

Written Ministerial Statement

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Department of Finance

COVID-19 RESPONSE: FUNDING ALLOCATIONS

Published at 12.45 pm on Thursday 9 April 2020.

Mr Murphy (The Minister of Finance): The purpose of this Statement is to inform the Assembly of the funding allocations agreed by the Executive as part of its response to COVID-19.

In order to respond rapidly to the COVID-19 situation the Executive is handling funding for the crisis outside its normal financial processes of budget and in-year monitoring exercises.

The Executive has received additional funding through the application of the Barnett formula to allocations to Whitehall departments for England only measures. As this is an evolving situation the funding situation is being kept under review and the figures are being updated on a regular basis.

The Executive has received Barnett consequentials of £933 million in relation to measures announced prior to 6 April 2020. This includes funding relating to the £5 billion COVID-19 Response Fund. This statement deals with the allocation of this funding.

The Treasury has also advised of a further £101 million of consequentials from new measures. The majority of this relates to an allocation to the Department for Transport for Emergency Management Agreements. As there are ongoing discussions with the British Government in relation to a number of transport related matters the Executive has agreed to hold this funding for allocation following the outcome of these discussions

In agreeing the allocations for the COVID-19 response the Executive's priorities have been ensuring our health service receives the funding it needs, maintaining key services and providing support for businesses and vulnerable people. This statement deals only with the allocation of the additional funding that has been provided. Departments will also be taking forward measures which will be funded from within existing budgets. The Executive may also decide to prioritise funding across departmental boundaries should it be required for a wider response. However, we are not yet at that stage.

You will be aware of a number of measures which have already been announced and the funding allocated to these is set out in the table below.

Dept	COVID-19 Response	£million
DfC	Discretionary Support	5.0
DfE	Small Business Grant (£10k for business eligible for Small Business Rate Relief) – benefiting 27,000 businesses.	270.0
DfE	Hospitality, Tourism and Retail Sectors Grant (£25k for business with a rateable value between £15k and £51k)	100.0
DE	Direct payment to families of 97,000 children who are entitled to free school meals.	18.9
DoF	Business Rates Holiday (3 months)	99.0
DoH	Includes but not restricted to: mobilising the health and social care response, including additional staffing, ramping up of testing, and securing essential personal protection and other equipment; and providing much needed support for primary and community care sectors and suspension of car parking charges for staff.	140.0
DoJ	Additional resources have been provided to the Prison Service to meet the challenges due to Covid-19.	1.9
Total		634.8

Further to this, the Executive has agreed to set aside £150 million for the purchase of vital personal protective equipment (PPE). While this is primarily for the Department of Health there are potential costs in other departments and this level of funding is considered appropriate at this stage.

As set out in the table above, the Executive has already announced business support schemes targeted at small businesses, the leisure, hospitality and tourism sectors as well as support for all business through the rating system. This in addition to the support provided at a UK wide level.

However, I am aware that a number of business will fall through the gaps in this support. I am keen that vital support can be provided for these businesses as quickly as possible. Working is ongoing in the Department for the Economy, assisted by my own department, to develop further schemes which will target support where it is needed most.

In light of this the Executive has agreed that £40 million is held centrally pending further consideration of the further support required by businesses.

The Executive has also agreed a number of smaller allocations for specific purposes, these are:

- £1.5 million to DAERA for Support for the Fishing Industry
- £3.3 million to DfC for NIHE response to homelessness;
- £2.0 million to DfC for the Community Support Scheme;
- £10.0 million DfC for Shielding Package for Clinically High Risk;
- £12 million to DE towards Emergency Childcare provisions;
- £0.4 million to DE to enable the Youth Service to support DfC to provide food for vulnerable young people; and
- £4 million to DOJ to allow the PSNI to maintain critical services

In addition £10 million will be held centrally for further interventions to support vulnerable members of our society.

It has been agreed that the balance of funding, some £65 million, be provided to the Department of Health at this time. There are significant challenges in forecasting health costs in an evolving situation and my officials will be working closely with colleagues in the Department of Health to keep the position under review as the situation develops.

I would like to conclude by assuring members that this Executive will do everything possible to ensure our health service, businesses and vulnerable people are supported throughout this crisis.