



Northern Ireland Audit Office

MEDIA RELEASE

Second Report – Overview of the Northern Ireland Executive’s Response to the COVID-19 Pandemic

Northern Ireland’s Comptroller and Auditor General, Mr Kieran Donnelly CB, has today (08 June 2021) published his “Second Report – Overview of the Northern Ireland Executive’s response to the COVID-19 pandemic”.

The report sets out that, at 31 March 2021, the total estimated cost of the COVID-19 response relating to Northern Ireland is estimated to be just over £6.2 billion (including an estimated £1.5 billion covering the Northern Ireland cost of the Coronavirus Job Retention Scheme (the furlough scheme)).

In his previous report (published on 2 September 2020), the Comptroller and Auditor General reported a cost of over £2.0 billion but this excluded any estimate for Northern Ireland furlough costs.

The £6.2 billion estimate comprises two main elements: the estimated cost to Northern Ireland departments of a range of measures to combat the impact of the pandemic (£3.9 billion)¹; and the estimated cost of national schemes which apply to Northern Ireland (£2.3 billion) covering, for example, increasing welfare payments.

Over 75 per cent of the total estimated cost of Northern Ireland initiatives (or measures) required by Northern Ireland departments relate to activities across three departments:

- Department of Health (DoH) (£1.06 billion (27 per cent) working at the front line, treating infected patients);
- Department of Finance (DoF) (£1.03 billion (26 per cent) offering a range of rate reliefs for individuals and businesses; and
- Department for the Economy (DfE) (£0.95 billion (24 per cent) offering support to local businesses struggling to survive as a result of the impacts of the pandemic.

A further £1.67 billion has been made available for almost 40,000 business loans, under the Bounce Back Loan Scheme and the Coronavirus Business Interruption Loan Scheme. A further 14 loans have been approved for payment under the Future Fund.

Today’s overview report provides an update on the first report and outlines the breadth of the response and the range of initiatives and activities undertaken by the Executive in response to COVID-19. We plan to publish a further update later in the year.

Comptroller and Auditor General Kieran Donnelly commented:

¹ This second overview report excludes initiatives which have (or will have) an estimated cost in excess of £1 million. In the case of health and social care sector activities, which are indistinguishable from the day to day running of the system, estimated costs have been provided for activities likely to result in increased costs in excess of £1 million.

THIS STATEMENT IS ISSUED ON THE STRICT UNDERSTANDING THAT IT IS NOT FOR PUBLICATION OR BROADCAST BEFORE 00.01 hrs ON TUESDAY 8 JUNE 2021

“February 2021 marked the anniversary of the first confirmed COVID-19 case in Northern Ireland. One year on and the pandemic continues to have a significant impact on our lives. Hospitals have been operating at almost full capacity and many non-COVID-19 related services (including cancer services) have had to be postponed. The impact on our economy has been profound with a drop in economic output of around 10 per cent over 2020. Wellbeing has suffered as we comply with restrictions and tragically, many lives have been lost.

The Executive was required to introduce multiple measures quickly to contain the disease and support vulnerable individuals and businesses. My report gives an update on the cost of the most significant of these measures, but no assessment of the value for money of individual measures has been made at this point.

There will undoubtedly be important lessons to learn, and this report provides my office with the basis for a programme of work evaluating how public money has been spent during this period. For example, as an initial step, we have begun three pieces of work to review:

- *arrangements surrounding the supply of personal protective equipment in Northern Ireland;*
- *the provision of grants through the Small Business Grant Scheme; and*
- *administration of the Sports Sustainability Grant Scheme”.*

Other key points from the report:

Over the period from March 2020 to 24 May 2021, 27 COVID-19 related Ministerial Directions², issued to departments had been notified to the NI Assembly Public Accounts Committee, as follows:

- DfE - 15 relating mainly to business support grant schemes;
- DoH - 5 relating to additional financial support to health care workers, carers and various health organisations;
- DoF - 3 relating to various financial assistance schemes;
- Department for Communities - 1 relating to Supporting People and homelessness sector frontline staff;
- Department for Infrastructure - 1 relating to funding for the City of Derry Airport;
- Department of Education – 1 relating to Special Schools Free School Meals; and
- The Executive Office - 1 relating to the Travel Agent support scheme.

Following a request from Stormont’s Public Accounts Committee (PAC), the Department of Finance has agreed that, going forward, Ministerial Directions will be published on its website, once PAC has been notified of them.

ENDS

² Ministerial directions are formal instructions from ministers directing their permanent secretary (Accounting Officer) to proceed, despite objections, with a spending proposal. Permanent secretaries are directly accountable to the NI Assembly for how their department spends its money, and have a duty to seek a ministerial direction if they consider a spending proposal breaches any of the following:

- Regularity – if the proposal is outside the legal powers, NI Assembly consents, Department of Finance delegations;
- Propriety - if the proposal breaches NI Assembly control procedures; and/or
- Poor value for money – if an alternative proposal, or doing nothing, could deliver better value for money.

Notes for Editors

1. The Comptroller and Auditor General is Head of the Northern Ireland Audit Office (the Audit Office). He and the NIAO are totally independent of Government. He certifies the accounts of Government Departments and a range of other public sector bodies. He has statutory authority to report to the Assembly on the economy, efficiency and effectiveness with which departments and public bodies use their resources. His reports are published as Assembly papers.
2. This factual report summarises the main actions taken by the Executive in response to the COVID-19 pandemic.
3. The costs included in the report are the latest departmental estimates. They will be subject to change as the continuing health and economic impacts of the pandemic unfold. Actual costs are likely to be much higher but will depend on the impact of the pandemic on the economy and take-up for each scheme. There are therefore, limitations and uncertainty in the information available.
4. The report is available on the Audit Office website at www.niauditoffice.gov.uk. The report is embargoed until 00.01 hrs on 8 June 2021.
5. Background briefing can be obtained from the Audit Office by contacting Patrick Barr on (028 9025 1063) or Clare Dornan (028 9025 1035).