UK COVID-19 Public Inquiry

WITNESS STATEMENT MODULE 9
DEPARTMENT FOR COMMUNITIES

Contents

Witness Name: Colum Boyle
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UK COVID-19 INQUIRY

WITNESS STATEMENT OF Colum Boyle, Department for Communities, Northern Ireland

I, Colum Boyle, Permanent Secretary of the Department for Communities, Northern Ireland, since 25 April 2022 make the following witness statement in response to a Rule 9 request received on 28 February 2025.

My statement covers the specific period 1 January 2020 to 28 June 2022. It provides information relevant to the scope of Module 9, predominantly addressing the Department's role in the Economic Response to Covid-19.

In the matters set out below, I stand ready to provide further information as required.

1. Department for Communities (DfC) Background

1.1 Governmental Position

1.1.1 The **Department for Communities (the Department)** was established under the Departments Act (NI) 2016 and is one of nine departments within the Northern Ireland Executive. Prior to this there were 12 government departments, however changes as part of the Fresh Start Agreement (November 2015) saw the number of Northern Ireland government departments reduced to nine and renamed in accordance with the Departments Act (Northern Ireland) 2016.

1.1.2 The functions and services delivered by the 12 former departments were restructured and transferred to the newly created departments.

1.1.3 The functions transferred to form DfC include:

A. The roles and responsibilities of the former Department for Social Development (DSD).

B. Employment Service and Economic Inactivity Strategy from the former Department for Employment and Learning (DEL).

C. Debt advice and financial capability strategy from the former Department of Enterprise, Trade and Investment (DETI).

D. Local Government from the former Department of the Environment (DOE), including Built Heritage from the Northern Ireland Environment Agency (NIEA).

E. The existing functions of the former Department of Culture, Arts and Leisure (DCAL), excluding inland fisheries and waterways.

F. Responsibility for Executive population level social inclusion policy from the Office of the First and deputy First Minister (OFMdFM – now known as The Executive Office, TEO as of May 2016). This included responsibility in relation to anti-poverty, disability, gender equality, sexual orientation and older people. DfC is currently leading on the development of social inclusion strategies as part of the New Decade, New Approach Agreement.

1.1.4 The Department delivers a wide range of services to the public – both directly and indirectly through its Arm's Length Bodies – that impact the lives of most people as we support people, build communities and shape places.

1.2 Ministers

1.2.1 The Department has one Ministerial role, with said Minister part of the Northern Ireland Executive. The **Minister for the Department** during the specified period was Ms Deirdre Hargey MLA from 11 January 2020 until suspension of the NI Assembly on 27 October 2022. Ms Carál Ní Chuilín MLA held the Ministerial role for an interim period (15 June 2020 to 15 December 2020) whilst Minister Hargey was on a leave of absence due to illness.

1.2.2 Both Ministers were advised by Special Advisor Ronan McGinley during their tenure.

1.2.3 The Minister's responsibilities, as laid out in the Ministerial code, include observing the highest standards involving impartiality, integrity and objectivity; being accountable to Northern Ireland's citizens and communities; stewardship of public funds; responding to requests for information from the Assembly, users of services and individual citizens; conducting their dealings with the public in an open and responsible way; and promoting good community relations and equality of treatment.

1.3 Permanent Secretaries

1.3.1 The **Permanent Secretary (Grade 2)** as the most senior official has the primary role of providing strategic advice to the Minister on departmental policy making, implementation of activities and ensuring the effective management of the Department's operations.

1.3.2 The Permanent Secretary is also the Principal Accounting Officer for the Department, with responsibility for ensuring the regularity and propriety of departmental expenditure, promoting value for money and ensuring there are robust systems of corporate governance and financial control in place.

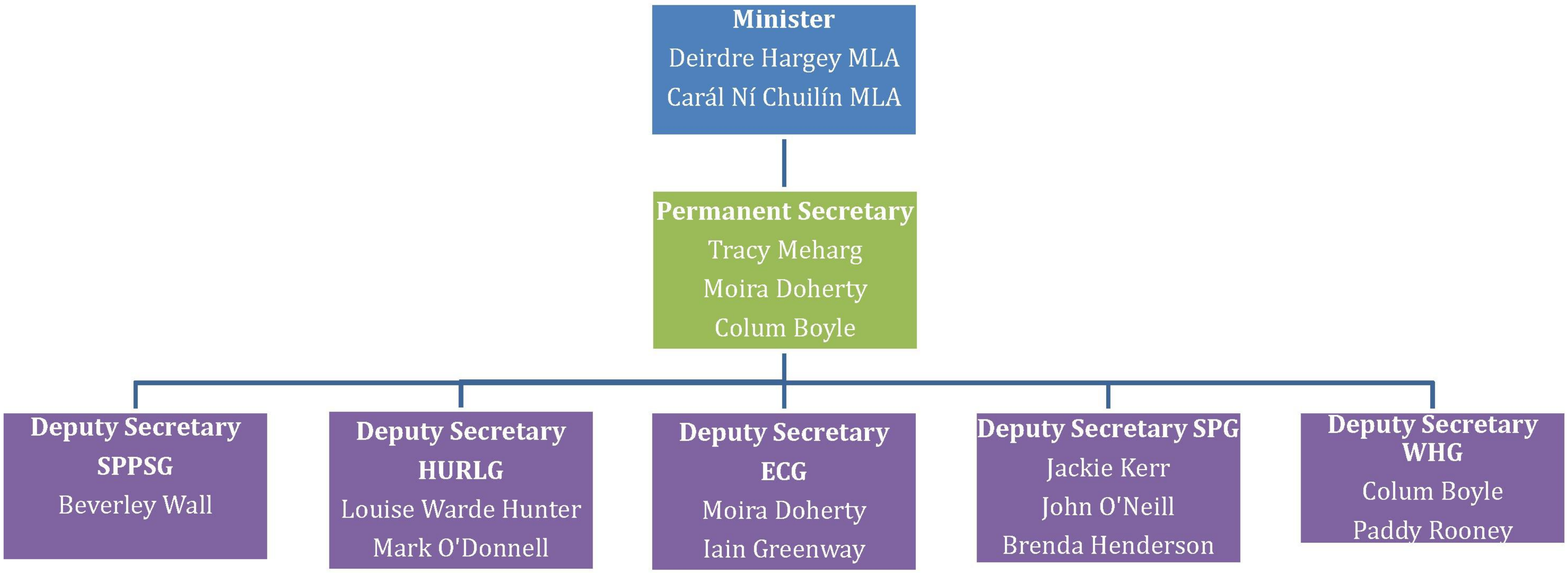
1.3.3 Ms Tracy Meharg was Permanent Secretary from December 2018 until her retirement on 21 March 2022. The post was then held by Ms Moira Doherty (Deputy Secretary, Engaged Communities Group) on an interim basis as Acting Permanent Secretary. The position was subsequently filled by me on 25 April 2022.

1.4 Structure

1.4.1 The Permanent Secretary was supported by five **Deputy Secretaries (Grade 3)** during the specified period as per the organogram below. Each Deputy Secretary manages Business Groups within the Department to deliver effective public services to the community and in conjunction with relevant stakeholders. Their details can be found in the table below.

Business Group	**Deputy Secretary (Grade 3)**	**Dates In Post**
Engaged Communities Group (ECG)	Moira Doherty Iain Greenway	February 2019 to July 2023 March 2022 to April 2022
Strategic Policy and Professional Services Group (SPPSG) *Corporate Services Group (CSG) as of January 2024*	Beverley Wall	November 2019 to July 2023
Housing, Urban Regeneration and Local Government Group (HURLG) *Housing and Sustainability Group (HSG) as of January 2024*	Louise Warde Hunter Mark O'Donnell	April 2017 to April 2020 April 2020 to present
Work and Health Group (WHG)	Colum Boyle Paddy Rooney	September 2018 to May 2021 May 2021 to present
Supporting People Group (SPG) *Operational Delivery Group as of January 2024 (ODG)*	Jackie Kerr John O'Neill Brenda Henderson	October 2019 to March 2021 March 2021 to May 2021 May 2021 to present

1.4.2 Department for Communities top leadership team reporting structure during the specified period*



*Specified period is 1 January 2020 to 28 June 2022

1.5 Engaged Communities Group

1.5.1 Throughout the specified period ECG was responsible for departmental actions in relation to the voluntary & community, culture, arts, sport, languages, museums, libraries and heritage sectors. During the pandemic, the Group also took responsibility for providing additional funding to the social enterprise sector, although this sector is primarily the responsibility of the Department for the Economy. From January 2024 the voluntary & communities responsibilities transferred to the Department's Communities, Places and Local Government Group (CPLG).

1.6 Housing, Urban Regeneration & Local Government Group

1.6.1 HURLG (now HSG and part of CPLG) aims to deliver decent, affordable, sustainable homes and housing support, to tackle area-based deprivation and to create urban centres that help bring divided communities together. Local Government & Housing Regulation Division is responsible for policy and legislation that sets the administrative and financial framework within which Northern Ireland's 11 District Councils operate to support and enable effective and accountable local government. The Division is also responsible for setting the governance (both democratic and corporate) and accountability framework for Local Government Councils and this now falls under CPLG's remit.

1.7 Strategic Policy & Professional Services Group

1.7.1 During the specified period SPPSG (now CSG) delivered corporate and professional services to the Department. It was responsible for a range of governance and professional functions including finance, contract management, business planning, risk management, Covid-19 corporate recovery, organisational development, people insight & engagement, our people strategy, machinery of government, governance, statistical, economist and analytical services. The Group also led a number of social inclusion policy areas: Poverty (including Child Poverty), Gender Equality, LGBT Policy, Active Ageing and Disability. From January 2024, responsibility for social inclusion policy transferred to ECG.

1.8 Supporting People Group

1.8.1 SPG (now ODG) manages the Child Maintenance Service and aspects of welfare delivered through Pensions, Disability & Benefit Security, including Fraud and Error Reduction and Debt.

1.9 Work and Health Group

1.9.1 WHG delivers circa £2.4 billion in benefits and financial support to around 350,000 working age people each year. This includes vital financial support to those who are in financial hardship, supporting people into and towards employment, protecting the vulnerable and ensuring that those with health conditions and disabilities are supported. Up to late 2021, this group also delivered services to over 0.5 million people on behalf of the Department for Work & Pensions. This work then transferred to the Supporting People Group.

1.10 Communities, Place and Local Government

1.10.1 Following a restructuring of the Department in January 2024, CPLG was established, adding a sixth group to the departmental structure and resulting in some internal restructuring of responsibility. CPLG aims to support local government including policy, legislation, finance and community planning, undertake regulation activity of Registered Housing Associations in Northern Ireland, support voluntary & community sector infrastructure, tackle area-based deprivation and to create urban centres which help bring divided communities together.

1.11 Departmental Management Board

1.11.1 The Permanent Secretary is further assisted by a Departmental Management Board (DMB) that meets on a six-weekly basis – all the Deputy Secretaries are board members as well as the Finance Director and Governance Director. The Board also has two Non-Executive members. The key aspects of the Board's role include:

A. Setting the strategic direction for the Department.
B. Advising on the allocation of financial and human resources to achieve strategic aims.
C. Monitoring the overall financial position of the Department.
D. Monitoring the achievement of performance objectives.
E. Setting the Department's standards and values.
F. Maintaining a transparent system of prudent and effective controls.

G. Assessing and managing risk and establishing the Department's risk management framework; and

H. Leading and overseeing the process of change and encouraging innovation, to enhance the Department's capability to deliver.

1.11.2 The Board is supported in its role by four Sub-Committees as follows. The People & Resources Sub-Committee (PRSC) provides advice and recommendations to DMB on people issues including departmental staffing; Performance Management; Absence Management; Learning & Development; Blended Working Approaches; Accommodation, IT and Digital services; and Staff Engagement. All Deputy Secretaries sit on this committee.

1.11.3 The Policy and Strategy Sub-Committee (PSSC) ensures the Department has a cohesive policy agenda; is well equipped to fulfil its policy responsibilities; and supports the Accounting Officer in their oversight of delivery of the departmental Strategy and Business Plan. All Deputy Secretaries sit on this committee.

1.11.4 The Departmental Information Assurance Committee (DIAC) ensures the Department has in place appropriate policies, management and governance systems to effectively protect the vast volume of information that the Department holds and ensures that cyber risk is properly managed. Only the Operational Delivery (previously Supporting People) Group Deputy Secretary sits on this committee.

1.11.5 The Departmental Audit and Risk Assurance Committee (DARAC) supports the Department in its responsibilities for issues of risk control and governance. The Corporate Services Deputy Secretary sits on this committee with the other five Deputy Secretaries attending on a rotational basis to update the committee on key risks and issues.

1.12 Strategic Responsibility

1.12.1 The Department has strategic responsibility for setting policy, bringing forward legislation and resourcing in the following areas:

A. Helping people find employment.
B. Child Maintenance.
C. Benefit Security and Debt Management
D. Urban Regeneration.
E. Supporting the voluntary and community sector and the regulation of charities.

F. Sport.
G. Ulster Scots, Irish language and British/Irish sign language.
H. Poverty and promoting social inclusion.
I. Public Record Office Northern Ireland (PRONI).
J. Helping people find housing.
K. Local Government.
L. Historic Environment.
M. Museums & libraries.
N. Social Security Benefits, Pensions and Northern Ireland Welfare Mitigations
O. Arts & culture.

1.13 Departmental Responsibility

1.13.1 Areas of departmental responsibility include:

A. Delivering welfare payments (including NI specific welfare supplementary payments).
B. Delivering child maintenance support and pensions.
C. Providing advice, support and relevant employability programmes to help people into work, including help to remove barriers for those furthest from the labour market through ill-health, disability, caring responsibilities, etc.
D. Supporting local government to deliver services.
E. Ensuring the availability of good quality and affordable housing.
F. Encouraging diversity and participation in society and promoting social inclusion within the community.
G. Promoting sports and leisure within communities.
H. Identifying and preserving records of historical, social and cultural importance.
I. Supporting creative industries and promoting the arts, language and culture sectors.
J. Providing free access to books, information, IT and community programmes through libraries.
K. Maintaining museums and revitalising town and city centres.

1.14 Staff and Budget Information

1.14.1 The Department employs around 9 434 people[1] across 70 locations. 7,485 are frontline staff, approximately 2,000 of whom deliver services for the Department for Work & Pensions (DWP) and 1,949 of whom are agency staff.

[1] Information correct as at 20/01/2023

1.14.2. The Department has an annual budget of over £8.8bn[2], made up of approximately £7.7bn Annually Managed Expenditure (AME), £255m Net Capital Departmental Expenditure Limits (DEL) and £853m Resource DEL. The Department is supported in delivering its services by 15 Arm's Length Bodies (ALBs) and several Advisory Groups (**Exhibit CB/001 INQ000180295**). The Department provides support to meet the needs of some of the most disadvantaged citizens, families, and communities in Northern Ireland (NI). A range of supports, interventions and initiatives were delivered through the Department in response to the pandemic whilst also continuing to progress key strategic departmental priorities.

1.15 Emergency Response Measures Prior to the COVID Pandemic

1.15.1 The Department makes emergency flood relief payments when there is flooding and may also make cold weather payments in certain circumstances. Following a review of flooding in 2017, the Department became responsible for a recommendation relating to co-ordination of community volunteers to enhance multi-agency response efforts. The Northern Ireland Housing Executive (NIHE) is also responsible for the Severe Weather Emergency Protocol (SWEP) which considers a multi-agency response to high-risk weather conditions as well as Covid-19 in terms of getting all homeless into shelter.

1.15.2 The Northern Ireland Civil Service (NICS) has in place strategic contingency management arrangements via the Northern Ireland Central Crisis Management Arrangement (NICCMA).

1.15.3 Prior to the Covid-19 pandemic, a Departmental Business Continuity Plan (DBCP) was in place that outlined the critical activities and key priorities in the Department around which contingency plans should be based (**Exhibit CB/002 INQ000101364**). These are:

A. Provision of benefits
B. Provision of social housing and essential repairs
C. Child Maintenance Services
D. Payment of grants to voluntary sector groups.
E. Payments to suppliers for goods and services.

[2] Information correct as at 23/01/2023

1.16 Ministers and Key Senior Civil Servants Responsible

Name	Role	Area of Responsibility
Deirdre Hargey Carál Ní Chuilín	Minister January 2020 – October 2022 June 2020 – December 2020	Minister for DfC
Tracy Meharg	Permanent Secretary December 2018 – March 2022	Senior Accounting Officer for the Department
Colum Boyle	Deputy Secretary Work & Health September 2018 – May 2021 Permanent Secretary April 2022 - present	Senior Official with responsibility for Social Security benefits Senior Accounting Officer for the Department
Paddy Rooney	Working Age Director August 2018 – April 2021 Deputy Secretary Work & Health Group May 2021 - present	Senior Official with responsibility for the delivery of Working Age benefits Senior Official with responsibility for Social Security benefits
Moira Doherty	Interim Permanent Secretary March 2022 – April 2022 Deputy Secretary ECG February 2019 – July 2023	Senior Accounting Officer for the Department Senior Official with responsibility for voluntary & community, culture, arts, sport, languages, museums, libraries and heritage
Mark O'Donnell	Deputy Secretary - HURLG full specified period	Senior Official with responsibility for Housing, Urban Regeneration and Local Government

Name	Role	Area of Responsibility
Beverley Wall	Deputy Secretary – Strategic Policy and Professional Services Group – full specified period	Senior Official with responsibility for Departmental Operations Centre, benefit-related health assessments, finance, governance, Press Office, corporate communications and provision of data analytics
Deirdre Ward	Director - specified period	Work & Wellbeing
David Malcolm Leo McLaughlin Jacqui Montgomery	Director January 2020 – October 2020 May 2021 – April 2022 April 2022 - present	Universal Credit
Cherrie Arnold	Director June 2020 - present	Finance Director
Gavin Patrick	Director – specified period	Finance Director
Anne McCleary	Director - specified period	Social Security Policy & Legislation Division
Conrad McConnell	Director October 2020 - present	Working Age Services
Iain Greenway	Director – specified period	Historic Environment Division
Sharron Russell	Director – specified period	Voluntary & Community Division
David Sales	Director – specified period	Community Empowerment Division
David Polley	Director - specified period	Housing Supply Policy
Paul Price	Director – specified period	Social Housing Policy & Oversight
Allison Cosgrove	Acting Director November 2019 – June 2020	Transformation, Communication & Engagement (including Press Office and

Name	Role	Area of Responsibility
		Corporate Communications branch)
Karen Ward	Acting Director July 2020 – May 2021	Strategy, Communication & Engagement (including Press Office and Corporate Communications branch)
Anne Armstrong	Acting Deputy Director May 2021 – May 2023	Press Office and Corporate Communications branch – reporting directly to Deputy Secretary SPPSG

2. Economic Response – Role, Function and Responsibilities

2.1 Departmental Overview

2.1.1 The Department for Economy (DfE) is responsible for economic policy in Northern Ireland and the delivery of economic interventions on behalf of the NI Executive, therefore they would be best placed to answer how the suspension of power sharing in Northern Ireland impacted the economic response to the pandemic as of 11 January 2020.

2.1.2 DfE has lead policy responsibility for the social enterprise sector. However, due to capacity issues within DfE at that time, by agreement, DfC administered grant funding for social enterprises **(Exhibit CB/003 INQ000213720 and Exhibit CB/004 INQ000613454)**.

2.1.3 During all suspensions of power sharing in Northern Ireland, DfC Officials continued to progress work and provide advice to the Permanent Secretary in the same manner as they would provide advice to a Minister.

2.2 Employability & Sick Pay

2.2.1 DfC's Work & Wellbeing Division (WWD) has responsibility to set strategic direction, develop and deliver quality labour market provision that supports customers to move closer, find, retain and progress in employment. This was the case before and during the pandemic and remains the case today. There was no change to this responsibility but as a response to the rapid rise in youth unemployment levels brought about by the impact of Covid-19, DfC introduced the JobStart Scheme to improve the employability and chances of sustained employment in the 16–24-year-old age group.

2.2.2 Work Ready Employability Service (WRES) was implemented in May 2021. The overall aim of the Work Ready Employability Services Project was to ensure continuity of work focused employment services within DfC's Work and Health Group in the face of an unprecedented and rapid rise in unemployment levels brought about by the impact of Covid-19, and the subsequent risk of a lack of Work Coach capacity to deliver work related services, particularly for those people considered "work ready" – that is, those recently affected by job losses, experienced in their field and eager to find new employment but perhaps needing some support to re-enter the labour market, particularly through early, focused, agile and short interventions.

2.2.3 Statutory Sick Pay (SSP) is not a social security benefit, but it is administered under provisions in the Social Security Administration (NI) Act 1992. DfC had responsibility for ensuring that any changes made to the administration of SSP by the UK Government in the response to the pandemic were also implemented in Northern Ireland. DfC's role and responsibilities in relation to the provision of sick pay did not change during the pandemic but changes were made to legislation to make access to SSP easier. The Statutory Sick Pay (General) Regulations (Northern Ireland) 1982 were amended in response to the coronavirus pandemic to ensure that Statutory Sick Pay was available to those who had been advised, by a relevant notification, to self-isolate **(Exhibit CB/005 INQ000613455)**.

2.3 Provision of Benefits

2.3.1 The Department was and still is responsible for operating the Discretionary Support Scheme. This includes developing the policy, legislation and guidance relating to Discretionary Support. Discretionary Support (DS) is available to those in an extreme, exceptional or crisis situation and is payable in the form of an interest-free loan or a non-repayable grant. The support is available to both working and non-working people on a low income, subject to eligibility and affordability criteria. The awards provide immediate financial assistance with short-term living expenses (for example to buy food) and the cost of buying, repairing or replacing of basic household items (for example a cooker). The Scheme is delivered under the Discretionary Support Regulations (Northern Ireland) 2016 (S.R. 2016 No. 270) and is unique to Northern Ireland.

2.3.2 In the context of Discretionary Support, the Covid-19 pandemic was added to the criteria to satisfy "disaster" which enabled some persons, who would normally be excluded, to avail of the financial support available via the Scheme, for example, students in third level education or a person currently serving a Departmental sanction.

2.3.3 DfC's role and responsibilities as part of the emergency economic response to the pandemic were to provide additional financial support via the Discretionary Support Scheme to those who would suffer financial issues because of Covid-19.

2.3.4 Emergency Regulations were introduced **(The Social Security (Coronavirus) (Further Measures) Regulations (Northern Ireland) 2020 SR. 2020 No.53)** to provide relaxations to existing requirements including for those receiving old style Jobseekers Allowance (JSA), and who were unable to meet conditions of entitlement because they were following Government advice (lockdown restrictions) remained eligible for JSA. The Regulations also prevented work search and work availability requirements being imposed on claimants of new style JSA and provided appropriate relaxations of conditions in response to the Government's Covid-19 restrictions, such as freedom of movement. Furthermore, prior to the emergency introduction of these Regulations claimants awarded JSA could have:

A. two short periods of sickness of up to 2 weeks in any job seeking period, within each successive 12-month period, if their job seeking period lasts longer than 12 months, or
B. a third or longer period of sickness of up to 13 weeks in a fixed 12-month period starting from the first date of their sickness

before losing entitlement to JSA. By effectively disapplying these provisions, these Regulations ensured that no one would lose entitlement to JSA because of Covid-19. These easements were put in place initially for a three-month period and extended as necessary as below.

2.3.5 These regulations were amended to substitute the expiry date of regulations 2, 8 and 9: regulation 2 was extended to 30 April 2021, and regulations 8 and 9 were extended to 12 May 2021 in the form of **The Social Security (Coronavirus) (Further Measures) (Amendment) and Miscellaneous Amendment Regulations (Northern Ireland) 2020. SR 2020 No.242**. These amendments ensured financial support continued for claimants receiving JSA, so that they were not penalised for following Government advice, such as "stay at home" directives.

2.3.6 Regulations were made under **The Social Security (Coronavirus) (Prisoners) Regulations (Northern Ireland) 2020. SR2020 No.63** made provision for individuals on temporary release from prison due to the outbreak of Covid-19 in Northern Ireland to access means tested benefits during the period of that release, including income support and JSA. These Regulations ensured the same financial support to prisoners on temporary release as other comparable claimants to these benefits, assisting both individuals and the wider economy to weather the financial impacts arising from the Covid-19 outbreak. The changes were also designed to support measures taken by the Department of Justice (DoJ) through the Prison and Young Offenders Centre Rules (Northern Ireland) 1995 to allow prison governors, on behalf of the Department of Justice, to release certain prisoners temporarily to help manage the incidence or transmission of coronavirus and to facilitate the effective running of prisons and young offender institutions for this purpose.

2.3.7 Regulation 8 of SR2020 No.53 was further extended until 31st August 2021 through **The Social Security (Coronavirus) (Miscellaneous Amendments) Regulations (Northern Ireland) 2021. SR2021 No.105** made provision so that certain persons affected by Covid-19 could continue to be in receipt of JSA without any period of sickness/isolation counting as short or as an extended period of sickness. These Regulations also extended the expiry date of S.R. 2020 No. 63 until 31st August 2021. In addition to extending the duration of the Regulations, the aim of these Regulations was to be more targeted and qualify those existing provisions, which temporarily removed the restriction that prohibits claims to specified income-related benefits, for those prisoners on temporary release. It is to only allow access to benefits where the Department decides that is necessary due to Covid-19. This narrower provision had not been necessary up to that point as ordinary use of temporary release had been suspended. However, in anticipation that temporary release may have been resumed for reasons other than Covid-19 related risks, it was considered appropriate to narrow this provision.

2.3.8 **The Social Security (Coronavirus) (Electronic Communications) (Amendment) Order (Northern Ireland) 2020. SR 2020 No.87** made provision to allow a claim for State Pension Credit to be made electronically in addition to the existing methods of claiming by post and by telephone. The Covid-19 outbreak put a severe strain on the Department's telephony service, and an additional electronic way of claiming State Pension Credit was considered essential to help ease the pressure on the telephone service whilst also allowing people to make a claim at a time of their own choosing and without having to leave their homes.

2.3.9 Regulation 9 of SR2020 No.53 amended the Social Security (Invalid Care Allowance) Regulations (Northern Ireland) 1976 from 30 March 2020 making provision to allow carers to retain their entitlement to Carer's Allowance if they had temporarily ceased to care for a severely disabled person due to either of them self-isolating or being infected with coronavirus. This provision ceased to apply from 31 August 2021 as set out in The Social Security (Coronavirus) (Miscellaneous Amendments) Regulations (Northern Ireland) 2021 (S.R. 2021 No. 105). An additional temporary measure (non-legislative) was also introduced in response to Covid-19 to provide that "emotional support" could count towards the Carer's Allowance care threshold of 35 hours a week.

2.3.10 In Northern Ireland, DfC is responsible for the administration of Universal Credit (UC), a working age benefit for people on a low income or out of work. It includes support for the cost of housing, children and childcare, and financial support for people with disabilities, carers and people too ill to work. The responsibilities of UC Operations did not change during the pandemic, however easements to operational processes were put in place to ensure quick, immediate support in the form of Social Security was provided to those in need. These included a 'trust and protect' policy around evidence verification in recognition of the difficulties people faced in securing and providing the information needed to process their application in the usual way, the cessation of face-to-face work capability assessments and face-to-face Jobs and Benefits office appointments.

2.4 Arts and Culture

2.4.1 Engaged Communities Group (ECG) is responsible for delivering programmes and initiatives to support the voluntary, community, social enterprise, sports, and culture (arts, languages, museums, libraries and heritage) sectors, both directly and through Arm's Length Bodies (ALBs). These responsibilities continued during the Covid-19 pandemic and ECG worked at pace and collaboratively with our ALBs and other partners set out below to bring forward innovative funding schemes to support these sectors. (Year 1 relates to 1 April 2020 – 31 March 2021 with Year 2 being1 April 2021 – 31 March 2022)

Organisation

A. Arts Council NI (years 1 and 2)
B. Libraries NI (year 1)
C. National Museums NI (year 1)

D. NI Screen (years 1 and 2)
E. National Lottery Heritage Fund (years 1 and 2)
F. Charity Commission for NI (advisory, years 1 and 2)
G. The National Lottery Community Fund (year 1)
H. Community Finance Ireland (years 1 and 2)
I. Community Foundation NI (year 1)
J. Architectural Heritage Fund (year 1)
K. National Churches Trust (year 1)
L. University of Atypical (years 1 and 2)
M. Neighbourhood Renewal partnerships (year 1)
N. District councils (year 1)
O. Ulster-Scots Agency (years 1 and 2)
P. Foras na Gaeilge (year 1)
Q. Conradh na Gaeilge (year 1)
R. Ciste infheichtiochta Gaeilge (year 1)
S. Glor na nGael (year 2)
T. NI Council for Voluntary Action (advisory, year 1 and 2)
U. Social Enterprise NI (advisory, years 1 and 2)

2.4.2 The allocation of additional funds by the Executive to tackle Covid related issues recognised the profound and pressing challenges for organisations and individuals in these sectors. ECG engaged widely with partners across central and local government, ALBs and people from the Voluntary, Community and Social Enterprise (VCSE), sports and culture sectors to ensure that funding was disbursed at pace to meet the unprecedented challenges and in ways which maximised impact. All initiatives were developed with a wide range of partners, with the aim of addressing objective need arising from the Covid-19 pandemic. A list of these initiatives along with key events and Minister's statements can be found at **Exhibit CB/006 INQ000613456**.

2.4.3 ECG continued to deliver its existing roles and responsibilities along with additional funding schemes that were established to disburse additional funding to individuals and organisations to ameliorate the impacts of the pandemic. These included:

A. **Culture, Languages, Arts and Heritage** (CLAH) **Support Programme** which was developed in summer 2020 and provided funding for the 2020/2021 financial year to stabilise the culture, languages, arts and heritage sectors up to 31 March 2021 and secure a future which was representative of diversity and reach prior to the pandemic including geographic spread and access.

B. **ECG Covid Recovery Programme for Organisations** (CRPO) provided funding to the culture, language, arts, heritage, sport, charity and social enterprise sectors in the 2021/2022 financial year.
C. **The Creative Individuals Recovery Programme** (CIRP) provided funding to individual artists, creative people and heritage professionals in 2021/2022.

2.5 Fuel Poverty and Supporting People Programme

2.5.1 The Department has responsibility for fuel poverty in Northern Ireland and thus provided Grant Funding to the Bryson Care Emergency Fuel Payment Scheme (EFPS) which operated from 06 January 2022 to 31 March 2022. This was an intervention due to rapidly increasing fuel costs in the winter of 2021-22 initially due to pandemic disruption.

2.5.2 The Supporting People programme is administered by the NIHE on behalf of the Department and grant funds the provision of housing related support to help vulnerable people live independently in the community. Housing Related Support Service providers include organisations from the community and voluntary sector. Voluntary and community groups were supported by NIHE from the Covid-19 Communities Emergency Fund with projects that helped address a range of issues, including isolation, mental and physical wellbeing. The Covid-19 Communities Emergency Fund was established by NIHE on 10 April 2020. The emergency fund opened on Tuesday 21 April and closed on Wednesday 13 May 2020.

2.5.3 Applications for funding up to £1500 were open to constituted groups including Housing Community Network groups, organisations and social enterprises supporting people/families within Housing Executive communities who were vulnerable because of Covid-19.

2.5.4 The assessment criteria which had to be met by the applicant groups had to be involved in or use the funding for one of the below purposes:

A. The provision of care and assistance to those considered vulnerable within our communities
B. Assisting those most vulnerable within our communities stay connected
C. Reducing isolation

2.5.5 Examples of community initiatives eligible for financial support included:

A. Prescription delivery
B. Helplines / Befriending services
C. Volunteer expenses
D. Increased running costs
E. Provision of emergency packs, cleaning products, toilet roll etc
F. Supporting foodbank deliveries
G. Communications, leaflets etc.
H. Contribution towards Covid cleaning of premises only if they were being used to facilitate the provision of a service which promotes the welfare and comfort of the tenants and occupiers of NIHE accommodation.

2.5.6 It should be noted that as the Housing Executive's statutory powers and functions do not extend to financial support for the purchase of foods or utility costs these were excluded from this scheme. A total of £276k was awarded. A list of the organisations who received funding can be found at **Exhibit CB/007 INQ000613457**.

2.6 Voluntary, Community and Social Enterprise Sectors (VCSE)

2.6.1 The Communities Minister in March 2020, Minister Deirdre Hargey MLA, was assigned the lead role in the NI Executive for supporting and enabling the Voluntary and Community Sector (VCS) in its response to the Covid-19 pandemic. The Minister made an early commitment to support the sector as a means of supporting vulnerable people and meeting need. The Department took a three-strand approach to supporting the VCS as follows:

A. Sustaining existing capacity and service delivery – delivered through funding flexibilities offered in 2020/2021 to existing recipients of grant funding from DfC to protect service delivery and allow diversion of funds to emergency-related activities.

B. Establishment of a Covid-19 Emergency Response Programme (ERP) in March 2020 – including creation of a Voluntary & Community Sector Emergencies Leadership Group **(Exhibit CB/008 INQ000613458 and Exhibit CB/009 INQ000613459)**, a free public helpline **(Exhibit CB/010 INQ000613460)**, coordination of volunteers and distribution of food boxes to vulnerable and isolated people.

C. Additional funding disbursed during 2020/2021 and 2021/2022 – to support organisations and individuals in the culture, languages, arts, heritage sectors and organisations in the charities, social enterprise and wider voluntary and community sectors to mitigate the impact of the pandemic, directly and via grant delivery partners and district councils.

2.6.2 During the pandemic, DfC continued to deliver its normal funding programmes that support the VCSE. Additional measures were taken to support people and organisations including flexibilities to sustain existing capacity and services, to support the most vulnerable people in our society who were forced to shield **(Exhibit CB/011 INQ000613473)**. Interventions far exceeded what would be the normal strategic government support for the sector. DfC did not identify any at risk/vulnerable people. The Department of Health (DoH) and Health Trusts determined who fell into the Shielding Group.

2.6.3 In addition to its support for vulnerable people, DfC provided a range of financial interventions to support voluntary, community, charitable and social enterprise organisations. The latter two are examples of interventions that, in normal circumstances, government would not contemplate. This financial support was to help sustain organisations that play a vital role in society. Without financial support, charities and social economy enterprises faced financial challenges due to a lack of income generation, potentially leading to closure. Responsibility for the funding of charities is a cross-cutting issue, with specific responsibility not resting with any single Executive Department. However, given the Department's policy responsibility for charity law in Northern Ireland and its sponsorship of the Charity Commission for Northern Ireland, it was deemed well placed to lead in supporting the charities sector. As previously noted, social enterprise policy responsibility falls to DfE, however because of DfC's work with the broader VCSE, including charities, some of which are social enterprise organisations, as well as DfE's focus on supporting businesses impacted by the Covid pandemic, it was deemed that this Department would be best placed to deliver emergency financial interventions to the VCSE sector (Exhibit CB/011 INQ000613473).

3. Funding

3.1 Funding Process

3.1.1 In Diane Dodds' witness statement[3] she states the following:

[3] INQ000436924

"On 17 December 2020, the First Minister voiced concern over whether we would have the funding to continue to support business if we imposed further lockdown. I don't think that this represented a lack of planning but rather the way in which NI became eligible for additional treasury funding through Barnett as a consequence of a funding announcement for England or funding announcements nationally meant that we did not always know what funds would be made available. At the beginning of the pandemic the Executive was curtailed in the NPIs that it could take but on the whole the United Kingdom Government expended huge amounts of money in trying to combat Covid 19. As the pandemic progressed, we were not curtailed by funding issues but as I have explained in this answer forward planning would have been helped if we had knowledge of funding allocations."

3.1.2 From a Departmental point-of-view, the mechanism by which Northern Ireland became eligible for additional funding (i.e. through Barnett consequentials, following funding announcements for England) did create a level of uncertainty regarding Covid-19 funding allocations.

3.1.3 While DfC had some visibility of the Covid-19 response process at UK level, including potential funding allocation being set aside for response measures, this did not provide certainty on funding for the Department for Communities itself, as any funding distributed to Northern Ireland through Barnett consequentials is unhypothecated, meaning it is for the NI Executive to determine how funding is allocated to departments.

3.1.4 When Covid-19 funding was provided to Northern Ireland, rather than flowing to the equivalent NI department to which the funding had been allocated in England, each department needed to submit bids for funding to the Department of Finance (DoF) for NI Executive consideration. Whilst DoF worked at pace to allocate the funding, this did lead to a level of uncertainty until allocations to departments were confirmed.

3.1.5 The funding process limited the Department in its ability to put a medium-to-long-term strategy in place, forced instead to rely on short-term responses, based on the level of funding available.

3.1.6 An example of the funding uncertainty was evident in 2020 when The Department received Barnett consequentials, but the NI Executive diverted the JobStart Scheme funding elsewhere. The Department continued to work on the Business Case and Scheme guidelines while awaiting funding from the NI Executive. The delay in funding delayed the rollout of the

Scheme from November 2020 to April 2021 with the funding being provided in March 2021 **(Exhibit CB/012 INQ000613485)**.

3.1.7 WRES was implemented from May 2021 to March 2022, however implementation was moved from December 2020 to May 2021 when funding availability was confirmed for 2021/22 financial year. Labour Market Partnership (LMP) implementation was brought forward due to the pandemic. Operational delivery was funded via Covid funding for period December 2021 to March 2022 and it continued with baseline funding from April 2022.

3.1.8 The Social Security Policy and Legislation team was tasked to help deliver an effective emergency response to support those in crisis, because of Covid-19, as quickly as possible. Discretionary Support, as an existing functioning Scheme, was utilised as the vehicle to provide this rapid response to support those most in need. This work was not affected by the lack of early knowledge about funding allocations.

3.1.9 Universal Credit benefit payments in Northern Ireland are funded centrally by the HM Treasury from its Annually Managed Expenditure (AME) budget. AME is a demand-led budget more resilient to deal with fluctuations in expenditure during a crisis. To help ensure continued service delivery and meet the needs of a significant increase in the case load, Universal Credit redeployed its staffing resources to claims processing and payment, equipping them with IT kit to work from home, thereby ensuring no loss of service.

3.1.10 In relation to the grants provided to the arts, culture and VCSE sectors by DfC, not only was the Department delayed in its ability to put a safety net in place, it was also unable to provide any guarantees of continuing support, causing uncertainty in both the arts and culture sectors and the VCSE sectors, which led to increased concerns for organisations and individuals reliant on government support during Covid. There was also significant initial uncertainty around funding available for Covid-19 self-isolation grants and the Covid Heating Payment for vulnerable people.

3.1.11 DfC was only able to provide substantial financial support to the arts, culture and VCSE sectors upon confirmation of funding. While the first lockdown occurred in March 2020, the first allocations of Covid-specific funding, for programmes such as the Community Support Fund and Culture Resilience Fund, were not confirmed until May and June 2020 respectively.

3.1.12 This delay in the processing and receipt of funding meant that organisations and individuals in these sectors had no immediate financial safety net when lockdown was first implemented. In the vacuum between lockdown and the subsequent rollout of support packages, artists and freelancers had to rely on social security benefits or small emergency grants, rather than sector-specific supports.

3.1.13 While the Barnett formula is the default method for providing funding to Devolved Administrations outside of the block grant, it was not designed for emergency financial situations, such as the Covid-19 pandemic. Reliance on this funding method created unnecessary and, at times, delays in the provision of support to those most in need. It fostered uncertainty until Departments budget bids were confirmed which delayed the implementation of necessary Covid-19 support interventions.

3.1.14 A report by the Institute of Government noted the Devolved Governments' frustrations with the Barnett formula **(Exhibit CB/013 INQ000613494)**. With funds being released only when the UK Government spent more in England, it made it harder to plan their own responses.

3.1.15 To allow for a more effective planning process for a future pandemic, a change in funding arrangements would be considered beneficial, enabling a swifter response by the NI Executive.

3.1.16 An arrangement more closely aligned to the "Barnett Guarantees" provided by Treasury in July 2020 would give further clarity around funding and provide a basis on which the NI Executive could build a strategic plan of response to a future pandemic **(Exhibit CB/014 INQ000613512)**. This would also allow for greater flexibility if one of the Devolved Administrations were affected differently than the rest of the UK, enabling that Administration to respond to its spending needs.

3.1.17 Furthermore, a relaxation of year-end restrictions (i.e. the Budget Exchange Scheme [BES]) would be useful. For example, additional flexibilities at year-end would have allowed the Executive to retain funding not able to be spent because of the impact of Covid-19. For DfC, this particularly affected Capital DEL spending due to disrupted supply chains, site closures and delays in signing contracts.

3.1.18 It is hard to quantify if, and to what extent, the absence of Ministers during the specified period had an impact on the response to the pandemic. It is reasonable to assume that, if Ministers were in place in the years immediately preceding the pandemic, it would have allowed for better preparation, even if only from the perspective of allowing each Minister to develop more experience in their role and build knowledge and confidence of their Department's remit and requirements.

3.1.19 At the time of the emergence of the Covid-19 virus, Department officials were preparing for the return of the Ministers and the Assembly in January 2020, preparing First-Day Brief packs for the incoming Minister and reacquainting themselves with Machinery of Government duties and responsibilities. From this perspective, the absence and subsequent return of Ministers, in such proximity to the pandemic, may have limited the scope and ability of the Department to focus on preparation for the imminent pandemic.

3.1.20 From a DfC perspective, it is understood that the joint request issued by First Ministers in Wales, Scotland and Northern Ireland[4] in January 2022 for flexibilities in relation to funding in response to the pandemic was made at that time because the 2022-23 year-end was fast approaching and there was concern that Devolved Governments would not be granted the same flexibility provided in 2021-22, to carry over any late consequential payments into the next year's budget, even if it was provided at such a late stage as to prevent it being used most effectively. The flexibility provided an additional benefit with the subsequent collapse of the Northern Ireland Executive on 3 February 2022. TEO would be best placed to advise on what response was received.

3.1.21 In one respect, the Barnett mechanism of funding was successful in providing funding certainty to the Devolved Administrations, in that there is a clear and well-established Barnett calculation in place, meaning that, once an announcement of funding was made by the UK Government, each Administration was aware of the amount of funding they were due. However, as previously noted, the lack of certainty stems from the late notice of these announcements, which inhibited the Devolved Administrations' ability to put strategic plans in place and to respond efficiently and effectively in an emergency, such as the pandemic, in a needs-based manner.

3.2 Arts and Culture Funding

3.2.1 DfC and its ALBs acted quickly to provide funding flexibilities for existing allocations and awards to bodies in these sectors. For example, Arts Council was provided with additional funding from the existing NICS and DfC budget which allowed it to stand up initial emergency support for organisations.

[4] INQ000182948

3.2.2 The Department, and the wider NI Executive, had to await confirmation of funding from the UK Government, through Barnett, before it was able to put further schemes and programmes in place. Note that a number of schemes crossed arts, culture, VCSE and other sectors, so sections of this statement covering arts and culture, and VCSE, report, need to be read in conjunction with each other.

3.2.3 Following an announcement by the UK Chancellor on 5 July 2020 of a £1.57 billion package of support for cultural and heritage organisations, a £33 million Barnett consequential was allocated to Northern Ireland. The NI Executive agreed on 24 September 2020 to allocate an additional budget of £29 million from the £33 million allocation to DfC to support the culture, language, arts and heritage sectors impacted by the coronavirus pandemic **(Exhibit CB/015 INQ000613522)**.

3.2.4 Officials worked at pace to finalise sectoral engagement, complete proposals and secure approvals. Seventeen different intermediary/ delivery bodies (per paragraph 2.4.1) opened their calls for applications and delivered renewal projects from late October/ early November 2020 and funding was disbursed to all eligible organisations by 31 March 2021.

3.2.5 In May 2021, the Executive agreed to allocate £26 million for sectors supported by ECG as follows:

A. £13.0 million to culture, arts and heritage sector to support ongoing recovery within the sector.
B. £5.0 million for the sports sector to help alleviate the ongoing effects of the pandemic.
C. £5.0 million to support charities and social enterprises facing continued financial difficulties; and
D. £3.0 million to support council-managed community development and advice services via the Community Support Programme.

3.2.6 A Culture, Arts and Heritage Taskforce had been established by the DfC Minister in early 2021 to provide advice and its final report was received on 9 August 2021 **(Exhibit CB/016 INQ000613525)**. It recommended that a scheme to support creative individuals should be prioritised and so DfC officials worked at pace to finalise approvals and Arts Council opened a call for applications on 15 September 2021. A Programme of support for organisations was then developed in partnership with seven intermediary/ delivery bodies (as listed in paragraph 2.4.1) who opened calls for applications in December 2021 and early January 2022 and subsequently made awards to support organisations with Covid-related organisational deficits incurred in the 2021/2022 financial year.

3.2.7 Organisations and individuals in these sectors had limited options for immediate financial support when lockdown was first implemented. However, it was also not immediately clear what types and extent of support would be needed, and officials required time to formulate proposals for Ministerial approval to address identified needs. In the time period between lockdown and the subsequent rollout of support packages, artists and freelancers had to rely on social security benefits or small emergency grants, rather than sector-specific supports.

4. Data, Modelling, Advice and Analysis

4.1 Data Sharing

4.1.1 No additional data was requested or received from UK Gov/DCMS/DWP during the pandemic for the purposes of modelling or analysis in relation to Covid-19. In relation to the business-as-usual data received from DWP, the process remained unchanged and was received in line with our normal governance and data sharing protocols.

4.1.2 Data was shared between DfC Analytics Division (AD) and individual council areas to assist in the planning and distribution of emergency food parcels. The Department's privacy notice **(Exhibit CB/017 INQ000613526)** states that data may be shared with local authorities and provides a summary of the type of information that the Department processes including geographical information for the purpose of delivering programmes. The notice was amended to take into consideration the Covid-19 pandemic and the need to share data to deliver statutory functions of DfC.

4.1.3 In relation to data sharing between DfE and DfC, for the purpose of verifying details in relation to the High Street Voucher scheme (HSV), the Department's privacy notice states that citizens' information is processed for the prevention of fraud and error. It states that personal data is collected from other Departments where there is a lawful basis to do so. Therefore, citizens were informed that their information may be used in this manner.

4.1.4 AD was part of the Departmental Operations Centre (DOC) support team which shared management information with the DfC DOC regularly. This included information on departmental staffing levels, benefit activity, calls etc. Some of this was shared further with the central NI Civil Contingencies Hub led by TEO and potentially fed into the wider UK civil contingencies structures where appropriate.

4.1.5 AD produced analysis on employment vulnerabilities within the arts, culture and heritage sectors in collaboration with Ulster University Economic Policy Centre (UUEPC). This analysis was published on the UUEPC website **(Exhibit CB/018 INQ000613527)**.

4.1.6 AD receive data from DWP on a regular basis before, during and after the pandemic. Their approach to data sharing did not differ. The data sharing protocols have not changed and the method in which data is shared has not changed as it is deemed sufficient.

4.1.7 The Department engaged closely with DWP colleagues in terms of the UK Kickstart Scheme while developing the NI JobStart Scheme and found them to be extremely open to sharing information. Guidance and expertise were fully shared relating to the Kickstart Scheme which greatly speeded up the launch of the JobStart Scheme. Ongoing conversations and collaboration continued with DWP throughout the lifetime of the JobStart Scheme. Data was shared via email with several MS Teams and Zoom meetings throughout and was deemed to be sufficient.

4.1.8 Discretionary Support is bespoke and unique to NI therefore there was no requirement to share data with DWP. In October 2020 the Department was asked to provide a short input to correspondence that would be issued by the Cabinet Office setting out the support across the UK. The correspondence outlines the details of NI payments to people required to self-isolate **(Exhibit CB/019 INQ000560743)**.

4.1.9 Data Sharing Agreements were actioned at pace to facilitate several initiatives. The Covid-19 pandemic had an adverse effect' on applicants' ability to have application forms verified at their local Jobs & Benefits Office. This resulted in amendments to processes to allow for benefits to be awarded/confirmed. DfC provided a verification process called Trust & Protect for several processes that otherwise would have necessitated citizens attending JBOs in person. Trust & Protect meant the information the claimant provided via telephone was trusted and the claims processed to prevent a delay in payment. Information concerning UC system changes and enhancements carried out by the DWP to support operation easements and trust and protect measures was shared regularly with DfC counterparts. This was done via virtual meetings, telephone calls, email and shared use of collaborative digital platforms.

4.1.10 DfC representatives were routinely invited to attend virtual meetings with Universal Credit colleagues in DWP and maintained regular contact by email and collaborative digital platforms. A primary purpose of this was to provide input on Northern Ireland requirements for Universal Credit system enhancements and as such, transparency in the information shared was vital to ensuring NI requirements were correctly applied.

4.1.11 The sharing of information, data and analysis between DWP and Universal Credit Operations NI remained consistent before and during the pandemic. Key collaborative working relationships were already in place prior to the pandemic with Universal Credit Operations NI staff embedded within UC Product Strategy Teams in DWP to ensure NI requirements were always considered when system changes and enhancements were being put in place.

4.1.12 Data was also shared with grocery retailers to allow for priority deliveries to the elderly and vulnerable and with the Education Authority to assist with free school meals and assistance with school uniform allowances verification by DfC **(Exhibit CB/020 INQ000613528, Exhibit CB/021 INQ000613529, Exhibit CB/022 INQ000613530 & Exhibit CB/023 INQ000613531)**.

4.2 Data and Statistics

4.2.1 The approach and effectiveness of the sharing of data, information and analysis during the pandemic varied between the different business areas in the Department as explained below.

4.2.2 The principal sources of data for the JobStart Scheme were labour market data from Northern Ireland Statistics and Research Agency (NISRA) and research data from Northern Ireland Department of Education (DE) on those Not in Employment, Education or Training (NEETS).

4.2.3 Data was used from research around NEETs conducted by DE just before the pandemic and this helped shape specialist pathways for those hardest to help with multiple barriers to employment.

4.2.4 Data was used from departmental statisticians and the Labour Force Survey, with information also used from NEETs research into the barriers to employment faced by young people. Data, along with economist and statistician advice, were used to develop the business case and prove value for money for the Scheme. Work coaches in local jobs and benefits offices were asked to look at caseloads and identify suitable young people for the scheme and the types of jobs they would like to take up. This information helped targeting of employers in relevant sectors of young person interest.

4.2.5 NEETs data was NI wide and not broken down into geographical areas. The data came directly from Office for National Statistics and covered NI as a whole. This led to some difficulty in identifying where NEETs were located in NI. Data existed for other 16–24-year-old cohorts and only the NEETs data was problematic.

4.2.6 This difficulty had little effect on the design and analysis of the JobStart Scheme as robust advertising and a solid marketing campaign helped locate NEETs who were interested in entering employment.

4.2.7 The Discretionary Support Scheme was introduced on 28 November 2016; it was a relatively new Scheme, unique to Northern Ireland, and consequently, there was limited data available. The Discretionary Support scheme was identified as the quickest means of delivering emergency financial support to those most in need during the pandemic.

4.2.8 In the beginning of the Scheme, Discretionary Support did not gather section 75 data; DfC now asks Discretionary Support claimants to consider responding to a section 75 questionnaire. As many claimants choose not to respond to this request, available data is limited to those that do respond which is the main challenge in terms of data availability.

4.2.9 While Discretionary Support officials were not involved in economic policy and did not use modelling, they considered policy changes for the Scheme to reduce the effect of the economic impact on individuals' financial situation as a result of the pandemic. All policy changes were introduced with the aim of reducing the effect of the economic impact and financial loss by increasing the financial support available through the Scheme.

4.2.10 During the pandemic there were ongoing discussions, monitoring and proposals among senior officials to establish policy changes that could be delivered operationally and would provide the greatest benefit to the most vulnerable in society. These came to fruition in the form of the Regulation changes laid out above in 2.3.

4.3 Arts and Culture

4.3.1 There was ongoing engagement between DfC and counterparts in other parts of the UK. This began informally, often through specific contacts, and became more of a standing arrangement during 2020. There was sharing of insights during these engagements but limited structured sharing of data and economic analysis.

4.3.2 The data sharing was valuable, but reflection during the completion of PPEs drew out several areas where improvements were possible as explained in section 5.3 below. This included lessons learned regarding use of Data Sharing Agreements, cross departmental collaboration and information sharing, and engagement between sectoral partners, intermediary bodies and applicants.

4.3.3 DfC did not have a role in compiling specific pandemic related data or analysis in the context of developing funding schemes. Officials engaged with counterparts to share information and understand how other jurisdictions were approaching similar issues.

4.3.4 DfC was not responsible for formulating economic policy in response to the pandemic and the availability of data to inform development of culture and arts funding schemes was limited.

4.3.5 There was some stepping up of engagement with DCMS during the pandemic, in some cases into standing groups but these were for engagement rather than for formal data sharing.

4.3.6 Officials engaged regularly with staff from organisations within the sector and relevant ALBs to draw upon their expertise and knowledge of the pandemic's impacts and sectoral needs. The Emergency Leadership Group and Culture, Arts and Heritage Recovery Taskforce also provided advice.

4.3.7 Proposals were communicated to the Minister for Communities during discussions and formally via submissions and the business case approvals process **(Exhibit CB/024 INQ000613532 and Exhibit CB/025 INQ000613533)**.

4.3.8 It was not possible to fully monitor and analyse the economic impact of the pandemic on the arts, culture and VCSE sectors during the 2020/2021 year and officials relied on anecdotal feedback from sectoral partners, survey information and some available data to formulate proposals.

4.3.9 No new methods or sources of information were developed; however economic modelling was commissioned by DfC and DoF with Ulster University in 2021/2022 to help inform future financial interventions and provide data on job vulnerabilities in response to the pandemic **(Exhibit CB/18 INQ000613527)**.

4.3.10 Covid restrictions meant that it remained challenging to obtain sufficient data that conclusively made the case at programme level for funding intervention for every sector/sub sector, and it was recognised in the business cases that the data was sub-optimal. Extensive engagement took place across all sectors to keep abreast of ongoing economic challenges. Combined with survey data and research, an assessment enabled the quantum of financial deficit that existed within sectoral organisations to justify the use of public expenditure, subject to a case-by-case examination.

4.3.11 In the case of the CLAH, potential demand for funding was only fully understood when applications were received and assessed.

4.3.12 Funding disbursed to these sectors was largely allocated via competitive grant schemes. Therefore, while it was necessary to gather sufficient data to make the case for need at a sectoral level in the context of securing business case approvals, it was not necessary for officials or intermediary bodies to gather economic data in advance to make expenditure decisions. All expenditure decisions were made based on applications from organisations setting out their specific needs.

4.3.13 ECG engaged with DfC's Analytics Division to use whatever data they could access and interpreted it to the changing circumstances. Epi-macro modelling was not used in designing funding schemes.

4.3.14 ECG monitored changes in the pandemic largely by maintaining close engagement with other administrations, other NICS Departments, delivery partners, sectoral representative groups and sectoral organisations.

4.3.15 Monitoring and assessing changes in the wider economy is the responsibility of DfE.

4.3.16 The review of NICS grant schemes by EY **(Exhibit CB/027 INQ000347008)** included consideration of this area and made some recommendations for enhancements to data gathering and sharing, however, it also acknowledged that it is not possible to gather statistically accurate data in an evolving emergency context.

4.4 VCSE

4.4.1 ECG worked closely with officials in other UK jurisdictions to understand need and responses to equivalent sectoral landscape (whilst recognising differences between jurisdictions). DfC was not responsible for the production or analysis of economic data. There were no data sharing agreements in place with UK Government departments as it would have been challenging to construct a clear justification for sharing data which contained personal information.

4.4.2 Data was extensively shared between DoH & social care trusts and the VCSE, but a clear business need existed and it fully complied with the Data Protection Act. Data on organisations was also shared with DoF to examine the potential for fraud and error due to the range of interventions by other Executive Departments. Data was also made available to HMRC, at their request, on grant awards to organisations to determine whether there was any taxation liabilities created, but there were data protection challenges to be overcome in order to achieve this. In general, for data to be shared, both parties must have a business need. As a devolved region, UK Government would have a limited role in the administration of functions locally.

4.4.3 The Covid-19 VCSE Emergency Leadership Group (ELG) was set up to enable voluntary and community sector representation and leadership in planning and delivering an emergency response for vulnerable people in light of the Covid-19 pandemic. It included grassroots and regional organisations who work in the voluntary and community sector. The purpose of the ELG was to agree the key response themes for the VCSE sector, provide advice on strategic direction and co-ordinate the delivery of the collective response. The ELG structure enabled the Department to be kept informed about the impact of measures in local communities and identify issues in relation to vulnerable groups relevant to the ELG's remit. The ELG worked with the Department to highlight the needs vulnerable groups relating to DfC's remit, community responses and to advise on Departmental interventions.

4.4.4 This brought together key players in the VCSE sector at both a local grassroots and regional level and facilitated partnership working with leaders in central and local government, brokering private sector input where appropriate. There was no legal framework, rather it was a conduit through which the views of the sector could be collated and fed into the Emergency

Response programme for decisions by the Minister. The membership of the ELG was agreed by Minister based on an assessment by officials of the most appropriate sectoral representatives to support the themes of the Emergency Response Programme **(Exhibit CB/028 INQ000613536)**.

4.4.5 The Emergency Leadership Group met on a monthly basis whilst the Programme was operational, with additional meetings called as required by the joint chairs. The key priorities at the outset were:

A. Sustaining existing VCS capacity and service delivery
B. New investment
C. Enabling community leadership

4.4.6 Given the fast pace of events during 2020, it is not possible to attribute specific policy recommendations to the ELG, but it was an important advisory forum in supporting initiatives proposed by the Department. The forum also provided a two-way communication channel to give assurance that a range of important views were taken on board. The ELG had no role in making recommendations on funding allocations.

4.4.7 The focus of the ELG was on enabling the sector to support the Executive, providing a two-way feedback loop. The programme of work that emerged was approved by the ELG. The Engaged Communities Deputy Secretary, Moira Doherty, was the Programme Senior Responsible Owner (SRO). In this role she was ultimately accountable to the Departmental Permanent Secretary as Accounting Officer, for delivery of the Programme, advising and reporting to the Minister and Committee for Communities directly as required. Minister chaired the first meeting of the ELG and subsequently meetings were chaired by the SRO and the Director of the Red Cross **(Exhibit CB/029 INQ000613537, Exhibit CB/030 INQ000613538, Exhibit CB/031 INQ000613539, Exhibit CB/032 INQ000613540 and Exhibit CB/033 INQ000613541)**. The SRO had individual responsibility for ensuring that the Programme met its objectives and delivered on the Programme benefits.

4.4.8 The Programme managers had collective responsibility for running the Programme on a day-to-day basis, ensuring all the required products and activities were delivered to the agreed quality and within the specified time and cost constraint. As members of Programme Board, the Programme Managers delivered progress reports for their areas of responsibility on a regular basis, augmenting these with more detailed presentational topics as required. They provided the interface between Programme SRO, the Programme Management and Governance Manager and the Strand Leads. They were the single points of contact with the Senior (Checkpoint) Team for the day-to-day management of the Programme.

4.4.9 In respect of the needs of vulnerable individuals, all issues appropriate to keep people safe were considered by ELG. No funding gaps were identified.

4.4.10 A review of the ELG was carried out to review the effectiveness of the Programme in delivering key emergency measures **(Exhibit CB/034 INQ000613542)**. The Programme was faced with several constraints which may have impeded the achievement of the objectives in terms of financial, timescales, operational, staffing, co-ordination and data. However, in the vital first few weeks, the Programme responded to the unprecedented challenge by:

A. successfully launching a community helpline to provide support and advice to the most vulnerable.
B. designing and delivering a mechanism to purchase and distribute food boxes.
C. distributing £1.5 million of additional funding to Councils to support VCS organisations in their area to provide interventions relating to food, financial need and/or connectivity; and
D. forging new relationships with Councils, VCS Organisations and Health and Social Care Trusts within existing Civil Contingency framework arrangements, to put in place an integrated end to end operating model.

4.4.11 The Department did not conduct any formal review or evaluation of the ELG's impact on the VCSE sector. Exhibit CB/034 INQ000613542 focused on the achievement of the objectives in terms of financial, timescales, operational, staffing, co-ordination and data. The work of the ELG was not within scope of this evaluation.

4.4.12 The ELG was established to support a specific Departmental Covid-19 response. It did not have any formal role or relationship to formal Civil Contingencies Structures led by TEO and future decisions on the appropriate structures for VCS input to civil emergencies are a matter for consideration by the Executive's Civil Contingencies Group, on which DfC is represented. It would depend on the type of future emergency to decide whether the ELG would be stood up again.

4.4.13 Delivery partners were an integral part of the process, and they included ALBs, The National Lottery Community Fund, councils and social finance delivery partners; they were integral to the development, design and delivery of interventions. DfC consulted partners throughout as well as overseeing the delivery process. Advice to Minister on the detail of proposals for individual elements was informed by the contributions of these stakeholders.

4.4.14 The principal sources of statistical data used in the VCS response were Charity Commission for Northern Ireland, Charity Commission for England and Wales via Gov.uk, Scottish Charity Register, Charities Regulator, Office for National Statistics, National Records of Scotland, Northern Ireland Statistics and Research Agency, as well as DfC survey with applicants to the Covid-19 Charities Fund **(Exhibit CB/035 INQ000613543, Exhibit CB/036 INQ000613544, and Exhibit CB/037 INQ000613545)**.

4.4.15 As the Department does not have responsibility for economic policy, the Emergency Reponse Programme did not make use of mathematical, statistical or economic modelling.

4.4.16 The biggest challenge with regards to the use of data was in the first year of the pandemic, as there was limited available data on charities. As funding of charities is a cross-cutting issue across Executive departments, DfC has not to date carried out any review into the availability and access of good quality data in this sector.

5. Economic Support

5.1 Support provided by the Department

5.1.1 The JobStart scheme was implemented as DfC identified individuals and groups who required economic support during the pandemic using national labour market research from the Institute of Employment Studies (IES), which concluded that in recessions there tended to be a particularly large increase in unemployment for young people as they are:

A. most likely to be moving in and out of work
B. most affected by increases in job separations and by slowdowns in hiring
C. likely to face increased competition from those with more work experience and job-specific skills

5.1.2 Research was also considered from Ulster University that highlighted the disproportionate impact on the young especially with new education qualifiers entering the labour market. Employees aged under 25 were about two and a half times more likely than other employees to work in a sector that shut down. Over two-fifths (45%) of total workers under the age of 25 were estimated to have been furloughed or laid off, the highest proportion across all age groups.

5.1.3 There was also consideration to both the scarring effects of entering the labour market during periods of economic downturn, the fall in youth employment and the higher levels of economic inactivity.

5.1.4 As the purpose of the existing Discretionary Support scheme is to provide financial support to those eligible who are in an extreme, exceptional or crisis situation it was identified that those already utilising this Scheme, along with many others who suddenly found themselves in financial crisis due to impacts of the pandemic, would be particular groups requiring support during the pandemic. Consequently, changes were made to extend the Scheme and provide greater support to claimants as noted in paragraph 2.3.2.

5.1.5 Discretionary Support is available to all who satisfy eligibility criteria set out in regulation 10 of the Discretionary Support Regulations (Northern Ireland) 2016 (S.R. 2016 No. 270) and those who make a claim for a self-isolation grant had to further satisfy the requirement at regulation 12(2)(e) of those Regulations which was that they, or their immediate family, were diagnosed with Covid-19 or advised to self-isolate in accordance with guidance published by the Regional Agency for Public Health and Social Well-being **(Exhibit CB/038 INQ000560747)**. Self-isolation grants are specifically designed to take a holistic view of each claimant's financial difficulties. Decision makers, when making their decision, consider the increased risk of hardship a person may experience because of reduced income due to having been told to self-isolate and an inability to meet commitments.

5.1.6 The Discretionary Support (Amendment No. 2) (Covid-19) Regulations (Northern Ireland) 2020 (S.R. 2020 No. 67) came into operation on 22 April 2020 to increase the annual income threshold (AIT) **(Exhibit CB/039 INQ000613546 & Exhibit CB/040 INQ000560744)**. Raising the AIT opened the Scheme's support to claimants who would previously have been excluded from accessing this financial support due to their income. The maximum debt threshold limit of £1,000 was also increased to £1,500 to increase accessibility to Discretionary Support loans.

5.2 Parity between Northern Ireland and Great Britain

5.2.1 Fundamentally the policy of parity ensures that a person in Northern Ireland receives the same benefit entitlements as their counterparts in England, Scotland or Wales. This facilitates free movement within the UK and ensures that individuals have access to the same benefits, regardless of location and irrespective of whether Northern Ireland can itself generate sufficient revenue to fund the benefits. Underpinning the principle of parity is that people in

Northern Ireland pay the same rate of Income Tax and National Insurance contributions as those in Great Britain and are therefore entitled to have the same benefits and rights. Section 87, Northern Ireland Act 1998 requires the Secretary of State with responsibility for social security and the equivalent NI Minister to consult each other with a view to securing single systems of social security, child support and pensions for the UK.

5.2.2 The New Decade New Approach agreement provided for the restoration of the devolved institutions in Northern Ireland in January 2020 following a 3-year period without an Executive and functioning Assembly. During this period DWP made parity social security legislation on behalf of DfC. DWP continued to make parity social security legislation on behalf of DfC in the early stages of the pandemic until 23 September 2020, the Welfare Reform (Northern Ireland) Order 2015 (Cessation of Transitory Provision) Order 2020.

5.2.3 In practice the principle operates by officials from the UK Government/DWP and officials from DfC working together to maintain parity which continued during the pandemic. A list of Regulations and amendments made by both DfC and DWP on behalf of DfC during the specified period can be found at **Exhibit CB/041 INQ000613547.**

5.2.4 The entitlement to SSP for Covid related absences remained in place in Northern Ireland up to 24 September 2022 which was 6 months longer than in other parts of the UK. In early 2022 DWP confirmed that it would not be extending the SSP provisions beyond 24 March 2022. However, due to the continuation of public health guidance in relation to Covid-19 in Northern Ireland, the Department asked the Secretary of State to extend the provisions in Northern Ireland. On 23 March 2022 DWP, on behalf of DfC, extended the provisions in section 43 of the Coronavirus Act 2020 for a further six months from 25 March 2022. Section 43 of the Coronavirus Act 2020 related to the suspension of the waiting period for entitlement to SSP. On the same day the Department made The Coronavirus Act 2020 (Extension of Provisions Relating to Statutory Sick Pay) Order (Northern Ireland) 2022 to extend the provisions to 24 September 2022.

5.2.5 Universal Credit in Northern Ireland is administered via the Universal Credit Full Service (UCFS) computer system, owned and maintained by the DWP. Claims in NI and GB are made and maintained via the same platform.

5.2.6 The operational practices/processes built into the system are led by Universal Credit legislation and policy which includes the NI payment flexibilities. The requirement for NI to maintain parity with GB applies to UC legislation policy and system functionality and this principle was maintained in response to the pandemic. System updates are driven by changes to legislation and policy and change requests to fix pre-existing identified issues.

5.2.7 The monetary value of support provided to claimants in NI is equal to that provided to claimants in GB. Parity in terms of operational easements in response to the pandemic, supported by system enhancements, was achieved through ongoing collaboration with Universal Credit counterparts in DWP. Trust and Protect measures which ensured that quick, immediate support was provided to those in need in NI were put in place in parity with the measures introduced in GB.

5.2.8 DfC did not diverge from UK Government policy in response to the pandemic in relation to the uplift in Universal Credit and there were no specific occasions that DfC had to advise DWP on specific circumstances in NI that needed to be considered in the economic response to the pandemic.

5.2.9 DfC was first among the Devolved Administratioins to introduce urgent financial support for those impacted by Covid-19 and this came into operation on 25 March 2020 **(Exhibit CB/042 INQ000560734)**. Decisions made in relation to DS were not based on decisions from other jurisdictions.

5.2.10 Given the speed at which the various changes were approved by the UK government, DfC was advised as and when decisions were made and draft versions of proposed regulations were shared. DfC responded to the challenges of the Covid-19 pandemic by drafting regulations to implement the rapid, temporary policy changes to support the increasing number of people who needed urgent support from the social security system.

5.3 Support for Arts and Culture

5.3.1 Engagement with DCMS counterparts included discussion of interventions others were planning, particularly in England where they moved forward more rapidly as they had funding allocations in advance of those provided to the devolved administrations via Barnett. The scale of NI compared to England required significant adaptation of thinking, modelling and design.

5.3.2 In 2020/21, engagement with sectoral organisations stepped up to understand the impacts of the pandemic and associated restrictions. Given the scale and pace of change, departmental officials became involved in direct engagement as well as through the Arts Council, Northern Ireland Council for Voluntary Action (NICVA) and other organisations.

5.3.3 Minister Hargey established the Culture, Arts and Heritage Recovery Taskforce in May 2021, chaired by Dame Rotha Johnston, and asked it to make recommendations on the way forward. In August 2021, following engagement by Taskforce members across the Culture, Arts and Heritage community, the Taskforce published a report, "The Art of Recovery - Survive, Stabilise, Strengthen" (Exhibit CB/016 INQ000613525). Membership of the taskforce, together with its Terms of Reference and findings, can be found in Appendix 1 of the CRPO/CIRP PPE **(Exhibit CB/043 INQ000613548)**.

5.3.4 The PPE for the CLAH **(Exhibit CB/044 INQ000613549)** concluded that the programme was successfully delivered because:

A. robust decisions were made early when gathering sectoral information; choosing a preferred option to distribute funds by means of delivery partners; and deciding to adopt a proportionate delivery management approach.
B. The over-arching objective to support immediate, short-term interventions to stabilise the Sector, as well as to catalyse a longer-term agenda for recovery, renewal and change, was achieved.
C. The programme appears to have been managed effectively and diligently both by the Departmental team and delivery partners.
D. The application process was relatively simple, and funding was released in a timely manner.
E. Funding distribution was kept within budgets; and
F. A green rating was achieved during subsequent audit exercises.

5.3.5 The successful and responsive delivery achieved by the DfC delivery team, in collaboration with all other departmental and sectoral participants, should be acknowledged. This was particularly remarkable due to the constrained timeframes, during an emergency, while working remotely. Strengths included:

A. Sectoral stakeholder engagement and collaboration was utilised to great effect to co-design the most effective response to the emergency. This was in part due to remote working, which enabled collaborators from a variety of organisations and locations to become involved often at short notice
B. Fast response time for policy development and delivery

C. There was potential for conflict between ensuring ease of access to the funding and maintaining robust funding criteria and controls. An appropriate balance of accessibility and rigour was struck by the delivery team.

5.3.6 Possible weaknesses included:

A. The need for a scheme specifically aimed at supporting the sector was not identified until after other schemes providing support for other groups (e.g. charities and sporting organisations) were launched. This resulted in later receipt of financial support to some organisations and individuals.
B. A more rigorous and better documented approach to risk management may have provided senior management with a greater level of assurance during the scheme.

5.3.7 Prior to the government support packages being announced, there was acute concern about survival rates and potential closures across the sector. Overall, state support has sustained much of the culture, languages, arts and heritage sectors and major losses have been averted.

5.3.8 At the planning stage the duration of the pandemic was considered a "known unknown." The PPE also notes that the outline business case appraisal did not anticipate the extent of the deepening and sustained crisis that subsequently emerged. The programme was initially planned to last for a single year with full spend allocated by 31 March 2021; a follow up through the CRPO was put in place for 2021/22. As no specific duration of economic shock was anticipated, no advice/notes can be provided.

5.3.9 The PPE for the CRPO/CIRP concluded that the programme was successfully delivered because:

A. Robust decisions were made early when: gathering sectoral information; choosing a preferred option to distribute funds by means of delivery partners; deciding to adopt a proportionate delivery management approach.
B. The over-arching objective to support recovery within the targeted sectors, was achieved.
C. The programme appears to have been managed effectively and diligently both by the Departmental team and delivery partners.
D. Funding was released in a timely manner.
E. Funding distribution was kept within budgets; and

F. A green rating was achieved during subsequent audit exercises.

5.3.10 Strengths included:

A. Stakeholder engagement was integrated into the programme from the start, to establish a consensus on objectives and to identify sectoral need.
B. There was potential for conflict between ensuring ease of access to the funding and maintaining robust funding criteria and controls. An appropriate balance of accessibility and rigour was struck by the delivery team.
C. The programme benefitted from the fact that other departmental Covid initiatives had already been established. As several schemes and interventions had already been successfully delivered by ECG, involving many of the same stakeholders, delivery partners and internal staff, there was a level of confidence both within the Department and in the wider sector that these schemes would also be delivered successfully.
D. Lessons from the previous year's Covid grant funding schemes by the Department were considered, disseminated and factored into the 2021/22 recovery schemes.

5.3.11 Possible weaknesses included:

A. At the planning stage it was not known whether the quantum of funding made available would be adequate to support recovery within the sectors. No reliable quantitative or qualitative data or insights were available at the time to validate the predicted need. By necessity, projections were based on best estimates, combined with associated prudence to ensure that only those individuals and organisations in need would receive funding.
B. The timing of the Executive allocation of funds and time needed to establish the programme and ready schemes for implementation meant that applications for individuals and organisations were opened in September and November respectively. This resulted in release of financial support to some individuals and organisations in the last quarter of the financial year.
C. In the absence of evidence and data to accurately identify financial need and demonstrate value for money, the business case for creative individuals could not be approved by the Department's Casework Committee and resulted in a requirement for Ministerial Direction to be provided **(Exhibit CB/045 INQ000613550)**. This delayed implementation and resulted in additional unforeseen activities.

D. Although the Programme Definition Document indicated that an extensive suite of programme management documents would be produced, there were gaps; some documents were drafted but not maintained whilst others were not created.

5.3.12 CIRP was planned to last for a single year with full spend allocated by 31 March 2022. There was no specific duration of anticipated economic shock.

5.3.13 Funding decisions for the arts and culture sectors were informed by the UK Government insofar as it decides how much funding NI receives through Barnett consequentials and then it is up to the NI Executive to decide how much is allocated to DfC and for what purpose. Engagement with DCMS gave a sense of what was being considered in England and allowed some thinking about what that might mean in NI; but allocation of funding via the Executive was required before formal planning could commence.

5.3.14 NI schemes took full account of schemes elsewhere but adapted them accordingly and so there was sufficient notice of UK wide support by both the UK Government and other Devolved Administrations to enable the Department to formulate its schemes. In the earlier stages of the pandemic, given the complete unknowns, schemes in NI tended to follow DCMS schemes quite closely (adjusted for scale and the different nature of the sectors); as the pandemic evolved, there was some greater divergence. The Department's approach was informed by evidence-based recommendations derived from the Culture, Arts and Heritage Recovery Taskforce. However, as economic policy is the responsibility of DfE, they would be best placed to answer what opportunity there was to liaise with the UK Government to shape economic policy before implementation of UK Government schemes.

5.3.15 As the ECG schemes were in devolved policy areas, there was no specific reason to raise concerns about gaps in UK Government schemes, beyond the general liaison engagement which was in place.

5.3.16 A decision was taken to suspend the collection of rents from the Department owned Managed Workspace Buildings, which house arts and culture organisations. The suspension was in response to the Covid-19 pandemic and the impact on tenants being unable to operate as normal given the strict guidelines set out by the Government. The suspension of rents was in line with the business rates relief that DoF announced as well as other measures aimed at protecting business **(Exhibit CB/046 INQ000613551)**.

5.4 VCSE and Local Councils

5.4.1 The immediate focus of the Covid-19 VCS Emergencies Response was on four key areas:

A. Community Helpline £365,944.21

DfC engaged Advice NI to provide a Covid-19 Community Helpline to link those in need with the support available. This helpline was launched on 27 March 2020, within a few days of the start of the pandemic. This was a vital resource to provide people in need with access to advice and support during the pandemic **(Exhibit CB/10 INQ000613460 and Exhibit CB/48 INQ000613553)**.

B. Volunteering (£83000)

Minister Hargey and Volunteer Now (VN) launched the #helpeachother campaign on 26 March 2020 to direct new volunteers to Volunteer Now's online registration platform, BeCollective. This campaign encouraged volunteers and organisations requiring volunteers to sign up to VN. With over 4000 volunteers registered in response to the campaign by 24 April further registrations were paused as there were not sufficient opportunities available **(Exhibit CB/049 INQ000613554)**. Volunteer Now then directed their focus on signing up organisations who needed volunteers and on encouraging them to consider the sustainability of delivery of their services over time.

C. Access to Medications

For this intervention, DfC worked closely with Community Development and Health Network (CDHN) to agree a protocol with the Health and Social Care Board and a mechanism whereby Community Pharmacies who were not able to offer their own delivery service were matched with VCS organisations willing to carry out deliveries for them in line with the agreed protocol. This provision remained in place for the duration.

D. Access to Food (£14.5 million)

Access to food was one of the most critical elements of the emergency response. The main element was the purchase and distribution of food boxes. Food Parcel Scheme responded with over 204,000 food boxes delivered to those shielding as well as people in critical need of food support **(Exhibit CB/050 INQ000613555 and Exhibit CB/051 INQ000613556)**. Following the scheme's closure, the Department provided £4.75 million to Councils to support their community food providers and a move to sustainable food interventions. £1.8 million was also invested in a range of charities including Fareshare a food redistribution charity to utilise their reach in identifying and tackling food and essential items need. A £1.25 million bulk pallet scheme was also established across the 11 Councils and has enabled community food providers, including foodbanks, to order supplies of food and other essential items. DFC committed, in total £14.5 million across a range of interventions to tackle food need during the pandemic. In the early stages of the pandemic this primarily supported a Food Box programme at a cost of £6.6 million.

5.4.2 The Department worked closely with officials in other UK jurisdictions to understand need and the likely corresponding support that would be available to the local equivalent sectors through Barnett consequentials. Support for the VCSE is devolved to the NI Executive. Apart from general awareness of what other UK regions were doing, there were no formal linkages in relation to design and implementation of NI VCS funding support schemes.

5.4.3 Advisory and decision-making structures were not altered during the pandemic. Senior officials continued to liaise with Minister and manage the various Covid intervention responses being developed by teams within their respective business commands.

5.4.4 In the first year, interventions were directed at areas of need identified by the VCSE. In the second year, DfC took a different approach in response to 'Lessons Learned' review **(Exhibit CB/052 INQ000613557)**. Work was undertaken across all sectors to identify a single common scheme which would ensure that all organisations, irrespective of the sector they operated within, would be treated the same. The introdution of a more joined up approach to sectoral need worked well in the second year and it meant that irrespective of the sector, there was a common approach to grant funding.

5.4.5 The overall challenges related to large scale market failure and the need for government to intervene and support organisations that in normal times would not be supported. There were no ready made schemes and each had to be developed from scratch. In addition schemes had to be designed to target the needs of vulnerable individuals. This was also not an area where intervention was previously needed.

5.4.6 The second year's funding took on board lessons learned from year one, which included:

A. The importance of clarity about expected outcomes and how those are linked to wider Departmental objectives.
B. A general support for a targeted approach.

C. An emphasis on clear evidence of need.
D. Clarity about the Department's risk appetite.
E. Need for multi-functional teams.
F. Documentation of governance arrangements.
G. Avoidance of over-engineering
H. The need for simplification where feasible
I. The opportunity to trial and build on new approaches.
J. The need to develop capacity, have appropriate staff in the right places.
K. Enhanced modelling, particularly to identify the implications of outlier cases.
L. The need for the Department to develop its sectoral knowledge and understanding.
M. Developing a better understanding of wider Northern Ireland responses to Covid
N. The need for consistency across schemes, and
O. Ensuring effective communications across the Department and across Departments.

5.4.7 In designing and tailoring NI VCSE support schemes, DfC had regard to the approach by other regions, including GB and ROI. While it is easier to adopt parity with social security benefits, the needs and priorities of the VCSE in NI, and the communities and individuals that VCSE organisations support, can differ from those in other UK regions. Key decisions taken by the Minister for Communities in relation to VCSE support schemes were not informed by economic policy decisions of UK Government or the other devolved administrations, as these were not specifically developed or delivered as economic interventions. Although regard was had to interventions in GB, all interventions in respect of the NI VCSE were bespoke and tailored to meet the need that was identified. All of the interventions taken forward by the NI Executive covered functions devolved by UK Government to the NI Executive, for which UK Government had no responsibility to directly support, as opposed to being implemented to "fill the gaps" left by the UK Government.

5.4.8 In support of Covid recovery £8.99 million was disbursed to district councils during the pandemic between 1 January 2020 and 28 June 2022 for the VCS **(Exhibit CB/053 INQ000613558)**. This allocated funding was under the governance and control of individual councils.

5.4.9 This was unprecedented, with no crisis in recent times needing the scale of interventions. The Department was starting from scratch in terms of these interventions in the VCS. The schemes were all under the policy direction of the Minister, with senior officials leading the relevant teams to design, develop and implement the interventions. Implementation was only possible with the support of the following key stakeholders: Advice NI implemented the

Community Helpline, VN implemented Volunteering, councils were a delivery partner of Access to Food and volunteers working with Community Development and Health Network in conjunction with local pharmacies helped to deliver Access to Medicine.

5.4.10 These programmes were not primarily developed with a specific economic focus; rather, with the objective of providing support to individuals in need and VCSE organisational needs. There may have been an economic benefit to each, but this was not assessed as it was not the primary reason for the interventions. Funding to support the VCSE sector organisations in the charitable and social economy sector was to prevent the closure and the loss of key services. For second year funding, the aim of funding intervention was to remove or reduce Covid related sectoral operating deficits. This was to enable organisation to be in a stronger position to recover from the Covid pandemic. The risk of this intervention was that it did remove operating deficits, but it did not guarantee the organisation's survival.

5.4.11 The NI Executive via DoF provided DfC with funding of £102.3 million (including Marketing and Promotions costs for recovery of £1 million) for all 11 NI local councils. This funding was allocated and paid out to councils by DfC in both 2020/21 and 2021/22 **(Exhibit CB/054 INQ000613559)**.

5.4.12 Minister Carál Ní Chuilin noted in paragraph 165 of her Module 2C Witness Statement[5] the strategy behind this funding; 'On 24 September 2020 I allocated a £40 million allocation to councils to help address their financial pressures because of the Covid-19 crisis. I was worried about the significant financial challenges facing Councils particularly with the threat of a second wave. This financial support helped to alleviate the losses thus ensuring Councils could positively contribute to the recovery and deliver public services. On 30 October 2020 I made a further allocation of £15million to councils, I wanted to make sure councils had appropriate funding to ensure positive contribution in the response to and recovery from Covid-19. Councils had been at the forefront of delivering key local public services during this difficult time and I knew if we experienced a second wave, they would be at the forefront once again, further funding was essential.'

5.4.13 Northern Ireland has 11 Local Government Councils, all of which received funding. This was short term funding from central government to assist all Local Government Councils to address cashflow issues faced as a direct result of closure of council revenue generating facilities, to mitigate the significant financial implications of Covid-19 and to minimise the

[5] INQ000436131

financial impact on ratepayers going forward. Councils activated their emergency plans during this time. As a result of Covid-19 there were significant changes in how council services were being delivered with some services halted to ensure public safety and compliance with social distancing. SOLACE NI (Society of Local Authority Chief Executives NI) also advised during that time that cashflow was an immediately critical issue for councils and required urgent intervention to address issues created by Covid-19.

5.4.14 On 2 April 2020 the Chairman of the Society of Local Authority Chief Executives in Northern Ireland (SOLACE NI) wrote to the Minister of Finance in NI highlighting significant financial implications and related issues for the 11 Councils associated with the COVID-19 emergency. The letter requested that consideration be given to a number of interventions to support Local Government including direct Government intervention to reimburse Councils for losses incurred as a result of the COVID-19 emergency and to minimise the impact on ratepayers.

5.4.15 The Association of Local Government Finance Officers (ALGFO) provided a high level breakdown of lost monthly income from the closure of facilities and services on a Council by Council basis to the Department on 10 April 2020. ALGFO provided further financial information on a Council by Council basis summarising: financial loss associated with closure of facilities and services (income net of cost savings); waste management costs; and upfront/ exceptional costs. This financial information formed the basis of the bids to the NI Executive.

5.4.16. The Minister of Finance made an initial oral statement to the Assembly on 19 May 2020 outlining that £20.3 million would be provided to support councils for the period mid-March 2020 to 30 June 2020. On 15 September 2020 Minister Murphy (DoF) announced that the Executive was allocating a further £40 million to councils for the period 1 July 2020 to 31 March 2021. The financial assistance provided to councils in response to Covid-19 related financial pressures was provided under section 29 of the Local Government Finance Act (NI) 2011.

5.4.17 In June 2020, a total of £20.3m was paid to all councils for the period mid-March 2020 to June 2020 (Quarter 1). In November 2020, a total of £20m was paid to all councils for the period July 2020 to September 2020 (Quarter 2) In March 2021, a total of £45m was paid to all 11 councils for the period October 2020 to March 2021 (Quarters 3 & 4)
A total of £85.3m was paid to all councils in 2020/21 in three separate payments.

5.4.18 In March 2022, a total of £17m was paid to all councils for 2021/22.

5.4.19 The total funding approved by the Minister and paid out to councils for 2020/21 and 2021/22 amounted to £102.3 million - £85.3 million 2020/21 and £17 million 2021/22 **(Exhibit CB/055 INQ000613560, Exhibit CB/056 INQ000613561, Exhibit CB/057 INQ000613562 and Exhibit CB/058 INQ000613563)**.

5.4.20 DfC received final actual information from councils, which is noted below:

All Councils Covid Expenditure and Unspent Funding - 20/21, 21/22 and beyond

Council	COVID-19 2020/21 EXPENDITURE	COVID-19 2021/22 EXPENDITURE	INTENDED USE OF UNSPENT COVID-19 FUNDING	TOTAL COVID-19 EXPENDITURE AND UNSPENT COVID-19 FUNDING
Antrim and Newtownabbey	2,176,290	1,585,845	1,567,502	5,329,637
Ards and North Down	3,986,687	3,096,400	1,752,215	8,835,302
Armagh, Banbridge and Craigavon	7,313,917	1,300,413	4,761,000	13,375,330
Belfast	12,602,953	8,580,723	0	21,183,676
Causeway Coast and Glens	2,725,172	0	2,891,569	5,616,741
Derry and Strabane	2,065,433	1,839,192	2,508,036	6,412,661
Fermanagh and Omagh	0	0	5,968,251	5,968,251
Lisburn and Castlereagh	4,087,376	1,324,671	4,802,424	10,214,471
Mid and East Antrim	3,623,266	1,485,993	4,800,000	9,909,259
Mid Ulster	6,640,151	3,152,653	2,609,760	12,402,564
Newry, Mourne and Down	3,305,344	2,719,714	4,101,600	10,126,658
TOTAL	48,526,589	25,085,604	35,762,357	109,374,550

5.4.21 The table above shows the actual expenditure incurred by councils for Covid-19 in 2020-21 and 2021/22 and unspent funding received by councils (up to 26 January 2024 when final responses were received). It should also be noted that councils were able to use Covid-19 funding as cost of living funding via DfC Accounts Directions. The total Covid-19 Expenditure and Unspent COVID-19 figure of £109 million in the table above includes other Covid-19 expenditure that some councils advised they incurred themselves (outside of the funding that the Department provided). Also, some councils included expenditure in their final return that the Department did not allow (e.g. waste - which was the responsibility of Department of Agriculture, Environment and Rural Affairs [DAERA]). The Department only funded up to the agreed level of funding of £102.3 million.

5.4.22 DfC's Local Government Finance Branch was tasked with carrying out a due diligence exercise on the information submitted by Councils to support their claims for COVID-19 related financial assistance. The due diligence exercise was undertaken in addition to a number of other competing priorities as well as delivering business as usual activities. The bid and the allocation of funds particularly in relation to the first quarter were delivered at pace to ensure Councils met financial liabilities and delivered essential services to citizens.

5.4.23 A final due diligence exercise was carried out on 21 March 2024 by Local Government Finance. This report was issued to G5 Director level on 31 July 2024. As part of the final due diligence exercise, DfC received final actual information from Councils, which is noted on the table above.

5.5 Advice Structure

5.5.1 Advice relating to provision of benefits, sick pay and support for vulnerable people and additional funding established for the arts, culture and VCSE sectors (and all Departmental advice) was provided to the Minister in the form of submissions and briefings which was the same process as before the pandemic, the only change being a move to virtual briefings/meetings rather than in person.

5.5.2 Any written advice going to Minister was cleared by the relevant Director (Grade 5) and/or Deputy Secretary (Grade 3) before transmission to Minister's Private Office, with all relevant business cases and Executive papers being cleared by the Permanent Secretary in their role as Accounting Officer. A list of key senior officials during the specified period can be found at paragraph 2.2 and additional organogram at **Exhibit CB/059 INQ000613564.**

5.5.3 No Departmental decision-making structures or processes were changed because of the pandemic in relation to development of proposals for funding schemes. Usual policy development processes, presentation of options and recommendations to Minister and business case approval processes were followed, with suitable expedition given the urgent challenges. Project and programme management methodology was employed on a tailored basis. Decisions on support schemes were made through strong collaborative working at pace, and then through business cases approved in line with delegated limits (Arts Council Northern Ireland (ACNI)/ departmental officials/ Permanent Secretary/ Minister/ DoF).

5.5.4 Alot of stakeholder engagement used to inform advice was carried out online due to the pandemic and associated lockdowns. Online meetings worked extremely well and did not affect DfC's response to the pandemic. There was great teamwork and collaboration with IT and operational staff to implement Discretionary Support policy changes i.e. the online application for living expenses via the Citizen Space portal available from March 2020 and staff were flexible to accommodate the new way of working from home.

5.5.5 The DfC Trusted Partner forum supported by a Trusted Partner phoneline with direct access into the UC service was set up in response to the pandemic to escalate cases for resolution. This forum provided DfC business areas with the platform to engage with several key external stakeholders including Advice NI and the Law Centre to share updates, secure feedback and the opportunity to amend processes to meet the needs of claimants.

5.5.6 The following sections 6-14 set out the Department's responses in relation to the schemes listed at question 22 of the Rule 9 request.

6. Uplift to Universal Credit

6.1 Scheme Design

6.1.1 No new scheme was designed in relation to Universal Credit by UC Operations.

6.1.2 The £20 Universal Credit uplift was announced in March 2020 by the Chancellor of the Exchequer for one year from 6 April 2020. DfC did not hold consultations in relation to this uplift as it was a decision made by GB that NI implemented to maintain parity and DfC had no input into the targeting of support.

6.1.3 Having reviewed our records, no documentation has been identified which indicates consideration was given to enhancing the amount of the uplift by the Department.

6.1.4 In terms of consideration given to extending the duration of the uplift, a number of actions were undertaken. These were set out in a briefing prepared for an appearance by DfC officials at the Communities Committee on 14 October 2021, which highlighted that the Department had submitted a bid for £55m in the October Monitoring Round to mitigate the withdrawal of the £20-per-week Universal Credit uplift. It also indicated that if the Department's bid was not met by the Executive that Minister intended to include the £20 uplift as part of the planned review of welfare mitigations measures **(Exhibit CB/059A INQ000652347).**

6.1.5 The subsequent budget update announced as part of the Executive's October Monitoring Round (by the Department of Finance Minister via a Written Ministerial Statement to the Assembly) confirmed that, with competing demands on public spending, there was no funding available to meet the Universal Credit bid **(Exhibit CB/059B INQ000405097** The Uplift was then considered as part of the Welfare Mitigations Review as noted in the Executive Summary of the report completed by the independent panel, see page 6 of the report. **(Exhibit CB/059C INQ000652349)**

6.1.6 Implementation of the uplift was not affected by a lack of pandemic contingency planning.

6.2 Timing

6.2.1 The policy was extended by six months in the March 2021 budget. In July 2021, the Government confirmed that it would not be extended further and subsequently ended in October 2021.

6.2.2 The relaxation of the 'minimum income floor' for self-employed claimants was introduced in March 2020. The minimum income floor was gradually phased back in between August 2021 and July 2022.

6.2.3 The pausing of face-to-face work capability assessments was in place during the period March 2020 to July 2021 when they were gradually reintroduced. Jobs and Benefits offices were closed to the public from March 2020 and reopened in May 2021, gradually returning their face-to-face service back to the pre-pandemic position in line with DoH advice on controlling the virus in a public facing space.

6.3 Communication and Accessibility

6.3.1 As a digital service, the primary application method for Universal Credit is via an online portal. For those claimants who could not make a claim online, support was provided by telephone to make and maintain a claim.

6.3.2 As the uplift was applied automatically to all in receipt of UC there was no gap in the target of support. This ensured the support would be accessed by the intended recipients and there were no issues with the payment distribution.

6.3.3 A UC awareness campaign was deployed in 2020/21 on digital channels featuring Covid-19 branding and explainer videos to assist existing or new customers' understanding of how to apply. During 2020, detail about Statutory Sick Pay (SSP) was updated on NI Direct and CommunitiesNI websites, including on a Covid-19 landing page area, supported by a press release. Posts about SSP were also placed on the CommunitiesNI Twitter channel and Jobs

& Benefits NI Facebook page. Detail about the SSP Rebate Scheme was placed on the NI Business Info website.

6.3.4 To help deal with the increasing amount of UC claims, focus was on ensuring claimants were paid on time and in full, therefore increasing staffing capacity at pace was crucial to the success of this aim. A significant number of UC staff were redeployed from front facing roles and an exercise began to recruit an additional 1,000 staff. The recruitment of these additional staff was achieved by May 2022.

6.4 Monitoring of Support

6.4.1 Success was measured by payment timeliness statistics for new claims remaining above 85%. Between March 2020 and August 2020, payment timeliness for the first payment of new Universal Credit Claims in NI did not drop below 91.3%. Payment timeliness for existing claims after the first 'assessment period' did not drop below 97.4% between March 2020 and August 2020.

6.5 Risk of Fraud and Error

6.5.1 Assessments and analysis of claims were carried out by UC Operations throughout the relevant period to estimate the level of risk involved in the trust and protect process, particularly around high value 'advance' payments **(Exhibit CB/060 INQ000613565)**. This identified a variety of behaviours that indicated potentially fraudulent claims. Information from the analysis and scans carried out detailing cases where advance payments was requested were provided to specialist teams to address concerning cases and UC staff were also encouraged to be particularly vigilant to the types of behaviour identified. The number of suspended claims subsequently began to rise which prevented potentially fraudulent claims going into payment.

6.5.2 During the period 01 March 2020 to the end of May 2020, the UC caseload increased from 70,000 to 134,000. The need to deliver quick, immediate support to an exponentially increasing caseload meant that, despite redeployment of staff to critical functions, it would have been practically impossible to carry out the usual verification processes and procedures that were in place to ensure financial accuracy. Another significant factor taken into consideration was the difficulty claimants were likely to face in obtaining evidence to support their claim given the national lockdown that was in place. Considerations for repair activity taken retrospectively were designed using a risk-based approach, focusing on those areas with the highest risk of fraud and error first.

6.5.3 UC Operations NI did not produce any anticipated levels of fraud and error when the trust and protect measures were designed. **Exhibit CB/061 INQ000613566** sets out areas where easements/trust and protect measures were in place, the number of affected claims, if verification was of an acceptable standard and known considerations for repair. The overpayment rate because of Customer Fraud for Universal Credit increased from 7.2% in 2020-2021 to 11.2% in 2021-2022.

6.5.4 Design features to reduce the risk of fraudulent or erroneous claims for Universal Credit were taken forward by DWP who own and maintain the Universal Credit Full Service system. For example, system functionality was introduced to prevent advance payments being applied for online when a claimant had received an advance within the previous 6 months.

6.5.5 The exponentially increasing Universal Credit caseload meant that it was practically impossible to carry out the usual verification processes and procedures that were in place to ensure financial accuracy as well as payment timeliness in the early stages of the pandemic. It was acknowledged that there would be an inevitable associated risk of an increased level to fraud and error, but the actions taken to ensure appropriate support was available to those in need was considered appropriate. Data monitoring, controls, and the approach to repair and restore erroneous claims was given the necessary attention at the earliest opportunity.

6.6 Inequalities, Impact Assessment and Vulnerable Individuals and Groups

6.6.1 As the UC uplift was decided by the UK government and implemented in NI to maintain parity, DfC did not carry out any screening exercises on the uplift.

6.7 Lessons Learned

6.7.1 The Department commissioned an independent review by EY of its pandemic recovery approach in 2020 **(Exhibit CB/062 INQ000101397)**. The recommendations were:

A. Ensure the agreed process allows for the regular review of risks and issues by the Benefit Recovery team, and that high severity risk and issues are escalated into the Recovery Board in a timely manner. If deemed necessary, establish Programme-specific Risk and Issue Log.
B. Create a communications plan upon approval of communications strategy which details key communications activities, chosen channels, timeframes and resources to

deliver the communications strategy. This should be aligned with key activities and milestones in the Benefit Recovery Programme to support delivery of key messages.

C. Ensure the agreed process allows for the regular review of risks and issues by the Benefit Recovery team, and that high severity risk and issues are escalated into the Recovery Board in a timely manner. If deemed necessary, establish Programme-specific Risk and Issue Log.

6.7.2 The responses were:

A. It was not deemed necessary to establish a Programme specific Risk and Issue Log.
B. Work & Health Group agreed the focus needed to divert back to 'Response' following further restrictions introduced December 2020 and that any communications activity regarding 'Recovery' (subject to further spikes in demand/budget allocation etc) would not launch until April/May 2021. Internal communications to staff were drafted and issued via monthly staff newsletters and memos.
C. The Covid-19 Risk Register was monitored monthly and it was not deemed necessary to establish a Programme specific Risk and Issue Log.

7. Discretionary Support

7.1 Scheme Design

7.1.1 Policy and legislation officials had continuous communication with operational colleagues who were responsible for delivering Discretionary Support to claimants which factored in the design of the scheme.

7.1.2 In the period 12 to 24 March 2020, senior officials proposed recommendations for changes to the Discretionary Support Regulations (Northern Ireland) 2016 (S.R. 2016 No. 270). The amendments made provision for a Discretionary Support non-repayable grant (rather than a loan) for living expenses to claimants who found themselves in a crisis because they or a member of their immediate family were diagnosed with Covid-19 or advised to self-isolate because of Covid-19 **(Exhibit CB/063 INQ000560740)**. The grant would not impact the claimants' award history for consideration of future claims for Discretionary Support and the frequency and amount that could be considered for potential claims was not limited. As part of the process, the Department: bid for additional funding to support the self-isolation grant payments for the Scheme; sought advice from the Departmental Solicitors Office who were content with the drafting of legislative changes; and provided draft Regulations and papers to the NI Executive and Assembly.

7.1.3 Implementing policy changes (approved by the DfC Minister) that did not require legislative amendment coincided with the operationalisation of the DS Covid grant on 25 March 2020. These included: increasing the rate of daily rate of personal allowance used when making the calculations for living expenses grants, including self-isolation grants, from 60% to 100% of the adult basic personal allowance rate for Income Support and removing an exclusion for students affected by Covid-19 to enable them to apply to the Scheme.

7.1.4 Simultaneously, further Discretionary Support policy changes included: increasing the acceptable debt threshold, as set by the Department, from £1,000 to £1,500 which would increase the value of loans available to claimants during the period of this public health emergency; and classing Covid-19 as a disaster thereby removing the current restriction of one loan and three grants for all Discretionary Support claimants.

7.1.5 Discretionary Support was an existing scheme that the Department was able to quickly adapt in response to the pandemic. As significant challenges arose due to the volume of claims, resourcing and issues relating to processing claims generally (and clerically) the decision was made in March 2020 to prioritise claims for living expenses to include Covid-19 and Universal Credit Contingency Fund claims; not necessarily in that order **(Exhibit CB/064 INQ000560735)**. Claims for household items were still considered, however, they were no longer a priority during the period March – July 2020. This was reactive to the evolving situation at that time and effective in achieving the objective to provide rapid financial support to those who were unexpectedly impacted by the effects of Covid-19.

7.1.6 At the onset of the pandemic, due to the urgent need to process a high volume of claims for Discretionary Support self-isolation grants and to expedite the support needed by claimants, some claims had to be processed clerically thus a reduced number of claims were recorded in DS Computer System; statistics for this initial period are therefore unreliable. There was no modelling used to inform the self-isolation grant.

7.1.7 Use of the existing Discretionary Support Scheme was the quickest means of introducing financial support to those in need by amending existing legislation. As Discretionary Support legislation is draft affirmative it was challenging to adhere to that legislative process and have amendments introduced at pace, consent was therefore requested (and approved) to make the legislation via urgent procedure in the Assembly to reduce delays **(Exhibit CB/065 INQ000212909 and Exhibit CB/066 INQ000212910)**.

7.1.8 Continuous liaison with operational and technical colleagues ensured swift introduction of policy changes operationally.

7.1.9 The core objective for DS was to provide adequate financial support to those impacted by Covid-19 as rapidly as possible and while there is always an awareness of budget constraints and the importance of value for money, the need to respond rapidly to the emerging public health emergency was the immediate priority.

7.1.10 The Department was unable to anticipate how long this additional support would be required for. There were no other pandemic response schemes in place at that time, however, consideration was later given to other alternatives, such as the Test and Trace payments that were introduced in England **(Exhibit CB/067 INQ000613567)**.

7.1.11 An options paper was drafted **(Exhibit CB/068 INQ000613568)** to inform decisions whether to mirror provisions in GB or remain with the Northern Ireland delivery model. DfC did not replicate the Test and Trace grant that was made available in England. It was considered that the Discretionary Support Self-Isolation grant was more beneficial for claimants, as payments:

A. were not linked to enforcement of self-isolation;
B. were not taxable;
C. targeted those most in need below the Assessed Income Threshold of £20,405;
D. had no limit on the number of children in the household;
E. considered the specific circumstances of the claimant;
F. could be made for a longer period than 14 days;
G. could exceed the amount of £500 (As an example a couple with three children could receive an award of £1,412 to cover up to five weeks);
H. were payable to a much wider group of affected individuals than the Test and Trace grant provided in England.

7.1.12 At the outbreak of the pandemic, Discretionary Support was the main mechanism in NI for delivering emergency financial support to people in a crisis. The delivery infrastructure was already in place and it was considered appropriate to expand the current system rather than to develop a new support scheme, which would have required new legislation, IT and operational delivery mechanisms. Expanding Discretionary Support allowed financial support to be delivered in NI before similar support was provided in GB.

7.1.13 A Section 75 screening exercise **(Exhibit CB/069 INQ000388779)** was conducted and concluded, "This policy should not be subject to an EQIA. The policy is in effect an extension of the current Discretionary Support policy and overrides any negative impacts on Section 75 groups." Claims for Covid self-isolation grants received from those diagnosed with Covid and required to self-isolate, were prioritised.

7.1.14 The Discretionary Support Scheme was adapted to extend and maximise support available to all eligible people on low incomes who were suffering financial impacts of Covid. Submissions that included details for any policy changes were issued to Minister throughout the pandemic **(Exhibit CB/070 INQ000613570, Exhibit CB/071 INQ000390791, Exhibit CB/072 INQ000613572, Exhibit CB/073 INQ000560748, Exhibit CB/074 INQ000560749, Exhibit CB/075 INQ000613573 and Exhibit CB/076 INQ000613574, Exhibit CB/076A INQ000613575)**.

7.1.15 The Department provided rapid financial support to many people who were impacted financially by Covid-19. It was DS policy intent to provide claimants with rapid financial support to encourage compliance with Public Health Agency guidance to remain at home and reduce the spread of the virus. While there is no measure of the effectiveness of the scheme, it is assumed that providing rapid financial support for people who were required to self-isolate would have allowed more people to stay at home than, for example, going to their place of work.

7.1.16 Customers who received a self-isolation grant were invited to complete a customer satisfaction survey **(Exhibit CB/077 INQ000613576, Exhibit CB/077A INQ000613577, Exhibit CB/077B INQ000613578, Exhibit CB/077C INQ000613579, Exhibit CB/077D INQ000613580, Exhibit CB/077E INQ000613581, Exhibit CB/077F INQ000613582, Exhibit CB/077G INQ000613583, Exhibit CB/077H INQ000613584, Exhibit CB/077I INQ000613585, Exhibit CB/077J INQ000613586, Exhibit CB/077K INQ000613587, Exhibit CB/077L INQ000613588, Exhibit CB/077M INQ000613589, Exhibit CB/077N INQ000613590)** from May 2021; responses were mostly positive with no less than 90% positive feedback each month for the period May 2021 to June 2022.

7.1.17 In November 2020 there was a rebranding of the "emergency" payment to become the self-isolation payment. This was a drive to raise awareness and purpose of the support available and increase uptake. By appropriate questioning to gather evidence for a claim the Discretionary Support officers would assist the claimant to maximise the support available, for example, by establishing if their circumstances were as a consequence of Covid-19 and processing a Covid-19 grant instead of a regular claim that may have been initially requested.

7.1.18 There were no deficiencies in scheme design as every effort was made to extend and maximise support within the confines of the legislation. It was considered that the Discretionary Support Self-Isolation grant was more beneficial for claimants than the Test and Trace payments in England for several reasons:

A. The DS awards included a specific amount for any dependent children in the household.
B. The DS Awards could be made for periods of more than 14 days, regardless of circumstances.
C. The financial support available varied according to the period of financial need and individual circumstances and it is possible for individual awards to exceed £500.
D. There was no limit to the number of DS Self-Isolation grants a claimant may receive.
E. The DS payments were not taxable as Discretionary Support awards are exempt from personal taxation, unlike the Test & Trace payments where a person with taxable income above £12,500 would be liable for £100 in income tax reducing the value of their Test and Trace payment to £400.

7.2 Timing

7.2.1 The chronology for changes made to the Discretionary Support Scheme is as follows: Between 12 to 24 March 2020, senior officials proposed recommendations for changes to the Discretionary Support Regulations (Northern Ireland) 2016 (S.R. 2016 No. 270).

7.2.2 On 19 March 2020 a request was made to the First Minister and deputy First Minister, in accordance with paragraph 2.14 of the NI Ministerial Code, to agree to use of the Urgent Written Procedure (i.e. to bypass Executive agreement and Committee scrutiny) to make SR 2020 No. 44 and on 20 March 2020 the request was approved as exhibited in paragraph 7.1.5.

7.2.3 On 24 March 2020 the Discretionary Support (Amendment) (Covid-19) Regulations (Northern Ireland) 2020 (S.R. 2020 No. 44). were approved by the Assembly and came into operation the following day, 25 March 2020.

7.2.4 Also in March 2020, an online application for Discretionary Support was introduced. This was a basic Citizen Space portal to apply for living expenses; claimants could include household items on their application however, living expenses were prioritised for the initial period March – July 2020 due to volume of claims and resourcing issues.

7.2.5 On 21 April 2020 the Discretionary Support (Amendment No. 2) (Covid-19) Regulations (Northern Ireland) 2020 (S.R. 2020 No. 67) were debated in the Assembly and approved to come into operation on 22 April 2020. These regulations made further amendments to enhance the support provided by increasing the Annual Income Threshold (AIT), which is the maximum level of income that a household can have and still be eligible for Discretionary Support. This was achieved by amending regulation 15(2) of the Discretionary Support Regulations (NI) 2016 (S.R. 2016 No. 270) to increase, from 40 hours per week to 45 hours per week, the number of hours used for Discretionary Support income calculations. The change was designed to allow additional people on low incomes to access Discretionary Support. The AIT normally increases annually on 01 April as it is linked to increases in the National Minimum Wage; the rate increased from £17,076.80 to £18,137.60 on 01 April 2020 however, this amendment raised the annual income threshold further to £20,404.80 from 22 April 2020.

7.3 Communication

7.3.1 Social media campaigns were run to communicate key information to the targets of support as well as press releases by the Minister and statements in the Assembly chamber as required **(Exhibit CB/078 INQ000613591 and Exhibit CB/079 INQ000583073)**.

7.3.2 The rebranding of the "emergency" payment to become the self-isolation payment was a drive to raise awareness and purpose of the support available and increase uptake.

7.3.3 By appropriate questioning to gather evidence for a claim the Discretionary Support officers would assist the claimant to maximise the support available, for example, by establishing if their circumstances were because of Covid-19 and processing a Covid-19 grant instead of a regular claim that may have been initially requested.

7.4 Accessibility

7.4.1 All amendments to the DS regulations laid out at sections 2.3 and 7.2 of this statement were implemented to ensure the support could be accessed by those most in need.

7.4.2 Each time there was a policy change a guidance alert was circulated to all relevant staff. Finance Bulletins were updated as and when necessary and staff reminded during weekly team meetings to check recent updates.

7.4.3 Prior to Covid there was no means of applying for Discretionary Support online so an online application was introduced in March 2020 to enable those self-isolating to apply.

7.5 Unintended Gaps

7.5.1 In November 2020, officials looked again at what more could be done, within the boundaries of the Discretionary Support legislation (Exhibit CB/068 INQ000613568), with the aim of maintaining the benefits of the DS approach while addressing an apparent gap in uptake by those in work and a low average level of award.

7.5.2 In efforts to increase uptake DoH was asked to include information on Discretionary Support self-isolation grants on the PHA Covid webpage on NI Direct and some rebranding was done to promote the DS Scheme and highlight its core purpose.

7.5.3 Guidance was amended to include the need to take account of the outworkings of the financial shock of self-isolation. Financial shock refers to the result of a sudden and temporary reduction in income that claimants would normally have received, leaving claimants at higher risk of experiencing hardship. In order to reduce the financial shock impact, the whole period of self-isolation should be included in the award, thus increasing the amount of awards to those suffering a loss of income due to self-isolation.

7.6 Monitoring of Support

7.6.1 The Department commissioned an independent panel to complete a review of Discretionary Support in June 2021, and they produced a report making a number of recommendations for improvements to the scheme **(Exhibit CB/080 INQ000560755).**

7.6.2 They highlighted that, although inclusion of the Covid-19 self-isolation grant within DS was a practical, operational measure that enabled these grants to be awarded, they did not constitute the core function of Discretionary Support and did not agree that it should continue to be part of it. They also felt that disseminating information to employers, professional bodies and trade unions would have helped improve awareness of the fund and linking the administration of the grant to departments and agencies within the Executive that aligned to Covid-19 initiatives. The self-isolation grant was designed and named accordingly to emphasise the purpose and nature of the payment and reduce any ambiguity. The primary lesson learned from the delivery of payments was that in the beginning there should have been better recording of the payments made and a breakdown of households captured.

7.6.3 Whilst the Review Panel made the recommendation to remove Covid payments from Discretionary Support Scheme and transfer responsibility from the Department for Communities to the Department for the Economy, they acknowledged that the impact of Covid-19 was likely to temporarily impact claimants for some time, therefore it remained necessary to consider the impact as part of the overall landscape in which the Scheme operated.

7.7 Adjustments and Cessation of Support

7.7.1 Departmental officials were proactive in seeking and considering any means of increasing support to the most vulnerable within the confines of the legislation. The DS Scheme was adapted where possible, to reflect the impacts of the evolving pandemic, for example: raising the AIT to extend accessibility to the Scheme; twice increasing the rate for living expenses calculations to increase levels of awards; allowing greater discretion to include a longer period in an award to take account of financial shock caused by self-isolation; and classifying Covid as a 'disaster' for the purposes of DS which enabled an unlimited number of claims with no maximum limit and enabled students to apply if eligible.

7.7.2 Alternative options to amend the provision were considered but did not proceed from April 2022 due to cessation of Covid funding.

7.7.3 Changes were raised and discussed with DS officials in policy and legislation and operational directorates, at pace, and recommendations for changes provided to Minister in submissions.

7.7.4 The Discretionary Support Regulations are draft affirmative and have not been amended to remove the provisions that were introduced during the pandemic. Thus, theoretically Discretionary Support self-isolation grants are still available. However, in the absence of any enforced restrictions and no guidance from Public Health Agency, it is unlikely a claimant could now meet the criteria to qualify for a Discretionary Support self-isolation grant.

7.8 Lessons Learned

7.8.1 Due to the lengthy process of amending draft affirmative legislation, DfC may consider amending the current DS Regulations to include a generic provision that would provide for a national or global emergency in the future. This should eliminate the need for amendments to legislation by urgent procedure of the Assembly and reduce delays in implementing changes.

7.8.2 It would be prudent to ensure better recording of data in future to avoid some of the challenges that transpired during the Covid pandemic, for example, better recording of all payments made, including a breakdown of households.

7.9 Risk of Fraud and Error

7.9.1 In order to validate online claims, an officer from the Department subsequently contacted the claimant by telephone and verified the details recorded online for the claimant's identity, address, dependants, income, and so on, to mitigate the likelihood of fraudulent claims **(Exhibit CB/081 INQ000613592)**.

7.9.2 When DS self-isolation grants were introduced on 25 March 2020 additional eligibility criteria were introduced in relation to these grants. Claimants were required to provide evidence of their Covid-19 diagnosis to verify who was diagnosed and confirm who needed to self-isolate. Initially this could have been communication from the NHS advising the claimant or a member of their household to self-isolate or uploading a photograph of their positive Covid-19 Test. Claimants also had to justify that their state of financial shock was a direct consequence of their Covid-19 diagnosis and the mandatory self-isolation period. For example, their employment had been reduced or ended prematurely, and they had no means to meet their financial commitments.

7.9.3 It was necessary to introduce some means of verification for self-isolation grants. Pre-payment verification of loss of income was considered impractical as it would have unnecessarily delayed what was designed to be immediate financial assistance to help those in crisis. However, a process of proportionate post-payment checks of Discretionary Support self-isolation grants was introduced to verify loss of income. This verification helped determine the level of fraud/error risks arising from previous declarations of income loss, with recourse to recovery and investigation if appropriate.

7.9.4 As the Discretionary Support scheme had been operational since 2016, the approach to financial risk had been impacted at this stage negating the need for further assessment, therefore, assisting with the delivery of the Self-Isolation grant at speed.

7.9.5 Suggestions that the DS Scheme should further increase the AIT were considered and declined as this was deemed to put the integrity of the Scheme at risk and undermine the core policy intent. In January 2021 the immediate challenge with any further increase to the annual income threshold was deciding on a new level that did not break the current link with low-paid employment and the maximum amount of benefits that are normally payable. The rationale had been to ensure that support was directed at people on a low income. Any further increase would therefore risk undermining the core policy intent of Discretionary Support, which was to provide emergency financial assistance to people on a low income. Without a clear rationale to support an increased level there was a greater risk of a legal challenge on the basis that the Department had arbitrarily and without supporting evidence decided to introduce an annual income threshold, which would inevitably mean that some people remain ineligible for Discretionary Support. Consideration was also given to the fact that retention of a higher single annual income threshold would disproportionately benefit single people without children.

7.9.6 Furthermore, suggestions to adopt a passporting model to provide automatic eligibility for those on specific benefits was also deemed a risk. The use of entitlement to a specified benefit as a "passport" to Discretionary Support would present specific challenges. For example, there is a risk that people in receipt of a contribution-based benefit may become ineligible as they were under the old discretionary elements of Social Fund. It is also the case that households in receipt of Universal Credit and Working Tax Credits could have income significantly higher than the current annual income threshold of £20,405. These issues needed to be carefully considered to ensure that the limited Discretionary Support budget could be targeted at those most in need **(Exhibit CB/082 INQ000560745 & Exhibit CB/083 INQ000560746)**.

7.9.7 While aiming to increase take-up of those in work suffering financial shock, it was also prudent to take all practical and reasonable measures to assist in the verification of such circumstances. DfC introduced proportionate post-payment checks of DS self-isolation grant awards to verify loss of income. This verification helped determine the level of fraud/error risks arising from previous declarations of income loss, with recourse to recovery and investigation if appropriate.

7.9.8 Self-Isolation grant claims submitted online were subject to identity verification by decision making staff in Discretionary Support. A disputed identity process was in place for claimants to verify identity face-to-face in local Jobs and Benefits offices by providing a valid form of identification prior to claim progression.

7.9.9 On reflection, the Department considers its approach to fraud and error as appropriate as measures were already in place for the scheme which the new grant process then used.

7.10 Inequalities, Impact Assessment and Vulnerable Individuals and Groups

7.10.1 Section 75 screening of the policy changes concluded (Exhibit CB/069 INQ000388779):

"Discretionary Support helps alleviate financial disadvantage across all Section 75 groups. The proposed amendments to Discretionary Support will alleviate financial disadvantage incurred as a result of being affected by Covid-19 for all Section 75 groups. This change of policy is not expected to have any impact on good relations for this group. This policy change offers no opportunity to better promote equality of opportunity for these groups. The policy change will focus on low-income people who have been affected by Covid-19, whether they (or a member of their immediate family) are diagnosed with Covid-19 or are advised to self-isolate because of the disease".

7.10.2 The Screening Exercise concluded there was no need for a full EQIA and this was the only reason for not carrying out a full EQIA.

7.10.3 Many of the coronavirus-related sets of regulations to implement temporary policy changes came into effect the day after they were made. This resulted in an inevitable breach of the conventional "21-day rule". In addition, it was not possible in all circumstances to carry out equality screenings in advance/as part of the normal legislative process due to the pressing need to deliver regulations to enable social security benefits to be paid. This demonstrated the extreme pressure of the crisis and the need to quickly alleviate that pressure and ensure ongoing delivery of social security benefits for the benefit of all claimants in Northern Ireland.

7.10.4 Discretionary Support is specifically targeted at the most vulnerable in society and the grant was issued on a case-by-case basis in order to access the need of those who applied. The claimant had to justify that they were in a state of financial shock; their financial loss had to be a direct consequence of the Covid diagnosis and self-isolation and that is how the Department assessed who was vulnerable to the economic shock.

7.10.5 Data was limited on economically vulnerable groups as the Discretionary Support Scheme had only been in operation since 28 November 2016. As it was a relatively new Scheme, there was limited historical data available on users of the Scheme.

7.10.6 As the grants awarded were not repayable there was no monitoring of the impact of support. The eligibility criteria supported those working and non-working subject to satisfying eligibility criteria which included household income less than the Annual Income threshold appropriate in the financial year in which they applied so the criteria negated disparities.

8. Covid-19 Heating Payment Scheme

8.1 Scheme Design

8.1.1 Having learned from the first lockdown how much time people would spend at home, DfC recognised in October 2020 the potential struggle for households to heat their homes during a second lockdown over the winter period. Feedback from their engagement with Health sector representatives and community stakeholders provided by colleagues in the Department's Voluntary and Communities Division indicated that older people and people living with disabilities were two of the groups who continued to experience the greatest need during the pandemic.

8.1.2 The Department proposed a Covid-19 Heating Payment Scheme in November 2020 in the form of a submission to Minister **(Exhibit CB/084 INQ000390822)** to provide individuals in receipt of specified benefits with financial assistance in recognition of the additional costs arising because of the Covid-19 pandemic. This was to be done through a one-off Covid-19 Heating Payment to those whose health was likely to be adversely affected if they were unable to adequately heat their homes during the Covid-19 pandemic. Minister Ní Chuilín approved the submission on 24 November 2020 and officials immediately began work on the new legislation required to implement the scheme.

8.1.3 The NI Executive agreed to the allocation of £44.256 million of additional Covid-19 funding which was transferred to the Department for Communities in the January Monitoring Round to support the Covid-19 Heating Payment Scheme in 2020/21. The Department secured NI Executive approval for the Scheme at the Executive meeting on 3 December 2020 **(Exhibit CB/085 INQ000613594)**. The Regulations for the Scheme, Covid-19 Heating Payment Scheme (Northern Ireland) 2021, came into effect on 25 January 2021 (**Exhibit CB/086 INQ000532628).**

8.1.4 Automatic payments were made (without the need for an application) to all Northern Ireland residents in receipt of enhanced rate disability benefits or Pension Credit on specified dates. These benefits were:

A. Anyone receiving higher rate care and/ or mobility element of DLA.
B. Anyone receiving enhanced rate daily living and/ or mobility element of PIP.
C. Anyone receiving higher rate AA.
D. Anyone receiving Pension Credit.

8.1.5 A one-off payment of £200 was issued automatically to individuals, rather than a household, and individuals were only eligible for one payment, even if they fell into multiple groups. Most payments (211,236, more than 95% of those initially eligible) were issued during the last week of January 2021.

8.1.6 A second payment run on 11 February 2021 made a further 6,617 payments to eligible individuals identified as not included in the initial payment run.

8.1.7 Following representation from the Communities Committee (the Northern Ireland Assembly committee responsible for scrutinising the work of the Department), the eligibility for the payment was extended to include those in receipt of benefits deemed to overlap with the social security benefits included in the original eligibility criteria for the Covid-19 Heating Payment Scheme. Payments to these additional recipients included in this extension to the scheme were made during week commencing 15 March 2021 (**Exhibit CB/087 INQ000532640, Exhibit CB/088 INQ000532641, Exhibit CB/089 INQ000390832, Exhibit CB/090 INQ000213722, Exhibit CB/091 INQ000532644, Exhibit CB/092 INQ000213723, Exhibit CB/093 INQ000532646).** In addition to the automatic payment the legislation stated that any person eligible for a payment and who had not received it by 15 April 2021 could apply for a payment in writing or by telephone until 15 June 2021. If they were deemed eligible and had not already received a payment, then a payment was made.

8.1.8 A table showing key dates for this scheme and others referenced in this statement can be found at **Exhibit CB/094 INQ000613595** and Exhibit CB/006 INQ000613456.

8.1.9 Where the Department for Work and Pensions scan identified those eligible for an automatic payment, these were also investigated and payments made to those eligible that had not already received a payment. This also applied to payments to next of kin where the eligible person had since passed away.

8.1.10 Any new scheme being introduced would ordinarily be subject to public consultation during the development phase and prior to implementation. A consultation period of 12 weeks is recommended. However, proceeding with a public consultation on the Covid-19 Heating Payment would have added at least two to three months to the timeline for delivery of any payments. This would have extended beyond the winter months and potentially into the next financial year, impacting on the timeliness of the support being provided and the availability of funding. There are, however, circumstances such as dealing with emergency measures where consideration can be given as to whether a formal consultation exercise is the most appropriate way of seeking views. Officials were of the view that schemes introduced in response to the Covid-19 pandemic constituted such emergency measures.

8.1.11 The Department already provided the Winter Fuel Payment - a tax free and non means tested benefit to help people pay their heating bills. The payment is made yearly to eligible older people who are born on or before the eligible age, which for the 2020/21 winter was 5 October 1954. The rate at the time of establishing the Covid-19 Heating Payment was between £100 and £300, depending on personal circumstances. This payment is also available in England, Scotland and Wales. Additionally, there is a Cold Weather Payment of £25 payable for each 7-day period of very cold weather between 1 November and 31 March. This is available to people who meet the benefit criteria which includes people on pension credit. However, it should be noted that there has been no Cold Weather Payments made in the two years prior to November 2020.

8.1.12 The scale of the challenge of implementing this scheme was not increased by lack of pandemic contingency planning, but rather the time pressures to get the money to people in need at the right time. For Options 1-4 presented to Minister in Exhibit CB/084 INQ000390822 it was intended that the payments would be administered using a similar process to that used for the current Winter Fuel Payment scheme. Eligibility criteria would be provided to the Department for Work and Pensions (DWP), who would then make payments directly through their systems to those who were eligible. Engagement with DWP indicated they believed they had scope to deliver this at the end of January 2021. A charge was incurred from DWP for processing this payment, and the use of their systems, along with the engagement between both sets of officials were key to getting the payment to those who needed it most during the peak of winter.

8.1.13 In respect of value for money, this was a single support payment to those identified as most in need for heating support, and the amount of the payment was essentially based on the available funding, including that received through Barnett consequential, divided by the number of people identified as eligible.

8.2 Communications

8.2.1 Once designed, messages to advise of the scheme were issued through the departmental Communications Team, including social media messaging **(Exhibit CB/095 INQ000613596)**. These set out the eligibility criteria, the amount of the payment, when the payment would be made, that it was automated, etc. A number of tweets and media releases were issued about the Covid-19 Heating Payment Scheme, with amends also made to the service information on the NI Direct website. Both web content and tweets offered advice on eligibility. A Media release and tweet provided advice on payments being made.

8.3 Accessibility

8.3.1 The Covid-19 Heating Payment was a one-off payment and those eligible were identified through being in receipt of an eligible benefit during the qualifying week (Monday 30 November 2020 to Sunday 6 December 2020 inclusive). The payment was made automatically and processed through the Department's existing benefit payment systems. Payment was made to those who were eligible in the same way as their usual benefit payment. Notifications were issued to all recipients of the Covid-19 Heating Payment to the address held by the Department and for those recipients under 16 years old, notifications were issued to their parent or guardian.

8.3.2 There was no engagement with stakeholders other than DWP and the Committee.

8.3.3 DWP issued the payments using the Emergency Payment System (EPS) on behalf of DfC. Most payments for the Covid-19 Heating Payment Scheme paid out automatically as expected during the week of 25 January 2021, more than 95% of those initially eligible. Follow up checking on the scans run identified a further 6,617 payments to eligible individuals identified as not included in the initial payment run and these were paid out on 11 February 2021. There were circumstances where the payment could not be issued automatically, and in these cases a manual clerical payment made through Account NI was required. Those circumstances were as follows:

A. Payments that failed to pay through the Emergency Payment System.
B. Payments required to next of kin.
C. Payments required for eligible customers who failed to appear on the scan e.g. no postcode.
D. Customers who became eligible after date of DWP scan.
E. Customers who became eligible through a successful appeal.

8.3.4 A central payment team was set up who were responsible for investigating and issuing these payments and this team remained in place until May 2021, at which point responsibility was handed over to the relevant benefit area.

8.4 Unintended Gaps

8.4.1 Following representation from the Committee for Communities as mentioned in 6.1.7, legislation was amended under the Covid-19 Heating Payment Scheme (Amendment) Regulations (Northern Ireland) 2021 and came into operation on 4 March 2021.

8.4.2 Further to paragraph 8.1.7, a gap was identified regarding the eligibility of those in receipt of benefits which were deemed to overlap with the social security benefits included in the original eligibility criteria for the Covid-19 Heating Payment Scheme (**Exhibit CB/096 INQ000613597)**.

8.4.3 The original scheme design targeted those in receipt of particular social security benefits and overlapping benefits were not considered in the original scheme design.

8.4.4 The eligibility for the payment was extended to include those in receipt of benefits which are deemed to overlap with the social security benefits included in the original eligibility criteria for the Covid-19 Heating Payment Scheme **(Exhibit CB/097 INQ000390832)**. Payments to the additional recipients included in the extension to the scheme were made during week commencing 15 March 2021.

8.5 Monitoring of Support

8.5.1 Payments were made in a very narrow time window. There was no application process, and there was a validation of the payment lists between DfC and DWP, who processed the payments through their systems. There was an administrative process built, and team assigned to check queries from those who did not receive payments, and this team was able to confirm whether they were eligible, whether the payment had been made, and to process any payments missed.

8.5.2 A Covid-19 Heating Payment Steering Group and Project was set up from the commencement of the Scheme in November 2020 until closure in March 2021.The Steering Group had to deliver the scheme in conjunction with business-as-usual roles and responsibilities.

8.5.3 The Project was overseen by a Steering Group, made up of the Project Lead, Project Manager, Senior Leaders and Strand Leads. The Steering Group met once a week.

8.5.4 The Project had two objectives as set out in the Business Case. Firstly, to deliver a Covid-19 Heating Payment to support groups identified as adversely affected health-wise if they were unable to adequately heat their homes during the Covid-19 pandemic. Secondly, to have the greatest impact, payments were made by the end of January 2021, thereby providing direct and immediate financial support to meet additional costs at the time these were likely to be highest.

8.5.5 The Covid-19 Heating Payment scheme did not provide ongoing support; it was a one-off payment to those identified under the scheme design, which was later extended to include overlapping benefits, therefore no assessment was carried out in relation to extending/ending the scheme.

8.6 Adjustments and Cessation of Support

8.6.1 The approach to this scheme changed as per the amendment to the regulations but as it was a one-off payment it did not evolve as the impact of lockdown and other NPIs developed. This scheme was a direct result of the Department's understanding of the first lockdown and realising how much time people spend in the home.

8.6.2 DfC did extend the scheme as set out in 6.4.4 and as it was a one-off payment there was no criteria needed or used to determine the cessation of the scheme.

8.7 Lessons Learned

8.7.1 A Covid-19 Heating Payment Project Evaluation Review **(Exhibit CB/098 INQ000613599 & Exhibit CB/099 INQ000613600)** was completed in March 2021. It found that the Project successfully delivered against its high-level objectives of providing a one-off Covid-19 Heating Payment to support groups identified as adversely affected health-wise if they were unable to adequately heat their homes during the Covid-19 pandemic, and to make these payments by the end of January 2021.

8.7.2 Lessons learned were identified at preparation, processing and follow up stage.

A. Preparation Stage - Lessons learned covered assessing resource, engagement, assurance mechanisms and financial considerations for the business case.
B. Process Stage - Lessons learned at the processing stage included alignment of notifications and payments, data validation and documentation of checking.
C. Follow Up Stage - Lessons learned at this stage included ensuring post payment support and specification assurance from supplier.

8.7.3 In response to the conclusions and recommendations the Department comprehensively shared the Lessons Learned document after its completion to ensure its availability for reference to similar schemes. Specifically, it was disseminated to the scheme steering group and Internal Audit. Additionally, it was included as an annex to the Project Evaluation Report (PER), making it accessible for future projects and stakeholders to benefit from the insights gained.

8.7.4 An Internal Audit Review **(Exhibit CB/100 INQ000613461)** of the Covid-19 Heating Payment Scheme was completed and final report produced in October 2021. The objectives of the review were as follows:

A. To complete a high-level review of the governance arrangements in place to develop the Covid-19 Heating Payment Scheme. To include the business case approvals, management and executive decision making and assurance mechanisms in place.
B. To ensure that the operational delivery and automated and manual payment processes were effective and in line with departmental guidelines and legislation.

8.7.5 The internal audit found that there was a satisfactory system of governance, risk management and control. While there may have been some residual risk identified, this did not significantly impact on the achievement of system objectives.

8.7.6 Recommendations from internal audit were as follows:

A. The Lessons Learned log should be updated to capture financial implications identified as part of the business case and the need for financial estimates from suppliers.
B. Establish if level of management checks provided sufficient assurance and carry out remedial assurance actions and update the lessons learned.
C. Obtain assurance from DWP that detailed business requirements were met and include as a lesson learned.
D. Document lesson learned regarding documenting verification checks on next of kin.

8.7.7 All recommendations within the internal audit report were accepted by management and all recommendations were implemented. The Lessons Learned Covid Heating Payment March 2021 document was updated following the Internal Audit Review in October 2021.

8.7.8 The Covid-19 Heating Payment Project, which supported delivery of the scheme, was successful in delivering against its high-level objectives identified within the business case of providing a one-off Covid-19 Heating Payment to support groups identified as adversely affected health-wise if they were unable to adequately heat their homes during the Covid-19 pandemic, and to make these payments by the end of January 2021.

8.7.9 Reflecting on the provisional outline of scope for Module 9 and as identified in the lessons learned for the scheme, where timeframes do not allow for full consultation, small scale informal engagement with stakeholder groups should be taken forward to understand any wider issues.

8.8 Risk of Fraud and Error

8.8.1 It was recognised that as the Covid-19 Heating Payment was not paid following an application by an individual but rather through the Department identifying those that were eligible using departmental systems, this largely reduced the risk of fraud or erroneous claims. Where claims were made or where payments had to be made clerically using the Account Ni system, a payment team was in place to carry out the necessary checks on eligibility and checks were in place for payments being made by the payments team.

8.8.2 As the Covid-19 Heating Payment was an automatic payment any financial risk was largely reduced, however the need to design at speed did not impact on processes and checks being put in place on clerical payments being made.

8.8.3 Given that the Department was managing the payment process based on eligibility during the qualifying week, which was prior to the formal launch of the scheme, and there was no application process, it was not envisaged that there would be any risk of fraud over and above anyone fraudulently being on a qualifying benefit. Error was addressed through the legislation which gave coverage to recover payments made in error. Risks were managed through the project's Risk Register **(Exhibit CB/101 INQ000613462)**.

8.8.4 No fraudulent or erroneous claims materialised due to the following features:

A. The Covid-19 Heating Payment was not applied for, it was an automatic payment based on eligibility to certain social security benefits at a qualifying week.
B. A Central Payment Team was put in place to manage investigating eligibility and making clerical payments as necessary and they were supported with written guidance.
C. Checks were put in place within the clerical payments team.
D. Any overpayment of the Covid-19 Heating Payment could be recovered if recipient not eligible (i.e. found to not be eligible for the underlying social security benefit in the qualifying week).

8.8.5 DfC considers that its approach to the risk of fraud and error and measures to reduce the risk were appropriate considering the Covid-19 Heating Payment was a one-off payment paid out automatically by the Department without the need for an application.

8.9 Inequalities, Impact Assessment and Vulnerable Individuals and Groups

8.9.1 The Department completed the Section 75 screening exercise for an EQIA on the scheme and concluded that a full EQIA and public consultation was not required **(Exhibit CB/102 INQ000613463)**.

8.9.2 As noted in paragraph 6.1.9 any public consultation would have impacted the delivery time of this scheme and therefore the Department agrees with Michelle O'Neill's comment of *"due to the need for a speedy response to the pandemic we could not carry out formal EQIAs"*[6] as this would have affected the payment date. However, it is because the screening exercise indicated that a full EQIA was not deemed necessary for this scheme, rather than the need for a speedy response, that no EQIA was carried out on the scheme.

9. Arts and Culture – CLAH

[6] INQ000436641

9.1 Scheme Design

9.1.1 In developing the CLAH programme, officials engaged intensively with sectoral partners, across government, and across other jurisdictions. This engagement and communication was necessarily predominantly online, but the shared focus and pre-existing relationships meant that this worked effectively.

9.1.2 The Department's delivery partners for CRPO/CIRP were engaged as early as possible to assist in design of delivery frameworks. ACNI, the National Lottery Heritage Fund and language partners, including the Sign Language Partnership Group and North-South Language Body, were engaged to assess needs for individuals across their relevant sectors and to consider capacity to deliver support to individuals.

9.1.3 The CLAH business case (Exhibit CB/025 INQ000613533) set out the need and objectives for immediate investment. It was not possible to quantify the sector's total financial need as this would have required not just information on lost income, but information on savings for organisations in terms of staffing, running and commissioning costs, and income from grants and other support such as the UK Job Retention Scheme, alongside detailed information on reserve levels.

9.1.4 However, as many employers were considering redundancies and possible closure in the face of unmanageable deficits and continued unavoidable costs such as overheads, it was clear that the sector needed to be stabilised, and future provision secured.

9.1.5 Many arts organisations operated with a deficit even before the pandemic impacted income. Average deficits in 2019/2020 for ACNI funded organisations were £64,000 for large organisations, £5,300 for medium organisations and £1,600 for small organisations. The overall objective when distributing the available funding to the sector was to catalyse change and ultimately aim to deliver a fresh and refocused sector which would be more sustainable, fit for purpose and orientated to deliver outcomes in line with shared priorities.

9.1.6 Drawing on the analysis of need and feedback from engagement with the sector, a policy framework was developed during August and September 2020 **(Exhibit CB/103 INQ000613464)**. The framework was developed on the basis that although the total budget available would be insufficient to meet the total financial needs of the sector in terms of preventing closure of organisations and loss of services, it would aim to provide sufficient investment in renewal activities to resume delivery of benefits and outcomes for citizens. The framework therefore assumed that value judgements and prioritisation of need would be required to determine which organisations should receive support. The business case ruled out a flat rate payment approach for sectoral organisations and instead required that a set of competitive funding support schemes be developed to allocate tailored financial support based on an organisation's specific need. The assessment of need would take account of a range of factors to arrive at a tailored individual award.

9.1.7 It was recognised that many commercial organisations which are usually profit making and do not need to access public funding were significantly impacted by the pandemic and were also at risk of closure. The loss of some of these organisations could have destabilised the sector and therefore it was determined that for-profit organisations should be allowed to apply for support on the same terms as non-profit sectoral organisations.

9.1.8 Funding Scheme proposals were developed in line with the following principles:

A. The majority of the allocation, at least 80%, would be used to meet immediate sectoral needs, with a focus on stabilising sectoral organisations and supporting self-employed individuals working in the sectors. The remaining funds would be allocated to new projects to create momentum and begin to deliver social renewal with a focus on tackling poverty, social exclusion, isolation and deprivation.
B. Funding decisions would be informed by input from a diverse range of individuals to ensure the input of those with diverse expertise and lived experience.
C. The funding schemes, delivered by arm's length bodies and other key partners, would be allocated indicative budgets with cash drawdown against the budget only approved once applications have been received by the delivery body. Funding could be allocated in tranches (cash drawdown up to a pre-set maximum budget). This approach was intended not only to embed a robust cost control, but also to allow budgets across schemes to flex as demand emerged after calls for applications were opened.
D. Delivery partners' administration costs to manage the grant schemes would be allocated from scheme allocations and could vary according to the level of complexity and/ or magnitude of the individual scheme.
E. All schemes would include proportionate due diligence to manage the potential for duplication with other funding sources and ensure funding awards were prioritised to achieve value for money.

9.1.9 In developing the programme, officials engaged extensively with sectoral partners, across government, and across other jurisdictions. Academic research commissioned from

Ulster University provided useful insight on employment vulnerabilities in the arts, culture and heritage sectors as a result of Covid-19 (Exhibit CB/026 INQ000613527).

9.1.10 All arts and culture schemes largely used a deficit funding model, which required organisations to report income and expenditure for the financial year in question and be funded for the difference. This was a new model for funding support for the sectors, which were generally funded to do certain work and deliver certain outputs. The schemes necessarily used existing infrastructure including IT systems and assurance models, which required some adaptation to allow the schemes to be delivered at pace.

9.1.11 The challenge of implementing these new schemes was exacerbated by being unable to work physically together, and the need to draw new teams together to deliver schemes, alongside the ongoing challenges and pressures across the civil service.

9.1.12 The principles of contracting for the delivery of services were not considered applicable to the needs and priorities of this programme of grant funding. The funds were distributed by delivery partners whose purpose is for public good and not for profit. Due to the urgent nature of the schemes and the necessity to issue payments as quickly as possible there was no opportunity to consider risk apportionment between the Department and the selected delivery partners that administered the application process and fund distribution, and no opportunities for payment mechanisms in the pre-delivery stage.

9.1.13 The business case set out detailed information regarding value for money by demonstrating the need for expenditure, using case studies provided by ACNI, existing Covid support schemes and further detailed analysis by universities, economists and statisticians.

9.1.14 There was no data available to validate predicted need, so projections were based on estimates. Revised forecasts identified a financial need of up to £30 million against the business case estimate of £26 million. An addendum to the business case was subsequently prepared in February 2021 seeking approval to increase the overall amount by £4 million and issued to DoF for agreement **(Exhibit CB/104 INQ000613465, Exhibit CB/104A INQ000613466)**.

9.1.15 Funding schemes for sectoral organisations and individuals were expected to be launched with a call for applications commencing on Wednesday 28 October 2020. After closure of the call, applications were to be scored, and awards made before Christmas 2020.

Renewal schemes would be opened from November 2020 with all projects to be expended by 31 March 2021.

9.1.16 The programme recognised that sectoral organisations, self-employed/freelance individuals, and community organisations that commission/host creative content are all vital to maintain a balanced and sustainable sectoral ecosystem. Also essential to the ecosystem are commercial, profit-making organisations. Unless there was demonstrable market failure, commercial organisations would not normally attract public funding. However, the survival of the commercial sector was vital, and impacted organisations were invited to apply for support with an expectation that they demonstrate their value to their wider sector as well as their contribution to the public good.

9.1.17 Support was targeted at culture, languages, arts & heritage as a whole with applications assessed on a case-by-case basis and not restricted to non-commercial or non-profit organisations.

9.1.18 The programme framework determined that value judgements and prioritisation of need would be employed in determining which organisations received support.

9.1.19 Time pressure was the biggest challenge in ensuring support was targeted to those who required it and so the following prioritisation was used when assessing applications to balance the need to deliver support but in a targeted way:

A. Priority 1 - To meet the cost of operating deficits for the period 1 April 2021 - 31 March 2022.
B. Priority 2 - Prioritising organisations with the largest operating deficits, expressed as a percentage of income.
C. Priority 3 - Prioritise the replenishing reserves and/or other measures taken to avoid or finance an operating deficit.

9.1.20 Stakeholder engagement was integrated into the programme from the start to establish a consensus on objectives and to identify sectoral need which was beneficial during the design phase.

9.1.21 In the absence of evidence and data to accurately identify financial need, the business case was based on reasoned assumptions underpinning the likely emerging financial need. The availability of relevant data may have resulted in a more accurate assessment of the overall financial need and may have removed the need for the additional addendum to be developed which was a deficiency in the scheme.

9.2 Timing

9.2.1 In May 2020 following receipt by the NI Block of an unhypothecated Barnett consequential, the Executive agreed to allocate £4 million to DfC to support the arts sector impacted by Covid-19 ahead of which the Department had allocated £1 million of its budget. The funding was allocated to Arts Council NI who supplemented the budget with an additional £500k and received a further £100k from Ulster University's Future Screens.

9.2.2 Minister Ní Chuilín agreed the final policy position on 27 May 2020, and the scheme opened on 15 June 2020 **(Exhibit CB/105 INQ000613467)**.

9.2.3 There was extensive engagement with the culture, languages, arts and heritage sectors during August to October 2020 **(Exhibit CB/106 INQ000613468 and Exhibit CB/107 INQ000613469)** with the Executive agreeing an allocation of £29 million for Culture Recovery.

9.2.4 On 7 October 2020 Minister Ní Chuilín approved funding to support CLAH and notified the Executive. The business case was approved by DoF the following day and the programme opened for applications on 28 October 2020, closing on 3 December 2020.

9.2.5 By 31 March 2021 all funding decisions were made and payments issued.

9.3 Communication

9.3.1 The scheme announcements used a range of communications including press releases, written Ministerial statements, announcements via delivery partners and sectoral organisations.

9.3.2 There was ongoing engagement with trusted delivery partners which promoted confidence among scheme users.

9.4 Accessibility and Unintended Gaps

9.4.1 The Department engaged with delivery partners, including ACNI and specific other delivery partners as early as possible to assist in design of delivery frameworks, to assess needs for individuals across their relevant sectors, and to consider capacity to deliver support to individuals. This engagement was directly between the Department and individual organisations via email, an example of which can be found at **Exhibit CB/108 INQ000613470, Exhibit CB/108A INQ000613471.**

9.4.2 There was potential for conflict between ensuring ease of access to the funding and maintaining robust funding criteria and controls. An appropriate balance of accessibility and rigour was struck by the delivery team.

9.4.3 There were no gaps identified in the PPE of the scheme.

9.5 Monitoring of Support

9.5.1 Regular programme checkpoint meetings were put in place by Programme Management Office (PMO) as a forum for embedding best practice and managing risks associated with the accelerated pace and truncated processes associated with the programme, as well as monitoring progress of work strands towards completion of milestones. These checkpoint meetings were crucial in ensuring the overall success of the programme.

9.5.2 Given the requirement to deliver the programme and associated funding schemes by 31 March 2021, it was recognised that the programme would be required to employ an accelerated approach to policy development and approvals. To reduce the risks associated with this approach, as well as consulting with the checkpoint group, the programme team engaged regularly with staff from organisations within the sector and relevant ALBs to draw upon their expertise and knowledge of the pandemic's impacts and sectoral needs. The programme identified a comprehensive list of key stakeholders (see paragraph 2.4.1) at the outset and worked closely with these partners to successfully design and implement the objectives.

9.5.3 The Government Funding Database (GFD) is normally used to record grant funding awards and is a useful tool to access real time data to mitigate risks around double funding. GFD ownership is shared across all public sector organisations and the collective commitment of all is needed to maintain its integrity. Public funding bodies are responsible for entering relevant data emerging from funding programmes and projects. There is no central system of quality assurance of the data entered, but there is a reasonable expectation that audit inspections carried out by public sector bodies would include assurance on the recording of data on GFD.

9.5.4 The scale and pace of the emergency meant that arrangements for uploading application details, awards and final payments which are normally an inherent part of funding arrangements had to be set aside as a matter of expediency. It would not have been practicable to require delivery partners to adhere to GFD administrative requirements during the award process given the pace and volume of work. Advice was issued to the Permanent Secretary **(Exhibit CB/109 INQ000613472)**, in which it was argued that the benefits derived from having this data uploaded to GFD did not justify the cost and did not therefore demonstrate value for money, given the absence of any clear benefit, either in the short or longer term. The Permanent Secretary was asked to accept that the risks in relation to Covid-19 funding could continue to be adequately managed outside of GFD, which they did.

9.5.5 Extensive data matching checks of grantees were carried out in partnership with DoF and DfE to address any potential double funding across DfC Covid-19 support schemes and other departments' schemes such as the Localised Restrictions Support Scheme (LRSS). Colleagues in DoF had a key role in data matching checks, resulting in avoidance of double funding and obviating the need for other cross-check actions. The approach to data matching worked well, with findings in relation to potential overlapping LRSS payments preventing a potential duplication of award to six larger organisations, to the value of £165k. This collaboration and sharing of knowledge and expertise is notable for its successful cross departmental approach and provision of robust assurance. It represents an important model which could be maintained and strengthened for development of future funding schemes.

9.6 Adjustments and Cessation of Support

9.6.1 As this scheme had a fixed end date of the financial year, there was no substantive change to approach as the understanding of lockdown and NPIs developed.

9.7 Lessons Learned

9.7.1 A summary of the key lessons learned from the implementation of this programme and recommendations for avoiding similar issues in future interventions in future can be summarised as:

A. Guidance on risk management during an emergency may benefit from review, with adjustments potentially required to adopt a more Agile approach for real time risk management and proportionate efforts, relative to a recognised risk appetite.
B. Good governance, applied with appropriate commensurate effort, is critical to success.
C. Early engagement and genuine application of co-design principles with sectoral stakeholders is crucial.

9.8 Risk of Fraud and Error

9.8.1 The Northern Ireland Audit Office (NIAO) produced a report, dated August 2020, on Covid related Fraud Risks **(Exhibit CB/110 INQ000494731)** which highlighted both existing and emerging fraud risks associated with the pandemic to provide a quick point of reference for NI public sector organisations. It highlighted the key risks and outlined potential controls that could mitigate those risks. The report states that 'It is widely accepted that fraud risks increase in times of change or crisis.'

9.8.2 There was a satisfactory system of governance, risk management and control gained by having regular engagement with stakeholders, regular project team meetings and extensive data matching. The programme had established a satisfactory system of internal control to mitigate key risks.

9.8.3 Given the urgent nature of the requirement and need to respond quickly, accelerated development and delivery of the programme was required that proportionally balanced the need to avoid unnecessary delays whilst also ensuring adequate due diligence to manage the potential for error (duplication with other funding sources) or fraud; thus, ensuring funding awards provided value for money.

9.9 Inequalities, Impact Assessment and Vulnerable Individuals and Groups

9.9.1 For both CLAH and CRPO/CIRP wider sectoral engagement took place to ensure the needs of the sector were met and that due consideration was given to areas such as equality and rural needs when designing the scheme. No further specifics were identified regarding the promotion of equality of opportunity between the nine equality categories or the promotion of good relations between persons of different religious belief, political opinion or racial group. Equality screening was completed on all proposed interventions and all Ministerial submissions provided assurance that equality implications had been considered.

9.9.2 One of the CLAH scheme high-level objectives, articulated as one of the guiding principles, was that it should support the most disadvantaged and socially excluded.

10. Arts and Culture – CRPO/CIRP

10.1 Scheme Design

10.1.1 Emerging economic research, sectoral feedback and engagement with other Executive Departments suggested that future Covid support beyond year 1 should focus on economic recovery, renewal and growth, moving from interventions that helped organisations survive. Economic modelling was commissioned by DfC and DoF with Ulster University to help inform future financial interventions and provide data on job vulnerabilities. The programme evolved to include a funding scheme for individuals (CIRP) and one for organisations (CRPO). The organisations encompassed the culture, language, arts, sports, heritage, social enterprise and charity sectors.

10.1.2 The government-backed UK Covid Job Retention Scheme, commonly referred to as the 'furlough scheme' ceased on 30 September 2021, returning responsibility to employers to fund employee wages and associated costs. Employers and self-employed people could face difficult decisions if activity, trading and income were not fully restored to a viable level. Social distancing requirements continued to have a profound impact on the ability of many organisations to operate in a viable way. For example, the data produced by Ulster University suggested that up to 10,827 jobs in the Arts, Entertainment and Recreation sector were vulnerable with a two-metre social distancing requirement and up to 9,121 jobs with a one metre distancing requirement.

10.1.3 Exhibit CB/016 INQ000613525 recommended "Financial support for individuals" and following proposals were included:

A. A grant scheme should be developed to support individuals in the culture, arts and heritage sectors whose livelihoods and practice have been impacted directly by the restrictions put in place as a consequence of Covid-19;
B. Support for this group is essential and should be provide quickly;
C. Support should be flexible, accessible and be open to all those who create or assist in the creation or production of work or delivery of activities across the professional, amateur and community sectors;

D. Detail of the application processes to be determined by the appropriate Executive department and its delivery partners but the planning assumption should be that eligibility will be open to as wide as possible a range of roles across the sectors;
E. Governance arrangements to be in line with the awarding body's established framework.

10.1.4 In response to the recommendations, the CIRP was established. CIRP was aligned to the strategic priorities as set out in the Executive's "Building forward- Consolidated Recovery Plan" published on 2 August 2021 **(Exhibit CB/111 INQ000101002)**.

10.1.5 The Covid Recovery Programme Board was established on 23 September 2021. A project level business case was produced for CIRP, in accordance with the best practice 5 case business case model, for DfC investment of up to £5.5 million, to provide grant funding to the self-employed and freelancers working in the arts, creative industries, and culture sectors **(Exhibit CB/112 INQ000613476)**.

10.1.6 The Department's delivery partners were engaged as early as possible to assist in design of delivery frameworks.

10.1.7 As part of the analysis of potential options the business cases considered three distinct service delivery models, including in-house delivery, delivery by ALBs, and procurement of commercial organisations to undertake delivery. The options analysis for the service delivery options considered the affordability, timescales, risks and benefits of each. The outcome of the exercise identified delivery of the scheme by ALBs and external delivery partners as the preferred approach, and identified relevant delivery partners, all of whom have a track record of grant distribution to relevant sectors and of working with the Department, as the organisations best placed to do this. The recommended model was to use ALBs, predominantly ACNI and NLHF, to deliver the CIRP scheme. NLHF did this in parallel with its delivery of CRPO; ACNI delivered CIRP a few months in advance of CRPO.

10.1.8 The Strategic Outline Case set out detailed information on the need for expenditure, using insights provided by ACNI, existing Covid support schemes and further detailed analysis by universities, economists and statisticians. Although the business cases acknowledged that there were limitations associated with the available data, the initial funding envelope was considered a reasonable amount to meet the requirement.

10.1.9 Following a review of the creative individuals business case **(Exhibit CB/113 INQ000613477)**, the Departmental Economist raised concerns regarding whether adequate provisions had been made in order to demonstrate value for money. The project was put forward for review by DfC Casework Committee, whose findings resulted in a failure to secure approval for the business case. In absence of this approval and in line with existing requirements, Ministerial Direction was sought for CIRP and subsequently obtained for the scheme on 12 September 2021 (Exhibit CB/045 INQ000613550). It could be argued that as it could not be demonstrated within the business case, it is not necessary to consider whether value for money was achieved; however, consideration was given to how well the spending objectives of the schemes for individuals were met, providing a level of assurance in relation to value for money. An outcomes-based accountability report card was developed for the schemes aimed at supporting the recovery of organisations but not for the schemes aimed at individuals.

10.1.10 The CIRP scheme was then delivered by ACNI (call for applications opened in September 2021 and closed in October 2021), providing individuals with support within the parameters of the scheme.

10.1.11 The CRPO scheme was developed and received approvals in October and November 2021. It opened for applications through delivery bodies in November and closed in mid-December 2021.

10.1.12 The bodies selected as delivery partners included ACNI, University of Atypical, Arts Council NI, National Lottery Heritage Fund, Sport NI, Foras Na Gaeilge, the Ulster Scots Agency and Community Finance Ireland. These partners were selected due to their track records in administering grant funding in partnership with this Department and others, or because of their knowledge of and expertise in their sector. Assurances were continually sought and received from delivery partners in relation to development and delivery of funding schemes, primarily through regular and frequent communication and checkpoint meetings. Selection of the appropriate delivery partners, and subsequent good relations, open debate and constant communication between the programme and its delivery partners was key to the successful delivery of the programme.

10.1.13 The scheme was designed with the expectation it would last as long as funding was provided.

10.1.14 Following receipt of applications for funding, delivery partners prepared proportionate case-by-case evaluations justifying the approval of expenditure in line with the approved cash limits. Delivery partners had the knowledge, expertise and in-depth understanding and capacity to examine pertinent issues necessary to make sound decisions in line with their funding scheme, approved by the Department. Support was targeted at the sector as a whole and applications were assessed on a case-by-case basis.

10.1.15 As a means of maintaining appropriate cost control, it was necessary to prioritise funding. The Department's ambition was to be able to meet all eligible claims for support under the policy framework. However, where that was not possible, the following order of priority should apply. Working in conjunction with delivery partners, the Department sought to ensure equality of treatment of applicants across all sectors in relation to prioritising the distribution of funding:

A. Priority 1 - To meet the cost of operating deficits for the period 1 April 2021 - 31 March 2022.
B. Priority 2 - Prioritising organisations with the largest operating deficits, expressed as a percentage of income.
C. Priority 3 - Prioritise the replenishing reserves and/or other measures taken to avoid or finance an operating deficit.

10.1.16 There was potential for conflict between ensuring ease of access to the funding and maintaining robust funding criteria and controls. An appropriate balance of accessibility and rigour was struck by the delivery team which worked well.

10.1.17 The timing of the Executive allocation of funds and time needed to establish the programme and ready schemes for implementation meant that applications for individuals and organisations were opened in September and November respectively. This resulted in release of financial support to some individuals and organisations in the last quarter of the financial year which was a deficiency of the scheme.

10.2 Timing

10.2.1 The CRPO scheme opened for applications in November 2021 with a deadline of 13 December 2021. Letters of offer were issued in February 2022 with all expenditure incurred by 31 March 2022. Verification and evaluation work was completed by March 2023.

10.3 Communication

10.3.1 The scheme was communicated via Ministerial announcements, press releases, social media posts on Twitter and announcements via delivery partners and sectoral organisations **(Exhibit CB/114 INQ000613478)**.

10.3.2 The project delivery team continued ongoing engagement with sector partners to promote certainty and confidence among scheme users.

10.4 Accessibility and Unintended Gaps

10.4.1 The Department's delivery partners, including ACNI and specific other delivery partners, were engaged as early as possible to assist in design of delivery frameworks, to assess needs for individuals across their relevant sectors, and to consider capacity to deliver support to individuals.

10.4.2 A comment within the PPE (Exhibit CB/043 INQ000613548) from the University of Leeds' Centre for Cultural Value stated: *"it is clear there has been a slowness to react to the needs of creative freelancers, underestimation of the pivotal role they play in creative production cycles, and a misunderstanding of their often complex portfolio working patterns."* The report also includes observations *that "from our study in Northern Ireland, we have repeatedly been told that 'the money did not come quick enough"* which was outside of the Department's control.

10.4.3 The scheme recognised that activities which promote and underpin economic recovery should aim to address social inclusion to increase access, participation and capacity for people and communities most disadvantaged and socially excluded.

10.4.4 There were no unintended gaps in the scheme as it was open to applicants from across the arts and culture sector.

10.5 Monitoring of Support

10.5.1 The Programme's management and governance structures included a Programme Board for oversight and direction, a Checkpoint Group to monitor progress and manage risk, and a team to support implementation of the programme. The Programme Checkpoint group meetings were held regularly and provided a useful forum to embed best practice, manage risk and ensure work strands were progressing accordingly.

10.5.2 Given the scale of the programme and the requirement to deliver the associated funding schemes by 31 March 2022, it was recognised that an accelerated approach to policy development and approvals was necessary. To reduce the risk associated with this approach, as well as consulting with the checkpoint group, the programme team engaged regularly with staff from organisations within the sector and relevant ALBs to draw upon their expertise and knowledge of the pandemic's impacts and sectoral needs. The programme identified a comprehensive list of key stakeholders at the outset and worked closely with these partners to successfully design and implement the objectives.

10.6 Adjustments and Cessation of Support

10.6.1 The understanding of lockdown and NPIs did not affect when the scheme would cease as it was dependent on funding from the Executive so had an end date established from inception.

10.7 Lessons Learned

10.7.1 A summary of the key lessons learned from the implementation of this programme (Exhibit CB/043 INQ000613548) and recommendations for avoiding similar issues in future interventions in future, can be summarised as:

A. Where schemes are delivered in partnership with delivery partners, oversight and assurance processes should be formally documented with appropriate levels of detail and agreed as part of the development of MOU.
B. Good governance, applied with appropriate commensurate effort, is critical to success.
C. Early engagement and genuine application of co-design principles with sectoral stakeholders is crucial.

10.7.2 The PPE of the schemes concluded that the project was delivered successfully as robust decisions were made early when gathering sectoral information, choosing a preferred option to distribute funds by means of delivery partners and deciding to adopt a proportionate delivery management approach. The over-arching objective to support recovery within the targeted sectors was achieved. Funding was released in a timely manner and was kept within budgets which was deemed a success.

10.7.3 NICS commissioned a report into all Covid-19 funding concluding that the interventions had, overall, achieved the objectives **(Exhibit CB/27 INQ000347008).**

10.8 Risk of Fraud and Error

10.8.1 The business case had objectives and supporting activities designed to ensure that appropriate approvals were in place along with appropriate processes and checks to mitigate the risk of fraud and ensure affordability and value for money.

10.8.2 The scheme used experienced delivery partners knowledgeable of the relevant sectors, and thorough assessment of each application took place. No evidence of fraud came to light during pre-award assessment and checks, and none has come to light subsequently.

11. Emergency Fuel Payment Scheme

11.1 Scheme Design

11.1.1 On 30 September 2021, the UK Government announced a £500 million support package to help vulnerable households with essentials over the coming months as the country continued its recovery from the pandemic. In England funding was distributed by councils through small grants to meet daily needs such as food, clothing, and utilities. As part of the Barnett consequential the NI Executive received c£14 million of the £500 million.

11.1.2 Discussions regarding a possible Emergency Fuel Payment Scheme had started in autumn 2021, however the ability to fund it was not confirmed until late in December 2021 **(Exhibit CB/116 INQ000532654)**. This put pressure on the approvals process of DfC support for Bryson Care's Scheme, its design and start date.

11.1.3 Delayed confirmation of funding and having to wait on the outcome of a long formal monitoring round process, in a time when events were moving very fast, directly impacted the speed of providing support to those in need.

11.1.4 DfC officials initially engaged with the Energy Regulator, the Consumer Council and Bryson Care, who were already in the process of setting up a scheme, and as such, it was recognised that the Department could make a grant contribution to this scheme rather than set up a separate scheme. This would be a more efficient approach allowing co-design with the Third sector who interface with communities and likely beneficiaries of the scheme.

11.1.5 The scheme was developed in collaboration with Bryson Charitable Group, the Consumer Council and a range of local energy companies in response to unprecedented energy price rises. In developing the scheme, the Department considered a range of reports including the Consumer Council NI December 2021 report, 'The Need for a Fuel Bank Scheme in NI' **(Exhibit CB/117 INQ000613480)**, and the Advice NI and National Energy Action NI report, 'Fuel Poverty, A Perfect Storm: A Call for a 2021/22 Fuel Programme'.

11.1.6 The decision to provide grant funding was based on modelling of fuel prices provided by the Utility Regulator and Consumer Council from summer 2021.

11.1.7 The need identified in the EFPS business case **(Exhibit CB/118 INQ000613481, Exhibit CB/118A INQ000613482, Exhibit CB/118B INQ000613483)** highlighted deficiencies associated with existing DfC fuel poverty mitigations not being sufficient to meet need and the implications if support for the scheme was not granted. The existing provision included both The Affordable Warmth Scheme and The Boiler Replacement Scheme, which help to improve energy efficiency and ultimately reduce heating costs, however, they were not deemed to be suitable measures for addressing the short-term issues faced by the significant increase in energy costs over the 2021/22 winter period.

11.1.8 In respect of other support measures:

A. The Cold Weather Payment provided financial support during periods of extreme low temperatures, and in two of the last three years there were no payments made due to the milder winters experienced.
B. The Winter Fuel Payment provides financial support to pensioners; it is non-means tested and is not available to those on low incomes who are below pension age.
C. Discretionary Support loans are considered for people who present as being in crisis. Individuals may already have utilised Discretionary Support for other means (for which there are restrictions on the number of loans available) and therefore this support may not be available. In addition, given the scale of energy costs crisis, providing a large number of loans to those on low incomes would not address the hardship that people are facing in the current energy crisis.

11.1.9 Based on statistics in December 2021, there were an estimated 273,000 individuals in receipt of means-tested benefits administered by DfC (which include: Pension Credit, Income Support, Universal Credit, income-based Job Seekers Allowance and income-related Employment and Support Allowance). Individuals are in receipt of these benefits due to low income/savings. The Department considered this group as being potentially the most likely to be impacted by the significant increases in energy costs and who, without additional support, may be unable to heat their homes or pay their energy bills. The need for this policy intervention is based on the NI Consumer Council's report, "The Need for a Fuel Bank Scheme in NI" published in November 2021 (Exhibit CB/117 INQ000613480).

11.1.10 DfC support for the scheme aimed to support households that presented as being in a fuel crisis and had a temporary inability to meet their fuel costs. A one-off payment of approximately £100 was available for eligible households for either electricity, gas or oil, payment was made direct to the energy supplier.

11.1.11 The Emergency Fuel Payment Scheme ran from 06 January 2022 to 31 March 2022 and was designed, implemented and administered by Bryson Care. The Department provided £2.06 million Grant Funding to the Bryson Care scheme. The scheme aimed to support 20,000 eligible households. In total 33,688 applications were made to the scheme, and 20,142 applications were approved **(Exhibit CB/119 INQ000613484)**.

11.1.12 The Bryson Care EFPS was made available to all households based on the following eligibility criteria:

A total gross annual household income of less than £23,000 (Does not include Disability Living Allowance, Personal Independence Payment, Carer's Allowance or Attendance Allowance in this calculation),

OR

Have been made unemployed in the last 8 weeks and awaiting confirmation of benefit/first benefit payment,

OR

Have had benefits payments recently interrupted,

In addition to one of the above, one of the following must also apply:

Ran out of chosen energy type (for pay-as-you-go electricity/gas, or oil customers)

OR

Have 3-5 days or less worth or less of chosen energy type (for pay-as-you-go electricity/gas, or oil customers),
OR
Have received an electricity/gas bill within the last 5 days and cannot afford to pay it,
OR
Due to receive an electricity/gas bill within the next 5 days and cannot afford to pay it.

11.2 Communications and Accessibility

11.2.1 As the EFPS was a Bryson Care operated scheme they were responsible for public communications and accessibility issues, with key information about the scheme available via their website. Bryson Care also engaged directly with energy providers, local charitable organisations and political representatives to provide information on the scheme. The Department used social media as appropriate to help promote the scheme **(Exhibit CB/120 INQ000613486)**.

11.3 Unintended Gaps

11.3.1 There were no concerns regarding unintended gaps in this scheme as there was a specific eligibility criterion as noted at paragraph 11.1.12. Evidence was required to demonstrate eligibility criteria and the specific S75 groups of Age, Disability, and Dependants were likely to benefit as evidence demonstrates they were more likely to be living in poverty. There were no intentional gaps in the coverage of this scheme.

11.3.2 A section 75 screening exercise was carried out on the scheme and found that a full EQIA was not required **(Exhibit CB/121 INQ000613487)**.

11.4 Monitoring of Support and Cessation

11.4.1 Bryson Care submitted weekly Report Cards to the Department which provided information on scheme uptake across Northern Ireland **(Exhibit CB/122 INQ000613488)**.

11.4.2 Risks were identified in the EFPS Business Case, with a winter 2021/22 EFPS Risk Register being established **(Exhibit CB/123 INQ000613489)**, including associated risk management and mitigation measures. The Risk Register was reviewed and updated on an on-going basis.

11.4.3 The Bryson Group's application to the Department for funding was time bound to cover the 2021/22 winter period/cold weather period so there was no consideration to extend the scheme before cessation.

11.5 Lessons Learned

11.5.1 The scheme was monitored and evaluated by Bryson Care **(Exhibit CB/124 INQ000613490)**, with DfC also carrying out monitoring and evaluation in light of its Grant Funding the scheme **(Exhibit CB/125 INQ000613491)**.

11.5.2 The Department's post project evaluation (CB/125 INQ000613491) found the successes of the scheme to be immediate application process, access to scheme, direct payments to energy providers, immediate support, efficient use of budget, collaborative working and it was comparative to UK schemes.

11.5.3 However the following shortcomings were identified - reduced effectiveness of EFPS due to global issues, eligibility criteria, security/fraud, requirement to expedite the scheme, scheme application window/timing, application issues, scheme opening hours, daily cap on applications permitted, reliance on outside provider to provide Government support, unnecessary volume of correspondence seeking clarity on the scheme. Despite these, the design and delivery of the scheme did meet the business case objectives.

11.5.4 As a previous recipient of DfC grant funding and formal assessment associated with this, Bryson Care held a robust rating in respect of governance and management of public funds through grant funding; based on this the risk of fraud and error associated with EFPS was considered low. This does not deviate from procedure prior to the pandemic.

11.6 Risk of Fraud and Error

11.6.1 There was one repeated application that led to six payments to the one applicant but to multiple household electricity meters, totalling £600. This was picked up by the system as the same mobile number was used on two of the applications and a fraud referral was made. The case was closed, with no action taken, given the resource required to pursue an investigation and the likelihood of recovery/prosecution against the sum (£600) allegedly claimed through fraudulent means. The PPE noted the issue for inclusion in the design of any future scheme. The Department conducted a Random Sample Evidence Validation Check post-scheme delivery with no evidence of fraud and/or error discovered.

11.6.2 The Department considers its approach to fraud and error as appropriate as it was in line with existing procedures.

12. VCSE Sector (see sections 13 and 14 for specific grant scheme interventions)

12.1 Scheme Design

12.1.1 In order to design the four programmes listed at paragraph 5.4.1, DfC consulted with Advice NI, Volunteer Now, Health & Social Care Trusts, other NICS Departments, District Councils, Fareshare NI, St Vincent DePaul and Community Foundation NI.

12.1.2 Due to the new circumstances that the Covid-19 pandemic brought, it was not appropriate to adapt schemes from existing models of economic support. The interventions were not specifically designed as economic interventions; rather, they were targeted at meeting major unprecedented societal challenges resulting from the pandemic.

12.1.3 Options for delivering grant funding were an integral part of each business case. Limited options were available in terms of organisations who could run a funding scheme immediately with sufficient capacity to deliver at pace and scale. The practical challenges were timing, understanding and knowledge of the charities and social enterprise sectors, ability to make sound funding decisions based on the agreed DfC funding criteria and maintaining credibility with the VCSE seeking financial help. For support to individuals, this was established in consultation with district councils, for example the delivery of food/medicine interventions was organised at council level.

12.1.4 The design of the intervention/scheme was done in collaboration with the delivery partners to ensure that all practical operational delivery issues were considered in the scheme design, and the preferred delivery scheme was deliverable. Value for money was systematically considered through the business cases process using the best evidence available.

12.1.5 Schemes were designed using the best available evidence at the time. Quantitative data was supplemented by qualitative input from stakeholder engagement. Advice was given in submissions provided to the Minister, but no economic modelling was provided. Economic input was not a primary consideration as the focus was providing targeted and timely support to VCSE organisations and individuals in need. In constructing business cases to justify expenditure, details of available data to assess the quantum of need were included. The information presented to the Minister provided a summary of the evidence base, policy design, funding criteria etc, and delivery arrangements for their approval.

12.1.6 There was additional intensive and iterative engagement in scheme design with a wide range of stakeholders to ensure that individual schemes were appropriately targeted. Officials worked in multi-disciplinary teams to maximise available resources. The Department is not aware that any individuals or organisations were excluded from accessing support due to the lack of data.

12.1.7 It was anticipated that support would be provided for the duration of the pandemic or lockdown period, or for as long as funding was available. Timelines of the support can be viewed at Exhibit CB/006 INQ000613456.

12.1.8 Due to the limited options for delivery and the constrained timeframe for launch of the supports, no alternative delivery options were considered.

12.1.9 The primary responsibility for identifying individuals who needed support rested with DoH and Health Trusts, and this information was passed on to DfC and councils to target the individuals for support, with DoH and Health Trusts determining who fell into the Shielding Group. DfC was responsible for supporting volunteering infrastructure, including in partnership with councils, the Health Trusts, PHA and Community Development and Health Network (CDHN) to manage delivery of food and medicines to vulnerable people and those shielding. Advice and guidance were developed and published for volunteers in relation a range of issues including vetting and cash handling. Guidance was developed in partnership with DCMS and the other devolved administrations.

12.1.10 The Community Helpline had a "triage" approach with those deemed to have the most acute need receiving information and advice. The data sharing between DoH, Health Trusts, and local councils enabled food parcels and medicines to be delivered to those who were shielding.

12.1.11 Organisations and individuals were supported based on available evidence of need. Consideration of socially and economically vulnerable groups was central to the design of the Emergencies Response Programme. This was explored systematically through the business case process and where appropriate, equality screening and rural impact assessments.

12.1.12 Speed of getting support to people and organisations within the VCS was the biggest challenge which was further impeded by the pace of receiving funding through the NI Executive and the new challenge of remote working as not every member of the Department was equipped to work from home right away.

12.1.13 The Emergency Response Programme operated at pace to enable the community response on the ground to support the Covid-19 crisis. The DfC response was co-delivered with the Voluntary and Community Sector, working with partners to help co-ordinate funding and logistics for a comprehensive package of support to enable communities to protect the most vulnerable in the community who were impacted by the Covid-19 pandemic and the restrictions imposed to combat it. The post project evaluation review of the Programme deemed it a success as it achieved all seven of its objectives (Exhibit CB/034 INQ000613542). It also documents a total of 25 lessons captured during the lifetime of the programme ranging from IT equipment to stakeholder engagement to help improve processes in the event of another pandemic.

12.1.14 The ERP ran from March 2020 to June 2022 and specific timings of each of its schemes can be found at Exhibit CB/094 INQ000613595 and Exhibit CB/006 INQ000613456.

12.2 Communications

12.2.1 Key information was communicated to target audiences using a range of channels as appropriate for the scheme, including stakeholder communications, website updates (both DfC and NI Direct websites), press releases and social media. The NI Executive's Covid-19 branding was used on the DfC website, social media channels and as appropriate, scheme-specific communications **(Exhibit CB/126 INQ000613492)**.

12.2.2 Communications activities were monitored through the usual metrics such as web views, social media reach, engagements, media coverage and subsequent uptake of schemes. In May 2021 the Department published the Covid-19 Support Achievements Summary **(Exhibit CB/127 INQ000560754)** which detailed the over £300 million supports provided by the DfC including through the ERP (Pages 19-25 of this exhibit). Page 45 of this exhibit also details the reach and engagement achieved across key channels to communicate to our audiences. The introduction of the Public Sector Bodies (Websites) Accessibility Regulations occurred during the Covid-19 pandemic which enhanced how the Department prepares and publishes its materials online, accessible for all audiences.

12.2.3 The Emergency Leadership Group had grassroots representatives in its ranks so that provided confidence to scheme users; also, the work that was coordinated by volunteers to keep people safe such as the helpline, food deliveries and medical supplies delivered to doorsteps, all provided confidence that the Department's priority was to keep people safe.

12.2.4 The Department worked in collaboration with sectoral partners, in particular Northern Ireland Council for Voluntary Action (NICVA), Advice NI, district councils as well as using Government communication platforms to communicate about the support available to the socially and economically vulnerable in the VCS.

12.3 Accessibility

12.3.1 Accessibility requirements were built into scheme design and access by intended recipients was brokered through local voluntary and community sector partners who had reach and knowledge of socially and economically vulnerable groups and insight into their needs. The Covid-19 Community Helpline boosted accessibility by triaging support for socially and economically vulnerable people to specific interventions.

12.3.2 NICVA was represented on the Emergency Leadership Group at senior level and was also involved in the design of specific interventions. NICVA supported effective two-way communication between the Department and the wider sector for the purposes of these schemes and acted as the voice of the Sector in the design of the schemes, supplemented by other sectoral inputs where appropriate. The Department did not deploy user centred design for these schemes.

12.3.3 There were no unintended gaps or concern about exclusion of specific groups due to the extensive stakeholder engagement.

12.4 Monitoring of Support and Cessation

12.4.1 Schemes were managed with regular checkpoint meetings which considered real time developments and feedback, information on issues arising, levels of demand, emerging risks. Frequency of checkpoints varied depending on the stage of scheme roll out and nature of issues arising.

12.4.2 Success was defined primarily in terms of levels of demand and our ability to meet that demand as laid out in scheme business cases and the decision on ending use of the schemes was dictated by budget. In May 2021 the Minister of Finance provided a written statement to the NI Assembly announcing the allocation £220 million of Covid-19 support for the financial year 2021-22 **(Exhibit CB/128 INQ000613493)**, including £50.3 million to DfC. Within this, £3 million was to support advice services and £5 million to support charities and social enterprises. The last support funding from these schemes was paid in June 2022.

12.5 Lessons Learned

12.5.1 The support provided as part of the ERP was not designed as economic interventions. However, in supporting a future pandemic, we would draw on the lessons learned about what worked well, such as:

A. Application of co-design principles.
B. Flexibility and agility in how we work.
C. Reducing the bureaucracy involved in grant making.
D. Enabling grassroots responses.
E. Working through delivery partners.
F. The opportunities presented via digital engagement channels.

12.5.2 Performance evaluations and PPEs show that the objectives of the schemes implemented to support the VCSE sectors were met under a challenging timeline to protect the most vulnerable and preserve the voluntary and community sectors **(Exhibit CB/129 INQ000532636, Exhibit CB/130 INQ000613495, Exhibit CB/130A INQ000613496, Exhibit CB/131 INQ000613497, Exhibit CB/131A INQ000613498, Exhibit CB/131B INQ000613499, Exhibit CB/131C INQ000613500, Exhibit CB/131D INQ000613501, Exhibit CB/131E INQ000613502 and Exhibit CB/132 INQ000613503).**

12.6 Risk of Fraud and Error

12.6.1 As noted in paragraph 9.5.5, extensive data matching was carried out in order to identify any double funding. A sample check exercise was undertaken to scrutinise several higher value individual application forms for DfC deficit funding awards to determine how much, if any, of this potential duplicate funding had been declared by applicants to DfC schemes.

12.6.2 A total of 33 individual applications were manually checked from a range of intermediary bodies (Arts Council NI, Community Finance Ireland, National Lottery Heritage Fund and The National Lottery Community Fund). Of the 33 checked a total of 16 applications included some

level of other awards in their calculations to determine their DfC award. These 16 had declared at least some other funding and no follow up action was recommended.
12.6.3 The Department did not have projections of fraud and error for each of the schemes at the outset as this was not considered necessary and trusted delivery partners were used which was considered to minimise the risk of fraud and error. The Department has not identified any fraudulent claims following vouching of grant funding claims.

12.6.4 EY'S NICS Review of Covid Funding (Exhibit CB/027 INQ000347008) findings were broadly positive, recognising that "Executive departments' grant funding response to the pandemic demonstrated how adaptive and capable the civil service can be in times of crisis." It did identify several areas for improvement, including gaps in consistency and understanding of best practice procedures for disbursement of grant funding, and issues with basic data management and IT systems. However, overall, the evaluation suggests that, while the NICS's response to the pandemic in terms of provision of grant funding was imperfect across all departments involved in disbursing funding, no major issues were identified which would give rise to concerns that the funding schemes were not robust, measured and involve proportionate effort to balance accountability with the need to achieve pace in delivery".

12.6.5 In conclusion, the Department broadly welcomes the finding as honest, and objective and it is easy to look back with the benefit of hindsight and identify areas for improvement. However, a balance will always continue to be struck between the need to achieve Ministerial priorities, and delivery at pace to meet an unfolding crisis.

12.7 Inequalities, Impact Assessments and Vulnerable Individuals and Groups

12.7.1 During the Covid-19 response, the Department remained mindful of its obligations under Section 75. In the context of the urgency of required interventions, equality considerations were addressed through a responsive and pragmatic approach, reflecting the evolving nature of the pandemic. Equality Impact and Rural Impact Screening and Assessments were undertaken in line with established policy processes **(Exhibit CB/133 INQ000613504 and Exhibit CB/134 INQ000613505)**.

12.7.2 To support compliance and ensure responsiveness to need, the Department made use of existing data sources and ongoing intelligence gathered from the voluntary and community sector, local government and delivery partners. These partners played a key role in helping to identify individuals and communities most at risk of the impacts of the pandemic – including the economic impact. By collaborating and using available evidence, the Department was able to make informed decisions quickly while still having regard to equality considerations.

12.7.3 It should be noted that although the Department supported interventions such as Access to Food, Access to Medication, DfC did not identify any groups of people who might have been particularly at risk or vulnerable or who were at risk of suffering particular disadvantage as DoH and Health Trusts determined who fell into the Shielding Group.

13. Social Enterprise Fund

13.1 Scheme Design

13.1.1 The Covid Social Enterprise Fund was aimed at covering losses and supporting liquidity and building resilience for the social enterprises sector. The fund supported social enterprises that deliver services and products but found themselves in financial difficulties directly because of the pandemic. The aim of the fund was to help social enterprises to stabilise and manage cash flow. This fund was co-designed with key sectoral leaders and delivered by Community Finance Ireland. The primary intention of the fund was to help social enterprises to stabilise and manage cash flow over this difficult period **(Exhibit CB/135 INQ000613506)**.

13.1.2 Social Enterprise NI (SENI) was corresponding with DoF and DfE since March 2020 in respect of the need for a Social Enterprise Fund and submitted a proposal to Department of Finance and Department for the Economy in May 2020. It was agreed by the Executive that DfC would administer a scheme on behalf of the Executive, using funds allocated for this purpose. DfC consulted SENI throughout development of the Fund. When Community Finance Ireland agreed to deliver funding on behalf of the Department, they were consulted about the scheme and delivery arrangements. Engagement took place with the Northern Ireland Council for Voluntary Action and several voluntary and community organisations.

13.1.3 Advice from specialist sectoral advisors and subject matter experts and professionals within the Department were used when developing the business case for the scheme, including SENI, Economists and Procurement specialists (in both DoF's Construction & Procurement Delivery Team, and DfC's Governance & Commercial Services Team). Engagement with these experts was early in the scheme development, which appears to have been a critical success factor in identifying the optimum approach to delivery, as well as effective delivery of the funding. Seeking an early view from the Department's procurement experts proved particularly effective as their advice ensured help could be delivered as quickly as possible to the sector.

13.1.4 A key takeaway from the 2019 *Re-Balancing the Northern Ireland Economy* SENI publication **(Exhibit CB/136 INQ000613508)** is that the sector was profitable and growing pre Covid-19, with the potential to make a significant contribution to growth and economic inclusion. However, the publication also found that most social enterprises (58%) earned over three quarters of their income through trade.

13.1.5 The financial need was estimated based on available data supplied by Social Enterprise NI. The fund was launched on 28 September 2020 and due to higher than anticipated demand an addendum to the business case was prepared to seek approval to increase the overall amount (£7 million) by £2.25 million, to enable applications to be met.

13.2 Accessibility

13.2.1 The Social Enterprise Fund used a proportionate assessment of need to determine which social enterprises have lost income due to the impact of COVID-19 and to whom the award of funding would enhance their future sustainability. In advance of funding, it was not possible to identify the likely numbers who would seek financial support. Correspondence from Social Enterprise NI to the Departments for Economy and Finance, engagement with Community Finance Ireland, alongside their surveys of social enterprise organisations between April and July 2020 reflected a sector that needs a level of specific support, resulting in the allocation of £7 million.

13.2.2 In order to be successful in their application, social enterprises were required to meet the following eligibility criteria:

A. That the organisation is a social enterprise (as defined through the following sub-criteria):
   i) Is a trading business – selling goods and services – whose primary objective is to achieve social and/or environmental benefit. Examples of trading income include buying and selling of goods, provision of services for which there is a charge etc.
   ii) Has a base in Northern Ireland or has been primarily delivering services/ activities in communities in NI since before March 2020.

iii) Has a Memorandum and Articles of Association requiring that, upon dissolution, any assets of the SE are transferred to another organisation with similar aims and objectives.

B. That the organisation can confirm that the need for funding is as a direct result of the impact of the pandemic and is to be used to help short-term cashflow position.

C. That financial information can be provided to enable a comparison of trading income from March to August (inclusive) for both 2019 and in 2020.

D. That the organisation can confirm that the revenue grant support should be adequate to allow the applicant organisation to remain viable for a minimum of 6 months (to at least the end of March 2021).

E. That one year forward cashflow projections can be provided, including the benefits of any earlier Covid Fund receipt.

13.2.3 The maximum award available for each organisation was capped at £75,000. 394 applications for support were received with 315 applications approved for payment. The priority need was any Social Enterprise organisations needing financial support to meet unavoidable costs where they have exhausted all other funding sources (including unrestricted reserves) and facing imminent closure.

13.2.4 A Section 75 screening exercise was carried out in September 2020 **(Exhibit CB/137 INQ000613509)** and found that a full EQIA was not necessary as there was no expectation of adverse differential impact based on the analysis of the available evidence and the nature of the proposed funding application and assessment process. The intention of the fund was to preserve a balanced local Social Enterprise sector recognising their role as both an economic driver and a platform for social change.

13.3 Timing and Cessation

13.3.1 The fund opened on 28 September 2020 and closed on 23 October 2020 with all payments issued by 10 November 2020.

13.3.2 The fund was not extended and ended once all funds had been allocated.

13.4 Reviews and Lessons Learned

13.4.1 As noted in the PPE of the fund **(Exhibit CB/138 INQ000613510)** stakeholder engagement was integrated into the project from the start, to establish a consensus on objectives and to identify sectoral need. This moved quickly into a phase of understanding the immediate impacts of the pandemic from leaders of the sector. As the scheme was designed with input from SENI and Community Finance Ireland (CFI), the approach was supported by the wider sector.

13.4.2 Within the objectives listed in the business case, two could have created a potential conflict between ensuring ease of access to the funding and maintaining robust funding criteria and controls. An appropriate balance of accessibility and rigour was struck by the delivery team.
The scheme benefitted from the fact that the Emergencies Response Programme had already been established. As several schemes and interventions had already been successfully delivered by the programme, there was a level of confidence both within the Department and in the wider sector that this scheme would also be delivered successfully.

13.4.3 The project team managed risks in real time, and the practical limitations of what could be achieved by small delivery team that consisted of just two staff members was accepted by the Department. CFI were considered a very reliable delivery partner who had a proven track record in delivering finance to the sector. The focus was on remaining flexible to respond with agility to the crisis at an accelerated pace and because risk was managed by this means the team were able to flex quickly. For example, within the business case the following risks were recognised:

A. Demand overwhelming, scheme forced to close prematurely; and
B. Committed Expenditure exceeds the authorised limit.

13.4.4 The delivery team were able to respond to adopt the emerging advice and secured additional funding, with associated cover via an addendum to the business case, to mitigate these risks.

13.4.5 A summary of the key lessons learned from the implementation of this project and recommendations for avoiding similar issues in future interventions in future, can be summarised as:

A. Guidance on risk management during an emergency may benefit from review, with adjustments potentially required to adopt a more Agile approach for real time risk management and proportionate efforts, relative to a recognised risk appetite.

B. Good governance, applied with appropriate commensurate effort, is critical to success.

C. Early engagement and genuine application of co-design principles with sectoral stakeholders is crucial.

14. Covid-19 Charities Fund

14.1 Scheme Design

14.1.1 The Covid-19 Charities Fund supported charities that lost income during the pandemic, had unavoidable costs and, without financial support would have been at risk of closure **(Exhibit CB/139 INQ000613511)**. Funding proposals were designed to make best use of the funds available; to target funding at those charities most in need using a proportionate assessment; for all charities regardless of charitable purpose to be eligible. An individual financial assessment of need was carried out to make a tailored grant award, although there was a £75k cap. £20.5 million was allocated by the Executive to support charities, but the need was met with £16.3 million including delivery partner costs of £0.3 million. The Covid-19 Charities Fund was delivered in two phases. In Phase 1, 501 charities shared total funding of £8.8 million delivered by The National Lottery Community Fund and Phase 2 saw 387 charity applications receive a total of £7.3 million delivered by Community Finance Ireland **(Exhibit CB/140 INQ000613513)**.

14.1.2 Phase 1 was to support unavoidable costs faced by charities in the period 1 April to 30 September 2020, to prevent closure of charities up to the end of September 2020; and phase 2 was to support unavoidable costs faced by charities in the period 1 October 2020 to 31 March 2021 to prevent closure of charities up to the end of March 2021.

14.1.3 The National Lottery Community Fund were the only provider with the capacity and skills to deliver a funding scheme of this size for Phase 1. There were no practical challenges as this organisation has significant experience in the field of grant funding delivery. TNLCF was unable to deliver Phase 2 because of its other commitments; a consideration of options led to the appointment of Community Finance Ireland to deliver Phase 2.

14.1.4 DfC's Analytics Division analysed available data on the local charities sector to quantify the sector's need for financial support and provide broad advice to DfC on setting objectives. Limitations and examples of areas noted for data development included:

A. trends in charity numbers over time using agreed definitions,

B. further information and understanding of charity finances,
C. comparative analysis with other UK regions and ROI, and
D. potentially estimating the value of the charity sector to society.

14.1.5 Charities that lost income due to the impact of Covid-19 and were unable to cover unavoidable costs until 30 September 2020 (Phase 1) and 31 March 2021(Phase 2) were prioritised.

14.1.6 The absence of quality data was the main challenge which led to a cautious approach to funding. Within Phase 1 organisations had to meet all the following eligibility points.

A. The organisation was formed prior to 31 March 2020 and is a lawfully operating charity as defined by the Charities Act (NI) 2008
B. Charities that were financially stable prior to the impact of Covid-19 and where The National Lottery Community Fund (TNLCF) have no concerns regarding fraud or financial mismanagement
C. Charities that can demonstrate that their fundraising or trading income has reduced due to the impact of Covid-19 and they have unavoidable costs to cover up to 30/9/2020.
D. Charities whose unavoidable costs cannot be covered by existing grants or public funding and are therefore at risk of imminent collapse.
E. Charities that have not received other Covid19 financial support from NI Executive departments:

- DfE Small Business Support;
- Retail, Hospitality, Tourism and Leisure Grant;
- Microbusiness Hardship Fund.
- Hospices and charities that have already received funding from the £6.5m fund for charities released by the Department of Finance

14.1.7 Within Phase 2, the final criteria relating to exclusion as a result of receiving other Executive funding was removed.

14.1.8 If demand for funding was high, priority was planned for those charities that communities rely on the most to deliver services and to ensure equitable distribution. Eligible charities could apply for up to £75,000 to support them with financial difficulties resulting from the pandemic.

14.2 Timing

14.2.1 Phase 1 distributed £8.8million of support to 501 successful applicants by 30 September 2020. This phase prevented closures and loss of vital services for charities employing over 3,000 employees and 20,000 volunteers. Phase 2 administered £7.2 million (of a possible £11.7 million) to 386 successful applicants (out of a total of 420 applicants) by 31 March 2021. The total available budget for distribution to local charities was £20.5 million. £3.9 million of unspent funds following the closure of Phase 2 was reallocated to the CLAH Support Programme.

14.3 Accessibility and Unintended Gaps

14.3.1 No Optimism Bias or risk-adjusted cost was applied to this case as it was exclusively for revenue grant funding. It was recognised from the outset that there would be no capital component to the funding proposals. Any potential tendency to be over-optimistic in distributing funding was prohibited by the finite budget of (Phase 1: £15.5 million and the later Phase 2: £5 million) was determined by the Executive to support charities in May 2020. The scheme was designed to make best use of this finite budget, rather than considering how much funding was needed and then seeking to justify that amount of expenditure. £3.9 million of unspent funds following the closure of Phase 2 was reallocated to the Culture Language Heritage and Arts Support Programme.

14.3.2 A Section 75 screening exercise was carried out in June 2020 and ruled a full EQIA to be unnecessary as there was no expectation of adverse differential impact based on the analysis of the available evidence and the nature of the proposed funding application and assessment process. Any differing equality impacts arising from the distribution of the fund were intentional because it was specifically designed to preserve a balanced local charitable sector which promoted equality of opportunity for particular groups of disadvantaged people. **(Exhibit CB/134 INQ000613505)**

14.3.3 The Department is not aware of any gaps in support as organisations were supported based on available evidence of need.

14.3.4 The principles of contracting for the delivery of services were not considered applicable to the needs and priorities of this grant award fund to charities. The two phases administered by two different delivery agents, both of whose purpose is for public good and not for profit. There was no opportunity to consider risk apportionment between the Department and the selected delivery agents that administered the application and grant distribution. There were no opportunities for payment mechanisms in the pre-delivery stage.

14.4 Lessons Learned

14.4.1 A post project evaluation was carried out of the Covid-19 Charities Fund in May 2022 **(Exhibit CB/142 INQ000613515)**. Aspects that worked well include the Sectoral Reference Group. Stakeholder engagement was integrated into the project from the start, to establish a consensus on objectives and to identify sectoral need. This moved quickly into a phase of understanding what the immediate impacts from leaders from the charitable sector. Although co-designed with the National Lottery Community Fund, the broad approach was supported by the wider charitable sector leadership. Within the ten objectives of the business case, two different objectives could have created a potential tension between ensuring of ease of access to the funding and while maintaining robust funding criteria and controls. An appropriate balance of accessibility and rigour was struck by the delivery team.

14.4.2 Aspects that could have been improved include at the policy planning stage there were known unknowns, including the duration of the pandemic and whether the quantum of funding to be made available would be adequate to address the financial stress experienced by charities. No quantitative or qualitative data or insights were available at the time to validate the predicted need. By necessity, projections were based on best estimates, combined with associated prudence to ensure that only those organisations in absolute need and at risk of closure would receive funding. Conversely, it is pertinent to remember that the policy and budget decisions on this level of funding were already established in the context of the £750m commitment from the Treasury, with subsequent decision by the NI Executive during May 2020 that £15.5m should be allocated to support charities facing severe financial difficulties because of the pandemic. This project was designed to target need and make the best use of a finite budget, decided firstly by the UK Chancellor, then the Executive, based on the decision-making established within the rationale of a UK strategy. The alternative approach was to divide up the funding available between the 8,800 eligible charities, awarding each just under £2,000. This approach would not have been a good use of public funding and would not have been supported by the sector. While every organisation will accept funding, certain charities reported unexpected benefits from the pandemic and therefore did not need public funding.

14.4.3 The National Lottery Community Fund were responsible for monitoring Phase 1 **(Exhibit CB/143 INQ000613516);** and Phase 2 by Community Finance Ireland.

14.4.4 The Department received weekly detailed reports from TNLCF which were circulated to Deputy Secretary level and positive feedback was received on the presentation of succinct data and infographic display. The funding uptake and rate of distribution was communicated regularly to senior staff to understand any issues. The CEO of NICVA was part of the Sectoral Reference Group so that provided a link to the VCSE.

15. Free School Meals

15.1.1 The matter of free school meals falls under the remit of DE in Northern Ireland and payments were made via the Education Authority. Minister Hargey was supportive of the scheme as a means of ensuring access to food but had no part to play in the delivery of the scheme, therefore DE is best placed to answer on the introduction of free school meal direct payments to families **(Exhibit CB/144 INQ000613517 and Exhibit CB/145 INQ000613518)**.

16. Communication

16.1.1 The Department devised a DfC Covid-19 Communications Plan **(Exhibit CB/146 INQ000560751)** which defined the communications approach that the Department implemented to ensure effective communications to target audiences about any changes to services necessary to comply with the government Covid-19 social distancing guidelines such as the closure of Jobs & Benefit Offices to the public, excused signing and closure of Public Records Office Northern Ireland (PRONI) and HED sites. The effectiveness of the communications were measured by a number of metrics including website analytics for NI Direct, DfC website and Intranet, campaign analytics including reach and engagements, Social Media analysis including reach, comments and DMs, media coverage, queries and interviews and NI Direct public queries.

16.1.2 A chronology of key communication updates of the Department issued is listed at **Exhibit CB/147 INQ000613519.**

16.1.3 Communication of each of the schemes were published on social media and NI Direct to be viewed as wide as possible and reach as big of an audience as possible to ensure everyone eligible for each scheme was aware. Direct engagement with the sectors and key stakeholders was also important to communicate the schemes to the socially and economically vulnerable.

16.1.4 The NI Executive, Executive Information Service (EIS), DoH, and Public Health Agency (PHA) led on key health public information advice for the public during the Covid pandemic. The Department, like other NI Departments, supported the wider Executive and Health messaging, and the NI Covid-19 public information campaign as appropriate. The Department supported this campaign by applying Covid branding to the DfC website and intranet, social media channels, stakeholder and staff emails, providing the branding to Arm's Length Bodies and updating and reissuing the branding as NI Executive messaging changed. As well as inputting into the EIS-led public information leaflet and NI Direct Covid-19 pages as appropriate, DfC also had a dedicated DfC Covid-19 web page which linked to relevant information on the PHA. The Department communicated and signposted to target audiences about the range of support, advice and interventions including for the unemployed, self-employed and for the most vulnerable in our society and how these could be accessed.

17. Long Covid

17.1.1 The medical guidance for establishing eligibility for disability benefits was updated in March 2021 to include Long Covid. This change was led by the Department for Work and Pensions but implemented in Northern Ireland also allowing Northern Ireland citizens to access disability benefits if impacted by Long Covid, subject to satisfying other eligibility criteria.

17.1.2 The Department did not undertake any assessment of the economic impact/s of Long Covid as economic policy falls under the remit of DfE in Northern Ireland.

17.1.3 The NI Executive did not provide any specific additional support to DfC for sufferers of Long Covid.

17.1.4 The emergency financial response provided through the Discretionary Support scheme was designed to address the immediate impact of people being required to self isolate. The economic impacts of Long Covid did not influence policy decisions made in respect of Discretionary Support.

17.1.5 Discretionary Support Guidance states: "Some people who contract Covid-19 may experience the effects of the virus months after initially falling ill. While commonly this is referred to as "long covid" people suffering from this do not need to self-isolate. The NHS website reports that as many as 10% of Covid-19 patients may still be feeling unwell more than three weeks after their infection. Because a person with "long covid" would not usually fall within the eligibility criteria because their self-isolation period has ended, they will not normally satisfy eligibility criteria for a Discretionary Support self-isolation grant. The only exception to this would be if the person has again contracted Covid-19. If a person advises that they are self-isolating only because of "long covid" symptoms, then they should only be considered for an ordinary Discretionary Support living expenses award. If their symptoms are continuing and are so severe the claimant should be advised that making a claim to ESA, UC and possibly PIP may be more appropriate to their needs. Note: a claimant may claim a self-isolation grant sometime after their self-isolation period has ended, but must show that the financial loss was as a result of the period of self-isolation."

18. Lessons Learned and Reflections

18.1.1 As noted throughout the statement several reviews and evaluations were completed as follows:

A. Covid-19 VCS Emergencies Response Programme October 2020 (Exhibit CB/034 INQ000613542)
B. Covid-19 Heating Payment Scheme March 2021 & October 2021 (Exhibit CB/098 INQ000613599 & Exhibit CB/100 INQ000613461)
C. Access to Food September 2021 (Exhibit CB/131 INQ000613497 CB/131A INQ000613498, Exhibit CB/131B INQ000613499, Exhibit CB/131C INQ000613500, Exhibit CB/131D INQ000613501, Exhibit CB/131E INQ000613502)
D. Scrutiny of CIRP September 2021 (Exhibit CB/113 INQ000613477)
E. Independent Review of Discretionary Support February 2022 (Exhibit CB/080 INQ000560755)
F. Emergency Fuel Payment Scheme March 2022 (Exhibit CB/125 INQ000613491)
G. Covid-19 Charities Fund May 2022 (Exhibit CB/142 INQ000613515)
H. Covid-19 Advice Helpline October 2022 (Exhibit CB/130 INQ000613495)
I. VCSE Covid Recovery Fund November 2022 (Exhibit CB/129 INQ000532636)
J. Covid Community Support Fund April 2023 **(Exhibit CB/148 INQ000613520)**
K. Covid 19 Social Enterprise Fund May 23 (Exhibit CB/138 INQ000613510)
L. CLAH July 2024 (Exhibit CB/044 INQ000613549)
M. CIRP/CRPO schemes August 2024 (Exhibit CB/043 INQ000613548)

18.1.2 These evaluations were carried out during and after the specified period and detail the impact of DfC support. Reducing any disparities was dealt with in real time by amending the eligibility as noted in 5.1.6, 5.3.8D, 7.9.2, 7.10.6, 8.1.7, 8.4.4 and 14.1.6.

18.1.3 The Department's Business Continuity Framework **(Exhibit CB/149 INQ000613521)** was most recently updated in April 2024 and is continually reviewed. It aims to help minimise the potential impact on the Department and to ensure services are maintained or restored as soon as possible in the event of emergencies and pandemics. The Framework is a guide for each individual business area who maintain their own Business Continuity Plans. These detail the contingency arrangements that may need to be put in place in the event of a future pandemic to ensure immediate support can be provided to those in need.

18.1.4 Within the framework there is a separate Business Continuity and Emergency Response Plan **(Exhibit CB/150 INQ000613523 Exhibit CB/150A INQ000613524)** for Work and Health and Supporting People groups due to the operational nature of both groups compared with the rest of DfC, that would be used in the event of another pandemic.

18.1.5 The Covid pandemic accelerated the roll out of remote working across all business areas. Remote working has helped each business area to become less reliant on physical workplaces through the increasing usage of IT equipment and software. This increase in capacity and capability will help all business areas maintain the delivery services from hubs and home, making it much more resilient than it was prior to the Pandemic.

18.1.6 There are no recommendations the Department would ask the Chair to consider improving the economic response to a future pandemic.

19. Statement of Truth

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

Signed:

Personal Data

Dated: 11 September 2025