Evaluation of Executive Covid-19 Related Grant Funds

Lessons Learned Report

25 October 2023

EY
Building a better working world

Contents

EY

Executive Summary

This report provides an overview and assessment of the impact and effectiveness of the Covid-Related Grant Funding delivered as part of the Northern Ireland ('NI') Executive's response to the Covid-19 Pandemic. The ultimate objective of the review was to identify any lessons learned from the NI Executive's funding response in relation to the Covid-19 Pandemic, and to enable the NI Executive to be appropriately prepared for any potential future emergency situation and/or pandemic.

The assessment contained within this report has been based on the feedback, input and comments obtained by EY from stakeholder engagement, from a number of facilitated Focus Groups, and an online questionnaire issued to a sample of funding recipients. The focus of this project has been to obtain specific details about the impact and effectiveness on particular sectors, businesses and organisations across NI, and to identify what worked well, the issues encountered and lessons learned for the future. This feedback has been collated, analysed and has informed the lessons learned detailed in this report.

Overall, the feedback received has been positive, in relation to both the impact and effectiveness of the NI Executive's Covid-19 related grant funding schemes. There were high levels of engagement, both in the Focus Groups and the responses to the questionnaire, as well as a willingness to provide balanced and pragmatic feedback. This feedback reflected a recognition of the challenging and ever evolving global and local situation, the pressures that the NI Executive was under and the circumstances under which the NI Executive was having to act to develop and deliver the funding schemes. Key opinions reflected the necessity of 'saving jobs' and 'keeping doors open', and a recognition about how much was achieved in such as difficult and complex environment.

The purpose of the NI Executive Funding was two-fold: to support the health imperative and control the spread of Covid-19, by keeping businesses closed and, at times, people isolating; and the provision of funding to ensure that certain sectors and business could survive the pandemic financially. It is clear from our analysis that the funding did support individuals, organisations, businesses and sectors and ultimately supported the survival of the NI economy during the Covid-19 pandemic. A number of clear lessons have been learned, which can provide the NI Executive with a basis upon which to consider systematic improvements in its preparation for any future crisis, particularly in relation to the improvement of schemes, and in ensuring their future efficiency and effectiveness. This report seeks to set out these key learnings.

In undertaking this project, we have focussed on considering the following three key questions about the effectiveness of the NI Executive's funding response to the Covid-19 Pandemic:

01
Did the Executive Covid-19 funding meet its objectives?

EY's assessment: **YES**

02
Could things have been done better with hindsight?

EY's assessment: **YES, IN PARTS**

03
Will we be prepared for the next emergency situation?

EY's assessment: **TO BE DETERMINED**

The key conclusions and resulting actions from this report are detailed within the Lessons Learned section. The section contains points to consider, for further investigation, for further decision and for action. It is important that prompt action is taken, particularly while there is positive momentum across the Northern Ireland Civil Service ('NICS'). This action should focus on the benefits to be gleaned from shared learnings, from a cohesive NICS wide response, as well as on the implementation of the specific lessons learned detailed in this report.

While the findings in this report are broadly positive, there is room for improvement and for an evaluation of the learnings around people, processes and technology. The lessons identified in this report should be actioned, with the aim of continuously improving the NI Executive's capability to respond and to do so effectively and at pace. It is clear that an opportunity exists to adapt and improve on existing processes and to put in place effective NICS wide contingency measures for a potential future emergency situation. Balanced with this, and in light of the current NI Executive's financial position and operating pressures, there needs to be consideration as to the levels of resource that should, and could, be committed to adequately and effectively plan and future-proof for the potential future emergency situation.

EY

Conclusion

The World Health Organisation declared Covid-19 to be a Pandemic in February 2020, and the UK's significant response commenced in March 2020. The Pandemic impacted every aspect of life in NI: every person, organisation and business. For many, it continues to have a lasting impact. Given the speed at which the pandemic spread and the level of severity of health implications, lockdowns were introduced in NI and in many other countries, to stem the spread. This led to many businesses closing and then reopening for uncertain periods of time, and many people being instructed to work from home. The societal and financial impacts of these decisions, required the NI Executive to respond, at speed, to protect and to financially support many sectors and businesses.

The overall objective of this project was to *'evaluate the overall impact and effectiveness of all Covid-19-related grant funding on supporting NI economy and society to cope with the shock of the pandemic'*, with the aim of identifying any lessons learned, which could be considered in the contingency planning for potential future emergency situations.

The applicant questionnaires and the stakeholder Focus Groups were crucial in obtaining feedback on the NICS response to Covid-19 and the financial support provided. This approach has provided the benefit of hindsight in assessing the NI Executive's response and the financial support provided, in evaluating what went well, any issues encountered, what could, and should, have be done differently and lessons for the future. The overall feedback from Executive Department Key Officials, Sectoral Body stakeholders, and funding applicants has been largely positive. The engagement received throughout this project was constructive, with general opinion being pragmatic and conscious of the situation that NI was in. Feedback specifically highlighted that the schemes providing financial support were developed and delivered quickly; were generally effective; had a positive impact on sectors and recipients and, ultimately that the support largely achieved its main objective - to preserve the NI economy and ensure businesses remain operational and people stayed afloat, whilst supporting the health imperative of stemming the spread of the disease. What was achieved in such challenging circumstances was generally recognised and praised.

It is clear that the earlier schemes were required to be established and delivered at minimal notice and at a high pace, and as such, there are improvements that could be made. Hindsight has not led to a negative assessment, regardless of what could have been done differently and more effectively, had the NI Executive not been under the same time constraints. Within this report we have been able to summarise the key points around the effectiveness and impact of the support, and detail key lessons to be learned and acted upon. Throughout this report we have focused on key areas, as detailed in Figure 0.0. We have identified **Key Recommendations**, which focus upon key actions to support future preparations for contingency measures.

Figure 0.0 Project Scope Focus
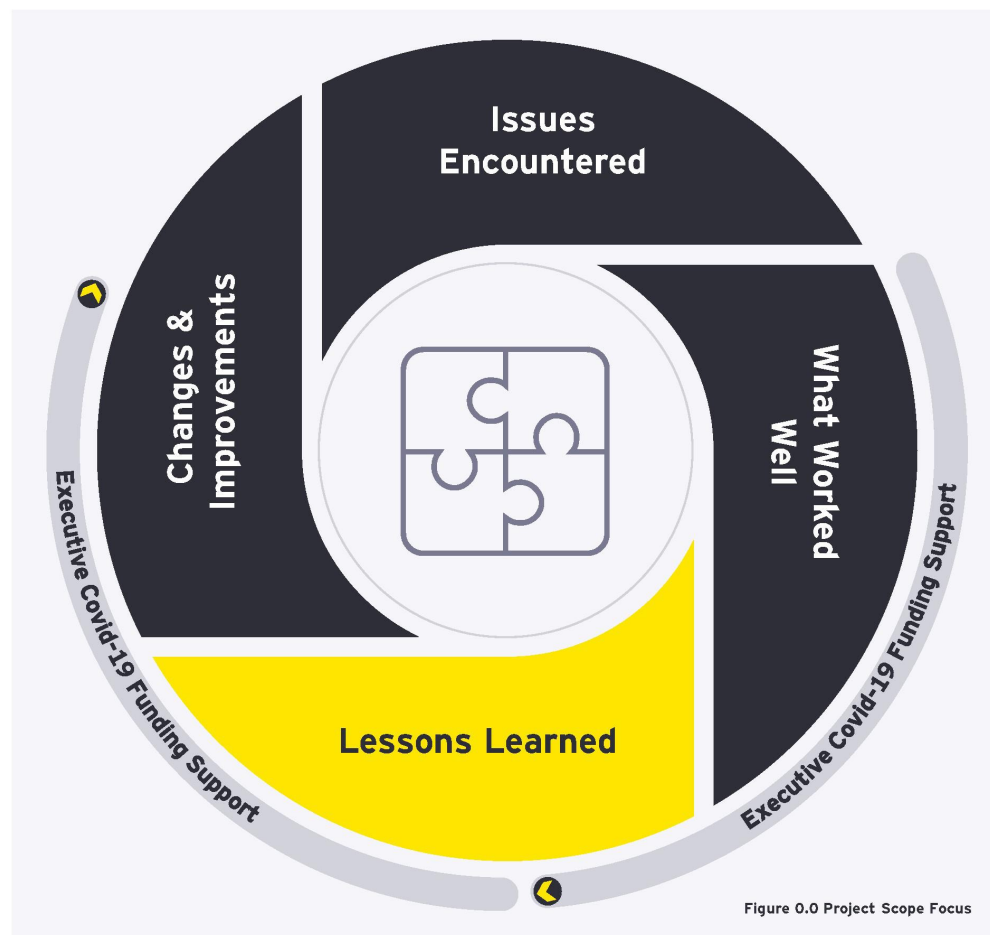
Summary of Recommendations

Summary of Key Recommendations by Lesson Learned Theme

01 **Iterative Approach to Learning:** The insights gleaned from the Covid-19 pandemic should continue to be considered, learned from, shared with appropriate stakeholders, and processes should evolve.

02 **Setting Up and Administration of Schemes and Processes:**
- The NICS should use the experience of the pandemic to consider what legislation it would need to be able to respond should an emergency situation occur in the future.
- Given the positive feedback, questionnaire data, and the findings of the UUEPC Counterfactual Report, insights from the LPS Rates Relief, the Covid Job Retention Scheme, and the High Street Voucher Scheme, should be considered as part of a menu of potential viable future responses.
- EY analysis regarding scheme structure, processes, effectiveness and impact, would indicate a presumption in favour of simple and more easily administered efficient schemes.
- Sector engagement when setting up schemes should be considered across the NICS.
- For all application-based funding schemes, other grants received or applied for should be flagged as part of all applications.

03 **Assurance Provision:**
- It is possible to achieve an effective balance between delivering fast and innovative responses to emergency situations and appropriate levels of governance and assurance. The NICS should consider how this lesson can be applied to the 'business as usual' delivery of policies, strategies and services in normal circumstances, not just emergencies.
- Consider what practical guidance could be developed for officials on the basic measures that can be put in place quickly in any emergency financial support scheme.
- In Scotland, government Internal Audit resources were deployed to help and advise on the development of schemes, which proved very useful, and is something to be considered by NI Executive Departments in an emergency situation.
- As part of the civil contingencies planning for a future emergency, there should be engagement with the NIAO about what is expected, and an agreement in place.
- The NICS should work out the error rates overall, and consider if further lessons can be identified from how fraud and error were addressed in each Departmental context.

04 **Relationship Development:** Key relationships developed during the pandemic between Executive Departments, Sectoral Bodies and Sectors, both formal and informal, at governance and operational levels, should be maintained, enabling future and more effective cross-working and communication.

05 **Cross Departmental Working:** A Cross-Departmental Group on financial support should be set up at the start of any emergency situations, to maximise the ability to have a unified approach to delivery from the start. There could be better and more formalised cross-working and sharing at operational level as well. These points should be considered by the NI Executive, NICS, and Executive Departments, to agree the potential structure and remit of such groups, should another emergency situation occur. This structure can form part of an Emergency Plan/Critical Response Plan/Business Continuity Readiness Plan, including considering the response as a service.

06 **Communication and Clarity:**
- Executive Briefings should be maintained throughout future emergencies, as this consistency of communication is crucial.
- There needs to be ownership for the interpretation and dissemination of the NI information, whether by a small group, and reported to the public, or contained within the Executive Briefings.
- Methods of communication and mechanisms for support should be assessed for effectiveness purposes, both internally across the NICS and externally to all key stakeholders.
- EY analysis of the opinions, figures and data, would suggest that the balance needs to be found between providing the public with timely information, and the actual information available amid uncertainty regarding health restrictions. Part of this could be actually communicating about the lack of information with the public, to manage expectations.

07 **Data:**
- It is crucial that data quality is improved across the NICS, whether by internal development or external service provider support.
- Consideration should be given to developing and maintaining a database for recording scheme information, that can be accessed historically. This would enable there to be a NICS-wide single source of trusted data on expenditure during a pandemic.
- Data Sharing Agreements should be reviewed and developed alongside legislation and the Emergency Response Plans, and retained, ready to be actioned. Processes should be reviewed to ensure that in emergency situations, data sharing for the purpose of funding schemes is allowed, provided the DSAs are signed and in place.

08 **Human Resources and Resourcing:**
- It should be considered how the impact on staff responding to emergency situations can be lessened, whether by staff rotation on schemes, periodic breaks or down periods, or more staff made available to support.
- The movement of staff during an emergency situation needs to be reviewed as part of civil contingencies planning for a future emergency situation and the development of an Emergency Response Plan, as it may need revisions to employment contracts.
- Hybrid working has had a positive impact and was effective during the pandemic, therefore NICS should consider retaining it as part of future business continuity planning, however consideration should also be given to having a piece of legislation similar to the Financial Assistance Act, but for non-financial interventions, to ensure a prompt response in a future emergency situation.

09 **IT Software:**
- There needs to be corporate responsibility for system development in emergency situations, which ties back to cross-departmental working and having a unified approach.
- The future platforms/technical solutions to administer future schemes, should also consider the requirements of wider demographics, for example, the ability to make applications on mobile telephones for some age-groups, and paper forms for non-digitally literate.

10 **Categorising Businesses:**
- There should be one universal truth for organisation/business names and addresses, and feedback from stakeholders identifies that the Pointer address format administered by LPS could be used by all funders, providing all businesses/organisations with a unique identifier that can be used by all Executive Departments.
- Executive Departments could also explore obtaining access to HMRC data in emergency situations.

EY

Section 1.0

Background &
Context

1.1 Scope and Purpose of this Engagement

In February 2023, EY was engaged by a NICS Cross Departmental Group on Covid-19 Funding to undertake a lessons learned review of the Covid-19-related grant funding delivered by the NI Executive in response to the Covid-19 crisis.

This group was established in February 2021, at the peak of the Covid-19 Pandemic, and comprised representatives from each of the Executive Departments.

The focus of the group was the NI Executive's Covid-19-related grant funding schemes, to share information regarding Covid-19 financial support interventions and plans, discuss approaches to support cross-government collaboration and alignment, and to share external feedback and agree joined-up external communications.

They also were responsible for overseeing how effectively each of the respective Executive Departments were disbursing the Covid-19 related funding that was being delivered across NI.

EY was engaged to consider those aspects of the response that had worked well, to consider issues encountered, and ultimately to conclude on any lessons that could be learned by the NI Executive and the NICS.

Scope

The scope of this engagement was to consider the effectiveness by which Covid-19 related grant funding was disbursed by Executive Departments, both to individual citizens and organisations. The Covid-19 funding included each of the schemes managed by the respective Executive Department.

The objectives of this engagement are summarised below:

Objectives	Report Section
A Record key facts and figures for NI Executive Covid-19 Related Grant Funding	Section 1.3 & Appendix B
B Identify any significant gaps in the support delivered	Section 3.0
C Evaluate the overall impact and effectiveness of all Covid-19 related grant funding on supporting the NI economy, both qualitative & quantitative, but not a full economic assessment	Section 2.0/Section 3.0/ Section 5.0
D Identify issues encountered which should be addressed to enable interventions to be delivered at pace in future crises	Section 3.0/Section 4.0/ Section 5.0
E Identify lessons learned to inform future interventions	Section 5.0

Figure 1.0 Objectives

EY

INQ000347008_0007

1.2 Approach and Methodology for this Engagement

Planning

A dedicated Project Steering Group was established to oversee this engagement. The Project Steering Group comprised representatives from a number of Executive Departments and the Northern Ireland Statistics and Research Agency ('NISRA'). An extensive planning exercise was carried out by EY, in consultation with members of the Project Steering Group.

Each of the Phases, together with the key aspects underlying each of these Phases, are set out below:
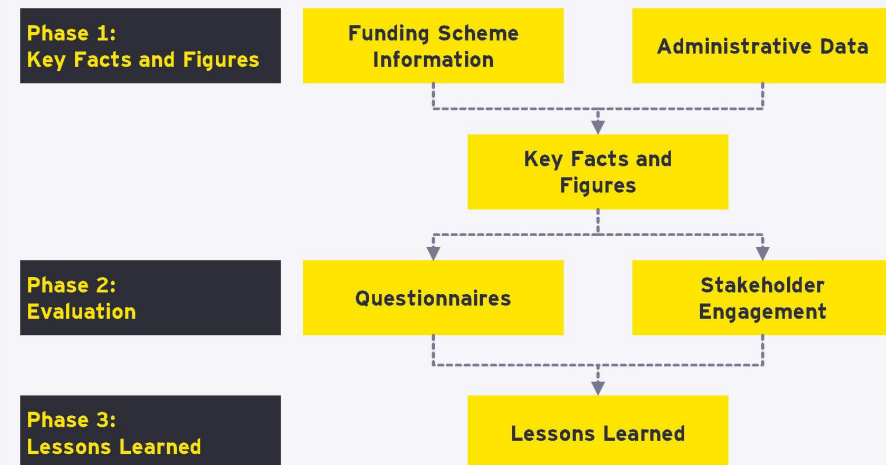

Figure 1.1 Project Phases

Phase 1 – Key Facts and Figures

Funding Scheme Information – The Project Steering Group members co-ordinated the collation of quantitative and qualitative data across each of the relevant Executive Departments. This data set out factual information on each individual Covid-19-related grant funding scheme, and included information such as:
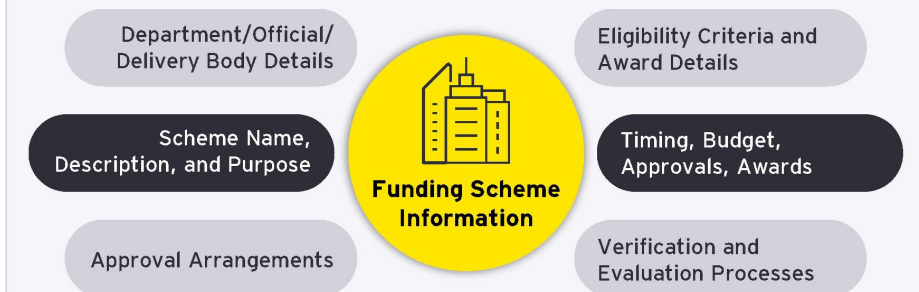
Figure 1.2 Funding Scheme Descriptors

Administrative Data

Running concurrently with the collation of the Funding Scheme information, NISRA, with input by the Project Steering Group and EY, carried out an exercise to obtain and analyse the Administrative Data from the NI Executive funding schemes.

The purpose of this was to understand the range of payments that had been made by different Executive Departments; and secondly to create a sampling frame that would be used to select a sample of grant recipients who would be sent the questionnaire. The information gained from this exercise informed the design of Questionnaires and Stakeholder Engagement Sessions, used in Phase 2. Each Executive Department engaged in this exercise. Please refer to Section 2 – Questionnaire Data and Analysis, for further details on the data sourcing exercise that was completed.

EY

1.2 Approach and Methodology of the Project

Phase 2 - Evaluation

The approach for Phase 2 was two-fold, as outlined in the diagram below. The focus was on gathering quantitative and qualitative data to support the evaluation of the overall effectiveness of NI Executive Covid-19 related grant funding. First, a questionnaire was developed and issued to a sample of grant applicants. The responses to this questionnaire were used to support the evaluation and assessment of effectiveness. Secondly, a series of facilitated focus groups, comprising of Executive Departmental Officials and Sectoral Bodies, were undertaken. The questionnaire and focus groups sought feedback on how the schemes were established, developed, administered and delivered. They also sought opinions on the effectiveness and impact on recipients, the speed and timeliness of funding provision, the effectiveness of communications, any gaps in support and ultimately whether the funding achieved the NI Executive's overall aim of mitigating the impact of the pandemic. The assessments took account of the context within which many of the schemes were delivered, including the uncertainty around how the pandemic would progress and the enforced shift to remote working.

Questionnaire

- NISRA, in conjunction with a sub-group of the Project Steering Group and EY, developed a guided questionnaire that was issued to a sample of funding applicants, to obtain relevant and useful feedback from funding applicants.

- The survey was issued to 49k recipients (75% of the population whose data was shared).

- The questionnaires used a 4-point scoring system for questions, to enable data and trend analysis. Please refer to 'Section 2 – Questionnaire Data and Analysis' for further details on the supporting methodology.

EY Focus Groups

- EY planned and facilitated three Focus Groups, which acted as stakeholder engagement sessions, to obtain and collate specific feedback on NI Executive Covid-19 support and funding schemes. These were:
  - ▶ **Focus Group 1** – Key Officials (16 May 2023)
  - ▶ **Focus Group 2** – Sectoral Bodies (25 May 2023)
  - ▶ **Focus Group 3** – Sectoral Bodies (2 June 2023)

- EY facilitated the sessions using Menti, allowing the use of slides, questions, word-boxes, word-bubbles, and active participation from attendees, who were asked a range of questions, either to provide opinions, or rate and score certain questions. These sessions focused on the qualitative feedback. Please refer to 'Section 3 – EY Focus Groups and Sector Engagement' for further details on this.

Figure 1.3 Evaluation Methodology

The outputs from the Questionnaires and the Focus Groups fed directly into the Lessons Learned for Phase 3.
Please refer to 'Section 5.0 – Lessons Learned' for further details on this.

1.2 Approach and Methodology of the Project (cont.)

Phase 3 – Lessons Learned

EY has prepared this report based on the data and feedback collated from the previous Phases, as well as other outputs from Phases 1 and 2, identifying lessons learned and areas for improvement for future pandemics or funding schemes. This includes consideration of the following points, while taking account of the public health and other information at the time that schemes were devised:

Could cross-NICS approaches be further improved, including improvements as schemes evolved?

See Sections 3.0 & 5.0

Were there specific impediments which prevented more effective working and which we need to take action to address?

See Sections 3.0/4.0/5.0

What lessons can be drawn from comparing the varying approaches in schemes?

See Sections 2.0/3.0/4.0/5.0

Are there opportunities to align and share data better across NICS?

See Section 5.0

Are there ways of working which should be translated into Business As Usual; if so, how?

See Section 5.0

Do other jurisdictions such as England, Wales, Scotland or Ireland have any relevant learning?

See Section 4.0

Charts of relevant funding schemes, sectors, geographical splits, and amounts paid etc.

See Section 1.3 & Appendix B

All of the above questions have been addressed within the relevant sections of this report, ultimately feeding into the key recommendations within Section 5.0 – Lessons Learned.

EY

1.3 Context setting

From the initiation of this project, one aspect which EY, the Project Steering Group, and all of the contributors have had to be cognisant of, is the fact that this review and lessons learned project is being undertaken after the Covid-19 pandemic has ended. On that basis, there understandably needs to be a degree of a realism that balances the potential value of looking at issues with the benefit of hindsight, and a recognition of the actual challenges and constraints facing the NI Executive and the NICS during the period within which the funding was being provided.

This context is critical to ensure that a balanced perspective can be applied to this exercise. We have sought to determine the lessons learned with this in mind; we have sought to avoid hindsight bias or have aimed to look at lessons from a constructive lens. In the next sections, we have detailed the key factors or points to consider when reading this report, or when considering the lessons learned, the outcomes of the funding support, or the impact or effectiveness on the sectors and recipients of funding.

Key context points to consider

01 Pandemic, Urgency of Need & Speed of Response

02 Goals & Objectives of the Support

03 Overview of Funding Departments

04 Differences between Northern Ireland & UK Governance

05 How Quickly did the Economy & Sectors Recover?

01

Pandemic, Urgency of Need, and Speed of Response

The NI Executive faced significant challenges when the Covid-19 pandemic started in March 2020. Given the pace at which Covid-19 impacted NI (as well as the rest of the world), an urgent response was required from the NI Executive and NICS. Many schemes had to be developed and delivered in extremely short timeframes to ensure that financial support was delivered quickly to those who needed it at a time when NICS infrastructure was not set up to support wide-scale working from home, whether in terms of hardware, to service virtual communications platforms, or policies.

Despite the challenges, the feedback obtained from the questionnaire and Focus Groups has been largely positive, both in terms of the impact and effectiveness of the funding support and what was achieved in a highly pressured and time constrained situation. For example, one of the first online Covid-19 funding application portals was developed for the £10k Small Business Support Grant Scheme by the Land & Property Services (LPS) ICT team, within 72 hours. However, the urgency of the response required compromise. There was insufficient time to put in place the level of systems, processes, controls, and quality checks that would typically have been in place for a comparable grant scheme being delivered in 'normal' operating conditions. There was limited time for engagement with the key external and internal stakeholders - including Internal Audit, External Audit, Risk Management and Finance - to mitigate key risks and carry out due diligence in areas such as fraud prevention, error identification, data matching, duplicate payments, clawback conditions, and post-funding validations. As a result, many schemes were delivered under Ministerial Directions.

02

Goals & Objectives of the Support

The NI Executive faced significant challenges when the Covid-19 pandemic started in March 2020 to ensure that appropriate support was in place, both from a health and a financial perspective. The NI Executive's approach was two pronged: to control the spread of Covid-19 and focus on the health imperative, part of which was directly supported by businesses being closed, whilst also providing the required funding to support businesses and organisations to enable them to survive and re-open. Ultimately, the main objective of the funding support, was to preserve the NI economy, to ensure that businesses remained operational and that individuals were in receipt of an income. Each scheme also had its own goals and objectives, depending on the nature of the scheme and support, the timing of it, and which sector or business type it was supporting.

EY

03

Overview of Funding Departments
(included within the scope of this project)

The graphic below, details the Executive Departments which delivered grants during the pandemic and are included within the scope of this engagement. Two Executive Departments, the Department of Health and Department of Justice, did not develop or deliver related schemes and are outside the scope of the review. The schemes across the NICS were extremely varied in scope, scale, value, as well as supporting processes. Some were specific, others general, which some operating on the basis of applications, with others being 'push' payments:

We have detailed below, the value of funding schemes delivered by each Executive Department (within the scope of this project). Overall, the schemes provided by the NICS amounted to an estimated total spend on Covid-related grant schemes and rates relief of approximately £1.81billion. The Administration Data obtained highlighted 102 schemes. However, a number of these did not, at the time of preparing this report, have expenditure values available. Whilst these schemes were included within the scope of this project, their value will not be reflected in the figures below. The £1.81billion of funding scheme expenditure shown in Figure 1.5 was delivered through 89 schemes. This does not relate to the total expenditure by the NI Executive during the pandemic. Please refer to Appendix B for further details of the schemes per each Executive Department.
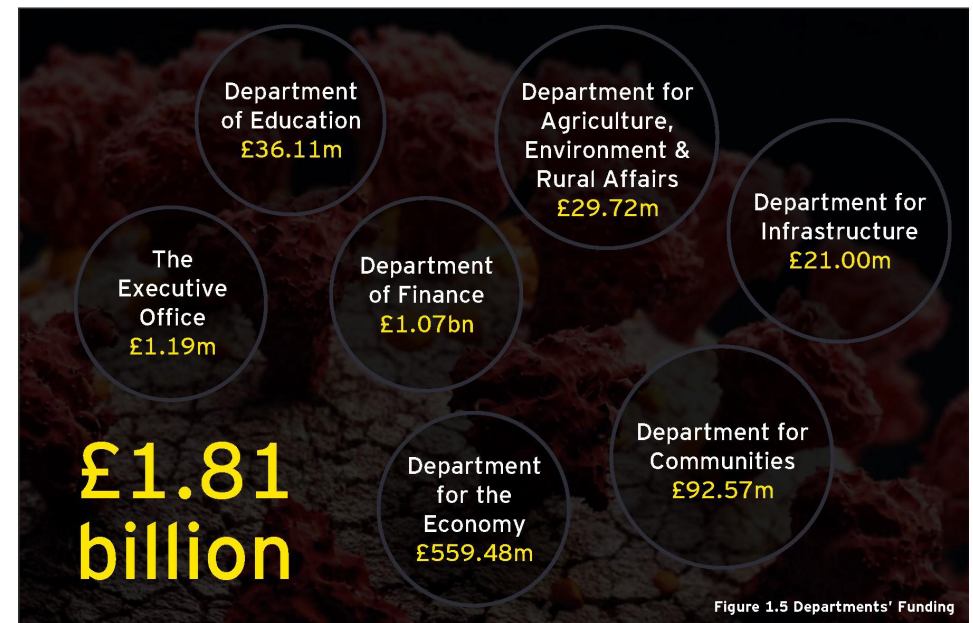
NI Government Department Covid-19 Support Schemes

Departments included with the project

- 1. Department of Finance
- 2. Department For Communities
- 3. Department For the Economy
- 4. Department of Education
- 5. Department for Agriculture, Environment & Rural Affairs
- 6. The Executive Office
- 7. Department for Infrastructure

Departments NOT included with the project

- 8. Department of Health
- 9. Department of Justice

Figure 1.4 Departments

Department of Education
£36.11m

Department for Agriculture, Environment & Rural Affairs
£29.72m

The Executive Office
£1.19m

Department of Finance
£1.07bn

Department for Infrastructure
£21.00m

£1.81 billion

Department for the Economy
£559.48m

Department for Communities
£92.57m

Figure 1.5 Departments' Funding

EY

INQ000347008_0012

As detailed previously, the funding schemes differed greatly in their design, structure, and type. In the diagrams below, we have detailed the breakdown between these:

Grant Spend by Scheme Design

Bespoke NI schemes made up 39% of all grant scheme funding paid out by the Executive Departments during the Covid-19 pandemic.

Bespoke NI Scheme £477m

Amended Version of GB Scheme £368m

Copy of GB Scheme £320m

Uncategorised £71m

Source: LPS

Figure 1.6

Support Scheme Process

Each of the broad range of funding schemes developed and delivered by Executive Departments, 47% (£846m) were application based, with a further 37% (£671mm) being automatic awards.
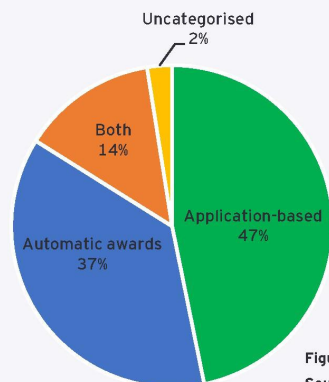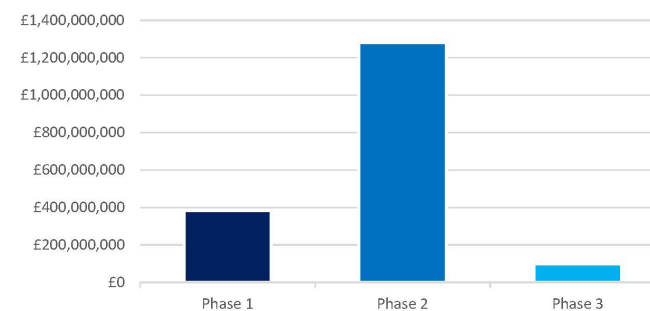
Uncategorised 2%

Both 14%

Automatic awards 37%

Application-based 47%

Figure 1.7
Source: LPS

All Covid Funding Spend by Phase of the Pandemic

Source: LPS

Figure 1.8

Figure 1.8 above details the grant scheme and rates relief expenditure across the 3 Phases of the Pandemic:
► 1st Phase – March 2020 – June 2020
► 2nd Phase – October 2020 – May 2021
► 3rd Phase – January 2022 – March 2022

This shows a significant proportion of the spend took place in Phase 2, amounting to £1.28bn (73%), compared to £385m in Phase 1, and £100m in Phase 3.

As part of the EY analysis for this project, there was the intention to analyse the expenditure by Executive Department and by scheme, overlayed with each of the health waves during the pandemic. However, this analysis has not been possible, primarily due to the varying quality and structure of data sets. LPS provided information specific to their spend. However, for other funders, they do not have visuals of this nature, or have been unable to access the data historically to obtain this useful information on the basis of expenditure per phase, or related to a specific scheme. Consideration should be given to developing and maintaining a database for recording scheme information, that can be accessed historically, as well as the NICS developing a graph of NI Executive grant expenditure over time compared to Covid cases and deaths. This would enable a NICS-wide single data source.

EY

1.3 Context

Differences Between Northern Ireland and UK Governance

04

A further issue which compounded the challenges faced in terms of the speed of response, was the institutional and legislative environment in NI, in which each Executive Department functions as a separate legal entity, with its own defined legal authority.

Over the course of the pandemic, the UK Government led on many aspects of the health and economic policy response to Covid-19. However, responsibility for the detail of how many of those policies were implemented across NI, was devolved to local authorities and the devolved administrations. For NI, responsibility was devolved to the NI Executive.

At a number of points during the pandemic, UK Ministers announced support schemes and funding packages for businesses. A number of these schemes, which included the Job Retention Scheme (commonly referred to as 'furlough'), or the Self-Employed Support Scheme, were delivered by UK Departments for all of the UK. Other schemes were announced for England only and the devolved administrations in Scotland, Wales and NI were provided with consequential funding to deliver support in each of their jurisdictions.

The NI Executive was not obliged to replicate the English schemes and could design alternatives which they considered could better meet the requirements of local NI businesses and organisations. This flexibility was used with some success in the design of rate support schemes and NI specific grants that were specifically tailored to address local needs. Examples of this include the Sports Sustainability Fund delivered in Phase 2 by Sport NI on behalf of DfC, and the Large Tourism and Hospitality Business Support Scheme delivered in Phase 2 by DfE. A general pattern can be discerned over the three main phases of the pandemic of progressively more use being made of this flexibility.

Also of note, NI's institutional and legislative structure is different from that of the UK and the other devolved administrations. In NI, each Executive Department operates as a separate legal entity. This is different from Scotland and Wales, where the civil servants supporting the Scottish and Welsh Governments are employed within a single Department. In addition, in NI Central Government Executive Departments and Agencies deliver many of the services and functions that are delivered by local authorities in other parts of the UK. There are a number of practical challenges that arise from this arrangement in an emergency situation.

The separate legal identity of Executive Departments means that each has a tightly defined legislative remit and limits to its statutory authority. In the event that an Executive Department acts outside of its statutory authority, it is likely to be acting *ultra vires, and* potentially unlawfully. Since legal authority is vested in individual Executive Departments, it is not possible for the NI Executive or the NICS to act collectively as a corporate entity.

Emergency situations, such as the pandemic require actions to be delivered quickly that do not fall clearly within the remit or statutory authority of any one Executive Department, thus limiting the NI Executive's ability to respond appropriately. As the pandemic progressed, Executive Departments made more extensive use of emergency provisions in the Financial Assistance Act (NI) 2009 to obtain legislative authority to deliver grant schemes. The learnings from this should be taken forward and assessed in planning any future contingency plans/emergency responses.

As separate legal entities, NI Executive Departments also have to follow quite time consuming procedures to share data to support the administration of grant schemes, including identifying legislative pathways and entering into data sharing agreements with one another.

In addition, from the perspective of NI based funding recipients, the differences between the UK led and locally administered schemes were not always apparent. We understand from our engagement with grant recipients, that this led to confusion, particularly due to a lack of clarity on certain schemes and the manner in which media communications from the UK and its regions were issued.
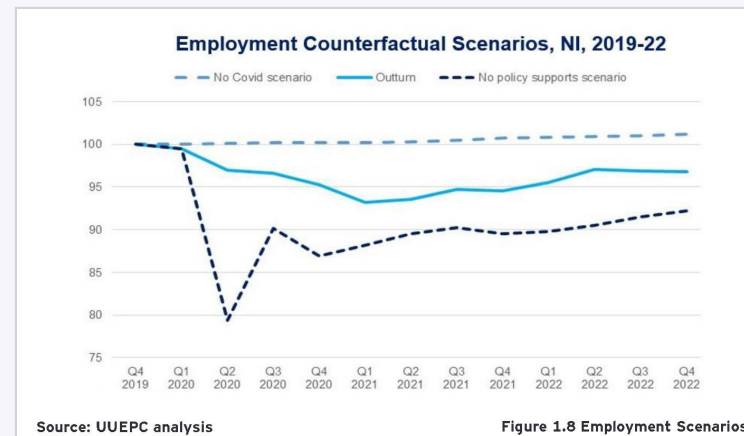
EY

05

How Quickly did the Economy and Sectors Recover?

This is a key question when reviewing the impact and effectiveness of the NI Executive funding schemes and determining whether they achieved their objectives: how quickly did the NI economy overall and key sectors of business and civic society recover after the Covid-19 pandemic? From the Focus Groups, there was an underlying consensus from stakeholders that the objectives of the NI Executive and the funding schemes were not always recognised by the public, especially regarding the core purpose of the funding. The Ulster University Economic Policy Centre ('UUEPC') and DfE ran a Research Seminar Series titled *'A Covid Counterfactual: What if Government had not provided support?'*. This covered the findings from their Covid Counterfactual Report, which considered what the potential impacts of the pandemic might have been on the NI economy, in terms of Gross Value Added ('GVA'). In this section we have highlighted some of the key findings that are relevant for this report.

It should be noted that prior to the Covid-19 pandemic in Quarter ('Q') 1 2020, the trajectory of the economy was uncertain in terms of growth, due to the unknown impact of Brexit. The UUEPC Report details that by Q2 2020, the NI economy had decreased by 17.8%. It did, however, strengthen in late 2020. By Q4 2021, it had passed its pre-Covid-19 GVA peak, indicating that the financial support provided by the UK Government and NI Executive ensured the economy was not negatively impacted during the pandemic. They estimated that the NI GVA would have been 4.3% smaller by Q42022 without the support.
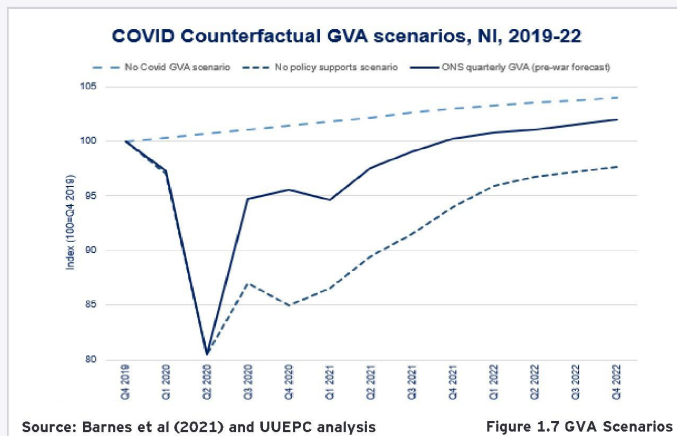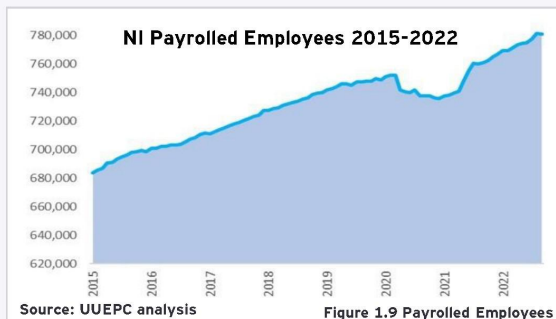
The UUEPC counterfactual scenarios also look at employment rates between 2019 and 2022, and compared the no Covid-19 scenario, actual outturn with funding support, and the scenario if there was no funding support. The graph below shows that the support significantly contributed to mitigating the decrease in employment rates. UUEPC estimates that without support, the NI employment rates were likely to have been 4.6% lower in Q4 2022. The Economically Inactive Rate also has remained steady, even decreasing slightly. However, within this, long-term sickness increased by 17% between pre and post-Covid-19, potentially indicating a wider negative health impact on people, whether as a result of Covid-19 infection or increased work pressures during the pandemic. On the following page, we also discuss the differences in employed numbers, as well as those for self-employed.
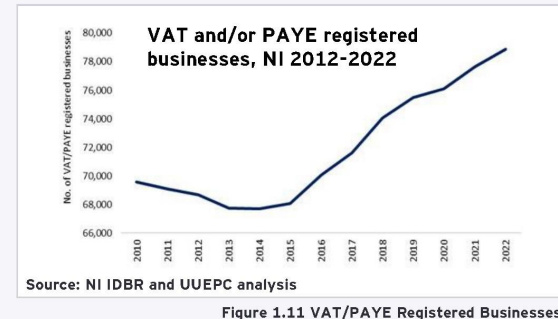

Source: Barnes et al (2021) and UUEPC analysis   Figure 1.7 GVA Scenarios

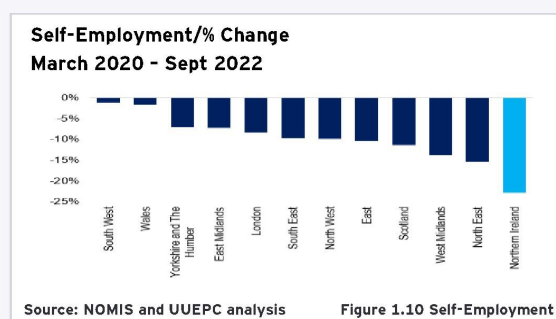Source: UUEPC analysis   Figure 1.8 Employment Scenarios

EY

By Q3 2022, NI had the fastest growth in payroll employees in the UK. The UUEPC report estimates that 192,000 jobs could have been lost at the peak of the pandemic. Instead, 212,000 people received support from the Covid Job Retention Scheme (furlough). When furlough ended in September 2021, there was no real impact on the claimant count, suggesting that the majority of people receiving furlough had been re-absorbed back into employment, again showing the positive impact of funding on businesses and employment.

NI Payrolled Employees 2015-2022

Source: UUEPC analysis

Figure 1.9 Payrolled Employees

Furlough helped to mitigate the risk of a negative employment impact. However, NI did have the largest decrease in the number of self-employed individuals. When this is viewed alongside the decrease in non-registered businesses (which likely is made up of one person businesses) of 35% (26,000 businesses), and the increase in pay-rolled (employed) individuals, this may indicate that a proportion of these self-employed individuals transitioned to employment during Covid-19.

Self-Employment/% Change March 2020 – Sept 2022

Source: NOMIS and UUEPC analysis

Figure 1.10 Self-Employment

There was a similar trend in other parts of the UK, albeit on a smaller scale. The number of registered businesses in NI remained constant throughout the pandemic, and actually grew slightly. The graph to the right shows the trend and continual increase from 2010 through to 2022:

VAT and/or PAYE registered businesses, NI 2012-2022

Source: NI IDBR and UUEPC analysis

Figure 1.11 VAT/PAYE Registered Businesses

Similarly, the UUEPC report details the impact of funding support on business or organisation closures throughout Covid-19. The table to the right details the firm failures by sector, comparing three scenarios: following funding support; what they would be without the support during Covid-19; and the normal rate pre-Covid. This shows that the amount of failures was actually 5% less than normal during the pandemic, again showing the positive impact of funding on the economy and sectors. However, the UUEPC report, as well as stakeholder feedback, indicated that in NI, as well as the UK, the funding supported 'unproductive' businesses which, without the funding support, would have ceased trading even without the pandemic. While they survived, they potentially could have a negative future impact on the productivity in certain other sectors.

Firm failures by sector by Q4 2012, %, UK

| Sector	Policy measures (%)	No policy measures (%)	Normal times (%)
Accommodation & Food	6.1	24.9	10.5
Manufacturing	4.7	20.4	13.5
Prof & Technical Services	8.1	18.0	15.0
Wholesale & Retail	1.9	15.6	6.2
Energy & Water Utilities	0.0	15.5	9.4
Transport	5.3	14.5	7.3
Construction	5.3	13.1	10.8
ICT	4.6	12.6	9.6
Health & Social Care	4.8	11.9	9.7
Arts & Entertainment	1.2	9.1	3.2
Real Estate	1.7	6.7	5.7
TOTAL	5.1	15.6	10.5

Source: Barnes et al and UUEPC analysis

Figure 1.12 Firm Failures

Overall, based on the findings within the UUEPC report, the funding support achieved its objective of ensuring there was an NI economy to return to when businesses re-opened. The various schemes, whether furlough, grants, loans etc. all played a positive part in reducing the totality of business failures.

Section 2.0

Applicant Questionnaire and Data
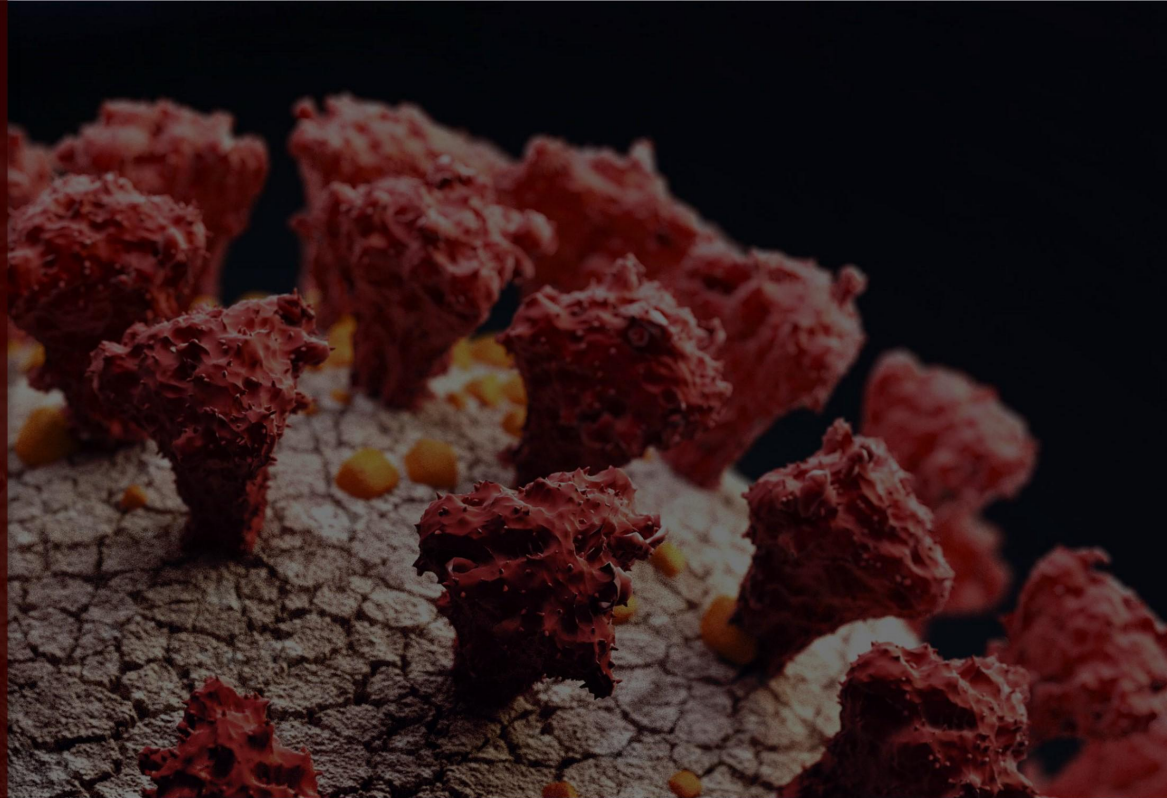
2.0 Applicant Questionnaire and Data

Background and Overview

This section reviews and analyses the data collected in the Covid-19 Grant Evaluation survey which ran from December 2022 to February 2023. A questionnaire was developed and issued to a sample of funding applicants, to obtain relevant feedback on the schemes and funding support. A sample was selected of all organisations/businesses who applied for or received a government grant during the Covid-19 pandemic, which would be the population for the questionnaire.

The purpose of the survey was to gain an insight from the experiences of those businesses and organisations that had applied for, or received, at least one grant.

The 7 NI Executive Departments within the scope of this project were engaged, (DoF, DfE, DfC, DAERA, DfI, DE, and TEO) to secure agreement for sharing data of those that applied for, or those who were recipients of Covid-19 grant payments. This data was then processed through appropriate data quality checks (including removal of duplicates) and formed the sampling frame from which the sample was selected. It was agreed that the survey would be delivered online and that invitations would be issued by email; therefore, only recipients with email addresses were available to be sampled. In terms of the sampling population:

► **Source Data:** A total of 144,280 records with email addresses were supplied by Executive Departments. The data was matched and reviewed to remove records with duplicate email addresses, where email addresses that were listed more than once within an Executive Department's dataset supplied, or across multiple Executive Departments' datasets. Datasets were processed in chronological order

► **Eligible Sample Frame:** The removal of duplicates resulted in a sampling frame (population) of 65,429 unique email addresses

► **Sample:** A 75% sample (as agreed with the Project Steering Group) was selected from the eligible sample frame. In total, 49,033 unique email addresses were sampled and invitations to complete the questionnaire were issued

► **Returns:** 8,750 survey returns were received.

The recipients sampled received the survey link via email, and the survey was hosted on the NISRA website. Recipients were also provided with a link to 'Frequently Asked Questions', and in addition to the initial email, received two reminders to complete the survey. To support a high completion rate, the survey was open for 11 weeks, and invitations were released in batches as the source data was received from the Executive Departments.

Respondents with one or more business or organisation were advised in the FAQs that they could either provide one response about their experience of the Covid-19 grant process, or they may choose to complete the survey for each business they applied or received Covid-19 funding support for. Respondents who applied for, or received, more than one Covid-19 grant for a business or organisation were asked to identify all grants they received. Grant questions were looped to allow the respondent to answer for each grant they received, and they used a 4-point scoring system for questions, to enable data and trend analysis.

Once the completed survey were returned, the survey response data was de-identified, and this was then shared with EY for analysis, with appropriate data sharing agreements in place. This quantitative data, alongside the qualitative data obtained throughout this project, fed directly into the overall evaluation of the impact and effectiveness of the funding support.

The questionnaire covered areas such as:
► What they received
► The effectiveness of the funding
► The simplicity or complexity of the application processes
► The support or assistance offered, etc.

In the following pages, we have reviewed and analysed the responses and data, identifying key themes and points for this report. We must caveat the EY analysis on the following pages with the fact that not all questions were answered by all respondents, some were left blank. On that basis, percentages or figures reported are representative of those answered.

Data Sharing

As part of the data collation exercise, Departmental data owners were provided with a template outlining the data requirements for the exercise. However, the absence of a single centralised payment system or standardised data sets across Executive Departments, resulted in the receipt of datasets in various formats, which all then had different variables, complicating the collation process. Additionally, there were duplicate e-mail addresses both within single Executive Department datasets and across multiple Executive Departments' datasets. Feedback received throughout this project has also flagged this as an issue for scheme administrators in either identifying or categorising business for funding support. A unique identifier for each business or organisation would be hugely beneficial going forward.

Challenges were also faced in securing data sharing across the different Executive Departments. This was also raised during the Focus Groups, and the need for more co-ordinated approach to data sharing is detailed within the Lessons Learned section of this report.

EY

EY Analysis

The 8,750 completed questionnaires received represented 1.44 grants per recipient. The breakdown of respondents in terms of organisation type was:
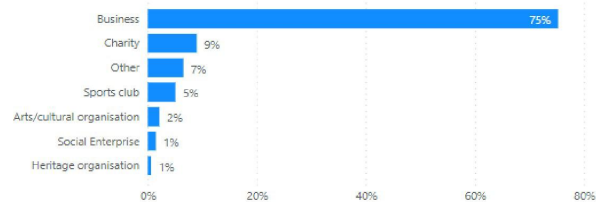
What kind of organisation are you?

- Business — 75%
- Charity — 9%
- Other — 7%
- Sports club — 5%
- Arts/cultural organisation — 2%
- Social Enterprise — 1%
- Heritage organisation — 1%

Figure 2.0

Whilst businesses made up 75% of the population of respondents, the nature of the 'Other' category was extremely broad-ranging:

Figure 2.1

Across the mix of businesses, charities, and organisations, the majority (56%) had received funding support via application schemes. It is worth noting that some respondents may have only answered this question for one of their grants, and so the proportions are estimates.
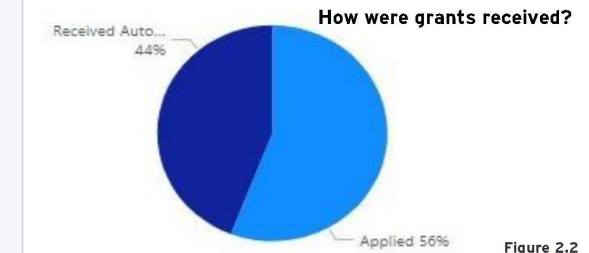
How were grants received?

Received Auto... 44%

Applied 56%

Figure 2.2

A key question from the survey linking to the impact of funding support, was **'How Important Were the Grants to Your Business/Organisation**? Whilst the questionnaire focused on NI grants, respondents to both the questionnaire and within the Focus Groups, did provide feedback on other UK grants. 61% of respondents reported that they could not have survived without the funding, which is extremely positive in terms of the impact of the funding. On the following page we have broken this down by organisation type. For these respondents, 37% used the funding to cover fixed costs, whilst a further 22% used it to purchase PPE, and 20% used the funding to pay staff wages. Interestingly, of the 5% who reported that the support made no difference at all, 60% reported that they had received furlough funding. It is difficult to understand how the support could have made no difference to this group of respondents if they needed, and received, the furlough funding.
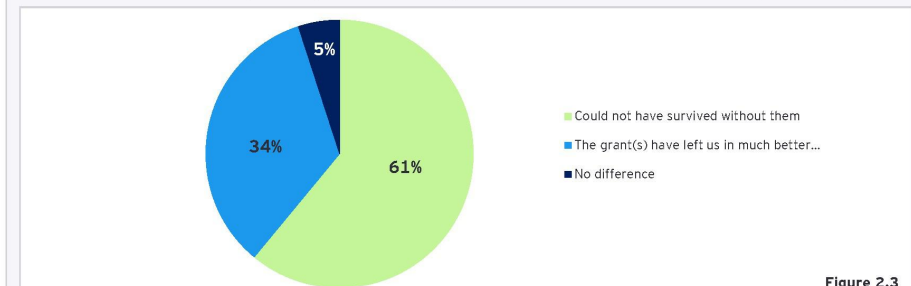

- Could not have survived without them — 61%
- The grant(s) have left us in much better... — 34%
- No difference — 5%

Figure 2.3

EY

How important were the grants – Breakdown

Figure 2.4

Organisation type	Could not have survived without	Left in a much better position	No difference
Business	61%	33%	6%
Arts/Cultural	51%	44%	5%
Charity/Voluntary	58%	40%	2%
Heritage	38%	62%	0%
Sports	58%	40%	2%
Social Enterprise	66%	31%	3%
Other	61%	30%	9%

EY analysis of the responses from the Heritage organisations included above shows that 100% of respondents received the support from application schemes, 88% stated that they had lower reserves post-pandemic, with 40% spending the funding on fixed costs, and 33% on PPE. It is worth noting 75% of the group rated the application processes as 'straightforward' or 'better'.

Below, we have further analysed this question across a sample of the schemes received by the respondents. These were selected to give a spread across scheme type and sector, as well as different phases of the pandemic. We note that is has not been possible to include the data for all schemes covered by the questionnaire:

Figure 2.5

Funding Scheme	Could not have survived without	Left in a much better position	No difference
£10k Small Bus. Grant Scheme	64%	32%	4%
Localised Restrictions Support Scheme	75%	21%	4%
Childcare – Initial, Recovery & Sust	71%	25%	4%
£25k Retail/Hosp/Tourism/Leis	69%	28%	3%
Covid Recovery Programme	52%	45%	3%
Omicron Hospitality Payment	83%	16%	1%
Large Tourism & Hospitality	80%	17%	3%
Travel Agents	73%	19%	8%

Whilst there are variances in how respondents rated the impact of the support depending on their organisation type or the funding scheme they received support from, overall the impact is highly positive. On that basis, the funding received enabled the organisations to survive. The scheme type did not make a significant difference on the impact.

The survey also asked applicants to vote for which type of support was the most important to them during Covid-19. As noted below, grant payments and furlough were rated the most important, with others, such as VAT reductions and rates holidays, identified as being important by smaller numbers of respondents. EY have analysed this by organisation type in the table, showing the difference across sectors in terms of what they needed and what helped the most.

Which of these was the most important in helping your business/ organisation during the pandemic?
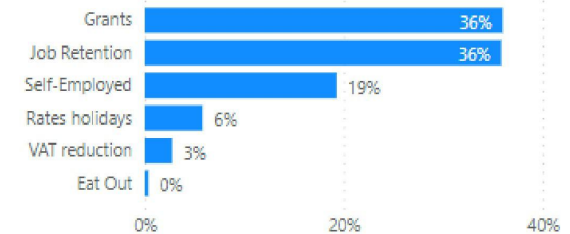

Figure 2.6

Figure 2.7

Organisation type	Grants	Job retention	Self employed	Rates holiday
Business	35%	35%	21%	6%
Arts/Cultural	32%	24%	40%	4%
Charity/Voluntary	33%	65%	1%	1%
Heritage	25%	75%	0%	0%
Sports	51%	37%	8%	3%
Social Enterprise	38%	46%	8%	4%
Other	42%	34%	17%	5%

*There are other types not included in the table above. On this basis, the values by organisation type will not sum to 100%.

EY

INQ000347008_0020

For a number of the fundings schemes delivered during the pandemic, the purpose of these was to support businesses to cover deficits and costs incurred as a result of Covid-19, and compensate businesses for forced closures. The applicants were asked to rate the level of their reserves post-Covid-19 compared to pre-Covid-19, to help analyse whether funding levels had been appropriate or not. The fact that 39% rated their reserve levels as 'about the same' is a positive for the impact of the funding. 48% of respondents rated their levels as lower, which is to be expected, given deficits incurred during the pandemic but this also identifies the challenging position that many businesses find themselves in post-Covid-19. This correlates to the levels of debt and borrowings organisations hold post-Covid-19. Of this 48%, 84% rated their levels of debt as 'the same' or 'higher' compared to pre-Covid-19. The purpose of funding was not to make businesses better off, and so this is reflected with only 9% having higher reserve levels. Based on these figures, EY analyses that the funding levels were pitched appropriately to help businesses survive and recover, and that there were low levels of unnecessary funding, given the fact that for many of the grants, less than 4% stated the funding made no difference to them financially.

What is the level of your business/organisation's reserves after the pandemic compared to before?
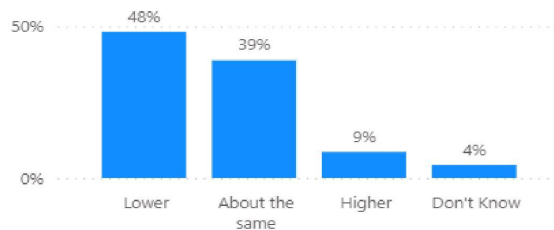
Figure 2.8

What is the level of your business/organisation's debt and borrowings after the pandemic compared to before?
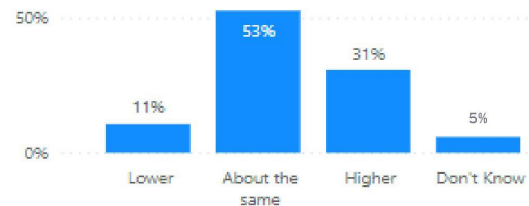
Figure 2.9

The survey also asked focused questions about schemes, how they were administered, the application processes, communications about applications, as well as the explanations provided for decisions.

The following charts and tables delve into this grant level information further.

Overall, how would you rate the way this grant was administered?

Figure 2.10

Overall, 89% of the respondents rated how the grants were administered as either very satisfactory or satisfactory, which is very positive. When we delve a bit deeper on this and compare these rating between schemes, the split is fairly consistent across the ratings, with the exception of Travel Agents, where only 74% of respondents felt the scheme was administered at least in a satisfactory way. EY analysis of the below would be that the figures indicate that the scheme type, process, or how they were administered, did not have a significant impact on how applicants rated the scheme.

Figure 2.11

Funding Scheme	Very satisfactory	Satisfactory	Unsatisfactory	Very unsatisfactory	Don't know
£10k SBGS	46%	41%	6%	6%	1%
LRSS	37%	49%	7%	6%	1%
Childcare – IRS	36%	41%	1%	1%	1%
£25k Retail	36%	52%	6%	5%	1%
Covid Recovery	41%	48%	6%	2%	3%
Omicron Hospitality	33%	52%	7%	6%	2%
Large Tourism	43%	42%	5%	8%	2%
Travel Agents	22%	52%	11%	12%	3%

EY

In terms of the scheme processes, applicants were asked to rate the ease or difficulty of the process. Again, the feedback was positive, with 79% rating it either very straight-forward or straight-forward. However, it is worth noting that, overall, 19% found processes difficult or very difficult, with the proportion rising to 35% in some schemes. While most schemes worked well for the majority of applicants, consideration should be given to ensuring the policy and design of schemes allows administration to be as straight-forward as possible for all applicants. In the table beneath the chart, we analyse this by funding scheme, and whilst the rating trend across the schemes is fairly consistent, for example the Childcare Initial, Recovery, and Sustainability Covid Support Scheme were rated very straightforward by 44% of applicants, whilst 23% rated the Covid Recovery Programme for Organisations as difficult.

How did you find the application process?

Figure 2.12

Funding Scheme	Very straight-forward	Straight-forward	Difficult	Very difficult	Don't know
£10k SBGS	20%	56%	15%	7%	2%
LRSS	23%	55%	15%	6%	1%
Childcare – IRS	44%	50%	4%	1%	1%
£25k Retail	26%	57%	9%	7%	1%
Covid Recovery	17%	55%	23%	3%	2%
Omicron Hospitality	25%	53%	13%	7%	2%
Large Tourism	39%	43%	6%	12%	0%
Travel Agents	11%	52%	18%	17%	2%

Figure 2.13

Another key area of focus throughout this project has been around communication, about schemes, support available, and about application or funding progress, as well as about outcomes. Within the survey, applicants were asked to rate the communication about funding or application process and the results were:

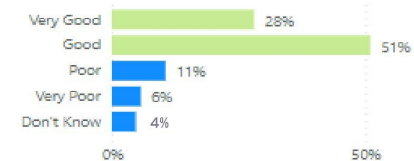**How was the communication about the progress of your application?**

Figure 2.14

Whilst again the above figures are largely positive, with 79% rating the communication as good or very good, only 28% deemed it to be very good, and 17% deeming it to be poor or very poor. Given the situation businesses, organisations and individuals were in, especially factoring in panic regarding financial uncertainty, communication regarding funding and applications has to be very good consistently. This point is also detailed within the Lessons Learned section of this report. However, EY advises that caution is required on consideration of communication as in an emergency situation, there are limitations to what information is actually available at the time, and expectations cannot be based on what is desirable in an ideal situation. Below we have also analysed this at scheme level:

Funding Scheme	Very good	Straight-forward	Difficult	Very difficult	Don't know
£10k SBGS	23%	49%	14%	9%	5%
LRSS	25%	50%	13%	8%	4%
Childcare – IRS	45%	47%	5%	1%	2%
£25k Retail	26%	50%	14%	7%	3%
Covid Recovery	34%	52%	8%	2%	4%
Omicron Hospitality	23%	52%	14%	7%	4%
Large Tourism	37%	43%	9%	11%	0%
Travel Agents	7%	41%	25%	18%	9%

Figure 2.15

The proportion of ratings trend consistently across the schemes, with a few exceptions. Respondents rated the communication as 'very good' for 45% of Childcare Initial, Recovery, and Sustainability Covid Support Scheme respondents, 34% of the Covid Recovery Programme for Organisations respondents, and 37% of the Large Tourism and Hospitality Business Support Scheme, respondents. On the other side of things, only 7% of respondents rated the communication for the Travel Agents Coronavirus Financial Assistance Scheme as 'very good', with 43% rating the communication as either 'poor' or 'very poor'.

Only 6% of respondents reported that they had been unsuccessful in obtaining funding from the grants they completed the survey about. When EY analyses this grouping in terms of communication (see figure 2.16 beside), the ratings are significantly lower, with only 2% of respondents rating it as 'very good', compared to 28% of all respondents. The 'very poor' rating was 41% (compared to 6% for all respondents), showing that those

Figure 2.16

who were not successful felt the communication was not good enough, though balance must be considered in these instances where frustration at a negative outcome could sway the rating, in the same way a positive outcome would in the other direction.
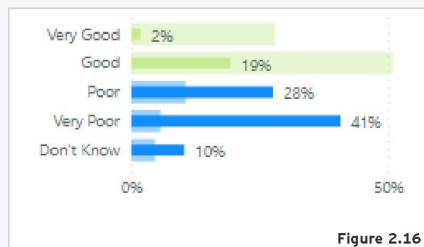
When we then looked at the ratings for communication about these negative outcomes for funding, these ratings were consistent with the chart above.

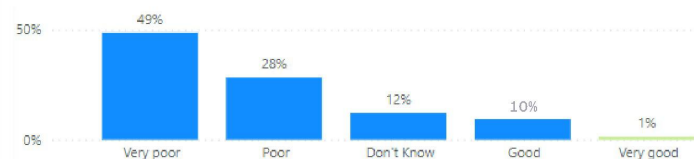**How did you find the explanation for the decision?**

Figure 2.17

Summary of Findings and Lessons Learned

The applicant questionnaire data has been extremely useful in gaining a large volume of feedback and opinions from applicants about the NI Executive Covid-19 support, specifically about schemes. The evidence gathered from the questionnaires aligns to that obtained from the Focus Groups (see next section), where it is largely positive about the impact and effectiveness of the funding support. Possibly the most important metric from the survey was that 61% of respondents stated that they could not have survived without the funding support, and a further 34% stated that the funding left them in a much better position than they would have been without it. The consistent theme emerging from the EY analysis of the data, is that, overall, the funding support had a positive impact on the NI economy, in general as well as for the individual recipients, and that the schemes were effective in achieving their objectives, with positive ratings regarding how schemes were administered. That said, there were some negative scores in key areas, indicating room for improvement.

Some key lessons from this exercise that will be explored in more detail within the Lessons Learned section of this report are:

▶ **Data** - It was clear in the data collation exercise that there are not common data standards that are applied across Executive Departments, and the quality of data differs greatly. There is not one unique identifier for businesses or organisations that can be used across Executive Departments, and, as a result, matching datasets between Executive Departments is difficult.

▶ **Levels of Funding** - EY analysis based on the figures and ratings would indicate (a) funding levels were pitched about right in terms of helping businesses to survive without 'over funding' and (b) levels of deadweight were quite low given the small proportions saying the support made no difference and their reserves are better now than before the pandemic.

▶ **Funding Scheme Processes** - Whilst how schemes were administered was highly rated, and the application processes received positive feedback, the survey data indicates there are opportunities to make improvements. Our analysis of the data would indicate that some recipients found the application processes complicated; a presumption in favour of simplifying calculations or processes for grant applications would be useful in future emergency scenarios. Our analysis also indicates that the scheme type or process, didn't not significantly impact how the recipients scored the application process, communication, impact or effectiveness. Along with the evidence that there was little 'deadweight' in the schemes, this could indicate that the investment of significant time in tailoring schemes may not produce measurable differences in the quality of administration or impact of the support.

▶ **Communication** - Communication is always crucial, but especially in an emergency situation where businesses and people are panicking, especially in situations of financial uncertainty. The survey feedback highlighted that scheme communication regarding progress of applications, especially for applicants receiving unsuccessful outcomes, could be improved. However, what is realistic and possible in emergency situations such as the pandemic must be considered also.

EY

Section 3.0
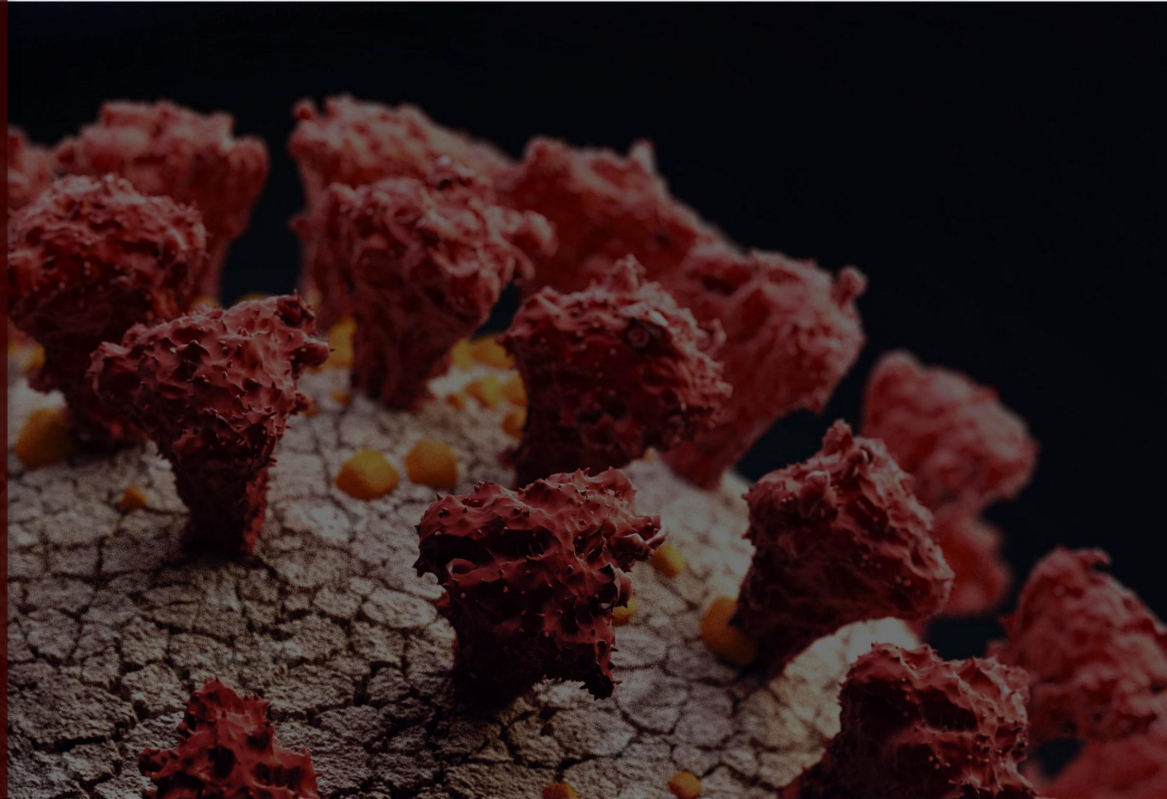
Focus Groups and Stakeholder Engagement

As detailed within the Background and Context section, EY planned and facilitated three Focus Groups, to obtain and collate specific feedback on NI Executive Covid-19 support and funding schemes. The Focus Groups included internal Executive Department officials, as well as representatives from a number of Delivery Bodies, Sectoral Bodies and Federations and other relevant experts.

The purpose of the Focus Groups was to obtain qualitative and constructive feedback about the NI Executive Covid-19 funding schemes. Online stakeholder engagement sessions were decided as the best forum to obtain this information, as it supported independent open discussions with a range of attendees, and the use of Mentimeter enabled EY to engage with the stakeholders and obtain their feedback in different ways.

The stakeholders invited were agreed with the Project Steering Group and NI Executive Departments, with them all being key individuals who have a high level of knowledge about the schemes and impact on the sectors. as well as the areas of questioning. The sessions were held on Microsoft Teams to ensure strong attendance. EY held the following Focus Groups:

01 Key Officials
16 May 2023

02 Sectoral Bodies 1
25 May 2023

03 Sectoral Bodies 2
2 June 2023

Overall, 28 individual attended the Focus Groups, with this being 15 Key Officials from Executive Departments or Delivery Bodies, and 13 individuals from Sectoral Bodies. The number of attendees was capped at 15 per session to ensure each person had sufficient time to contribute. Please see below the organisations represented during the sessions:

Key Officials	Sectoral Bodies 1	Sectoral Bodies 2
► DAERA	► Early Years	► NI Sports Forum
► TEO x3	► Bus & Coach NI	► Retail NI
► DfC	► Halifax Foundation	► North West Regional College
► DfE x2	► Hospitality Ulster	► Federation of Small Businesses
► DoF/LPS x2	► Social Enterprise NI	► NI Hotels Federation
► DoF/DRD	► Rural Community Network	
► DE	► NI Chamber of Commerce	
► Sport NI	► NI Tourism Alliance	
► Arts Council NI		
► DfE/Invest NI		
► DfI		

Figure 3.0 – Attendees

The topics discussed and questions asked were wide-ranging, and there were some different topics depending on whether the group were Key Officials or Sectoral Body representatives. The sessions were extremely useful to obtain qualitative feedback on the support and schemes, and the structure enabled EY to gain different perspectives from Key Officials and Sectoral Body representatives, who would have been involved at different stages of the schemes.

Please refer to the different topics and questions across the different groups on the next pages. The following pages provide a summary of the feedback received and key highlights that underpin the later lessons learned. Given the high volume obtained, it all cannot be included within this report.

EY

Focus Group Topics

Key Officials:
- 01 Feedback on overall NICS funding support
- 02 What did it achieve?
- 03 Effectiveness of support
- 04 Impact of support
- 05 What worked well/issues encountered/what would they change?
- 06 Lessons learned for future

Sectoral Bodies:
- 01 What did the funding support achieve?
- 02 Effectiveness and impact of support on businesses/organisations
- 03 Communication Awareness Accessibility
- 04 Schemes - what worked well/issues encountered/what would they change
- 05 Successful and unsuccessful outcomes
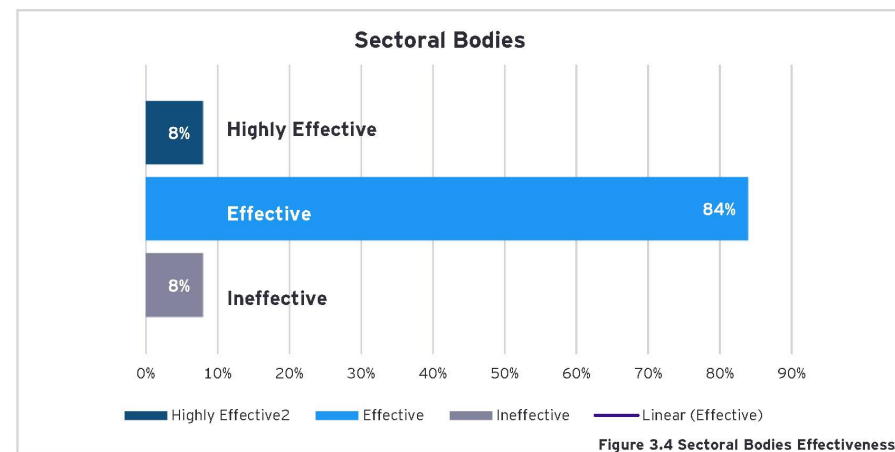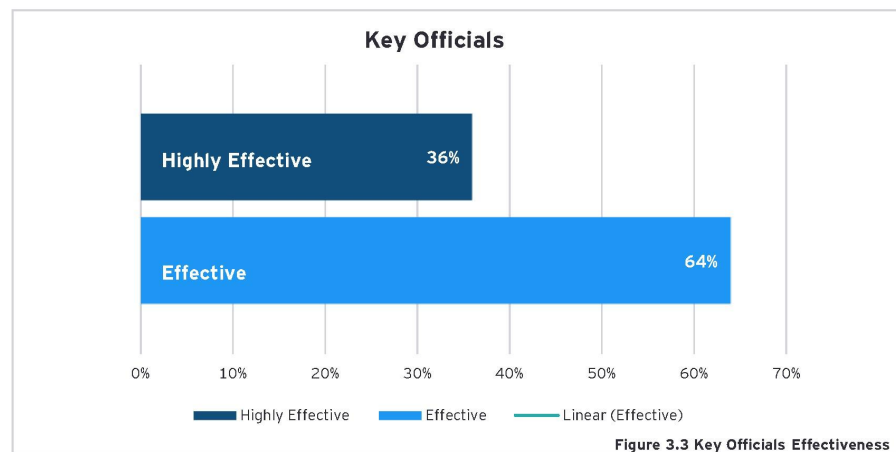- 06 Lessons learned for future

Figure 3.2 Focus Group Topics

To encourage engagement and open, honest, constructive feedback, EY used a range of methods to obtain the feedback, and each topic or question was followed up with probing questions, asking for further clarity, or different opinions. For word-clouds and word-boxes, stakeholders were required to type their answers or opinions, and could submit multiple answers. This format, which was anonymous, really allowed us to obtain key words and perceptions about the funding support and schemes. Methods such as ratings or polls enabled stakeholders to score or rate areas, and lastly we used small break-out groups for more focused discussions, especially regarding what went well, issues encountered, what could be changed, and lessons learned. The breadth of stakeholders, in terms of Executive Departments, sectors, roles within schemes, really allowed for a more complete picture of what happened and identified key lessons for the future.

3.0 Focus Groups and Stakeholder Engagement (cont.)

Focus Group Feedback and Analysis

Effectiveness of Covid-19 Support

Figure 3.3 Key Officials Effectiveness

Key Officials
- Highly Effective: 36%
- Effective: 64%

Figure 3.4 Sectoral Bodies Effectiveness

Sectoral Bodies
- Highly Effective: 8%
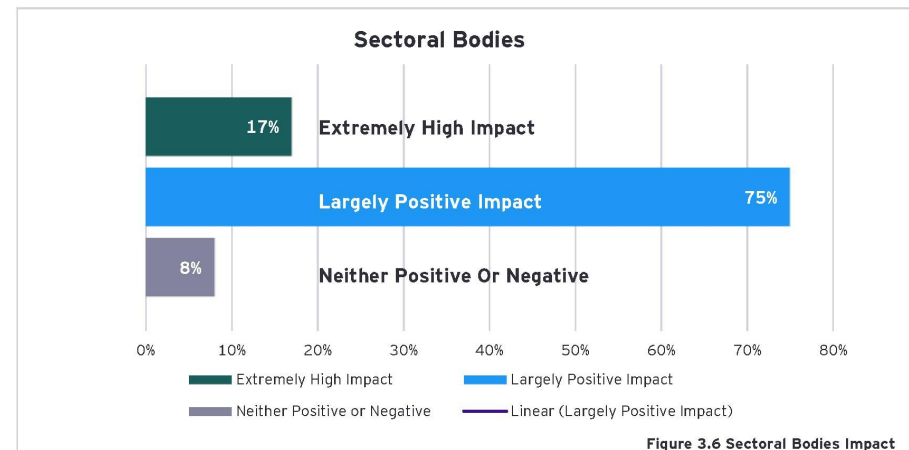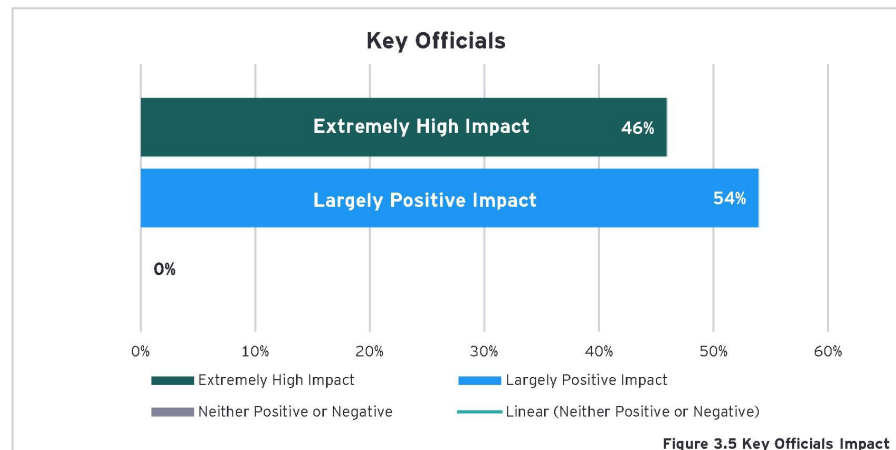- Effective: 84%
- Ineffective: 8%

The graphs above indicate that both the Key Officials and Sectoral Bodies Focus Groups, were asked to rate the effectiveness of the support. Given their different roles in relation to schemes, this question was targeting different perspectives: for Key Officials it was regarding the effectiveness of the schemes in terms of the delivery across the Executive Department and sector, whereas for Sectoral Bodies, the focus was the effectiveness on their relevant sectors and organisations receiving the funding. A key factor informing the assessments of the Focus Groups was efficiency, and the ability of Executive Departments to operate at pace to develop and deliver schemes. The general consensus of opinion was that the schemes were largely effective in meeting their objectives and providing support, but with hindsight, some things could have been done differently to make the schemes more effective and efficient. In particular, opinion provided during the Focus Groups was that the earlier schemes were not as robust in relation to terms, conditions and controls, as the schemes run in the second and third phases of the pandemic. This resulted in actions such as clawback, investigation of suspected fraud, recovery of duplicate funding, and retrospective audit and assurance work, being subsequently required to be included in the later phases, to ensure terms and conditions were appropriately robust. However, it was also flagged by Executive Departments that the error rates, even for the earlier schemes, were relatively low. DfE reported a 2.08% fraud and error rate for schemes within their 2021/22 accounts, however this should be caveated that the figures could be higher or lower, as the rates are an estimate and from a select sample, rather than the entire population. LPS have reported an estimated error rate of 1.2%. DoF and DfE combined paid out 86.6% of all Covid-19-related grants, and so looking at the error rates in this context, EY would determine the approximate error rate of schemes to be less than 2%. The EY analysis would again determine that this indicates even earlier schemes were still well managed, and there was very little unnecessary funding. Schemes were clearly refined and further developed over time. The key opinions received was that the funding did ensure that businesses remained viable, while providing financial support to 'keep families afloat'. The key learning based on EY analysis of the opinions received in this area was the need for increased cross-Departmental working from the start, especially regarding the development of schemes, improving communications to potential recipients, avoiding sectors being missed, while avoiding duplicate funding, where possible.

EY

3.0 Focus Groups and Stakeholder Engagement (cont.)

Focus Group Feedback and Analysis

Impact of Covid-19 Support

Figure 3.5 Key Officials Impact

Key Officials:
- Extremely High Impact: 46%
- Largely Positive Impact: 54%
- 0%

Figure 3.6 Sectoral Bodies Impact

Sectoral Bodies:
- Extremely High Impact: 17%
- Largely Positive Impact: 75%
- Neither Positive Or Negative: 8%

The majority of both the Key Officials and Sectoral Bodies rated the impact of the Covid-19 support as having a 'largely positive impact'. Factors such as the speed of changing environments in the early stages of the pandemic were raised during the Focus Groups, with opinion of the stakeholders being that Executive Departments did what they could given the time constraints and the complexity of the pandemic situation at the time. Opinion was that schemes had been set up at pace, with limited resources.

Feedback highlighted that more effective cross-departmental working and collaboration, to identify potential duplication of funding schemes and duplicate payments to recipients, ideally would have been in place throughout the whole period of the schemes. EY analysis of the opinions would be that the establishment of the Cross-Departmental Working Group at the start of an emergency situation would enable this to happen. However, it should be noted that when assessing the impact, given the difficult circumstances, the ratings were still very positive.

General opinion was that nothing more, in the circumstances, could have been done. The EY analysis based on the opinions provided is that the funding had a significant impact in keeping businesses viable, which otherwise would have had to close. The urgency to provide funding was clearly recognised, which influenced the ways in which some schemes had been developed and implemented. As a result, quality measures, such as testing, audit, and full due diligence, were not undertaken in advance of these schemes going live.

Feedback from the sessions was that funding for the hospitality sector was 'highly effective' and kept supported businesses viable. Furlough support was critical in keeping individuals in employment. The majority of businesses survived due to this, and very few closed. We did note some opinions, for other sectors, where they reported they had to 'work hard' to ensure their sectors were also recognised and could have access to funding.

EY

3.0 Focus Groups and Stakeholder Engagement (cont.)

Communication, Awareness, and Accessibility

One of the key themes discussed with the Sectoral Bodies at their two Focus Groups was communication to sectors and potential funding recipients. We asked 5 questions and attendees were asked to rate each a score out of 5. The questions were:

1. Was the NICS communication re funding schemes sufficient to spread the word and give notice to organisations

2. Rate the awareness in your sector about schemes available to them

3. How accessible were the funding schemes for organisations in your sector

4. Rate the clarity and timeliness of information provided, making it easy for organisations to understand and apply for funding

5. Rate the methods available to seek advice, ask questions, on what organisations could avail

In Figure 3.7 to the right we have detailed the scores for each of the questions, flagging that whilst largely positive, there are areas for improvement, and scores from 2.3-3.5 would be expected to be higher.

Feedback highlighted that information about the availability of support was widely shared on social media, and support itself was provided on platforms (zoom/teams etc.). There is general opinion from stakeholders that Executive Departments couldn't have done more, although sometimes there were long periods of time between the announcement of a scheme and information on it being released. EY analysis would be that whilst these opinions are valid, consideration has to be given to the circumstances the Executive Departments were operating under, and often, the information the public or businesses wanted, simply was not available. Whilst operating at pace to provide the funding support that sectors needed, it is recognised that it may not possible to always be able to provide ideal levels of communication and information, especially where it may not have been available.

As previously noted in this report, the Sectoral Bodies reported confusion by businesses in the sectors between which schemes applied to the UK or NI, and improved NI Executive direction on this was requested during the Focus Groups. The Executive briefings were praised for the period they took place: however, consensus was that when they stopped the NI Executive lost a key forum to explain NI specific information regarding regulations, guidance, funding schemes etc.

The Sectoral Bodies played a key part in communicating information to their sectors, as well as improving awareness about what was available. The information detailing the availability of the grants which were available was also regarded as good from Invest NI. Sectoral bodies worked closely with the members, communication went out well in advance, and organisations knew what was available.

Social Enterprise NI also helped co-design grants, ensuring there was sectoral engagement in the development of scheme criteria, and they also ran virtual sessions with organisations, explaining to them the information required for applications, how to apply, criteria, as well as having one-to-one calls to support. This approach was praised by stakeholders, and a lesson from this would be that it should be the standard in terms of support and communication.

Stakeholder opinion was that once applications were made, there was limited communication in terms of progress and timing, which in a situation where people were panicking about financial uncertainty, was raised as an issue. One option raised was to have a standard email address that can be emailed with queries or asking for updates. It was also noted that organisations would like better clarifications between the differences between regulation, legislation, guidelines, recommendations etc. However, whilst bearing this point in mind, consideration must be given to what is realistic and possible in an emergency situation, with an ever changing environment. The points above, along with further communication insights are detailed within the Lessons Learned section of this report.

Figure 3.7 Communication
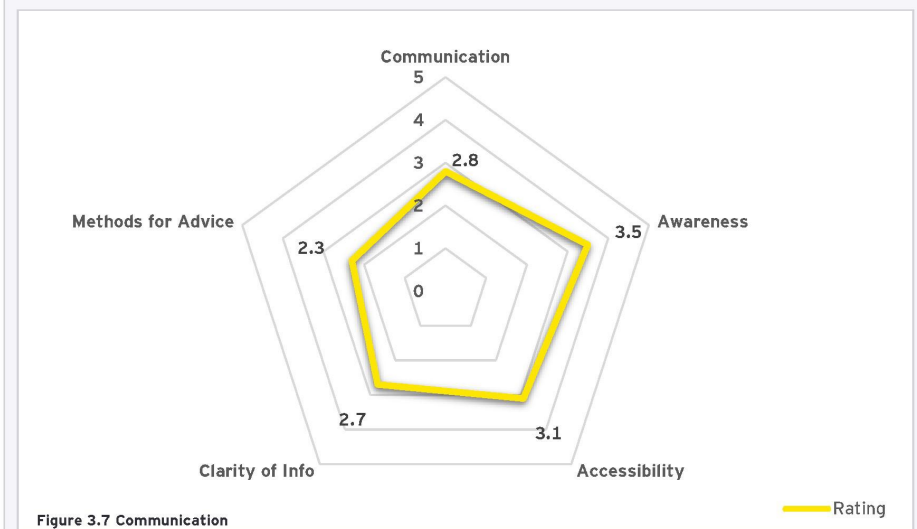
Stakeholder Feedback

How would they describe the overall NICS Covid-19 support?

▶ Overall feedback was very positive about what the NICS was able to achieve, especially given the speed and complexity of Delivery.
▶ Overall highly successful, and the support was critical for sector survival.
▶ Comprehensive, highly agile and pragmatic approach, avoiding bureaucratic processes.
▶ Proud of what was achieved in a highly pressured situation.
▶ Executive Departments worked well together, both formally and informally.
▶ The speed required and political pressure impacted the quality of policy development, limited due diligence, cross-working, VFM assessments.
▶ Latter schemes were better planned and developed, as teams learned from previous schemes.
▶ Cross-Departmental Working Group, when established, really helped provide reassurance for officials.
▶ Came together and worked at pace, taking time to understand the needs of communities and what had to be done.
▶ It helped to build relationships that continue now.
▶ Feedback did not identify any gaps in support or sectors that did not receive funding, rather points raised around the timing of the funding.

What worked well

▶ Pragmatic and risk based approach.
▶ Strong leadership from LPS.
▶ Everyone worked together to achieve the objectives. Executive Departments supported other Executive Departments.
▶ We all developed new ways of working, increased efficiency and engagement. It also allowed better flexibility with people's home lives.
▶ Systems to deliver schemes were developed at pace.
▶ Ministerial direction enabled Executive Departments to act at pace.
▶ Schemes improved with experience and learning from each one. Lessons learned were applied in real time.
▶ The acceleration of the digitalisation of people and businesses was noted as a big positive from the pandemic, in terms of people developing their skills, and businesses going online. Funding schemes also developed digitally as scheme administrators learned as they went along.
▶ The cross-departmental working group was praised for its support and guidance. It was noted that stakeholders would like this in place from the start of an emergency situation.

What did the support achieve?

▶ Saved organisations and businesses, with the key being quoted repeatedly as 'survival'.
▶ Saved jobs, and supported organisations with loss of income.
▶ Sustainability of sectors, and protected important services.
▶ There were some winners and some losers. Some organisations were missed due to the use of the rating system as the basis for eligibility or the classification/nature of business, such as Bus and Coach and Travel Agents in earlier schemes. Due to the speed and complexity of schemes, and difficulty to categorise businesses, some missed out, or received less (e.g., restaurants got more than takeaways, but the distinction between the two is not always clear). There were also businesses that didn't fit into categories, which is difficult for shops in the city that are dependent on footfall which wasn't there during the lockdowns, but they were permitted to remain open and therefore were not eligible for most funding.
▶ Achieved what it set out to and met the overall objective of supporting the NI economy and ensuring sectors and businesses survived, and individuals were able to stay afloat.

Issues encountered

▶ Lack of cross-departmental business register, or unique identifiers for businesses or organisations.
▶ Issues with the quality and standardisation of data, as well as in sharing data between Executive Departments, given their separate legal structure.
▶ The teams delivering the schemes did not have experience in developing or delivering grant schemes, nor did they have key knowledge of the sector.
▶ HR processes in moving staff to support on schemes was complicated and caused delays.
▶ We were not appropriately prepared for working from home, which again caused delays.
▶ Expectations kept increasing putting significant pressure and stress on teams already working long hours, which has led to significant long-term sickness absence.
▶ Given the pace of delivery, Executive Departments did not have the opportunity to assess who needed the support the most, or faced the most hardship, because time didn't allow it, so some organisations will have received more than they needed, and others not enough.

EY

INQ000347008_0030

Stakeholder Feedback

Lessons Learned

▶ The positivity of the feedback from stakeholders, regarding what was achieved, the impact, effectiveness, was pleasing. The pragmatism displayed by Executive Departments was praised, and, on that basis, EY's analysis based on Focus Group feedback is that there is an opportunity to explore the balance between due diligence, risk, and bureaucratic processes in 'business as usual' conditions. A pragmatic and agile approach to delivering new strategies and services should be the norm, not just in a pandemic.

▶ Relationships, trust, and improved working relations between Executive Departments, Sectoral Bodies, and Organisations developed throughout the pandemic. These remain in place for the most part, and EY analysis of Focus Group feedback indicates a desire that these should be maintained.

▶ The Key Officials identified a need for improved data quality and common data standards across the NICS to enhance the ability to share data in an emergency situation.

▶ The Key Officials identified a need to develop standardised unique identifiers for businesses and organisations, using address data.

▶ The Key Officials considered that the NICS now have strong systems in place to deliver schemes and these are already being used. However, there is a need for a more standardised or corporate NICS approach to software development.

▶ The Key Officials considered that, should the urgent need to deliver funding schemes in an emergency were to happen again, the operational/delivery teams should have input/support from Internal Audit/Finance/Risk/External Audit to advise in advance. They felt that this might have avoided some of the current consequences.

▶ Feedback about what type of schemes were more effective and impactful, push v application, tailored v generic, analysed by EY alongside the approximate error rates provided by DfE and LPS, would indicate that the scheme type did not make a material difference. The evidence seems to implicate that simpler push schemes can achieve similar impacts and quality of delivery as more sophisticated schemes at much greater speed of delivery. This should be borne in mind in future emergency situations where there is a need to trade off speed of response against concerns about assurance.
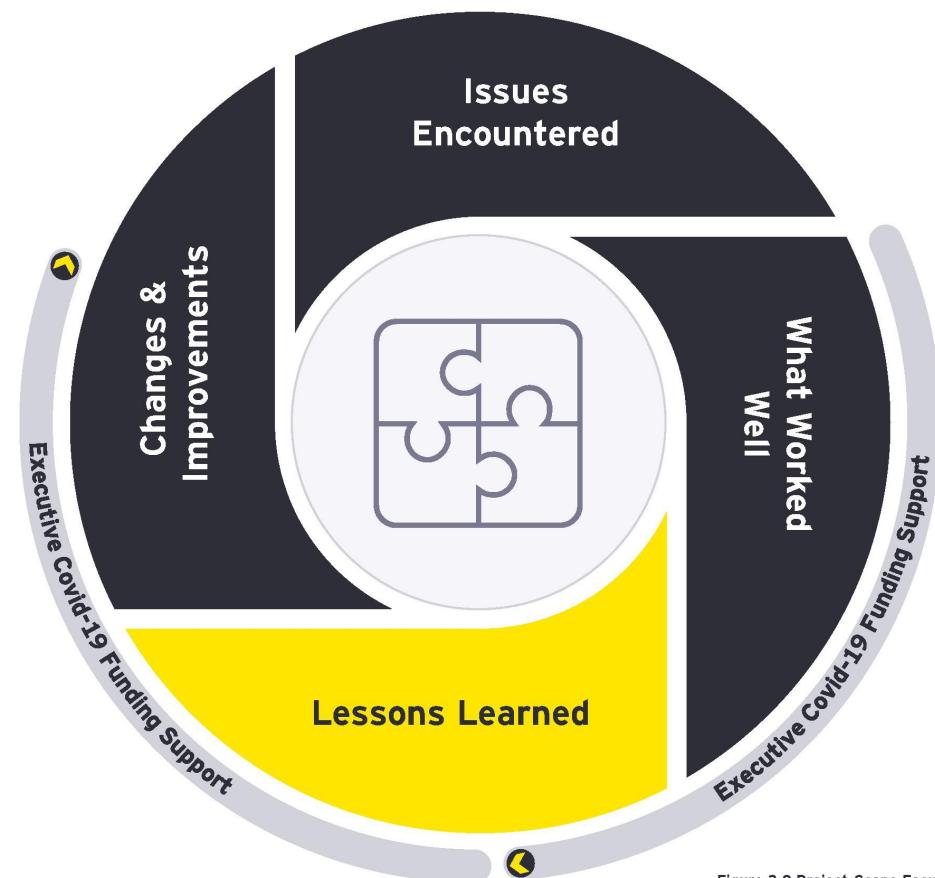

Figure 3.8 Project Scope Focus

INQ000347008_0031

Section 4.0

Comparatives with the UK Covid-19 Response

4.0 Comparatives with the UK Covid-19 Response

England

- ► UK Forums were set up quickly, as well as the Whitehall Taskforce with various Bodies and Ministers (NI and GB). Daily calls with Permanent Secretaries and leads. HM Treasury led policy design, therefore there was a more centralised approach in England. The NI Executive was conflicted regarding lockdowns. The perception of stakeholders is that Minsters stayed with their party line, and argued publicly over whether things should close or not. There needs to be a more unified approach at all levels in a pandemic and clear direction.

  `Lesson - See Section 5.0`

- ► As per Section 1.3 Differences Between Northern Ireland and UK Governance, the Departmental legislation is different in NI v UK therefore adds complexity.
- ► Isle of Man provided funding based on size of room/square feet, not just size of organisation. The UK also took a bit longer with schemes, factoring in risk management and service testing.
- ► The UK government was able to use the Digital Economy Act, and for England this allowed the sharing of data for economic purposes. This was not used in NI, as the legislation has not commenced here yet, however, they have still flagged a similar lesson learned regarding data quality, data access, and data sharing issues as encountered by the NI Executive Departments. They need better data sharing amongst agencies.

  `Lesson - See Section 5.0`

- ► Daily emails were sent by the UK Tourism Emergency Response Group, as things were changing almost on a daily basis, as did many groups in NI.
- ► Issues were encountered with regard to recruiting staff for funding schemes or moving staff, similar to that in NI.

  `Lesson - See Section 5.0`

- ► Similar to NI, there were issues categorising businesses or organisations, which led to improper claims and duplicate payments. They have flagged a need to assess business/sectoral needs going forward for any future emergency situation, and the avenue for this would be via sector engagement.

  `Lesson - See Section 5.0`

- ► Digitalisation was also flagged as a crucial improvement during the pandemic in both England and NI, and something they need to continue to provide training on.

  `Lesson - See Section 5.0`

Scotland

- ► A lot of positives raised for collaborative governance across Departments and regions.
- ► The Accounts Commission in Scotland carried out a review of the financial impact of Covid-19 and support, with the report published by Audit Scotland, and the following findings were identified, which also align to a number of the lessons identified as part of this project:
  - ► Councils were a key scheme administrator in Scotland (delivered 46% of Scottish Government Covid-19 funding in 2020/21), and it has been recommended that 'they must evaluate what impact its spending has had; what worked well, and what the councils would do differently with hindsight. Learning these lessons is essential to prepare for future crises, and to inform councils' plans for recovery.' The Departments of Scottish Government were able to provide funding to Councils to deliver, however the structure in NI is fundamentally different given the closer proximity between the Executive Departments and sectors.

    `Lesson - See Section 5.0`

  - ► Not all Covid-19 funding was spent by Councils, however this money was able to be retained rather than be returned, and so can be used to support going forward.
- ► The Scottish Government streamlined governance arrangements to direct funds quickly, however there is now not a clear audit trail of some financial decisions. Records of decision-making were not collated centrally. Audit Scotland reported that they could not always see how data and other intelligence was used to inform funding allocations. Once schemes were announced, they were developed using whatever data was available, but this was not always reliable and the data quality varied. The effective use of better-quality data will be crucial for the government to plan for a recovery that meets wider priorities. Improved data quality could also 'alert decision-makers to the challenges facing their constituents, the extent of future funds needed and the effectiveness of interventions. The Scottish Government should review its pandemic financial decision-making processes to determine how it can better use data when making financial decisions quickly.'

  `Lesson - See Section 5.0`

EY

4.0 Comparatives with the UK Covid-19 Response (cont.)

Scotland (cont.)

► Similar to NI, bureaucratic financial decision-making processes were relaxed during the pandemic to enable them to react at pace, and so it is recommended 'identify elements of good practice from streamlined decision-making procedures to be maintained and integrated into existing processes – learn lessons and consider how financial management and budget processes can be reformed to improve in-year financial reporting – determine how it can better use data when making financial decisions quickly.' Developing robust processes which will improve the public sector response to future crises or other cross-cutting issues, such as climate change and child poverty. As Scotland emerges from the pandemic, the Scottish Government will need to understand which interventions were successful and which were less so.

Lesson – See Section 5.0

► Another impact of reacting at pace was that reporting requirements were relaxed, however this was done differently across Scottish Government, therefore this led to variances in the type and quality of management information available. 'As the Scottish Government and councils review their pandemic spending they should consider what systems should be in place to enable consistent spending information to be collected while minimising the administration burden.'

► It is estimated that the fraud/error rate in 2020/2021 funding support provided was approximately between 1%-2%, which is comparable to that from the NI schemes. This amounted to £16m-£32m, and the Auditor General's report on the 2020/21 audit of the Scottish Government Consolidated Accounts concluded that the Scottish Government's estimate of fraud and error was reasonable. This stance differs significantly from the NIAO stance and subsequent audit reports, where a tolerable error rate has not been accepted. It was recommended that the Scottish Government 'regularly assess and improve its estimates of fraud and error in Covid-19 grant schemes, assure themselves that controls to detect and prevent fraud and error are working in practice, and ensure regular public reporting to satisfy high levels of public interest in this area.'

Lesson – See Section 5.0

► Lastly, Internal Audit activity within the Scottish Government was redirected towards the Covid-19 response and some audit and assurance staff were redeployed into key areas (such as health finance and Covid-19 business support). The auditors then were able to advise on practices, frameworks, and support assurance activity and help ensure there were clear audit trails of decisions in place, as well as limiting the level of Internal Audit scrutiny of how key spending decisions were made within the Scottish Government. Internal auditors in Scottish Enterprise and South of Scotland Enterprise carried out reviews as grants were developed as part of their control arrangements. This approach could be applied in NI going forward and would be a very effective use of Internal Audit expertise to help mitigate scheme risks.
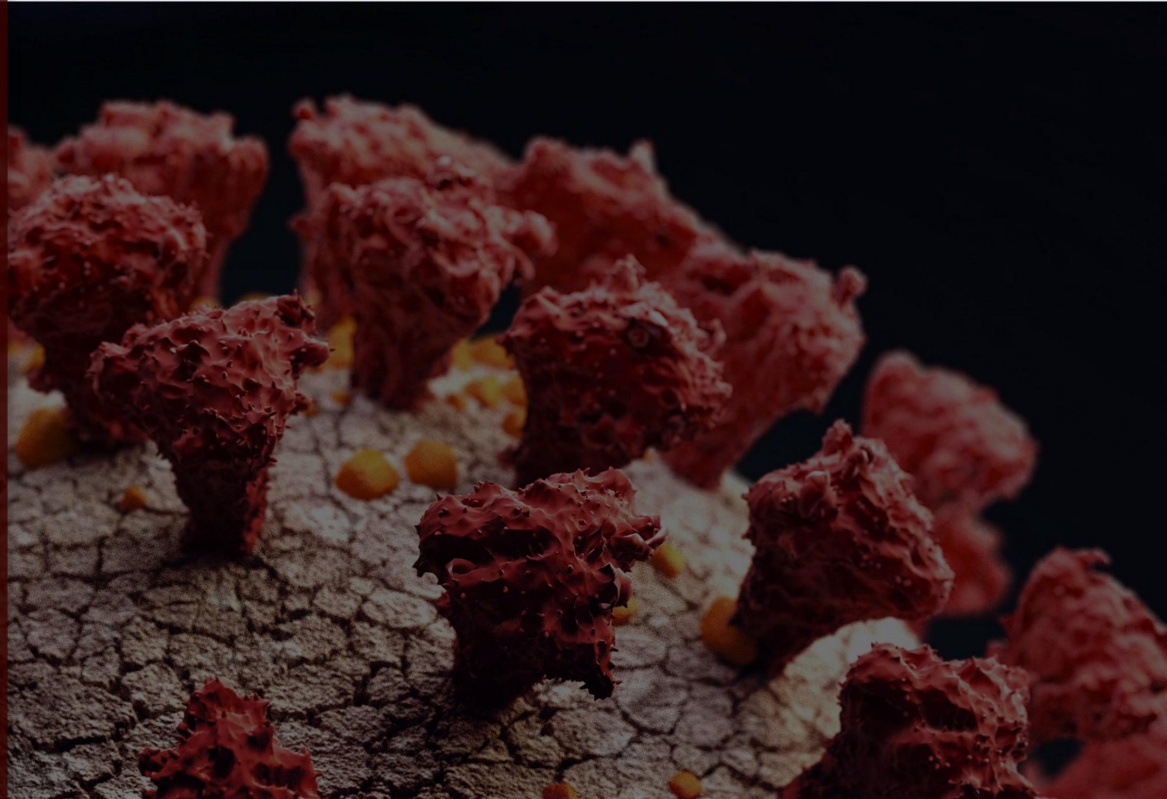
Lesson – See Section 5.0

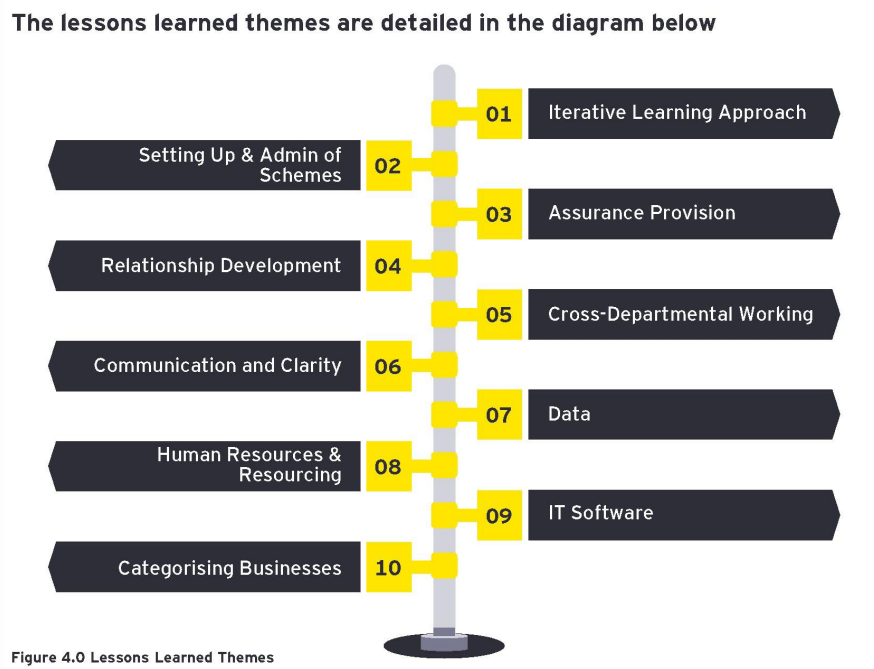EY

Section 5.0

Lessons Learned

5.0 Lessons Learned

The overall aim of this project has been to identify and report lessons learned from the Covid-19 Pandemic and the NI Executive Covid-19 Related Grant Funding provided, and ultimately its effectiveness and impact.

Over the following pages we have presented the lessons learned into the different themes or categories. These cover all aspects of the funding support from development, administration and delivery, to payment, and validation. Some of these have matters have already been acted upon and need to be maintained, others require consideration and action going forward.

Given the nature of the pandemic, and this external project, a number of the lessons learned raise questions for the NI Executive and Executive Departments about what to consider, what they can do, and what is operationally viable. On the next pages we detail the themes and individual lessons learned or points to consider.

The lessons learned themes are detailed in the diagram below

No.	Theme
01	Iterative Learning Approach
02	Setting Up & Admin of Schemes
03	Assurance Provision
04	Relationship Development
05	Cross-Departmental Working
06	Communication and Clarity
07	Data
08	Human Resources & Resourcing
09	IT Software
10	Categorising Businesses

Figure 4.0 Lessons Learned Themes

EY

INQ000347008_0036

5.0 Lessons Learned (cont.)

Theme	Learning points
Iterative Approach to Learning ❯	▶ A number of the NI Executive Departments had little or no experience in administering grant funding. Officials had to learn from a low knowledge starting base of how to design and administer grant schemes and develop ICT platforms to receive and process applications. Considering the positive questionnaire scoring for scheme processes and effectiveness, the delivery teams must be commended for what they achieved in such trying situations. ▶ EY analysis of Focus Group feedback identified that a number of Executive Departments and Delivery Bodies continually reviewed and assessed their effectiveness in administering these schemes and applied lessons learned as the schemes were being delivered. As a result, later schemes were more robust as experience was gained and learning was applied. The Executive Departments' were able to achieve what they did, partly because of the way that different specialisms – policy, IT, statistics, communications, operational delivery teams – worked together to develop and improve the schemes. **This should become more typical of how the NICS delivers strategies and services in the future. The experience of the pandemic shows what can be done to deliver successful outcomes at pace, and the lessons learned from this should be assessed to determine what wider application they could have in the NICS.** ▶ **The ICT platforms, policies and procedures developed for Covid-19 grants should be developed and refined as a basis for delivering future funding schemes, to ensure that appropriate processes can be put in place quickly should another emergency situation arise.** This could link with the TEO Civil Contingencies. ▶ During Covid-19, officials received directions from Minsters to design, implement and administer schemes as quickly as possible, given the urgency of the situation. 'Business as usual' requirements, which typically include preparation of business plans and risk registers, testing, and quality review, were significantly reduced or removed in many cases, thus enabling Executive Departments to work at pace. Some problems were subsequently experienced because of this, resulting in some negative media coverage. **Retaining the learning from the administration of the Covid-19 schemes could help to achieve a balance in future emergency funding schemes between agility and speed of response and ensuring that the quality of delivery is consistent and governance controls are adequate.** ▶ Digitalisation has been identified as a positive learning from Covid-19, both for individuals from a skillset and working from home perspective, as well as businesses going online. This is in part thanks to the Digital Fund and the learning provided by the Further Education Colleges. **This should be continued to further digital learning and confidence across NI, especially for those who face challenges around digital literacy or those with learning difficulties, however budget constraints must also be considered.**

EY

Theme	Learning points

Setting Up Schemes & Administration of Processes ❯

- There were structural challenges in NI due to each NI Executive Department being separate legal entities. Focus Group feedback highlighted that this created complications in data sharing, movement of staff, access management, and identifying appropriate legislative authority to spend money on the grants. Other UK jurisdictions were able to apply the Digital Economy Act and Financial Provisions Act. The Financial Assistance (NI) Act 2009 provides powers to create funding schemes in emergency situations, but most Executive Departments were not aware of this in the first wave of the pandemic. Potentially useful parts of the Digital Economy Act have not been enacted in NI. **The NICS should use the experience of the pandemic to consider what legislation it would need to be able to respond should an emergency situation occur in the future and how to ensure officials are aware of the useful legislation that is already in place.**

- Various kinds of financial assistance schemes such as grants, Rates Relief, the Covid Job Retention Scheme ('CJRS/Furlough'), and the Spend Local/High Street Vouchers, received highly positive feedback from Focus Group stakeholders around their impact. **EY analysis of the stakeholder opinions, alongside the questionnaire data and UUEPC Counterfactual Report findings, would recommend that in a future emergency situation, versions of such schemes should be considered as part of a menu of potentially viable responses to mitigate economic impacts, maintain long term employment, and keep businesses operational.**

- Stakeholders provided multiple opinions around simplifying schemes, especially where calculations and evidence is required. EY analysis of these views and the useful questionnaire data regarding effectiveness of scheme type and ratings of the processes themselves, indicates that tailored application schemes, with complex eligibility criteria, did not have a measurably different impact or effectiveness of the scheme on the recipients compared with push payment schemes. This indicates that **in a future emergency situation, a presumption in favour of simpler and more easily administered efficient schemes should be adopted.** Whilst all schemes cannot be the same, in order to allow for transparency in communication about what support is available, easier to use applications processes, and perceptions around fairness between economic sectors, consideration should be given to maximising the degree of consistency of approach across Executive Departments. The use of the Cross-Departmental Group would help with this, especially if implementing the operational cross-communication. Scheme names should also be clearly and uniquely named to avoid confusion.

- It should be noted that questionnaire data and applicant feedback, flagged that only 9% of respondents had higher reserve levels post-pandemic, with the large majority having the same or lower reserve levels. In addition, for many of the grants, less than 4% of respondents stated the funding made no difference to them financially. Based on these figures, the EY analysis is that the funding levels were pitched appropriately to help businesses survive and recover, and that there were low levels of unnecessary funding. This again would indicate that the mix and breadth of schemes did not negatively impact the effectiveness of the schemes and adequate due diligence and consideration as part of Scheme planning enabled this to happen.

- SENI helped co-design schemes with the Department for Communities ('DfC') and the Department for Infrastructure ('DfI'), ensuring these schemes had sector input. Whilst this took time, it ensured that they were appropriate for the sector, including having appropriate eligibility criteria. **This approach should be considered across the NICS in future emergency situations, although it does require more time and will delay the roll out of financial assistance.** Again, there are inherent tensions between these priorities, and in a highly pressured emergency situation it will be very challenging to find the right balance. There was a lot of understanding amongst the Key Officials and Sectoral Bodies around how complex the health protection restrictions were in terms of when businesses could open or close, both for the NICS and for the businesses themselves, but this also made it difficult to know when the best time to fund was. **We would recommend each Executive Department engages with the relevant sectors to ensure they understand the nature and make up of the sector, and ensure relationships and trust are maintained, to allow effective engagement in an emergency situation.**

- DfI provided accountants to help organisations calculate the figures necessary for their applications. This was appreciated, and should be considered for other schemes, especially where forecasted figures are required, and the scheme periods straddle financial years.

- For many schemes, applicants were required to flag other grants received or applied for, however, this was not the case for all schemes. Given the levels of duplicate funding identified, **we recommend that for all application-based funding schemes, other grants received or applied for should be flagged as part of all applications.**

EY

Theme	Learning points
Assurance Provision ❯	▶ There was a considerable level of praise and feedback from external stakeholders in the Focus Groups about the pragmatic risk-based approach taken by NICS, with timely decision making. It was recognised that Executive Departments had developed schemes quickly, used service design techniques, very quickly developed digital application processes, etc. The pace of delivery was valued by the Sectoral Bodies. ▶ A number of the Executive Departments received Ministerial directions due to the lack of time to complete the work needed to demonstrate value for money (such as full due diligence, business case development, detailed risk management, engagement with stakeholders such as Internal Audit and External Auditors, etc.). Following the Ministerial direction, Executive Departments acted as quickly as possible. Feedback obtained from the Focus Groups indicated that in a number of the schemes, particularly in the first phase of the pandemic, it was only possible to give consideration to issues such as lessons learned, fraud, recovery of ineligible payments, appeal processes and audit considerations after the schemes had been established. ▶ The pace at which schemes were developed and delivered inevitably resulted in some errors. Scheme administrators (Executive Departments and Delivery Bodies), will be addressing the ramifications of this for a number of years as they take action on identified fraud by applicants, the need to put in place processes to recover overpayments and grants paid in error, scrutiny from the NIAO and criticism from the media and elected representatives. Feedback from stakeholders flagged significant disquiet among the sectoral bodies that the Delivery Bodies or Executive Departments were now having their accounts qualified for how schemes were delivered, when they were expecting understanding of the context of the pandemic to be applied. For example, in late March 2020, the Economy Minister received a letter from the then Finance Minister relating assurances from the Comptroller and Auditor General that there would be this understanding of the exceptional circumstances in which new grant schemes were being delivered, but there is a feeling in both Executive Departments that this has not materialised in practice. There is also the added complication that those responsible for tailored grant schemes were not delivered under Ministerial Direction are now being asked to provide a degree of evidence and assurance around the schemes' Value for Money that they feel are not possible to deliver. ▶ When large sums of public money are being spent, it is essential that appropriate controls are established to manage risks, prevent fraud and reduce errors. At the same time, in an emergency situation, there will be intense pressure on Ministers and Executive Departments to respond with pace, agility and innovative solutions. There is an inherent tension between these two imperatives. ▶ The evidence gathered for this report indicates that, overall, this tension was managed well by Executive Departments and delivery bodies. The iterative learning approach that most Executive Departments adopted ensured that lessons were applied in the schemes set up for the second and third phases of the pandemic. The measures established to manage risk definitely improved as experience was gained delivering schemes – for example, better arrangements for clawback of ineligible or overpaid grants were added to many schemes' terms and conditions in Phase 2 of the pandemic. The effectiveness of the approach can be seen in the combination of the high levels of satisfaction with the administration of the schemes reported in the survey data and Focus Groups, and the low estimated error rate in the schemes administered by DfE and DoF (which made up 85.6% of the grant funding issued), which was less than 2%. ▶ **The lesson to be learned from this experience is that it is possible to achieve an effective balance between delivering fast and innovative responses to emergency situations and appropriate levels of governance and assurance. The NICS should consider how this lesson can be applied to the 'business as usual' delivery of policies, strategies and services in normal circumstances, not just emergencies. Our analysis is that part of this is to continue to galvanise people with a clarity of purpose.** ▶ Our assessment of the feedback from the Focus Group is that there is an expectation that after the fact scrutiny of emergency interventions will focus on finding errors and identifying what could have been done differently with the benefit of hindsight. There is a risk that this will have an inhibiting effect on officials' behaviour and shift the balance towards prioritising assurance over delivery. There are some points that the NICS may consider to help achieve the optimum balance in practice.

EY

Theme	Learning points
Assurance Provision	▶ There has been a lot of learning about what is important to get right upfront in designing emergency responses and building stronger foundations. **The NICS should consider what practical guidance could be developed for officials on the basic measures that can be put in place quickly in any emergency financial support scheme.** ▶ EY analysis highlights that better engagement at the start with Finance/Internal Audit/Risk/External Audit may help to consider what actions could be taken around fraud, recovery, error reduction, and post funding validations. **EY research identified that in Scotland, government Internal Audit resources were deployed to help and advise on the development of schemes, which proved very useful, and is something to be considered by NI Executive Departments in an emergency situation.** The balance between assurance and fast, agile delivery is key, and this is likely will require engagement with the NIAO, discussing what is realistic and operationally viable in an emergency situation. ▶ **EY analysis of the data and opinions, would recommend that for any future emergency situation, as part of the civil contingencies planning for a future emergency, there should be engagement with the NIAO about what is expected, and an agreement in place.** The feedback from the Focus Groups was that the audit approach for the NIAO focused on the cash value of identified errors and did nit examine the error rate and whether this could be viewed as 'acceptable' in the context of the emergency situation. EY's analysis of the approach in other jurisdictions has identified that this is something that Audit Scotland have factored. This is something that should be considered within emergency governance planning in NI. One of the purposes of the NIAO is to help manage risk, and so potentially agreeing an acceptable error rate for schemes as part of emergency planning is one way to ensure delivery is not unduly delayed, innovation is not inhibited and officials have a clear understanding of the standard that they are expected to meet. ▶ As detailed in Section 2.0, the estimated error rate across DfE and DoF/LPS was between 1%-2%. It is interesting to note that this aligns to the estimated fraud and error rates reported and deemed acceptable by Audit Scotland from their review of Covid-19 funding. **The NICS should work out the error rates overall, and consider if further lessons can be identified from how fraud and error were addressed in each Departmental context.**
Relationship Development	▶ A significant positive identified from the Focus Groups was the relationships developed between NI Executive Departments, Sectoral Bodies, Delivery Bodies, businesses and organisations, many of which still continue. **These relationships, both formal and informal, at governance and operational levels, should be maintained, enabling future and more effective cross-working and communication.** ▶ Similarly, there was positive feedback about Executive Departments and their sector engagement. **EY analysis would recommend that this should continue, becoming business as usual activity. Consideration should be given to how this could take place, possibly aligning to existing periodic meetings.** Focus Group attendees emphasised the requirement to continue the practice of bringing different organisations on one call, who all can learn from each other and share experiences. Virtual sessions enable easier diary management, engaging sessions, and so consideration could be given to a format like these, held quarterly or bi-annually. These stakeholder engagement sessions will also ensure relationships and communication lines are maintained and are in place should another emergency situation occur.

EY

5.0 Lessons Learned (cont.)

Theme	Learning points

Cross-Departmental Working ❯

- The first Covid-19 grant schemes started to issue payments in March 2020, but the Cross-Departmental Group of officials involved in grant funding was not fully set up until February 2021. Feedback from stakeholders on this group has been extremely positive for the support, direction, and leadership provided. **EY analysis of the opinions provided would recommend that a cross-departmental group on financial support schemes should be set up at the start of any emergency situation, to maximize the ability to have a unified approach to delivery from the start,** which also reflects the unified approach followed by English and Scottish governments, as detailed in Section 4.0. Focus Group feedback flagged that TEO and Department of Education did not deliver schemes in Phase 1, and so some sectors (e.g. Bus and Coach operators) did not receive NI funding support during this period. This could have been reduced, as shown by the breadth of schemes during Phase 2, which feedback credited to better cross-engagement.

- **There was feedback that while this group and the TEO Covid Engagement Group looked at policy level, there could be better and more formalised cross-working and sharing at operational level as well.** EY analysis of the opinions provided consider that this cross-NICS view could be very useful when setting up schemes, who is entitled to what, to avoid duplication of funding. Some sectors were able to access funding from multiple Executive Departments, creating perceptions of unfairness among businesses and requiring significant post-payment work between Executive Departments to manage risks of overpayment. A cross-NICS view would allow officials to advise Ministers on the measures needed to ensure all sectors are able to access appropriate financial support, and could be an appropriate forum for providing updates on progress, issues arising etc. Feedback from the Focus Groups was that some sectors were not able to avail of NI grants in phase 1, however EY analysis would indicate that many still qualified for UK Covid-19 Support, and so were not without any funding support.

- **The points above should be considered by the NI Executive, NICS and Executive Departments, to agree the potential structure and remit of such groups, should another emergency situation occur. This structure and plan can form part of an Emergency Plan/Critical Response Plan/Business Continuity Readiness Plan.** These are all variations of the same thing, but will be fundamental in ensuring the lessons learned from Covid-19 are formally documented into plans for the next emergency. Consideration should be given to including thresholds or parameters for a situation, what happens when, when does a Cross-Departmental Group get established etc. The infrastructure can be built, with readiness plans in place if they have to respond at pace. **One perspective from the EY analysis of the figures in Section 2.0 and the stakeholder opinions from Section 3.0, would be to consider the response as a service, what does the end user (businesses etc.) need, what information is needed, what support is needed funding wise, as well as from a health perspective.** In any emergency situation, it is likely that there will be two strands of policy: one dealing with the nature of the emergency (e.g., health protection) and one dealing with the economic impact of the emergency and provision of financial support to businesses and individuals. The fundamental starting principle in future emergencies must be that the financial side must support the measures to manage the emergency. The above discussions could include consideration about what level of resource would be required to pre-plan and future-proof.

Theme	Learning points

Communication and Clarity ❯

NI Executive

▶ The Executive Briefings stopped for a period of time and Focus Group opinion was that this was a big issue for businesses. **These should be maintained throughout, as this consistency of communication and leadership is crucial.** Feedback received via the Sectoral Bodies highlighted that within the sectors, there was significant confusion between what regulations applied to the UK and to NI, or what schemes were UK specific or NI specific. The Prime Minister's announcements didn't always have relevance for NI, and so Sectoral Bodies had to try to work through the information to enable members (businesses and organisations) to understand it all. **There needs to be ownership for the interpretation and dissemination of the NI information, whether this is by a small group, and reported to the public, or contained within the Executive Briefings. The nominated group are then accountable for acting as this go-between for the public,** providing clarity, especially during an emergency situation when clarity of information can ease the sense of panic, and useful information for people on the differences between laws, legislation, regulations and guidelines. Consideration should be given to what end users (the public) want and need, which ultimately is support and communication as quickly as possible. However, the balance to this point is that expectations around communications in an emergency situation must be realistic, as information can be vague or incomplete, constantly changing or moving, and governments will be doing the best they can to share this as quickly and accurately as possible.

▶ The NICS/Health information provided through Covid-19 infographics was not found to be useful, as many felt it did not explain things sufficiently. Opinions obtained as part of the Focus Groups flagged that people or businesses preferred the personal explanation or avenues to query. The legislation was changing on regular basis and it was not clear in terms of communications as there was too much different information. **Stakeholder feedback suggested using short videos or reels with people highlighting the key information may be more useful than infographics.**

Schemes

▶ Whilst the overarching feedback, both from the questionnaire data and from the Focus Groups, has been largely positive, a key area that consistently scored lower than other areas was communication, awareness, accessibility, and understanding of the schemes, processes, progress, and outcomes. For many schemes, the timing between the announcement of a scheme, information on it, and its availability, was felt to be too long by businesses (bearing in mind the uncertainty and concern they were feeling), as well as there being little communication by way of responses or progress updates once applications had been submitted, and limited information on negative outcomes. Sectoral Bodies felt there was not enough engagement with sectors or industries around this, and the information required could have been developed in a better way. **EY analysis of the opinions, figures and data, would suggest that again the balance needs to be found between providing the public with timely information, and the actual information available amid uncertainty regarding health restrictions. Part of this could be actually communicating about the lack of information with the public, to manage expectations. Having dedicated communications teams with the relevant expertise would be key, and they could then provide the required communication on the right platform.**

▶ From the Focus Group engagement, positive methods of communication and support were highlighted, including praise for both Social Enterprise NI and Tourism NI for the provision of support telephone lines, virtual walkthrough sessions explaining the grant processes, who can apply, how to apply, and one-to-one sessions with businesses or organisations. **These mechanisms for support and communication could be considered for future schemes.** Support lines could be by sector or by Executive Department, alongside standard email addresses that can be contacted for queries or updates on timelines, especially with people panicking in a pandemic amongst the financial uncertainty. This was in place for many schemes, but not all. The Federation of Small Businesses also developed 'Fact Sheets' that were circulated regularly, similar to the UK Tourism Emergency Response Group daily emails, explaining relevant information, detail on changes as they happened, and relevant links, all in one document.

EY

5.0 Lessons Learned (cont.)

Theme	Learning points
Data ❯	▶ The most common issues raised by stakeholders during the Focus Groups were in relation to data quality, accessing relevant sources of data, and difficulty sharing data between Executive Departments (and, occasionally, even internally within Executive Departments). Some of the challenges were a result of the constraints imposed by the Data Protection Act (2018) regulations on the ability of public bodies to collect and share data. There were also technical constraints as data was not interoperable between databases and systems operated by different Executive Departments, which led to significant amounts of manual processing when checks of eligibility were needed and caused delays in some applicants received grants. Issues regarding business classification and address formatting made data matching very complex, which ultimately led to delays in processing applications and providing funding, and increased risks of errors and duplication of funding. **It is crucial that data quality is improved across the NICS, whether by internal development or external service provider support or advice.** Moves have already been made in this direction by the NICS Board, which has mandated the use of the Pointer address format as the common addressing standard for Departmental systems and databases. Further measures could include mandating unique identifiers for businesses and organisations. This will mean that regardless of which Executive Department the business is applying to for funding, the identifier will allow relevant information to be accessed on the applicant business.
	▶ EY has been unable to obtain a full data set for expenditure on all NI Covid-19-related grant schemes because of data quality issues and difficulties combining different sources of data. As a result, we were not able to analyse the expenditure by Executive Department and scheme, overlayed with the health data about cases and deaths over the course of the pandemic. Given these issues, the NI Executive and NICS cannot easily access the data historically to obtain this useful information about expenditure in a phase, or related to a specific scheme. EY was able to obtain relevant graphs from LPS, for the schemes it administered, but these were not available from other Executive Departments. **Consideration should be given to developing and maintaining a database for recording scheme information, that can be accessed historically. This would enable there to be a NICS-wide single source of trusted data on expenditure during the pandemic.**
	▶ The UK government was able to apply Part 5 of the Digital Economy Act, which gives government powers to share personal information across organisational boundaries to improve public services. This was not able to be used in NI as the Act was not commenced here during the absence of the Assembly between January 2017 and January 2020. The Government Analysis Function published a report in August 2023, with principles and best practice for sharing data, analysis statistics between government organisations in times of national crisis and to meet urgent operational need. This report and its principles regarding data sharing in an emergency situation should be considered as part of the civil contingencies planning. Two key points to highlight are: 'It is important to share data where it might improve understanding or decision-making in a crisis. Handling sensitivities and legislation affecting data sharing must always be followed, even in emergency situations,' and 'Quality assurance should be proportionate to the risks associated with the use of the analysis and the time available. While a lack of detailed quality assurance should not be a reason to withhold information in crisis scenarios, teams should assure their results as much as possible in the time allotted and communicate the strengths and limitations of the data in a clear and detailed way.' EY analysis of the report and principles would highlight that the key is balance between what needs to be shared, its purpose in the emergency situation, and adequate quality assurance and compliance with regulations. Since this balance will be challenging to find in a highly pressurised situation, there would be significant benefit to the NICS if, as part of civil contingencies planning for a future emergency, it were to assess and determine what actions it can take to improve accessibility to and arrangements for sharing of relevant data. Data cannot be collected and held without a defined purpose; however, the NICS can understand what data Executive Departments hold, the level of data they need to hold, what data they can hold (including that gathered as part of the Covid-19 response), and how it could be collated in an emergency situation, and then put the appropriate mechanisms in place to facilitate sharing of data. There is a better understanding of sectors now and the NICS is better informed about what data is needed and so the time to review this is when Executive Departments still have access to the data and everything is fresh in their memory. **Data Sharing Agreements should be reviewed and developed alongside legislation and the Emergency Response Plans, and retained, ready to be actioned. Processes should be reviewed to ensure that in emergency situations, data sharing for the purpose of funding schemes is allowed, provided the DSAs are signed and in place.**

EY

5.0 Lessons Learned (cont.)

Theme	Learning points
Human Resources and Resourcing ❯	**Impact on people** ► There was a significant amount of positive feedback during the Focus Group sessions about the efforts of people involved in the schemes at all levels in Executive Departments, where there was strong leadership, the right people with the right attitude, and the human piece was never lost. However, in practice the stakeholders involved reported that they had experienced highly stressful, high-pressured work environments, with people working long hours for prolonged periods of time. Key Officials reported that working remotely was crucial to enable schemes to be delivered, but this also enabled the increased hours and work. Stakeholders raised opinions that that negative media coverage of errors in the grant schemes was demoralising after the work that they had put in to ensure they were delivered at pace. High levels of long-term absence remain, with some attributing this to the stresses of the difficult Covid-19 processes. **There needs to be consideration given to how the impact on staff responding to emergency situations can be lessened, whether by staff rotation on schemes, periodic breaks or down periods, or more staff made available to support**, which is covered by the points regarding movement of staff during a pandemic, detailed below. **Movement of staff during a pandemic** ► Key Officials within the Executive Departments delivering schemes reported that Human Resource ('HR') processes were difficult to work around in terms of the loan or reallocation of staff to support on schemes or projects during Covid-19. Their opinion was that at a Senior level, there was agreement or saying 'yes', but at an operational level, there were HR blocks, potentially due to employment contract terms and conditions. **EY analysis of the feedback obtained, alongside practical HR considerations, would advise that the movement of staff during an emergency situation needs to be reviewed as part of civil contingencies planning for a future emergency situation and development of an Emergency Response Plan, as it may need revisions to employment contracts.** Executive Departments should be able to bring in the right people across the Executive Department and retain them for as long as required. The impact of this issue was delays in resourcing delivery teams, adding more pressure on the existing staff, as detailed above. Stakeholders also flagged that the business case process for some was also more difficult if they didn't have Ministerial direction. The Focus Groups highlighted instances where organisations such as Invest NI were offering resources to support, but were not able to due to administrative blocks, as well as lack of access to data. **Equipment for staff** ► At the start of the pandemic, most Executive Departments and Delivery Bodies were not set up for working from home, and so there was a lack of equipment and software, such as laptops, Zoom, Microsoft Teams etc., which caused delays, and also was a hindrance and barrier to onboarding new people. **Hybrid working has had a positive impact and was effective during the pandemic, and therefore NICS should consider retaining it as part of future business continuity planning.** IT Assist reacted quickly at the start of Covid-19, **however consideration should be given to having a piece of legislation similar to the Financial Assistance Act, but for non-financial interventions, to ensure a prompt response in a future emergency situation**. An issue still remains in terms of access to shared systems, especially for staff resources seconded etc., and so provisions for enabling this access in an emergency situation should be considered.

EY

5.0 Lessons Learned (cont.)

Theme	Learning points
IT Software ❯	▶ There was no consistent NICS approach to software development, and each Executive Department used what they had or developed the required software to deliver the funding schemes. Executive Departments built grant portals, and some have retained these and further developed them into sophisticated systems that can be used going forward. Can these be shared and duplicated? **There needs to be a corporate responsibility for system development, especially in emergency situations, which again ties back to cross-departmental working and having a unified approach.** An example unrelated to Covid-19 which illustrates the need is the proposed payment system for sponsors of Ukrainian refugees, where private companies offered to develop software pro bono and design it in a way that would allow it to be reused for future grant schemes, but the offer could not be accepted because no Executive Department could take ownership of it and there is no central data, digital and technology function that can act on behalf of the NICS corporately. This links to other previous lessons learned regarding risk appetite, and taking a pragmatic approach, that balances due diligence with an agile response that offers value for money and adopting an iterative learning approach. ▶ During schemes, there was a push to move to electronic processes as schemes developed, both for assessments and applications. This was important for efficiency, but consideration must also be given for those who are not digitally literate or may not have access to computers. Similarly, we received feedback that applying for certain schemes on phones was not possible; creating versions of online application portals that work on mobile devices should be considered for future schemes. **Given the age profile of recipients, there needs to be flexibility in how applications can be made.**
Categorising Businesses ❯	▶ The measures put in place to control the spread of Covid-19 placed restrictions on different kinds of businesses at different times. These restrictions responded to assessments of the level of risk of transmission in different environments. Due to the complexity of the business environment in NI it was very difficult for Executive Departments and Delivery Bodies to categorise businesses in line with the restrictions (for example, to distinguish between restaurants and takeaways, homeware shops and hardware shops, or, depending on the legal structure of the business, multi-site businesses and single site businesses). This caused operational challenges, slowed down processing of applications and created confusion and a sense of unfairness among businesses who considered the distinctions to be arbitrary. ▶ There was not a complete business or organisation register in place in NI and efforts to join up existing databases were hindered by a lack of a common format for recording addresses. **There should be one universal truth for organisation/business names and addresses, and feedback from stakeholders identifies that the Pointer address format administered by LPS could be used by all funders, providing all businesses/organisations with a unique identifier that can be used by all Executive Departments. Consideration should be given to carrying out an exercise to analyse what NI businesses look like, the types of organisations and businesses etc., and develop the categories, with the support of the sectors. If this is considered, resources could be allocated to carry it out, and there would also be organisational business as usual benefits to this, as well as future pandemic benefits.** ▶ The Executive Departments could also explore the potential of obtaining access to HMRC data in an emergency situation, which also links to the lesson regarding reviewing existing legislation.

EY

Section 6.0

Summary Conclusions and Key Recommendations

6.0 Summary Conclusions and Key Recommendations

The overall objective of this project was to 'evaluate the overall impact and effectiveness of all Covid-19-related grant funding on supporting NI economy and society to cope with
the shock of the pandemic', with the aim of identifying lessons learned for future emergency situations. In the preceding sections we have detailed the feedback and insight on the NI Executive's response and support with hindsight, assessing what went well, issues encountered, what could be done differently, and lessons for the future.

Overall feedback was positive, that schemes were developed and delivered promptly, with recognition that this was undertaken in very challenging and pressurised circumstances. However, the broad consensus is that these were effective, and had a positive impact on sectors and recipients, especially given the challenges faced.

Ultimately, the funding support achieved its main objective, to support the NI economy and businesses remaining operational and for people to 'stay afloat', which resulted in the NI Executive's two pronged approach: to control the spread of Covid-19 and focus on the health imperative, part of which was directly supported by businesses being closed, whilst also provided the required funding to support businesses and organisations to enable them to survive and re-open.

Alongside the lessons learned detailed within this report, we have identified 'Key Recommendations', detailed on the next page, which provide a focused summary of the key lessons learned, and should be considered and acted upon by the NICS, Executive Departments, Delivery Bodies and Sectoral Bodies. The key take-away will be how can we pre-plan and prepare ourselves for the next emergency situation.

We need to ensure that time is spent, despite the current political situation, financial and operation pressures, to ensure we have learned everything we can from the Covid-19 pandemic, to assist with the optimum level of NI Executive's preparedness for the future.

LESSONS LEARNED

EY

6.0 Summary Conclusions and Key Recommendations (cont.)

Summary of Key Recommendations by Lesson Learned Theme

01 **Iterative Approach to Learning:** The insights gleaned from the Covid-19 pandemic should continue to be considered, learned from, shared with appropriate stakeholders, and processes should evolve.

02 **Setting Up and Administration of Schemes and Processes:**
- The NICS should use the experience of the pandemic to consider what legislation it would need to be able to respond should an emergency situation occur in the future.
- Given the positive feedback, questionnaire data, and the findings of the UUEPC Counterfactual Report, insights from the LPS Rates Relief, the Covid Job Retention Scheme, and the High Street Voucher Scheme, should be considered as part of a menu of potential viable future responses.
- EY analysis regarding scheme structure, processes, effectiveness and impact, would indicate a presumption in favour of simple and more easily administered efficient schemes.
- Sector engagement when setting up schemes should be considered across the NICS.
- For all application-based funding schemes, other grants received or applied for should be flagged as part of all applications.

03 **Assurance Provision:**
- It is possible to achieve an effective balance between delivering fast and innovative responses to emergency situations and appropriate levels of governance and assurance. The NICS should consider how this lesson can be applied to the 'business as usual' delivery of policies, strategies and services in normal circumstances, not just emergencies.
- Consider what practical guidance could be developed for officials on the basic measures that can be put in place quickly in any emergency financial support scheme.
- In Scotland, government Internal Audit resources were deployed to help and advise on the development of schemes, which proved very useful, and is something to be considered by NI Executive Departments in an emergency situation.
- As part of the civil contingencies planning for a future emergency, there should be engagement with the NIAO about what is expected, and an agreement in place.
- The NICS should work out the error rates overall, and consider if further lessons can be identified from how fraud and error were addressed in each Departmental context.

04 **Relationship Development:** Key relationships developed during the pandemic between Executive Departments, Sectoral Bodies and Sectors, both formal and informal, at governance and operational levels, should be maintained, enabling future and more effective cross-working and communication.

05 **Cross Departmental Working:** A Cross-Departmental Group on financial support should be set up at the start of any emergency situations, to maximise the ability to have a unified approach to delivery from the start. There could be better and more formalised cross-working and sharing at operational level as well. These points should be considered by the NI Executive, NICS, and Executive Departments, to agree the potential structure and remit of such groups, should another emergency situation occur. This structure can form part of an Emergency Plan/Critical Response Plan/Business Continuity Readiness Plan, including considering the response as a service.

06 **Communication and Clarity:**
- Executive Briefings should be maintained throughout future emergencies, as this consistency of communication is crucial.
- There needs to be ownership for the interpretation and dissemination of the NI information, whether by a small group, and reported to the public, or contained within the Executive Briefings.
- Methods of communication and mechanisms for support should be assessed for effectiveness purposes, both internally across the NICS and externally to all key stakeholders.
- EY analysis of the opinions, figures and data, would suggest that the balance needs to be found between providing the public with timely information, and the actual information available amid uncertainty regarding health restrictions. Part of this could be actually communicating about the lack of information with the public, to manage expectations.

07 **Data:**
- It is crucial that data quality is improved across the NICS, whether by internal development or external service provider support.
- Consideration should be given to developing and maintaining a database for recording scheme information, that can be accessed historically. This would enable there to be a NICS-wide single source of trusted data on expenditure during a pandemic.
- Data Sharing Agreements should be reviewed and developed alongside legislation and the Emergency Response Plans, and retained, ready to be actioned. Processes should be reviewed to ensure that in emergency situations, data sharing for the purpose of funding schemes is allowed, provided the DSAs are signed and in place.

08 **Human Resources and Resourcing:**
- It should be considered how the impact on staff responding to emergency situations can be lessened, whether by staff rotation on schemes, periodic breaks or down periods, or more staff made available to support.
- The movement of staff during an emergency situation needs to be reviewed as part of civil contingencies planning for a future emergency situation and the development of an Emergency Response Plan, as it may need revisions to employment contracts.
- Hybrid working has had a positive impact and was effective during the pandemic, therefore NICS should consider retaining it as part of future business continuity planning, however consideration should also be given to having a piece of legislation similar to the Financial Assistance Act, but for non-financial interventions, to ensure a prompt response in a future emergency situation.

09 **IT Software:**
- There needs to be corporate responsibility for system development in emergency situations, which ties back to cross-departmental working and having a unified approach.
- The future platforms/technical solutions to administer future schemes, should also consider the requirements of wider demographics, for example, the ability to make applications on mobile telephones for some age-groups, and paper forms for non-digitally literate.

10 **Categorising Businesses:**
- There should be one universal truth for organisation/business names and addresses, and feedback from stakeholders identifies that the Pointer address format administered by LPS could be used by all funders, providing all businesses/organisations with a unique identifier that can be used by all Executive Departments.
- Executive Departments could also explore obtaining access to HMRC data in emergency situations.

EY

Appendices

Appendix A: Documents Reviewed

Documents

- DfE/Ulster University Economic Policy Centre ('UUEPC') - 'A Covid Counterfactual: What if Government had not provided support?' Report - 2023

- UUEPC - 'A Covid Counterfactual: What if Government had not provided support?' - Analytical Services Division - 10x Research Seminar Series slides - March 2023

- Northern Ireland Audit Office (NIAO) - Overview of the Northern Ireland Executive's Response to the Covid-19 Pandemic - Third Report - July 2023

- Northern Ireland Audit Office (NIAO) - Overview of the Northern Ireland Executive's Response to the Covid-19 Pandemic - Second Report - June 2021

- NI Executive - Moving Forward - The Executive's Pathway Out of Restrictions - March 2021

- Northern Ireland Assembly - Public Accounts Committee - Sports Sustainability Fund Report - February 2022

- Northern Ireland Assembly - Research and Information Service Briefing Paper - Covid-19 Funding: Allocations and Spending in Northern Ireland

- Audit Scotland - Accounts Commissions - Scotland's Financial Response to Covid-19 - June 2022

- University of Dundee - Access to Covid-19 Funding Support: The Experiences of SMEs in Scotland

- National Audit Office - Covid-19 Business Grant Schemes (Department for Business and Trade/HM Treasury) - March 2023

- OECD Policy Responses to Coronavirus (Covid-19) - First Lessons from Government Evaluations of COVID-19 Responses: A Synthesis - January 2022

EY

Appendix B: List of Schemes and Expenditure by Executive Department

Breakdown of Funding Schemes and Expenditure by Executive Department

Responsible Department	Scheme Title	Total Amount Paid £
DAERA	Sea Fishing (Coronavirus) (Standardised Costs) Scheme	£1,321,000
DAERA	Sea Fishing (Coronavirus) (Standardised Costs) (No.2) Scheme	£142,000
DAERA	Temporary Cessation Scheme - Sea Fisheries EMFF	£1,124,000
DAERA	EMFF Temporary Cessation Scheme - Aquaculture Scheme 1	£126,000
DAERA	EMFF Temporary Cessation Scheme - Aquaculture Scheme 2	£161,000
DAERA	EMFF Temporary Cessation Scheme - Lough Neagh Scheme	£240,000
DAERA	Agricultural Commodities Scheme 2020 (Beef, Sheep, Dairy)	£18,350,000
DAERA	Agricultural Commodities Income Support Scheme 2020 (Potatoes)	£1,300,000
DAERA	Ornamental Horticulture Industry Financial Assistance Scheme	£257,000
DAERA	Agricultural Commodities Income Support Scheme 2021 (Pig and Poultry)	£3,850,000
DAERA	Agricultural Commodities Scheme No 2 2021 (Sheep)	£850,000
DAERA	Agricultural Commodities Income Support Scheme No 2 2021 (Pig sector)	£0
DAERA	Agricultural Commodities Income Support Scheme No 2 2021 (Potatoes)	£0
DAERA	Natural Heritage Green Recovery and Growth Environmental Challenge Fund	£0
DAERA	Environment Fund	£2,000,000
		£29,721,000

Responsible Department	Scheme Title	Total Amount Paid £
DE	Childcare - Initial Covid Support (April to June)	£2,850,661
DE	Childcare - Recovery Covid Support (July and August)	£9,501,088
DE	Childcare - Sustainability Covid Support (Sept to Dec)	£6,894,840
DE	Childcare - Temporary Covid Closures Support (Sept to Dec)	£535,875
DE	Childcare - Halloween School Closures Support	£111,995
DE	Childcare - Sustainability Covid Support (Jan to Mar)	£10,235,045
DE	Childcare - Temporary Covid Closures Support (Jan to Mar)	£331,626
DE	Childcare - Sustainability Covid Support (Apr to June)	£5,200,000
DE	Childcare - Temporary Covid Closures Support (April to Sept)	£450,000
		£36,111,130

Responsible Department	Scheme Title	Total Amount Paid £
DfC	Charities Fund Phase 1 (The National Lottery Communities Fund)	£8,800,000
DfC	Charities Fund Phase 2 (Community Finance Ireland)	£7,180,989
DfC	Social Enterprise Fund (Community Finance Ireland)	£9,170,511
DfC	Voluntary, Community and Social Economy (VCSE) Sector Covid Recovery Fund (Councils)	£2,500,000
DfC	Sports Hardship Fund (Sport NI)	£2,298,000
DfC	Creative Support Fund Organisations Emergency Programme (Arts Council)	£2,850,000
DfC	Sports Sustainability Fund (Sport NI)	£23,009,802
DfC	Covid Safe Sports Packs (DfC)	£880,000
DfC	Stability and Renewal Programme for Organisations (Arts Council NI) -	£9,450,000
DfC	Heritage Recovery Fund (National Lottery Heritage Fund)	£4,985,100
DfC	Sign Language COVID-19 Support Fund (Sign Language Partnership)	£430,000
DfC	Covid-19 Resilience Fund (Ulster-Scots Agency)	£1,674,266
DfC	Comharchiste COVID (Ciste Infheistíochta na Gaeilge)	£742,000
DfC	Seachtain na Gaeilge le Energia 2021(Conradh na Gaeliege)	£150,000
DfC	SPG Fund (Conradh na Gaeliege)	£425,213
DfC	Community Arts, Culture and Heritage Fund (Community Foundation NI)	£2,000,000
DfC	Community Heritage Fund (National Lottery Heritage Fund)	£241,900
DfC	Architectural Heritage Fund (Architectural Heritage Fund)	£100,000
DfC	National Churches Fund (national Churches Trust)	£70,000
DfC	DfC ALB (LNI, NMNI, NI Screen) led Covid renewal projects	£1,090,000
DfC	Neighbourhood Renewal Partnership Fund (NRA Partnerships)	£535,000
DfC	Support for deaf and Disabled Artists (University of Atypical)	£100,000
DfC	Culture in Quarantine (Arts Council)	£15,000
DfC	CRPO for Arts (Arts Council)	£1,714,000
DfC	CRPO for Creative Industries (NI Screen)	£100,000
DfC	CRPO for Sport (Sport NI)	£4,295,000
DfC	CRPO for Charities and Social Enterprise (Community Finance Ireland)	£5,315,000
DfC	CRPO for Ulster-Scots (Ulster-Scots Agency)	£1,400,000
DfC	CRPO for Irish Language (Glór na nGael)	£716,000
DfC	CRPO for Heritage (National Lottery Heritage Fund)	£331,560
		£92,569,341

EY

Breakdown of Funding Schemes and Expenditure by Executive Department

Responsible Department	Scheme Title	Total Amount Paid £
DfE	£25,000 Retail, Hospitality, Tourism and Leisure Grant Scheme	£73,630,000
DfE	Large Tourism and Hospitality Business Support Scheme	£50,772,096
DfE	Wet Pubs Business Support Scheme	£4,028,000
DfE	B&B, Guesthouse and Guest Accommodation Support Scheme	£1,878,903
DfE	Microbusiness Hardship Fund	£23,173,000
DfE	Limited Company Directors Support Scheme	£19,229,000
DfE	Newly Self Employed Support Scheme	£8,715,000
DfE	Covid Restrictions Business Support Scheme	£91,020,811
DfE	£10,000 Small Business Grant Support Scheme	£245,912,998
DfE	Apprenticeships Return, Retain, Result Incentive	£5,817,000
DfE	Apprenticeship Recruitment Incentive	£9,020,000
DfE	Apprenticeship Challenge Fund	£441,000
DfE	Covid-19 Supplier Relief Schemes for Apprenticeships NI, Training for Success and Disability Support Provision (Non-Statutory contractors)	£21,158,000
DfE	Business and Financial Planning Grant	£710,000
DfE	Digital Selling Capability Grant (Call 1)	£894,000
DfE	Micro-Business E-Commerce Grant (Digital Selling Capability Grant Call 2)	-
DfE	Productive Investment Capital Grant	-
DfE	COVID Equity Investment Fund	-
DfE	COVID Energy Efficiency Capital Grant	-
DfE	Emergency Business Solutions	£480,000
DfE	E-Merge	£600,000
DfE	Experience Development Programme	-
DfE	Website Development Programme	-
DfE	Covid Business and Financial Planning Support Programme	-
DfE	International Market Access Programme for Business	-
DfE	International Events Grant Scheme	-
DfE	Tour Operator and Destination Management Company Support Programme	-
DfE	Meeting, Incentive, Conference and Events (MICE) Programme	-

Responsible Department	Scheme Title	Total Amount Paid £
DfE	Aero/Customer Diversification	£164,000
DfE	Screen Re-boot	£400,000
DfE	COVID Research and Insight	£459,000
DfE	COVID Crisis Management and Turnaround Support Fund	£729,000
DfE	Digital Innovation and Intelligence	£245,000
		£559,476,808

Responsible Department	Scheme Title	Total Amount Paid £
DfI	The Bus Operator (Coronavirus, Financial Assistance) Scheme	£15,500,000
DfI	Taxi Driver (Coronavirus, Financial Assistance) Scheme	£5,500,000
		£21,000,000

Responsible Department	Scheme Title	Total Amount Paid £
TEO	Travel Agents Coronavirus Financial Assistant Scheme	£1,194,000
		£1,194,000

Responsible Department	Scheme Title	Total Amount Paid £
DoF	Localised Restrictions Support Scheme (LRSS)	£316,777,733
DoF	Omicron Hospitality Payment	£41,361,097
DoF	Large NAV Grant	£29,671,866
DoF	The Financial Assistance (Coronavirus) (Airports) Regulations (Northern Ireland) 2020	£9,489,012
DoF	Soft Play Top Up Grant	£336,000
DoF	Targetted Rates Holiday 2020/21	£288,300,000
DoF	Targetted Rates Holiday 2021/22	£225,600,000
DoF	Targetted Rates Holiday 2022/23	£59,000,000
DoF	Business Support Top Up Payments	£75,820,103
DoF	Nightclubs Payment	-
DoF	Manufacturing Support Grant	£21,775,400
		£1,068,131,211

EY

EY | Building a better working world

EY exists to build a better working world, helping to create long-term value for clients, people and society and build trust in the capital markets.

Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate.

Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via ey.com/privacy. EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit ey.com.

Ernst & Young LLP
The UK firm Ernst & Young LLP is a limited liability partnership registered in England and Wales with registered number OC300001 and is a member firm of Ernst & Young Global Limited.

Ernst & Young LLP, 1 More London Place, London, SE1 2AF.
© 2023 Ernst & Young LLP. Published in the UK.
All Rights Reserved.

UKC-030224 (UK) 08/23. Artwork by Creative UK.

ED NONE

In line with EY's commitment to minimise its impact on the environment, this document has been printed on paper with a high recycled content.

Information in this publication is intended to provide only a general outline of the subjects covered. It should neither be regarded as comprehensive nor sufficient for making decisions, nor should it be used in place of professional advice. Ernst & Young LLP accepts no responsibility for any loss arising from any action taken or not taken by anyone using this material.

ey.com/uk