



MEDIA RELEASE

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 (2 September 2020) published an "Overview of the Northern Ireland Executive's response to COVID-19".

The report sets out that, at August 2020, the total estimated cost of the COVID-19 response relating to Northern Ireland is estimated to be over £2 billion. However, this excludes the NI cost of the Coronavirus Job Retention Scheme (the furlough scheme). When this is known costs will rise materially.

The £2 billion estimate is made up of two main elements. The anticipated spending by the Northern Ireland government departments on 84 separate initiatives (£1.74 billion¹) and the estimated cost of other national schemes which apply to Northern Ireland (£465 million) – including increases in welfare payments.

The report notes that, with Northern Ireland still progressing through the various stages of the pandemic, and with some activities yet to be costed, the actual cost will be much higher.

Approximately 70 per cent of total estimated costs identified in the report relate to activities across three departments:

- Department of Health (£568 million, representing 33 per cent of anticipated departmental spending);
- Department for the Economy (£408 million, representing 23 per cent of anticipated departmental spending); and
- Department of Finance (£252 million, representing 14 per cent of anticipated departmental spending).

Today's overview report outlines the breadth of the response and the range of initiatives developed by the Executive in response to COVID-19. It is the first report undertaken by the NIAO to support the Northern Ireland Assembly's scrutiny of the Executive's response to the pandemic. The report will be updated as further cost information becomes available.

Comptroller and Auditor General Kieran Donnelly commented:

"The challenge of responding to the Covid-19 pandemic is unlike any the Northern Ireland Executive has ever faced. The scale of its response is similarly unprecedented. The Executive was required to quickly introduce multiple measures supporting vulnerable individuals and businesses facing a major reduction in income. My report gives an overview of these measures, but no assessment of the value for money of individual measures has been made at this point.

¹ This overview report provides high level information on the initiatives, which have (or will have) an estimated cost 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 2nd SEPTEMBER 2020**

“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 intend to examine arrangements surrounding the supply of personal protective equipment in NI; the support provided to lessen the impact on vulnerable groups; and the wider impact of COVID-19 on public sector income”

Other key points from the report:

- To this point, the NI executive response to Covid-19 has been funded by £1.28 billion received from the United Kingdom Government or NI Executive and approximately £465 million either reallocated from within existing NI departmental budgets, or part of additional departmental bids submitted to the Executive.
- By 24 July 2020, the UK Government had confirmed that it would provide £2.2 billion to Northern Ireland (due as a result of Barnett consequentials) to fund COVID-19 activities.
- At 8 June 2020, there had been three COVID-19 related Ministerial Directions². All related to the three Business Support Grant Schemes launched by the Department for the Economy. In all three cases, the Department had concerns as to whether it could provide sufficient evidence of the likely value for money of the schemes or sufficient assurance on the risk of loss through error or fraud (given that the schemes were developed and implemented within tight timeframes). There have also been a number of Ministerial Directions across the other UK jurisdictions in relation to COVID-19 response initiatives.

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 money².

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 02 September 2020.
5. Background briefing can be obtained from the Audit Office by contacting from the Audit Office by contacting Patrick Barr on (028 9025 1063) or Clare Dornan (028 9025 1035).