

**DRAFT**

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**Second Permanent Secretary**

**Copy Distribution Below:**

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**TO: PERMANENT SECRETARIES**  
**DAVID WATKINS**

**WORKING RELATIONS WITH HM TREASURY AND OTHER  
WHITEHALL DEPARTMENTS DURING THE SUSPENSION OF  
DEVOLUTION**

**Introduction**

1. The purpose of this note is to highlight arrangements that must be applied to our working relations with HM Treasury and other Whitehall departments during the suspension of devolution. The Government remains committed to seeking an early restoration of devolved government to Northern Ireland and the Secretary of State and his Ministers have sought to follow through on the broad thrust of the various policy directions and initiatives the Executive had agreed upon before the suspension of devolution last year.
2. However in working to implement these policies on behalf of the Secretary of State, we also now need to be aware of and sensitive to the wider implications and potential repercussive effects of local spending and policy proposals for Whitehall departments. Also in exercising his responsibilities, the Secretary of State adheres to Government policy and shares collective responsibility with other Cabinet Ministers.



## Consultation and Clearance Arrangements

3. In light of the above, the following consultation and clearance arrangements must be followed to ensure that the potentially wider implications of local spending and policy proposals and initiatives are taken into account before plans proceed:
  - (a) where any local spending proposal or policy initiative is considered **potentially repercussive** in relation to wider UK policy, we need to ensure that there is prior consultation with Treasury and any other relevant Whitehall department. Contacts with HM Treasury on substantive issues with any local expenditure implications must be channelled through the Central Expenditure Division of Central Finance Group. Contacts with other Whitehall Departments to explore the potential **repercussive impacts** of local policy proposals can be managed by the relevant local department. Supply Divisions in CFG should be informed of such contacts and should receive copies of correspondence; and
  - (b) where consultation with Whitehall identifies that proposed policies on spending proposals would be **actually repercussive**, we can only expect to proceed with the agreement of the relevant Whitehall interests (and/or, where relevant, the two devolved administrations).

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