While DfE did not have primary responsibility for communicating public health messaging, it assisted in that regard by keeping economic sectors informed of decisions and issues that impacted them. Information was regularly published to assist businesses on DfE’s website and on nibusinessinfo.co.uk (a free service offered by Invest NI, one of DfE’s Delivery Partners).
34. The Health and Safety Executive for Northern Ireland (HSENI), a DfE Delivery Partner, was also active in the provision of guidance to the NI Executive and businesses on safety at work during the Specified Period.
35. The context to the background against which DfE delivered its services and support, particularly in the first weeks and months of the pandemic, should be borne in mind. As the first national lockdown was imposed in March 2020, DfE’s offices closed and staff began working remotely and, as with all businesses and organisations at that time, this was a significant change to how DfE previously conducted its operations. Prior to March 2020, most staff used desktop computers, with only a small percentage of staff using previously provided work laptops. During the first few weeks, those staff with laptops maintained the delivery of essential services and developed emergency economic support schemes. Within a few weeks, DfE was largely operating at its normal capacity (i.e. staff levels were functioning at pre-Covid-19 levels) although almost completely by remote means (levels of staff by the end of May 2020 with almost all staff having been provided with laptops to enable them to deliver DfE’s priorities remotely). It should be noted that DfE also entered into this period with a 25% staff vacancy rate, with many of these vacancies being at middle management level -

research, administration, policy and delivery roles - that are essential to the delivery of DfE's objectives. The staff vacancy rate sat at circa 20% throughout the Specified Period. However, the level of vacancies did not impact DfE's ability to respond to the pandemic as priorities were re-set and the available departmental resources were redistributed in order to meet any emerging needs. My officials were both flexible, and able and their willingness to embrace any revised duties was instrumental in ensuring that needs were both identified and addressed.

36. As we progressed through the Specified Period, DfE's focus turned towards economic recovery, and this resulted in the development of an Economic Recovery Action Plan (ERAP) which set out a pathway to economic recovery post Covid-19. The ERAP was published on DfE's website in February 2021 and a copy can be found at Exhibit [MB/4 – INQ000101005]. The Plan set out a range of decisive actions under four main themes, namely:

- a. Research, Development and Innovation;
- b. Highly Skilled and Agile Workforce;
- c. Investment, Trade and Exports; and
- d. Greener Economy.

37. In May 2021, DfE also launched a new Economic Vision for a Decade of Innovation, known as 10X. The vision built upon the ERAP and set out the long-term objectives for economic growth over the next decade. A copy of the Economic Vision for a Decade of Innovation can be found at Exhibit [MB/5 – INQ000101006].

38. DfE continued to focus on its high-level key deliverables however, various other 'business as usual' activities increased in volume and intensity due to the pandemic's economic impacts. These should be acknowledged as having placed significant pressures on many business areas, at a time when they were still adapting to new working practices.

Responsibilities for Emergency Response Measures Prior to the Specified Period

39. Prior to March 2020 and the pandemic, DfE's responsibility for emergency response measures focused on the response to a civil contingencies emergency. DfE would take a lead role within Northern Ireland in coordinating a response to emergencies which:

- a) Seriously disrupted oil, electricity, gas and other fuels;

- b) Included dangerous land subsidence at abandoned mines, including salt mines;
- c) Related to a serious incident at industrial premises (in conjunction with HSENI), which come within the provisions of the relevant Control of Major Accident Hazards (COMAH) sites;
- d) Concerned a major failure of the NI telecoms infrastructure.

40. As energy was identified as part of the Critical National Infrastructure, DfE had 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 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 who would respond to a serious disruption to the food supply chain.

Role in Emergency Response Measures During the Specified Period

41. Following the declaration by the World Health Organisation of the Covid-19 pandemic as a Public Health Emergency of International Concern, DfE's DOC was stood up on 26 February 2020. The purpose of the DOC was to manage the flow of information between the Department, TEO and other NICS Departments. At that stage, the NICS-wide C3 arrangements (command, control and communication) had not been formally activated. However, DfE wanted to ensure that its DOC was functioning properly and able to meet any likely demands. The early establishment of DfE's DOC was essentially a test-run, with a view to identifying and eradicating any possible difficulties prior to linking up with the DOCs in the other Departments, for example arranging staffing levels and use of technology. Accordingly, when TEO (the lead Department who took the decision as to when this was activated) formally activated the NICS-wide C3 arrangements on 19 March 2020, DfE already had everything in place and there was a seamless transition into fully "active" mode.

42. During the full course of the pandemic, one of the DfE DOC's main roles was to collate and issue a Situation Report (SitRep) to the NI Hub, the central coordination team for the NICS based in TEO as often as was required. The SitReps highlighted any emerging problems or issues being experienced by a range of industries such as tourism, haulage and higher education to the NI Hub within TEO. The NI Hub

summarised the key points from the SitReps and further disseminated them to the NI Executive and UK Government as appropriate. A further role of DfE's DOC was to liaise and co-ordinate activity with other Departments' DOCs.

43. As referenced at paragraph 19, a PIMT was also established on 6 March 2020 to lead the initial response to the crisis within DfE. The PIMT consisted of DfE's Leadership Team (the Deputy Secretaries and I), the Chief Executive of the HSENI, DfE's Director of Central Services, DfE's Head of Central Management Branch, DfE's Principal Information Officer, DfE's C3 Lead / Chief of Staff of the DfE DOC, DfE's NI Hub Liaison Officer, and DfE's Policy Lead Directors as required. The PIMT met daily from the date of establishment and throughout the month of March 2020 to co-ordinate staff priorities and activities across the Department, provide departmental and NICS updates and identify potential or emerging issues across the Department. PIMT was stood down at the end of May 2020, at which point it was considered that any required actions and information sharing could be accommodated within the framework of the routine Leadership Team meetings. I chair the weekly Leadership Team meetings, which provide an opportunity to receive updates and discuss the work that is being undertaken across the Department. The DfE Leadership Team (or, in the absence of a Team member, their deputy) is always in attendance, as are the Director of Corporate Governance, the Director of Central Services and a representative from Press Office (usually the Principal Information Officer). Relevant issues will be referred to the Minister for consideration and guidance / directions. PIMT was briefly resurrected for four weeks from 22 October 2020 in relation to the appearance of the Omicron variant.

Changes to the Role and Performance of DfE

44. In the early days of the pandemic, it became obvious that DfE would have to reallocate resources and streamline processes to enable it to continue to deliver its strategic objectives and respond to the demands of the response to the Covid-19 pandemic. The changes to processes and structures took place during 2020 and continued throughout the course of the Specified Period.

45. Throughout March 2020, in response to the scale of the Covid-19 pandemic, DfE Corporate Governance Division proposed a number of mitigation measures to be taken by DfE in relation to corporate governance systems and controls:

- a. To reflect the need for a large number of decisions to be taken at speed and without time to perform the normal degree of due diligence on spending decisions, the risk appetite was changed from: *“Ensure the Department has effective governance, including programme and project management arrangements, and manages its resources, both financial and staff (averse)”* to *“Implement measures to mitigate the impact of coronavirus (hungry)”*.
 - b. There was a temporary suspension of DfE’s delegated limits for Covid-19 response measures. This allowed our Delivery Partners including Invest NI and Tourism NI to spend up to the Department of Finance’s (DoF) imposed limit without seeking DfE Approval, simplifying the decision-making process, and speeding up their ability to react. For the same reason, the Departmental Casework Committee (which considers all spend in excess of £1m) did not convene to consider Covid-19 response measures and my officials wrote to DoF seeking a temporary suspension of all DfE (and associated Delivery Partner) delegated limits afforded to DfE by DoF.
 - c. As the developing situation with Covid-19 in Northern Ireland was likely to result in a significant number of external delivery partners having to shut-down or enter a period of temporary closure, it was agreed that business areas continue to make payments to both organisations and individuals affected by any temporary shutdown of departmental programmes as a result of Covid-19 restrictions. This was due to the likely financial pressure placed on a significant number of small business enterprises, who may have been unable to sustain their financial viability due to limited reserves and / or access to sufficient and affordable banking facilities.
 - d. DfE also made alternative arrangements to ensure the continued availability of a range of payments to individuals, typically participants in training or education programmes of various descriptions. This included the Educational Maintenance Allowance and payments to Higher Education participants (maintenance and tuition fee loan funding). All funds were already available within DfE’s budget, so no extra money was required.
46. Just before the first national lockdown on 23 March 2020, DfE created a team to develop and deliver the first of a significant number of financial support schemes. This was not an area of work that DfE was resourced to carry out, so it required a diversion

of staff and resources from other strategic policy work. The number of staff involved in the policy and delivery of support schemes varied in response to the demand and scale of each of the schemes being provided.

47. Following the national lockdown on 23 March 2020, DfE's Casework Committee was no longer able to meet in person. To ensure that the Committee was able to continue to scrutinise departmental spending, the process for bringing business cases to the Casework Committee was simplified, with a new Covid-19 Template issued. In addition, a protocol for considering cases via correspondence was introduced. This was to ensure that, in the absence of in-person meetings (and before video conferencing had been fully established), cases could continue to be considered and processed.
48. On 13 May 2020, a DfE Governance and Accountability Notice was published that provided new guidance from the Equality Commission of Northern Ireland (ECNI) on Section 75 duties when developing Covid-19 related policies. Section 75 of the Northern Ireland Act 1998 requires public authorities to comply with statutory duties regarding the need to promote equality of opportunity and the desirability of promoting good relations when implementing new or revised policies. However, the ECNI recognised that the development of policies to alleviate the consequences of Covid-19 may need to be developed and implemented with the utmost urgency. Accordingly, it was agreed that, if the equality screening could not be completed before the policy was implemented, it should be conducted as soon as practicable afterwards. A copy of this Governance and Accountability Notice can be found at Exhibit [MB/6 – INQ000212392].
49. DfE understands nonpharmaceutical interventions (NPIs) to include interventions such as lockdowns, local restrictions, working from home, reduction of person-to-person contact, social distancing, the use of face coverings and border controls in Northern Ireland. As the decisions around the imposition or non-imposition of NPIs were made by the NI Executive rather than DfE, DfE did not carry out equality screening on these issues. However, as further and higher education fell within DfE's policy remit, DfE carried out equality screening on 26 February 2020 in regard to the legislative powers to close or direct the further and higher education institutions in Northern Ireland as a result of the Covid-19 pandemic.

50. On 18 August 2020, DfE also completed an equality screening of a framework to support the completion of necessary risk assessments and the development of the policies and procedures required to ensure that all reasonable measures would be taken to minimise and reduce the health risk to staff and learners when returning to onsite learning. These screenings were carried out in advance of implementation of the respective policies. A copy of these two equality screening documents can be found at Exhibit [MB/7 – INQ000212403] and Exhibit [MB/8 – INQ000212404].
51. In addition to these, DfE carried out equality screenings of the business support schemes it delivered. With the exception of the High Street Support Scheme that commenced on 27 September 2021, the equality screenings on the business support schemes implemented earlier in the Specified Period, were carried out after implementation. This was in keeping with the ECNI's guidance referred to above. As detailed in paragraph 30 above, while the support schemes formed a very significant portion of DfE's work, I have not detailed the screenings here as the Inquiry has indicated that it intends to deal with these issues in future modules. The equality screenings carried out by DfE are published on its website.
52. In June 2020, revised internal delegated limits, applicable to all departmental expenditure approvals were agreed. The limits set the point at which expenditure must be approved by a particular grade of official. These changes were introduced following a review of internal delegations and consideration by the Departmental Board and the Minister. The threshold for Casework Committee scrutiny and Permanent Secretary / Ministerial approval was therefore increased from £1m to £5m.
53. Also in June 2020, a small, dedicated team (the Covid Restart team) was created to coordinate DfE's engagement with TEO and the NI Executive and lead on DfE's input to NI Executive decision-making on restrictions and relaxations. As we moved from focusing on the immediate response to the pandemic, DfE's Leadership Team took the decision to create the Covid Restart team at this stage to assist with the coordination of DfE's longer term response to both the economic impacts of the pandemic and the recovery of the economy within Northern Ireland post Covid-19.
54. The Covid Restart team engaged with TEO and other Departments and Agencies, primarily via the Cross Departmental Working Group (CDWG), referred to in further detail at paragraph 125 below, to provide a focal point to expedite:
- a. the consideration of issues impacting upon the economy,

- b. liaison with stakeholders,
- c. advice on impact of restrictions on business activity and
- d. provision of policy advice on Executive papers.

55. On 1 September 2020, DfE revised its risk management process to reflect an update to HM Treasury's Orange Book, which sets out the risk management standards for government organisations. DfE also issued internal guidance on managing fraud, with particular reference to the financial support schemes.

56. On 11 December 2020, internal delegated limits were revised further when applicable to urgent Covid-19 response measures. Due to the need for a rapid response, it was also agreed that the securing of approvals for Covid-19 related expenditure would follow an abridged process including the suspension of the need for DfE Casework Committee scrutiny. However, business as usual expenditure still required Casework Committee scrutiny and approval.

57. Throughout 2020 and 2021, teams were created within existing business areas to deliver bespoke support schemes and deal with emerging issues as required while the remainder of the business area continued to deliver business as usual as much as possible. There were frequent changes made to the workings of DfE that demonstrated my officials' abilities to respond and deliver at pace. However, a more significant diversion of resources was required to develop and deliver the High Street Scheme, commonly referred to as the High Street Voucher Scheme from its inception, following a Ministerial Direction on 29 April 2021, to its delivery and conclusion in early 2022. This Scheme's aim was to boost economic activity by providing every person in Northern Ireland, aged 18 and over, with a prepaid card worth £100 to spend in local businesses.

DfE's Role in Decision Making

58. As civil servants, my staff and I are politically impartial. Our role is to support the NI Executive and its Ministers in delivering the commitments set out in the Programme for Government as well as in emerging issues such as the management of the Covid-19 pandemic.

59. Decisions on the imposition or non-imposition of NPIs were made by the NI Executive. However, my officials provided a range of briefing and analysis to inform the Minister

and the NI Executive, on areas that fell within DfE's policy remit, to inform and assist with their decision-making.

60. During the Specified Period, a formal stocktake took place between DfE officials and the Minister on a weekly basis. Additionally, the Minister received regular, almost daily, briefing on the economic impacts of the pandemic.

61. Where DfE made decisions, these were limited to the administrative outworking of the NI Executive's decisions and the delivery of financial support schemes to businesses and the development of economic recovery action plans.

Framework for Decision Making

62. On 12 May 2020, the NI Executive published its approach to decision making. A copy of *Coronavirus – Executive Approach to Decision Making* can be found at Exhibit [MB/9 – INQ000101007]. This provided that the Coronavirus Regulations (the Regulations) would be regularly reviewed and that these reviews would consider the health, social and economic impacts of the pandemic. The document noted that the pandemic would cause severe social and economic damage and that action was required to suppress the virus and at the same time mitigate that negative impact on livelihoods and it set out the pathway to recovery. It also set out their guiding principles for determining whether specific restrictions should be retained, withdrawn or modified. These principles focused on:

- a. controlling transmission,
- b. protecting the healthcare capacity,
- c. necessity,
- d. proportionality, and
- e. the reliance on evidence.

63. In making decisions or providing briefing and analysis to inform NI Executive decisions, DfE took account of the NI Executive's overarching decision-making approach. The approach across the NICS should have reflected the guiding principles detailed above.

64. While taking account of the decision-making framework developed and agreed by the NI Executive collectively, the key considerations which informed DfE's policy position or the advice which it gave to the NI Executive were based on DfE's own strategic

objectives; DfE's role in relation to the economy, skills and education; and the need to take account of the economic impacts of the decisions being made.

65. On 29 May 2020, DfE published a document entitled "*Charting a Course for the Economy – our First Steps*" which detailed the guiding principles for decision making within the NI Executive around restarting the economy. A copy can be found at Exhibit [MB/10 – INQ000101008]. It advised that DfE's approach to restarting the economy would also be grounded in the following starting assumptions and guiding principles:

- a. Progress on the recovery pathway depends on controlling the rate of transmission.
- b. We will do everything we can to protect individuals and livelihoods which support families and communities across Northern Ireland.
- c. Action will be gradual and in stages as set out in the five-step pathway.
- d. Work that can take place at home should be done at home.
- e. Social distancing measures will remain in place over time.
- f. Employers have a duty to assess and manage risks to safety in the workplace and need to be aware of the concerns of staff returning to work.
- g. We recognise that the vast majority of people are committed to ensuring best practice and will act responsibly but, where this does not take place, there are legally enforceable measures in place.
- h. A coordinated approach across the NI Executive will be required to help our businesses get back up and running and workplaces operating safely.
- i. Where the Regulations restrict a specific activity, this will only be retained as long as it is considered necessary to prevent, protect against, control, or provide a public health response to the incidence or spread of Coronavirus.
- j. We all have a role in building confidence in returning to work when it is safe to do so.

66. The consideration of scientific advice, as set out within the document referenced above, follows the commitment in the NI Executive's "Approach to Decision Making" (referenced at paragraph 62 and Exhibit [MB/9 - INQ000101007]) to use analysis and evidence relating to the pandemic, including the latest medical and scientific advice, the estimated level of transmission and the impact of decisions on the future trajectory of the pandemic. The NI Executive's decision-making process to take account of the economic and social impacts of NPIs was also followed by DfE. The weighting given to each of these elements in any given decision was a matter for the NI Executive.

67. Scientific advice from the Department of Health (DoH) was formally issued to DfE in draft papers for NI Executive meetings. DfE officials were cognisant of this advice when providing briefing to the Minister and included details of the advice from the Chief Medical Officer (CMO) / Chief Scientific Advisor (CSA) alongside the economic elements. In addition, the Minister and Executive colleagues were briefed by the CMO / CSA at the NI Executive meetings. Engagement between officials, via the Cross Departmental Working Group referred to at paragraph 125, supplemented these formal channels of sharing of scientific / medical advice.

68. As ownership of the Coronavirus Regulations rested with DoH, any proposals from Departments to amend the NPIs contained in these were routed through that Department. This process automatically attracted scientific advice from DoH to the NI Executive around the risks to health and transmission rates of taking forward any proposal to remove or relax specific restrictions.

69. DfE also took account of the overarching NICS Code of Ethics, which sets out the constitutional position of civil servants and the values civil servants are expected to uphold, and the need to operate within a co-operative and collaborative framework, with stakeholder engagement.

Economic Briefing and Analysis Provided by DfE

70. As noted above, much of DfE's work during the pandemic was focused on the delivery of financial support schemes and the actions required for an economic recovery. However, DfE played a significant role in analysing the economic impact of the pandemic and providing analysis and evidence on this matter to the NI Executive to inform decision making on the imposition and non-imposition of NPIs. The metrics used by DfE to monitor the economic impact of the pandemic are set out in the dashboards, an example of which is exhibited at [MB/11 - INQ000212317]. These covered key macroeconomic indicators such as employment, unemployment, the number of people claiming unemployment-related benefits, business activity and economic output as well as more "real time" data (on city centre footfall, HGV movements, etc.).

71. This type of analysis was also provided to policy colleagues within DfE, wider NICS C3 structures and Whitehall Covid-19 reporting and response teams. DfE provided information on business impacts to the UK Government via the Department for Business, Energy and Industrial Strategy (BEIS) for inclusion in the UK-wide Economic

Surveillance Dashboards as referenced at paragraph 76 below. Dashboards were then shared back with the Department populated with input from each of the four nations. Most notably, much of the evidence and analysis was made available to those who were in positions that were advising upon, recommending, or making decisions around NPIs. DfE shared this information with departmental policy colleagues, other NICS Departments, their Ministers and the NI Executive to inform their decision making from an economic perspective, when considering the introduction, amendment or removal of NPIs in response to Covid-19.

72. DfE was engaged in the development of the “*Coronavirus – Executive Approach to Decision Making*” document referenced at paragraph 62 above. DfE provided the analysis of the macro-economic consequences of the pandemic.

73. The guidance advised that the NI Executive would consider the following criteria when reviewing the Regulations:

- a. Evidence and analysis relating to the pandemic, including the latest medical and scientific advice, the estimated level of transmission and the impact of relaxations on the future trajectory of the pandemic;
- b. Capacity of the health and social care services to deal with Coronavirus cases as well as the need to resume normal services;
- c. Assessment of the wider health, societal and economic impacts of the Regulations, including identifying the areas where greatest benefit and lowest risk would result from relaxation.

74. Understanding the economic impact was important and it is in this last criterion, which considered the economic impacts of the Regulations, that DfE had a role to play.

75. Throughout the Specified Period, DfE was involved in providing economic evidence to help inform decisions on the introduction, amendment, or removal of NPIs, often with very little time to consider and respond. DfE provided updates on the macroeconomic and sectoral situations in response to specific requests such as those coming from the Minister, NI Executive and UK Government. This economic evidence was made available via dashboards and was included in multiple items of the research undertaken and briefings referenced throughout this statement.

76. DfE undertook initial work to assess the potential outcomes / issues for the NI economy as a result of the pandemic. It provided updates to senior civil servants in Northern

Ireland, the Minister, TEO and the NI Executive as and when information relevant to decision-making became available. This included research on the impacts of Covid-19 on the Northern Ireland economy and Labour Market and on specific issues (including issues related to NPIs). This research is exhibited elsewhere within this statement at [MB/13 - INQ000101010], [MB/14 - INQ000100975] and [MB/16 - INQ000100977]. Economic analysis and briefing from DfE were regularly requested by, and provided to, DoH in relation to the potential economic impact of the Coronavirus Regulations. DfE also produced ad hoc analysis in relation to specific queries from departmental policy areas and / or wider NICS structures. DfE proactively and regularly issued data metric updates (dashboards) on Covid-19 economic impacts and latterly the economic recovery from Covid-19. These were also regularly circulated to senior civil servants and the NI Executive. The regularity depended on the purpose and audience and varied throughout the Specified Period.

77. In addition to the above inputs, DfE also commissioned a workstream in and around 17 March 2020, led by its Business Intelligence Branch, which was tasked with gathering and disseminating real-time qualitative and quantitative information on the economic and operational impacts of Covid-19. The qualitative information was gathered from NI business stakeholders, sector / trade bodies, councils, Invest NI, InterTrade Ireland, departmental policy areas and NICS Departments. The quantitative element involved analysing key trends from economic statistics, data on earnings from HMRC, employee jobs, employment data as well as emerging data from 'close to real-time' indicators such as footfall, retail activity, online job vacancies and consumer spending. The real time element of this exercise supported swift and flexible policy development and decision making and provided insights that would likely have been too lagged to be useful if gleaned solely from official statistics.

78. Initially, intelligence gathered was used to inform DfE's DOC and help detect any emerging problems or issues being experienced by industry. This information fed into the NI Hub via inclusion of key elements in the SitReps as detailed at paragraph 42 above. From 11 March 2020, business intelligence and data were included in a weekly UK Economic Surveillance Dashboard which was used to inform Ministers and Cross-Whitehall policy teams of ongoing NI business / economic issues. The dashboard contained input from all regions within the UK and covered all business sectors. This was a national level dashboard that is still in place today but now monitors the current economic issues. The UK Government published the dashboards on a weekly basis,

a few days after it had collated the information from all regions and sectors. This dashboard was circulated to TEO and within DfE to the Minister and senior staff. DfE would not be aware of any decisions that were made at a national level or locally based on this information. Although, DfE was aware that the information in the dashboard was used to inform the current position across regions and sectors and to help identify or validate emerging issues. Occasionally, DfE carried out more focused intelligence gathering exercises to inform internal policy development and to provide more intelligence within the UK Economic Surveillance Dashboard. Key business intelligence messages were also shared via the weekly UK Economic Surveillance Dashboard, within DfE and used to support briefings to the CDWG. This information also informed briefings to the Minister and NI Executive as per the examples detailed at paragraphs 89 to 118 below.

79. As early as May 2020, DfE provided evidence to the NI Executive on the reopening of the Northern Ireland economy in the event that NPIs and guidance had been rescinded. This economic evidence took account of learning from international practices within European countries, Australia, New Zealand and China. This evidence was published on DfE's website on 29 May 2020 and can be found at Exhibit [MB/12 – INQ000212339].
80. In and around mid-May 2020, information on economic impacts was first sought by DoH from DfE for populating their templates (regarding amending / relaxing the Regulations, including those relating to NPIs) with DfE's first input to this request being provided on 21 May 2020. This was then provided regularly as DoH reviewed the Regulations.
81. On 30 September 2020, evidence was provided to the NI Executive on the potential economic impacts of a range of NPI options (e.g. full lockdown, closure of specific sectors / sub-sectors, working from home, restrictions on outdoor gatherings / events, etc). A copy of this can be found at Exhibit [MB/13 – INQ000101010].
82. In November and December 2020, analysis was undertaken on the estimated economic impact of 4 week and 8 week "Circuit Breaker" restrictions in Northern Ireland and provided to the Minister. A copy of this analysis dated 21 December 2020 can be found at Exhibit [MB/14 – INQ000100975].

83. In and around 2 March 2021, evidence was provided to the NI Executive by DfE on reopening the economy and relaxing or removing NPIs and other restrictions. DfE provided economic input to the NI Executive's *Pathway Out of Restrictions* document. A copy of this can be found at Exhibit [MB/15 – INQ000100976].

84. In order to have a comprehensive, contemporary view of the economic situation in March 2021, DfE worked with EY (a consultancy firm) to complete research papers, which were published at the end of that month. The research highlighted the economic impact of the restrictions that were in place at the time and was provided to TEO as part of the CDWG's risk assessment work, which looked at the cautious reopening of businesses including non-essential retail, tourism, close contact services and other sectors that were subjected to closure and restrictions under the Health Protection Regulations. Further details about the CDWG can be found below at paragraphs 125 to 128. A copy of these research papers dated 12 March 2021 can be found at Exhibit [MB/16 – INQ000100977]. The research included:

- a. **Short and Long-Term Economic Impact of Current Restrictions.** This paper showed how around 10,000 businesses may have been closed by the Regulations at that time and that approximately 168,000 workers were supported by CJRS or SEISS schemes (31 January 2021 data).
- b. **Annex A: Understanding the Long-Term Impacts of Covid-19 on the Northern Ireland Economy.** This research examined some of the potential long-term implications of Covid-19, including on mental health, education & skills, corporate debt, personal debt, balanced regional development, and innovation & digitalisation.
- c. **Annex B: Understanding the Bounce-Back Potential of the Northern Ireland Economy after Covid-19.** This showed that a strong bounce back was in store, but one that would need attention and nurturing to minimise the scarring effects that were deepening every week. People wanted to spend, firms wanted and needed to invest, and the Government was continuing to intervene with a range of supports. This would be a strong platform for recovery later in 2021 and 2022.

85. Mostly during 2021, DfE provided regular (approximately monthly) direct input into DoH's "*Review of Coronavirus Regulations*" paper, which was circulated to NI Executive Ministers for comment and to inform decision making. This input was focused on the economic impact and the ever-developing macroeconomic and sectoral

situation in the context of Covid-19. An example of this input can be found at Exhibit [MB/17 – INQ000100978].

86. Throughout most of 2020 and 2021, DfE provided regular dashboard updates to the Minister, DfE senior officials and to TEO and the NI Executive and on a few occasions the sessions of the NI Assembly Economy Committee. These outlined the current economic situation in terms of indicators such as claimant count, furlough uptake, high street footfall, HGV traffic and sectoral intelligence in the context of Covid-19.

87. During the first half of 2022, a range of evidence was provided by DfE to TEO on the economic impact of the NI Executive's working from home guidance. This evidence can be found at Exhibits [MB/18 - INQ000212345], [MB/19 - INQ000212346] and [MB/20 - INQ000212348].

88. It is also worth noting that much of DfE's economic analysis (and that of our delivery partners) was published on DfE's website, with commissioned reports published on the Ulster University's website, and made available to the public to keep them informed.

DfE Briefing and Comments on Coronavirus Legislation and Regulations

89. On 28 March 2020, the NI Executive agreed the Coronavirus Regulations that introduced restrictions to slow the spread of Coronavirus, help our Health and Social Care system cope with the situation and ultimately save lives. The Regulations required the closure of certain businesses and prohibited anyone from leaving their house except for very limited reasons. The Regulations also banned gatherings of more than two people from outside the same household. The NI Executive stated that these Regulations would be kept under regular review.

90. While the ownership of these Regulations rested with DoH, the reviews of the Regulations proceeded on a collaborative basis. Accordingly, when DoH carried out its first review of the Health Protection (Coronavirus, Restrictions) Regulations (Northern Ireland) 2020 in April 2020, it invited the other NICS Departments to provide comments. My officials and I worked with the Minister to provide information on the matters within DfE's remit thereby augmenting the decision-making process. Comments focused on ensuring the economic impacts of any decision made were considered by the NI Executive. As one might expect, concerns about the hardships

faced by businesses and their continuing viability were raised. However, issues around ensuring safe workplaces for staff and the wider social impacts of NPIs were also frequently raised by DfE via the Minister. My officials provided briefing and economic analysis for each of the Ministers in post during the Specified Period and these briefings informed the response provided by the Minister to DoH and the NI Executive. Further details of the comments, economic impacts and briefings referred to in this paragraph are set out below in paragraphs 91 to 118.

91. In response to the first review, the Minister at that time, Diane Dodds, wrote to the Minister for Health, Robin Swann on 14 April 2020 providing comments. She noted that she was content that the restrictions in the Regulations continued to be appropriate however, she highlighted the need to urgently look at some economic interventions and where more sector specific guidance could support parts of the economy in returning to work safely in order to safeguard the economic foundations on which recovery could be built. She also noted that it was not a matter of health versus economy but there were complexities and that recessions caused major health consequences with economic and social lockdowns having more consequences for the health and life chances of those most exposed to the impact of the recession. Further information was sought from Minister Swann on how the Regulations were to be adapted to revised modelling, the deployment of workplace guidance to return specific sectors to work in safe conditions, and the extent to which there had been an impact on other areas of the health service. The Minister also noted that the construction industry was seeking to resume business and the likelihood of associated trades needing to resume to support that industry. This reflected discussions between officials and the Minister. A copy of the draft letter that was provided to the Minister and the final correspondence issued, can be found at Exhibits [MB/21 – INQ000196713] and [MB/22 – INQ000100979].

92. The Minister continued to comment on the reviews of Regulations and restrictions following extensive briefing from officials on the need for the economic and social implications of NPIs to be taken account of during the decision-making process. Further details of the issues raised in this paragraph are set out below in paragraphs 93 to 118.

93. DfE and the Minister also commented on reviews of the relevant legislation, including the Health Protection (Coronavirus, Restrictions) (No.2) Regulations (NI) 2020 and the International Travel Regulations (NI) and the Health Protection (Coronavirus, Public

Health advice for Persons Traveling to Northern Ireland) Regulations (NI) 2020. As with the other reviews of regulations, my officials provided briefing and economic analysis for each of the Ministers in post during this period and this briefing informed the response provide by the Minister to DoH and the NI Executive. Further details of the issues raised in this paragraph are again set out below in paragraphs 94 to 118.

94. On 5 June 2020, the Minister wrote to the First and deputy First Ministers commenting on the Covid-19 border health measures highlighting challenges for businesses and consumers should there be a divergence between the UK and Irish Governments in the implementation and enforcement of the regimes. She also welcomed the proposed travel exemptions for those maintaining critical national infrastructure as there was a continued reliance on the availability of energy and telecoms engineers at that critical time. Minister Dodds, noting the importance of measures from a health perspective, also emphasised the impact on tourism and highlighted the need for an exit strategy to be developed. A copy of briefing from officials on this matter and of this letter can be found at Exhibits [MB/23 – INQ000212352] and [MB/24 – INQ000212353].

95. On 15 June 2020, the Minister wrote to Minister Swann, following briefing from officials, commenting on the Test, Trace and Protect (TTP) Strategy, acknowledging the significant progress that had been made in getting the economy moving, safe workplaces and building consumer confidence. Again, the need for more parts of the economy to get reactivated was raised to avoid jobs being lost and livelihoods ruined and that the launch of Proximity Apps for tracing was needed to assist this in moving forward. A copy of the briefing and this letter can be found at Exhibits [MB/25 – INQ000212354] and [MB/26 – INQ000100981].

96. On 3 September 2020, the Minister, following a briefing from officials, wrote to Minister Swann raising the difficulties being faced by the non-food pub sector as a result of the six-month closure of wet pubs and the uncertainty about reopening. She requested that DoH and the Public Health Agency set out conditions under which these could open so that the industry could take steps towards this. A copy of the briefing and this letter can be found at Exhibits [MB/27 – INQ000212356] and [MB/28 – INQ000212357].

97. When a need was identified in September 2020 to place urgent restrictions on particular areas by postcode, DfE officials briefed the Minister on this matter. She then wrote to Minister Swann on 21 September 2020 to highlight the need for clarity for the

public in relation to the travel elements of the restrictions and she requested that restrictions should not be imposed on the hospitality and retail sectors of the wider economy. She also requested an assessment of these restrictions and the communication around travel and those in the most vulnerable groups. A copy of the briefing and this letter can be found at Exhibits [MB/29 – INQ000212358] and [MB/30 – INQ000212360].

98. On 6 November 2020, the Minister wrote to Minister Swann to again highlight the impact of the pandemic on the economy and in particular on the hospitality sector following briefing from officials. She noted that the proposed two-week extension to restrictions at that time was solely framed within the confines of the health lens. The Minister highlighted the lack of information within NI Executive papers on the role that TTP has played in reducing the R number and the SAGE modelling on this matter. She highlighted the need for this to be detailed as an aid to informing businesses who had invested in PPE and introduced Covid compliant operations for staff and customers. The Minister also flagged the need to critically assess the effectiveness of measures and reminded of the NI Executive's need to simultaneously respond to the evolving nature of the virus while also taking steps to rebuild a more competitive, inclusive and greener economy. She also raised concerns that the NI Executive was not being presented with a comprehensive analysis of alternative pathways, such as guidance to allow businesses to continue to enhance precautions or a balanced approach to allow businesses currently closed to have the confidence that they would be permitted to trade should there be further proposed restrictions. A copy of the briefing from officials and this letter can be found at Exhibits [MB/31 – INQ000212361] and [MB/32 – INQ000212362].

99. On 10 November 2020, the Minister wrote to NI Executive colleagues on the economic impact of a proposed four-week circuit breaker, relying on briefing provided by DfE officials. She highlighted that initial indications were that the four-week circuit breaker may lead to a loss of £400m to NI's economy. She noted that this came on top of losses of £4bn to £5bn already caused by the impact of Covid-19 and the original lockdown earlier that year. She highlighted the financial consequences experienced by the Accommodation & Food, Close Contact Services, the Arts, Entertainment and Recreation sectors, and supply chain businesses, with the direct impact of the circuit breaker on around 60,000 jobs. She also noted that, while many workers have been affected, indications were that females, young workers and those on low pay may have

been most adversely affected. She proposed a number of amendments to Regulations including the reopening of close contact services, reopening of cafes and coffee shops and the resumption of hotels being able to serve food and alcoholic drinks to residents. With this correspondence, the Minister provided NI Executive colleagues with economic analysis carried out by my officials, of the potential economic impact of the four-week circuit breaker. A copy of this correspondence and the economic analysis that formed the briefing to the Minister can be found at Exhibit [MB/33 – INQ000212363]. The evidential basis for the Minister’s submission that many workers had been affected, although indications were that females, young workers and those on low pay may have been most adversely affected, is neatly captured within this analysis document. It outlines work undertaken in this area by the Centre for Economic Performance and the Ulster University Economic Policy Centre. The issues within this correspondence were discussed by the NI Executive at its meeting of 9 November 2020 (which was reconvened on 10, 11, and 12 November 2020). Further information relating to mitigating these inequalities is included at paragraphs 119-123 below.

100. While economic impacts of restrictions and other NPIs were now being given more consideration in the NI Executive’s decisions, officials continued to provide briefing to the Minister on the impacts of NPIs. The Minister continued to remind NI Executive colleagues of the importance of including both the economic and social considerations in their decision making.

101. On 16 February 2021, the Minister again wrote to Minister Swann, following briefing from DfE officials, seeking that telecommunications companies and their staff be included in the extension of the provision of lateral flow devices, given the critical nature of that industry. This was to ensure that staff could be reassured in returning to a safe workplace. A copy of this briefing from officials and the associated letter can be found at Exhibits [MB/34 – INQ000212364] and [MB/35 – INQ000100987].

102. During this month, on 18 February, the Minister also sought the reopening of garden centres, recognising the associated mental and physical health benefits for citizens, as gardens had become a sanctuary for so many. The Minister also welcomed the move to permit contactless click and collect services in some non-essential retail sectors. A copy of this briefing from officials and the associated letter can be found at Exhibits [MB/36 – INQ000212366] and [MB/37 – INQ000100988].

103. When there was a change to the Minister for the Economy, on 14 June 2021 to Paul Frew and then on 6 July 2021 to Gordon Lyons, the new Ministers continued receiving briefing from my officials to inform their decision making and correspondence with their colleagues in NI Executive. The comments provided to the NI Executive on key issues remained in the same vein and also promoted the need for economic and social recovery. Examples of the continued briefing and correspondence are provided in the paragraphs below.
104. On 8 July 2021, following briefing from officials, the Minister wrote to NI Executive colleagues highlighting the ongoing impact of the Covid restriction on potential tourism business from the USA and Europe. He noted that Ireland had adopted the EU digital Covid certificates for travel originating from within the EU / EEA and allowed visitors from the USA who had been fully vaccinated to travel freely across Ireland on arrival. He noted that this approach was more advantageous with an increase in booking being seen and that the approach at that time in Northern Ireland was disadvantaging the local tourism and hospitality sectors, with tour operators dropping Northern Ireland from itineraries and cancelling bookings. A copy of this briefing and letter can be found at Exhibits [MB/38 – INQ000212368] and [MB/39 – INQ000100989].
105. In August 2021, the Minister wrote to the Education Minister, Michelle McIlveen, in relation to the removal of social distancing in classroom settings in the Further and Higher Education sectors. He also asked the NI Executive to agree to the removal of face masks in classroom settings in order to facilitate a further normalisation of the learning environment. A copy of the briefing and this letter dated 12 August 2021 can be found at Exhibits [MB/40 – INQ000212371] and [MB/41 – INQ000212372]. In separate correspondence on 20 August 2021, he asked the NI Executive to consider removing the current messaging around working from home. A copy of this letter and the attached independent report from the Belfast Chamber that was provided to the Minister can be found at Exhibit [MB/42 – INQ000100990] and [MB/43 – INQ000212374].
106. On 9 September 2021, the Minister wrote to the First and deputy First Ministers in relation to the consideration of the remaining areas for relaxation. Following briefing from officials, he again stressed the need to take account of the economic context and impacts of restrictions. He also requested clarity for businesses in general. A copy of the briefing and this letter can be found at Exhibits [MB/44 – INQ000100991] and [MB/45 – INQ000212376].

107. During this month, the Minister also wrote to Minister Swann again to ask that NI Executive colleagues be mindful of the continued impact of restrictions on sections of the economy, in particular the tourism and hospitality sectors. He highlighted the need to consider this impact alongside the health considerations when a final view is taken. A copy of the draft letter that was provided to the Minister and the final correspondence issued on 21 September 2021 can be found at Exhibits [MB/46 – INQ000212377] and [MB/47 – INQ000100992].

108. In October 2021, consideration was given to two new critical travel exemptions in relation to international travel. The Minister wrote to Minister Swann on 6 October 2021 acknowledging the work between DfE and DoH officials on reinstating previous exemptions from quarantine for workers in film and high-end TV productions. He welcomed the inclusion of these sectors in the exemptions and noted that screen industries were a genuine success story in Northern Ireland and that this exemption would ensure that investment was not jeopardised by quarantine arrangements being out of step with those elsewhere in the UK. A copy of the draft letter that was provided to the Minister and the final correspondence issued can be found at Exhibits [MB/48 – INQ000212379] and [MB/49 – INQ000100993].

109. The Minister, after briefing from officials, also commented on issues such as the practicalities of enforcing the use of face coverings in hospitality settings when not actively consuming food or drink. A copy of this briefing from officials and the letter dated 21 October 2021 can be found at Exhibits [MB/50 – INQ000212382] and [MB/51 – INQ000100994].

110. In November 2021, the Minister received briefing from officials and wrote to Minister Swann in relation to the additional package of measures to accompany the introduction of Covid Status Certification in domestic settings. He again noted the need for clarity in relation to NI Executive decisions for businesses, the impact on hospitality, theatres and events and those livelihoods dependent on those sectors, as well as the apparent lack of assessment of economic consequences of proposals. A copy of this briefing and the letter dated 23 November 2021 can be found at Exhibits [MB/52 – INQ000212384] and [MB/53 – INQ000100995].

111. In December 2021, officials provided briefing to the Minister, who then formally welcomed the engagement with hospitality stakeholders to identify and address issues

with the Regulations and asked for this to continue to ensure the Regulations were, and remained, fit for purpose. A copy of the briefing and this letter dated 9 December 2021 can be found at Exhibits [MB/54 – INQ000212386] and [MB/55 – INQ000100997].

112. Also in December 2021, a change to the management of close contacts of positive Covid-19 tests took place in response to the Omicron variant. On 17 December 2021, the advice issued by Minister Swann was that a close contact of a confirmed case of Covid-19 should self-isolate and get a PCR test, even if fully vaccinated (rules on automatic self-isolation had previously been relaxed on 16 August 2021 for those who were fully vaccinated). The Minister received briefing from officials on this issue and noted that from this, a problem would quickly arise on how to keep critical national infrastructure and essential everyday services functioning properly, when inevitably a large proportion of the workforce will either be infected and / or be a close contact to someone who has been infected. He also noted the policies around self-isolation and close contacts, with the most significant bearing on how we ensure critical infrastructure, food supplies and essential services were not disrupted over the coming weeks. A copy of the briefing and this letter dated 17 December 2021 can be found at Exhibits [MB/56 – INQ000212388] and [MB/57 – INQ000100998].

113. On 20 January 2022, the Minister wrote to the First Minister and deputy First Minister welcoming the relaxation of Omicron restrictions as it would allow normality to return to peoples' lives and also help the economy recover from the impact of restrictions. He also supported the announcement of all restrictions being lifted at the earliest opportunity, as was happening across the other parts of the UK and in Ireland. He reminded colleagues in the NI Executive of the importance of building public confidence and assisting those sections of the economy that had been hit hardest. A copy of this briefing from officials and the letter can be found at Exhibits [MB/58 – INQ000212390] and [MB/59 – INQ000100999].

DfE's Role in the Provision of Advice on Initial Strategies Relating to Community Testing, Surveillance, the Movement from 'Contain' to 'Delay'

114. DfE and its officials did not play a key role in relation to the initial strategies around community testing, surveillance, the movement from 'contain' to 'delay' and guidance to health and social care providers. These issues were a matter for DoH.

Proactive Approach to Requesting Reviews of NPIs

115. In addition to the formal reviews of the Regulations, the Minister and officials also proactively highlighted issues in areas where there was an economic or social impact caused by an NPI and requested that consideration be given to the reopening of particular sectors of the economy. These requests were made in line with the NI Executive's pathway to recovery and took account of the guiding principles set out by the NI Executive and DfE in May 2020 referred to above at paragraph 62. Various teams within DfE provided briefing to the Minister and NI Executive on the matters relating to the sectors of the economy with which they worked. Further details of the issues raised in this paragraph are set out below at paragraphs 116 to 118.

116. Following briefing from my officials, the Minister wrote to NI Executive colleagues highlighting areas of the economy needing to be reopened or specific economic or social considerations that needed to be taken into account. Examples of occasions where this occurred are detailed below.

117. On 22 October 2020, the Minister, following briefing from officials, wrote to the First Minister and deputy First Minister requesting an exemption to be made in the Regulations for Screen Industries. She noted that the provision of close contact services, in particular hair and make-up services were an intrinsic part of the screen productions. In relation to this sector, the Minister also sought a quarantine exemption for screen industry workers in July 2020 (which was withdrawn in January 2021 and reinstated in March 2021) and sought to widen this in September 2021. A copy of the briefing and this letter can be found at Exhibits [MB/60 – INQ000212393] and [MB/61 – INQ000101000].

118. On 7 April 2021, ahead of the emerging package of relaxations of restrictions, DfE officials provided the Minister with briefing on the sequencing of restrictions. The Minister then wrote to the Head of the Civil Service (HOCS) to express concerns around the sequencing of restrictions and that the public would expect essential services to be prioritised over leisure services. She also noted the difficult task of judging the quantum of proposals that might be put forward at any one review point and balancing health, economic and societal factors. She raised concerns that, given the sectors closed at that time, we were overwhelmingly leaving behind the lowest paid in our society, and she highlighted the fact that those who were still employed in those

sectors, were endeavouring to survive on 80% of what was often the minimum or living wage. With such difficult issues at play, she noted that it was important that the NI Executive had the scope to make choices, and that meant ensuring the packages presented to the NI Executive were wide and varied. She also noted that that was important, in the context of what was moving quickly elsewhere in the UK, and the need to bring the public along with us in what had been a difficult journey for so many in our society. A copy of this briefing and the associated letter can be found at Exhibits [MB/62 – INQ000212395] and [MB/63 – INQ000101001].

Addressing Economic Inequalities Resulting from NPIs

119. Through the briefing and correspondence detailed above, inequalities relating to the economic impact of NPIs were highlighted to the NI Executive. DfE's economic research, which is also referred to throughout this statement, examined the economic impact of sectoral closures, including possible impact by gender, age and income levels.

120. Throughout the Specified Period, while taking account of the medical and scientific advice, DfE advocated for the economic impacts of NPIs to be taken into account by the NI Executive in their decision making and sought the removal of restrictions to permit the reopening of sectors of the economy. As detailed at paragraph 99 above, DfE and the Minister highlighted that while many workers had been affected by NPIs such as lockdowns, indications were that females, young workers and those on low pay may have been most adversely affected. A number of amendments to Regulations were proposed including the reopening of close contact services, reopening of cafes and coffee shops and the resumption of hotels being able to serve food and alcoholic drinks to residents – areas in which traditionally, larger percentages of women and young people were employed.

121. By way of mitigations, DfE developed interventions in the form of financial support schemes and skills programmes to support those impacted by the NPIs.

122. A range of financial support schemes for businesses were developed by DfE to assist businesses to remain viable during this time and preserve existing and future employment opportunities. Again, I have not detailed these schemes in any depth as the Inquiry has indicated that it intends to deal with these issues in future modules.

However, as part of its ongoing economic analysis, DfE tracked these interventions and their take-up rates by sector, gender and age.

123. In addition to the financial support schemes for businesses, analysis and highlighting of economic inequalities, a number of other interventions, including skills programmes were rolled out that would have benefitted certain impacted groups. These included enhancements to skills and vocational educational provision, including the creation of 2000 free online training places, delivered by further education colleges and universities in Northern Ireland, for people who had been furloughed or made redundant as a result of the Covid-19 pandemic. Support was available to businesses to encourage them to support the recruitment of apprentices and support was also provided to individuals for additional IT resources being made available to some of the most vulnerable learners.

Working Groups

124. Throughout the Specified Period, DfE participated in a number of relevant cross-departmental working groups as well as engaging with stakeholders and various sectors of the economy to provide support and manage the impact of the NPIs. Further information on those at which the imposition / impacts of NPIs would have been discussed are detailed below.

125. The Cross Departmental Working Group (CDWG), chaired by TEO, was established to assist with a coordinated approach across the NICS Departments and other key public sector bodies during the pandemic. This Group's membership was comprised of officials from the nine NICS Departments, some Delivery Partners such as the Police Service of Northern Ireland as well as representatives from local councils.

126. The CDWG met online on a weekly basis to discuss all aspects that arose as a result of the pandemic including the discussion of Regulations, NPIs and the outworking and impact of these. Subject to necessity, the CDWG established subgroups and carried out both focused and ad hoc pieces of work. It fed into the NI Executive decision making by acting as a conduit for comments from all Departments on draft NI Executive papers and facilitating discussions and workstreams that would inform briefings and recommendations to the NI Executive.

127. There were a number of workstreams and points for further consideration that arose from the meetings of the CDWG. A standing workstream existed to consider continuing requirements for restrictions. However, other task and finish workstreams were established to focus on immediate matters such as face coverings use, enforcement challenges, impact on retail and close contact, local government engagement or tourism / hospitality matters. DfE undertook areas of work that were identified during these meetings, and which fell within its general policy remit.
128. For example, following a recommendation from the CDWG, DfE advised the Minister that it would liaise with the Behavioural Insights Team to facilitate engagement with the Further Education (FE) colleges. The NI Executive was advised of this approach by the Minister at the NI Executive meeting on 21 April 2021.
129. A workshop lead by the Behavioural Insights Team was attended by the FE College Covid-19 Champions and representatives from DfE. The overarching aim of this workshop was to introduce the attendees to behavioural insights concepts and how these could be used to influence student behaviour, and specifically with regard to the uptake of Lateral Flow Testing. The learning from the workshop supplemented advice contained within the Framework for Safe Resumption and was taken forward by the individual FE colleges.
130. The Executive's Covid Taskforce (ECT) was established in December 2020 to provide a high-level umbrella structure for the programme of activities involved in managing the response to and recovery from the Covid-19 pandemic. It first met on 17 December 2020 and continued to meet regularly until July 2022. Meetings were held fortnightly then decreased in frequency as the pandemic progressed.
131. The ECT was chaired by HOCS and had an initial core membership of the Permanent Secretaries of DoH, DoJ, DfC, TEO and DfE, the TEO Director of Covid Response and the Head of the Executive Information Service with other Departments and workstream leads invited to attend as needs dictated.
132. The ECT's purpose was to improve clarity of the overall mission, by providing a bridge between the NI Executive's priorities and the collective actions across government. It provided the NI Executive with assurance of a coherent and comprehensive response to delivery and strategic interventions and provided the NI Executive with a complete picture of how the pandemic is being managed.

133. The ECT's role was to ensure that all relevant stakeholders were involved in the Covid-19 response and recovery activities. It provided practical co-ordination, support and alignment of the overall response to the pandemic across key operational Departments, local government and public sector agencies. It also established appropriate workstreams as required, ensured the co-ordination and delivery of consistent messages to the NI Executive, general public and media and maintained a clear focus on strategic health, economic and societal recovery.
134. DfE's input to this Taskforce focused on economic recovery. This included providing information on economic impacts of NPIs, on international travel restrictions and on Covid-19 support schemes. These inputs were supported by economic assessment papers and discussions around business intelligence. DfE provided dashboards to the ECT on a weekly to fortnightly frequency between 20 April 2021 and 19 October 2021. These broadly reflected the information provided in the UK Economic Surveillance Dashboards referred to earlier in this statement and provided economic and societal indicators.
135. The ECT considered updates from each of the workstreams, discussed further actions and additional steps required. The Taskforce reported formally to the NI Executive, initially on a monthly basis.
136. The ECT provided a platform for DfE to further highlight the economic impacts of the specific NPIs and the pandemic in general. As the pandemic unfolded there was a greater understanding of the economic and social impacts of the NPIs, informed by DfE's briefings, and those issues were considered more fully by other Departments and the Executive, alongside the health data. DfE welcomed that approach because it was evident that, over time, NPIs had considerable negative economic and social impacts.
137. The NI Executive asked the Labour Relations Agency (LRA), a DfE Delivery Partner, to form a group of business representative organisations, trade unions and other stakeholder bodies to advise the NI Executive on how best to manage the challenge of Covid-19 as it applies to the Northern Ireland economy / labour market; and to be the primary conduit for the NI Executive to consult on new approaches in response to emerging pressures. The Northern Ireland Engagement Forum on Covid-19 was

created in March 2020 and meet frequently in the early part of the pandemic and then with decreasing frequency to quarterly meetings as the pandemic progressed.

138. The Forum was a very diverse group, widely representative of our local economy and community. It was chaired by the LRA and attended by representatives from almost every employment and business sector, Trade Unions, Local Councils, Government, the Public Health Agency and the Health and Safety Executive Northern Ireland. In addition, Junior Ministers in the Executive Office at that time, Gordon Lyons (MLA) (before he became the Economy Minister) and Declan Kearney (MLA), had observer status. The Forum was intended to be the single voice for employees / workers and businesses. While not a formal member of the Forum, DfE officials provided secretariat support and advice to the Forum and acted as a liaison between the Forum and the Minister, Economy Committee and NI Executive.

139. The Minister received regular updates from my officials and myself on the work of the Engagement Forum through written submission or updates at Business Issues meetings and discussions with officials. The Minister was responsible for providing advice and feedback to the Economy Committee and NI Executive on the Forum's recommendations and progress.

140. The Forum produced an emergency code of practice document, "Covid-19: Working Through This Together, A Practical Guide to Making Workplaces Safer", offering practical assistance to essential businesses and their workforce to comply with the Health Protection Regulations and PHA / HSE guidance (single code developed by HSE, LRA and PHA). A copy of this document can be found at Exhibit [MB/64 – INQ000212397]. This was reviewed and updated as the pandemic progressed. The Forum also developed a list of priority sectors to compliment the Coronavirus Regulations – these were published on nibusinessinfo.com.

141. The Covid-19 Recovery Taskforce was established by TEO to support progress and monitor implementation of the NI Executive's Building Forward: Consolidated Covid-19 Recovery Plan. The plan can be found at Exhibit [MB/65 – INQ000101002].

142. The Covid-19 Recovery Plan, which was published on 2 August 2021, brings together a suite of recovery actions that were to be delivered over a 24-month period (i.e. up to the start of August 2023). The suite of recovery actions consisted of 83 high level interventions, which together would accelerate economic, health and societal recovery

in the short term so we can emerge stronger, whilst also transforming and innovating now to plan for longer term ambitions.

143. The Covid-19 Recovery Taskforce was chaired by the Director or Deputy Director of the TEO Covid Strategy and Recovery Division and TEO also provided the secretariat function.

144. This Taskforce met on a quarterly basis from September 2021. Departments were represented on this Taskforce by officials at Senior Civil Service (SCS) level with three representatives from DfE.

145. The purpose and role of the oversight group was to:

- a. Support the delivery of the Covid-19 Recovery Plan through collaborative effort at strategic level. This would help shape priorities and themes, and would retain an ongoing focus on delivering outcomes for the people who live in Northern Ireland;
- b. Monitor, encourage and support progress of the Covid-19 Recovery Plan against timescales and budget;
- c. Report on progress and impact of the Covid-19 Recovery Plan to the NI Executive;
- d. Review the Building Forward Consolidated Covid-19 Recovery Plan to ensure it remained fit for purpose in light of changing external factors;
- e. Review and monitor the Risk Register and mitigate or escalate critical programme level issues and risks; and
- f. Arrange sub-meetings if appropriate and invite relevant stakeholders to discuss particular issues of pertinence.

146. While DfE was involved in a range of cross-departmental working groups, it also frequently attended other ad hoc meetings chaired by TEO. DfE also engaged with counterparts in other devolved administrations (DAs) and UK Government throughout the Specified Period, as detailed in paragraphs 147, 149 and 150. However, engagement generally focused on dealing with the consequences that flowed from NPIs such as lockdowns rather than the decision making that led to their imposition or non-imposition.

147. Throughout the Specified Period, DfE officials engaged with counterparts in the other devolved administrations and UK Government in relation to issues around skills and

education. However, these meetings were focused on information sharing rather than the decision making around NPIs. DfE engaged with its counterparts in respect of the following matters:

- a. Higher Education - Engagement took place via meetings chaired by UK Government's Department for Education on a fortnightly, decreasing to monthly, basis. These meetings provided an opportunity to share information and provide and update on the position of each administration. These were not decision-making forums on NPIs.
- b. Research - Engagement also continued with devolved administrations and UK Government via the pre-existing Research Excellence Framework (REF) Steering Group, chaired by the Director of Research for Research England – the REF is jointly owned by the four UK higher education funding bodies – to discuss the impact of Covid-19.
- c. Apprenticeships - DfE also engaged with the other devolved administrations and UK Government, during April and May 2020 in relation to the Apprenticeships Recovery Initiative to discuss the impact of NPIs on apprentices. The April 2020 meeting was led by DfE and May 2020 was led by Wales.
- d. Further Education - DfE also engaged with representatives from the devolved administrations and the UK Government, including UK Government's Department for Education, in relation to the reopening of colleges, to discuss control measures in colleges and aim for a degree of continuity across the jurisdictions.
- e. Skills – DfE engaged with devolved administrations and UK Government, being led by UK Government's Department for Business, Energy & Industrial Strategy and Department for Education, to collectively consider various pandemic related skills responses.
- f. Vocational qualifications - DfE regularly engaged with the UK Government and devolved administrations on the delivery of vocational education as part of a Vocational Qualifications (VQ) Working Group, led by UK Government's Department for Education. This considered the impacts on Covid-19, shared information / best practice and considered the way forward in relation to the assessment and award of VQs. This was primarily a policy forum, and it was not a decision-making body.

148. In relation to skills and education matters, DfE also had some engagement with the Republic of Ireland. DfE participated in an all-island element of the Irish Government's

Higher Education Covid-19 Rapid Response Funding Call. The Funding Call was a coordinated funding opportunity launched to enable the research and innovation community to respond to the immediate and pressing needs of society arising from the pandemic. DfE engagement was specifically with Science Foundation Ireland on its involvement in the Funding Call. However, while work on skills and education also formed a significant portion of DfE's work during the Specified Period, I have not provided extensive details on these areas as the Inquiry has indicated that it intends to deal with these issues in future modules.

149. DfE also engaged with the devolved administrations on how policies, such as those around retail restrictions on non-essential goods, were operating in practice. These types of meetings provided an opportunity for nuances in divergent policy approaches to be discussed and understood.

150. In relation to tourism, DfE continued its engagement with the other devolved administrations and UK Government, led by the UK Government's Department for Digital, Culture, Media & Sport during the Specified Period. The engagement largely focused on funding and financial support initially to help sustain and then help in the recovery of the tourism sector and was not a forum for decision making around NPIs.

151. As energy policy development and delivery is broadly devolved to Northern Ireland, there was no reason to engage with other devolved administrations on these matters. However, ongoing formal and informal engagement with counterparts in the Republic of Ireland around, in particular, the Single Electricity Market and security of supply (interconnection) took place during the Specified Period, but no new specific engagement process needed to be established during that time. DfE's focus during the Specified Period, was inward with specific new engagements established between DfE, the Utility Regulator and licensed energy supply companies around matters such as the potential for consumer debt.

152. DfE did not have any significant engagement with the Republic of Ireland on matters relating to key decision-making regarding NPIs. However, DfE did maintain a watching brief of the actions and interventions introduced in the Republic of Ireland by regular reviews of the Irish Government's website, www.gov.ie, and wider reviews of media reporting and publication on these matters.

Looking Back

153. In relation to key decision making with the government of Northern Ireland, TEO officials led an exercise in March 2022 to review the effectiveness of the collaborative working of both the ECT and the CDWG. This exercise was aimed at identifying good practices that had arisen throughout the course of the pandemic with a view to embedding them into business as usual. While DfE provided input to this exercise, which can be found at Exhibit [MB/66 – INQ000212399], due to staff shortages and other emerging pressures the drafting of a full report by TEO was paused.

154. By providing input to this exercise, it gave DfE the opportunity to review its participation in these groups, including the successes and difficulties we faced.

155. DfE felt that these were useful forums to facilitate cross-departmental working and to keep everyone informed and encourage discussion. The advent of the ECT, in particular, provided enhanced clarity and transparency to the challenge of addressing the Covid-19 pandemic and gave a platform to ensure that the economic and social implications of decision on NPIs were considered by the NI Executive. Prior to this, decision making was focused on the medical data - while understandable at the outset of the pandemic, this caused frustrations as it was imperative that the impact of decisions be looked at in the round. While the economy has almost recovered to pre-pandemic levels, the enduring socio-economic impacts of lockdowns and other NPIs are now becoming visible within society in relation to the social aspects, for example, the impacts on education and child development.

156. However, DfE encountered some difficulties in relation to the time available for officials to consider draft NI Executive papers. Due to the rapidly changing environment and nature of the pandemic and the response to it, there was often insufficient time for officials to review information and provide an informed response. Due to the insufficient time made available, officials were unable to engage in the manner in which they would have pre-pandemic. Despite the short timescales, my officials and I recognised the urgency and fast-moving nature of the situation we were in and that it automatically prevented the previous approach. This demonstrated a great deal of flexibility and resilience from my officials to adapt to a new way of working.

157. In relation to work examining the post hoc view of the pandemic and / or endeavouring to learn lessons where applicable, DfE engaged in a number of relevant exercises. These considered lessons that could be learned from our own journey through the Covid-19 pandemic and lessons from what worked well in relation to Covid-19 / post Covid-19 responses around the globe. Paragraphs 158 to 161 below provide further details of these exercises and the respective written products.

158. The most recent piece of work on this is a report undertaken by the Ulster University Economic Policy Centre (UUEPC) which examines the “Covid Counterfactual”. At a high level, the report examines the scale of the impact of Covid-19 on the economy, the current economic position, and estimates what the impact of Covid might have been on the NI economy in the absence of UK Government / NI Executive interventions. This includes an assessment of potential impacts across a range of Gross Value Added (GVA), labour market and business insolvency indicators. As well as this, a brief overview is provided of the local and national fiscal interventions deployed (essentially employment / business support schemes and rates relief) and the monetary policy response from the Bank of England. The report has been produced independently by the UUEPC, was published on 31 January 2023 and can be found at Exhibit [MB/67 – INQ000212400].

159. In August 2022, DfE and Ernst & Young (EY) produced a research bulletin examining the potential for economic scarring as a result of the pandemic. A copy of the bulletin can be found at Exhibit [MB/68 – INQ000101003]. Such scarring was considered (and remains) a material risk, especially in relation to the labour market where some indicators have still not returned to pre-Covid levels. The research illustrated the ways in which the pandemic may have affected the Northern Ireland economy, as well as examining potential implications, both for affected individuals and longer-term economic growth prospects. It also examined interventions from a number of countries across the globe that aimed to minimise such scarring and aid the long-term recovery and resilience of the economy. These tended to focus on building skills, emphasising the need for education, and strengthening the role of digital capabilities.

160. In May 2022, DfE was asked to present a paper to the NICS Permanent Secretary Stocktake (PSS) meeting, assessing the impact that Covid-19 had had on the NI economy, the extent to which the economy had recovered from the pandemic and what

impact the rising cost of living and cost of doing business might have on this recovery. The paper looked at the economic indicators that had recovered well, the 'scars' that the pandemic had left (in particular on the NI labour market) and the risks that lay ahead as a result of rising inflation. The paper also considered the vulnerability of NI households and what groups were most at risk due to rising costs. The paper also recognised the importance of investing in skills, innovation and energy efficiency in order to build greater resilience for future economic shocks. A copy of this paper can be found at Exhibit [MB/69 – INQ000101004].

161. In March 2021, EY produced a paper, commissioned by DfE, aimed at providing an overview of fiscal measures implemented in NI and the UK up to that point. This included a theoretical overview of the benefits of targeted versus untargeted measures, and some theoretical considerations around fiscal multipliers. The paper also presented the results from extensive desktop research into fiscal measures that had been implemented in other countries to present a comparative analysis to inform future fiscal measure implementation within NI. When considering the key sectors in NI that would have benefited from fiscal stimulus, the paper presented several examples of how different countries and regions around the world implemented measures to support impacted sectors. Through evaluating such global approaches, and the extent to which policies were targeted within the manufacturing, construction, retail, tourism and food sectors, suggestions were outlined as to how NI could potentially implement such ideas within the local economy. A copy of this paper can be found at Annex B of Exhibit [MB/16 – INQ000100977] as referenced above.

162. A simple operational change as a result of the pandemic was how we communicated. Prior to the pandemic, most meetings across the NICS were held in person in a physical office location. The pandemic ushered in a change of approach to how meetings took place with the use of video conferencing becoming commonplace and the go to means for communicating with colleagues and external stakeholders. This has been an approach adopted widely throughout DfE and the NICS to facilitate meetings and accommodate different working patterns in an era of hybrid working. It has become a business-as-usual method of communication as it allows for a more agile way of working and engaging with diverse groups, and saves the time previously being spent on travelling.

163. As the development and delivery of financial support schemes formed a very significant portion of DfE's work, evaluations and audits helped shape the evolution of Covid-19 support schemes as time passed.

164. As the Accounting Officer for DfE, I was obviously concerned about accountability governance compliance throughout the duration of the pandemic and the delivery of support schemes. However, DfE delivered, with no prior notice, a significant amount of much needed support to the economy in Northern Ireland and continually championed the need to consider the economic and social impacts of the pandemic and NPIs in place to manage it.

Closing Remarks

165. In closing, I would like to place on record that I am extremely proud of what DfE achieved during the pandemic period. The pace at which officials worked, the resilience demonstrated and the overriding desire to preserve the public good in socio-economic terms was unprecedented. I believe that the local economy would be in a very poor shape in any counterfactual world that didn't reflect all the DfE delivered during the pandemic in terms of support.

Statement of Truth

166. I declare that the contents of this statement are true and accurate to the best of my knowledge and belief. 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.

Personal Data

Signed: _____

5 July 2023

Dated: _____