

**SUE GRAY  
PERMANENT SECRETARY**

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**FROM: SUE GRAY**

**Our ref: SUB 405-2020**

**DATE: 18 MAY 2020**

**TO: PERMANENT SECRETARIES**

**COVID-19 RE-PRIORITISATION EXERCISE**

1. Following Conor Murphy's letter to Executive colleagues of 12 May 2020, I am writing to you to provide further details on the re-prioritisation exercise.
2. To date the Executive has made a number of significant allocations to ensure that key services are provided, vulnerable people are protected and businesses are supported, with £1,100.6 million of funding having already been allocated or earmarked for emerging pressures.
3. The remaining level of funding available will not address or come anywhere near funding the remaining pressures as identified by departments. The 20 April departmental position, indicated that there are £1,231.2 million of COVID-19 pressures in 2020-21.
4. There is now a pressing need to review existing pressures and provide the most up to date position, and re-prioritise budgets to help address the COVID-19 pressures that departments have identified this financial year. We also have Brexit pressures so this exercise is critical.

**Resource DEL**

5. In announcing the Executive's Budget outcome for 2020-21 the Finance Minister advised that departments would be given flexibility to reallocate funding across spending areas without the need for Executive approval in the first monitoring round of the year. Where departments determine an internal realignment of departmental budgets is required, for whatever reason, this should be processed as part of the June Monitoring Exercise, and more detail on that will be in the June Monitoring Commissioning letter. While this internal reallocation of funding in June Monitoring will be processed without Executive

approval, where the action taken is as a result of addressing a COVID-19 pressure we are seeking additional information as part of this exercise.

6. The first stage of the re-prioritisation exercise will be for departments to look to re-align internal departmental budgets to meet the pressures they have identified for 2020-2. Departments must assess what slippage has occurred as a result of COVID-19 and also what can be actively reduced or stopped in order to address the priority COVID-19 pressures identified. The actions taken in this stage should be reflected in the internal changes submitted by departments as part of June Monitoring.
7. It is anticipated that this first stage process will also result in a reduced level of COVID-19 pressures for the Executive to consider.
8. Departments are asked to complete the Stage One assessment at Template A.
9. That information will help inform the second stage, which will be for departments to determine the level of funding that can be surrendered to the Executive for reallocation to COVID-19 pressures that cannot be managed as part of the stage one process.
10. In that regard departments are now asked to identify specific areas where it may be possible to take action which would reduce costs allowing funding to be released for higher priority areas across the Executive, including the Executive's plan for economic recovery.
11. In the Stage Two assessment (Template B) departments are asked to provide a number of targeted options where expenditure can be stopped or reduced in your lowest priority areas in order to fund higher priority areas across the wider Executive.
12. I also envisage that we may need to discuss individually with departments and also collectively as a Permanent Secretary group. The Executive will then decide, based on the advice of the relevant Minister, which of these options should be pursued and where the funding released should be directed.
13. It is hoped that the first and second stage of this process will provide sufficient funding to address the Executive's highest priority pressures, however in the event that adequate funding is not identified, it may require a third stage where pro-rata reductions would be applied to departmental budgets. All departments should prepare for such an eventuality.
14. These reductions would take into account the steps that departments applied in stages one and two; with departments who make funding available for reallocation in stage two having their stage three targets adjusted accordingly.

## **Capital DEL**

15. In relation to Capital, Template C asks departments to identify Capital slippage as well as projects that can be taken forward in 2020-21 with a particular focus on those which will help to aid recovery and boost economic performance.

## **Return Date**

16. Departments are asked to provide returns to this exercise to Public Spending Directorate (Joanne McBurney and Jeff McGuinness, copied to Supply Officers) **by 29 May 2020**.
17. Given the challenges faced by the Executive, it is imperative that a collegiate approach is taken and that all possible options are provided for consideration, however unpalatable.
18. It will be important that the Executive are able to have free and frank discussions and in order to do that we need to do everything possible to ensure that information is not disclosed prematurely and I welcome your support in this.

Personal Data

## **SUE GRAY**

### **CC List**

Joanne McBurney  
Emer Morelli  
Jeff McGuinness

**COVID REPRIORITISATION EXERCISE - STAGE ONE ASSESSMENT**

**RESOURCE DEL**

Department: \_\_\_\_\_

**1. Internal Actions Taken to Reprioritise Spend:**

| Action taken | Funding Released<br>(£000s) |
|--------------|-----------------------------|
|              |                             |
|              |                             |
|              |                             |
|              |                             |
| <b>Total</b> |                             |

Add additional lines as necessary

**2. Equality Assessments Completed:** **Yes/No**

**3. Internal COVID-19 Pressures Addressed from Actions Above:**

| Pressure Addressed | Amount (£000s) |
|--------------------|----------------|
|                    |                |
|                    |                |
|                    |                |
|                    |                |
| <b>Total</b>       |                |

**4. Revised Departmental COVID-19 Pressures for Executive Consideration**

**£000s**

| BID | Amount |
|-----|--------|
|     |        |
|     |        |
|     |        |
|     |        |
|     |        |
|     |        |
|     |        |
|     |        |
|     |        |
|     |        |

Add further rows as necessary

**COVID REPRIORITISATION EXERCISE - STAGE TWO ASSESSMENT**

**RESOURCE DEL**

**Department:** \_\_\_\_\_

**1. Summary of Options for Reduction/Cessation**

| Targeted Option | Funding Released<br>(£000s) |
|-----------------|-----------------------------|
|                 |                             |
|                 |                             |
|                 |                             |
|                 |                             |
|                 |                             |
|                 |                             |
| <b>Total</b>    |                             |

**2. Narrative – to include detail and impact of reductions:**

|   |
|---|
| <p><b><u>Option One</u></b></p> <p>Narrative here</p> <p><b><u>Option Two</u></b></p> <p>Narrative here</p> |
|---|

**3. Equality Assessments Completed:** **Yes/No**

**4. Equality Impact  
implications**

|   |
|---|
| <p><b><u>Option One</u></b></p> <p>Narrative here</p> <p><b><u>Option Two</u></b></p> <p>Narrative here</p> |
|---|

**COVID REPRIORITISATION EXERCISE - CAPITAL ASSESSMENT**

Department: \_\_\_\_\_

**1. Summary of Reduced Requirements**

| Capital Project/Scheme/Area | Funding Released<br>(£000s) |
|-----------------------------|-----------------------------|
|                             |                             |
|                             |                             |
|                             |                             |
|                             |                             |
|                             |                             |
|                             |                             |
| <b>Total</b>                |                             |

**2. Details of Capital bids that will aid recovery and boost economic performance**

| Bid Description  | Amount Required<br>(£000s) |
|--|----------------------------|
|  |                            |
| <b>Narrative – to include how it contributes to aiding recovery or providing an economic boost</b> |                            |
|  |                            |

*Duplicate table at 3. above to add further bids as necessary*