

## 2 Overview of the cost of responding to Covid-19 – March 2020 to February 2021

**2.1** On 30 January 2020, the World Health Organisation (WHO) declared the Covid-19 outbreak a public health emergency of international concern. The first Irish case of Covid-19 was reported on 29 February 2020.

**2.2** The Government's response to Covid-19 has evolved during the pandemic to address the evolving situation and take account of public health, social and economic factors. A national action plan in response to Covid-19 was published in March 2020. The main aims of the plan were to minimise the risk of people becoming unwell, to minimise the health, wellbeing and social impact for people at greater risk, and to reduce the economic and social disruption associated with Covid-19. To date, five national strategic response plans have been published by the Government.

- National action plan in response to Covid-19 (March 2020)
- Roadmap for re-opening society and business (May 2020)
- Resilience and recovery 2020-2021: Plan for living with Covid-19 (September 2020)
- Covid-19 Resilience and recovery 2021: The path ahead (February 2021)
- Covid-19: Reframing the challenge, continuing our recovery and reconnecting (August 2021).

**2.3** This report has been prepared to provide an overview of the cost of direct responses to Covid-19 or its impacts, as reported by the relevant government departments. The figures presented include costs incurred on support schemes or direct spending on Covid-19 responses in the 12 months up to end February 2021. Since many supports continued beyond this date, the costs continued to accrue, so these should be treated as interim estimates of the response costs. It should also be noted that the costs reported do not include pay costs or administrative/general expenditure costs incurred by votes e.g. the pay costs of staff re-deployed to work on Covid-19 responses.

## Section 1 Total direct costs of Covid-19 interventions

### Total expenditure

Total direct expenditure as a result of Covid-19 in the one year period ending 28 February 2021 is estimated at €17.1 billion (see Figure 2.1 and Figure 2.2). The Departments of Social Protection; Health; Enterprise Trade and Employment; and Housing, Local Government and Heritage account for 90% of this figure.

Figure 2.1 Total expenditure breakdown by government department

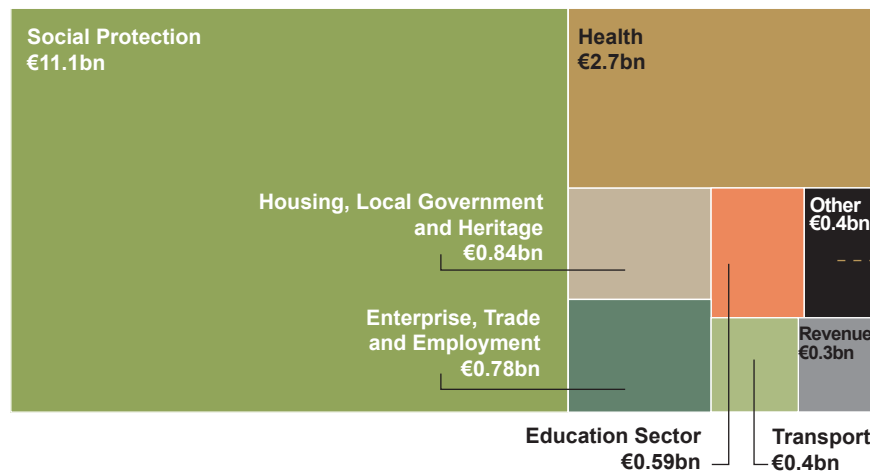


Figure 2.2 Breakdown of 'other' expenditure

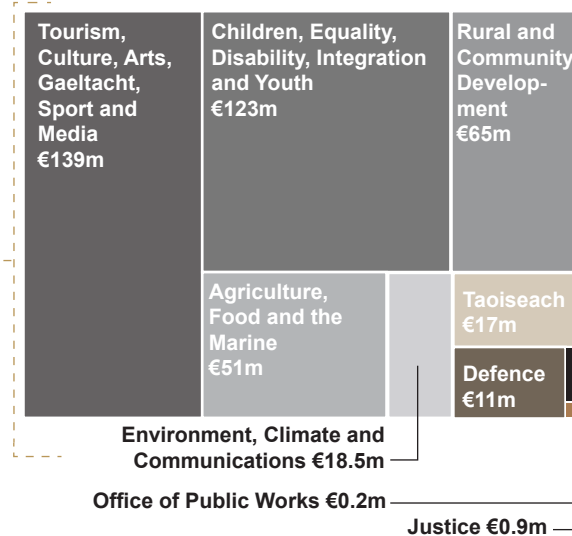
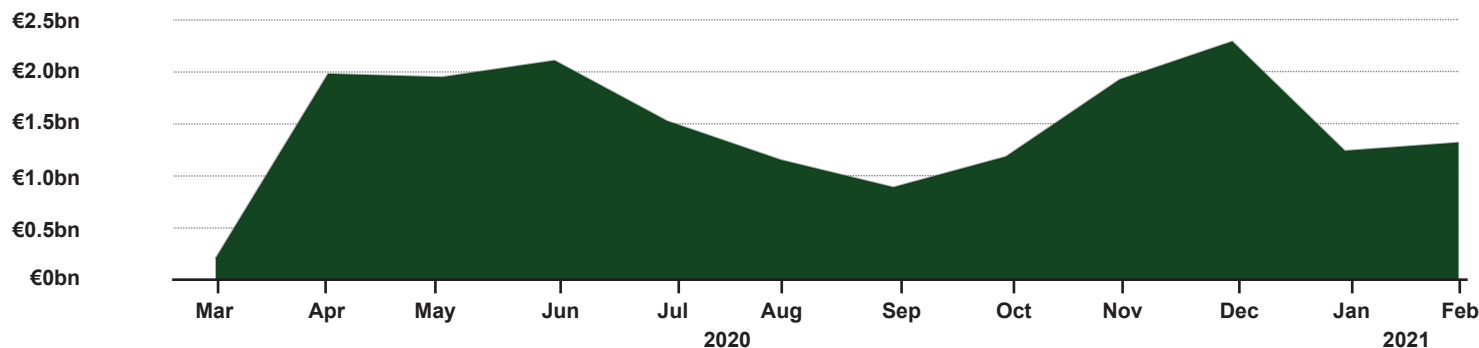


Figure 2.3 Timeline of total expenditure



Source: Departments of Social Protection; Health; Housing, Local Government and Heritage; Enterprise, Trade and Employment; Education; Further and Higher Education, Research, Innovation and Science; Transport; Justice; Agriculture, Food and the Marine; Children, Equality, Disability, Integration and Youth; Environment, Climate and Communications; Rural and Community Development; Tourism, Culture, Arts, Gaeltacht, Sport and Media; Defence; Office of Public Works; Office of the Revenue Commissioners

Note: The Department of Housing, Local Government and Heritage provided a monthly breakdown of 95% of its total expenditure.

## Section 2 Analysis by department

### Social Protection

The Department of Social Protection reports that it incurred expenditure of €11.1 billion on Covid-19 related schemes up to end February 2021.

The Covid-19 pandemic unemployment payment (PUP) accounts for over half (55%) of the Department's Covid-19 expenditure (see chapter 11 for further details on this scheme).

The temporary wage subsidy scheme (TWSS) (March to August 2020) and its successor, the employment wage subsidy scheme (EWSS) together accounts for 43% of the Department's expenditure. Those schemes were administered by the Office of the Revenue Commissioners (chapter 12 provides further detail on the TWSS scheme).

The timing of the payments under the Department's schemes reflect the peaks of the restrictions on the operation of businesses (see Figure 2.6).

Figure 2.4 Social Protection Covid-19 expenditure supports

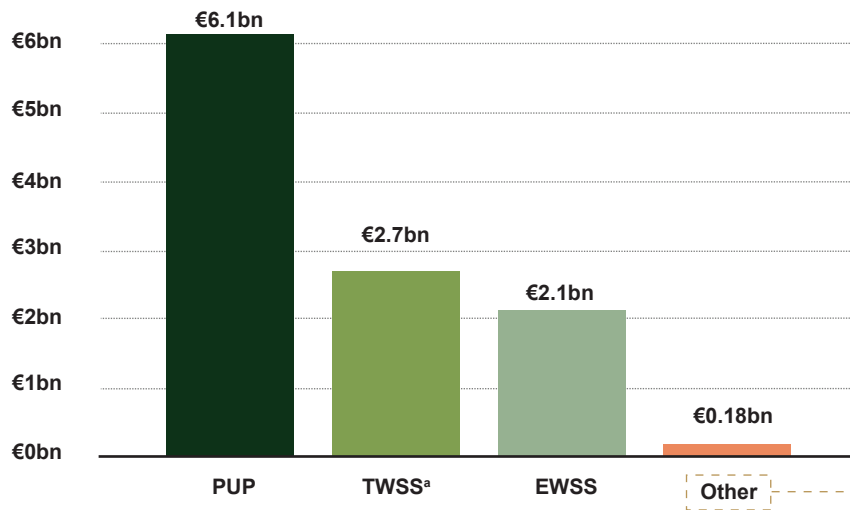


Figure 2.5 Breakdown of 'other' expenditure

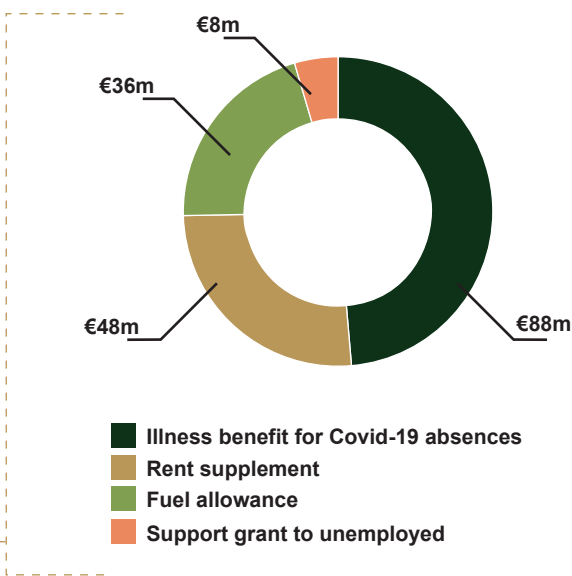
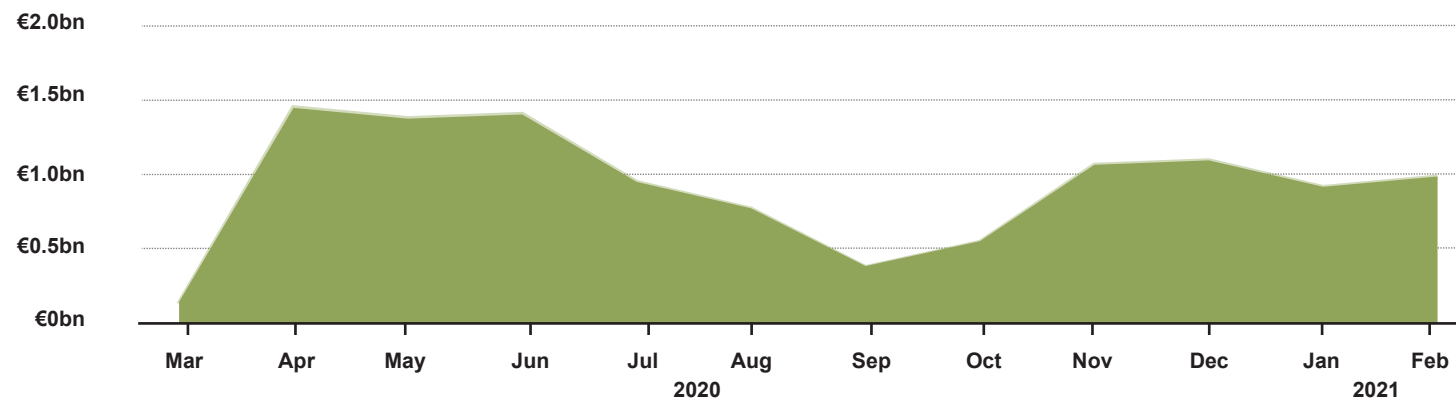


Figure 2.6 Timeline of Social Protection expenditure



Source: Department of Social Protection

Note: a Included in TWSS expenditure is €3.4 million relating to the employer refund scheme that was in place prior to the introduction of TWSS.

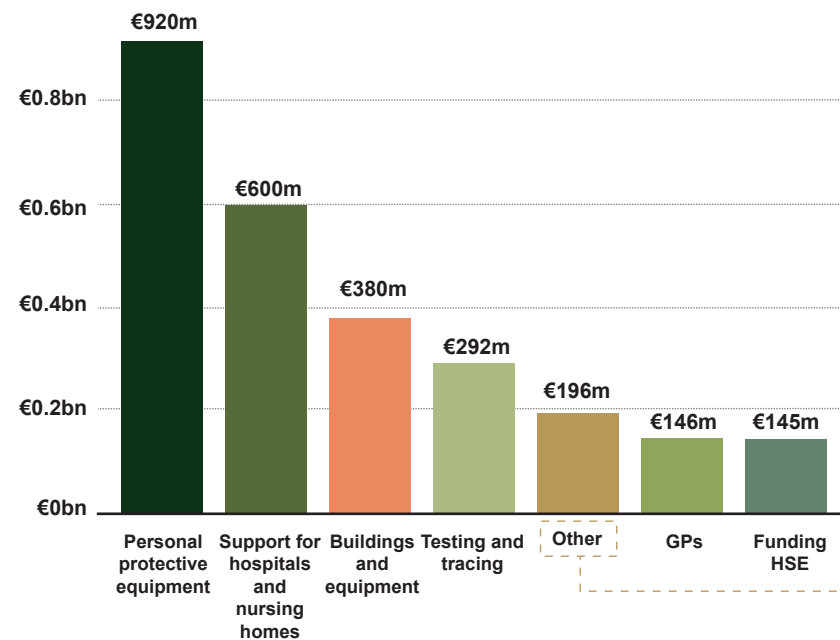
**Section 2 Analysis by department (continued)**

**Health**

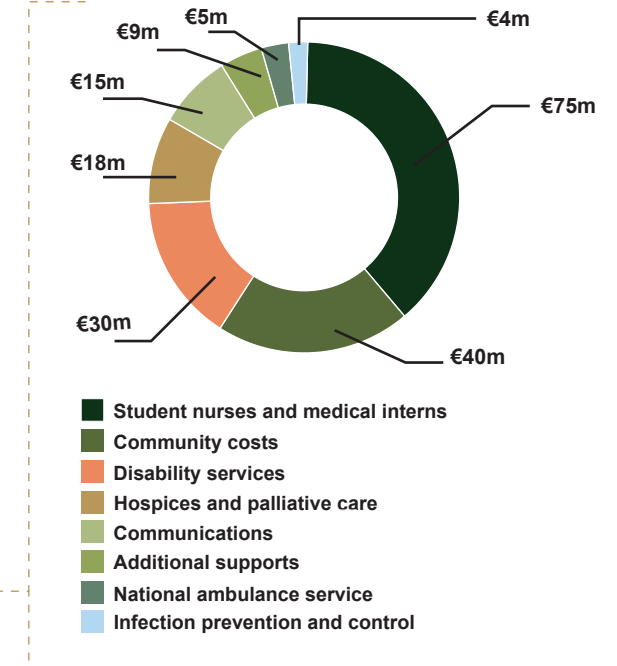
Personal protective equipment (PPE) accounts for over one third of the €2.7 billion Covid-19 related expenditure under the vote for health. Funding to meet building and equipment costs related to the pandemic account for 14% (see Figure 2.7).

Peak expenditure on Covid-19 responses in the health sector was in the initial months of the pandemic i.e. April to June 2020 (see Figure 2.9).

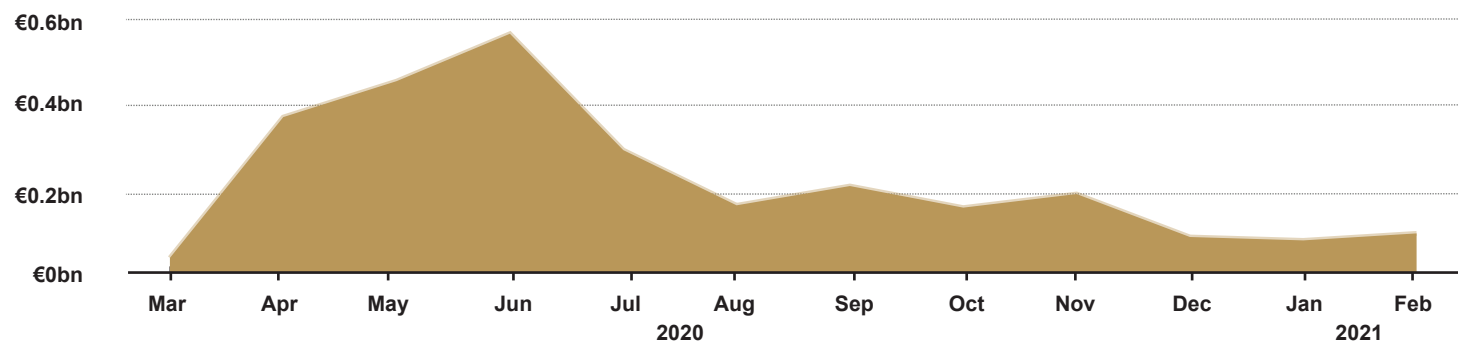
**Figure 2.7 Health Covid-19 expenditure supports**



**Figure 2.8 Breakdown of 'other' expenditure**



**Figure 2.9 Timeline of Health expenditure**



Source: Department of Health

## Section 2 Analysis by department (continued)

### Housing, Local Government and Heritage

Up to end February 2021, the Department of Housing, Local Government and Heritage paid out a total of €840 million in supports.

The payment of commercial rates to local authorities was waived for businesses that were significantly affected by Covid-19 related trading restrictions. The loss of such income was remedied by additional grant funding of local authorities, at a cost of €729 million.

Figure 2.10 Housing, Local Government and Heritage Covid-19 expenditure supports

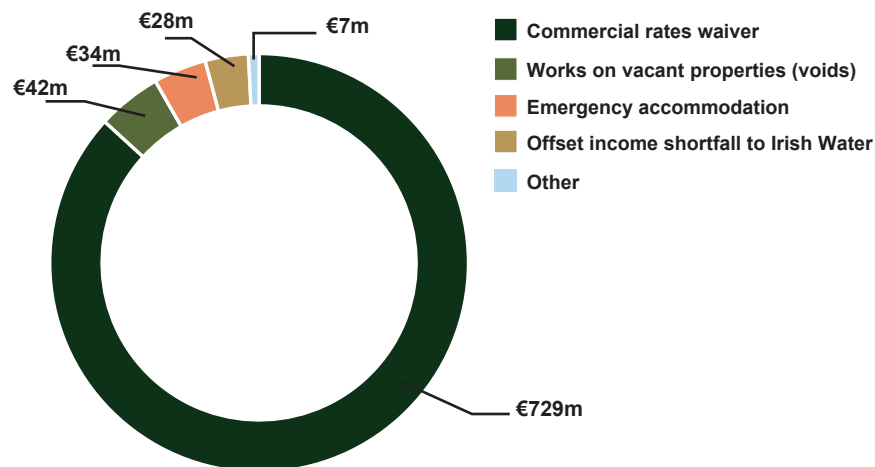


Figure 2.11 Commercial rates waiver distribution

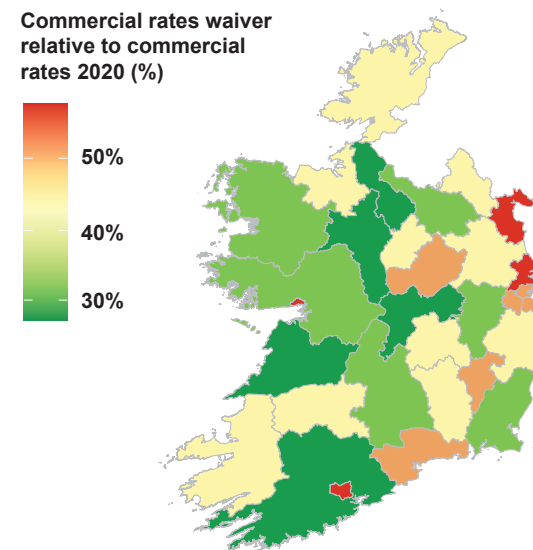
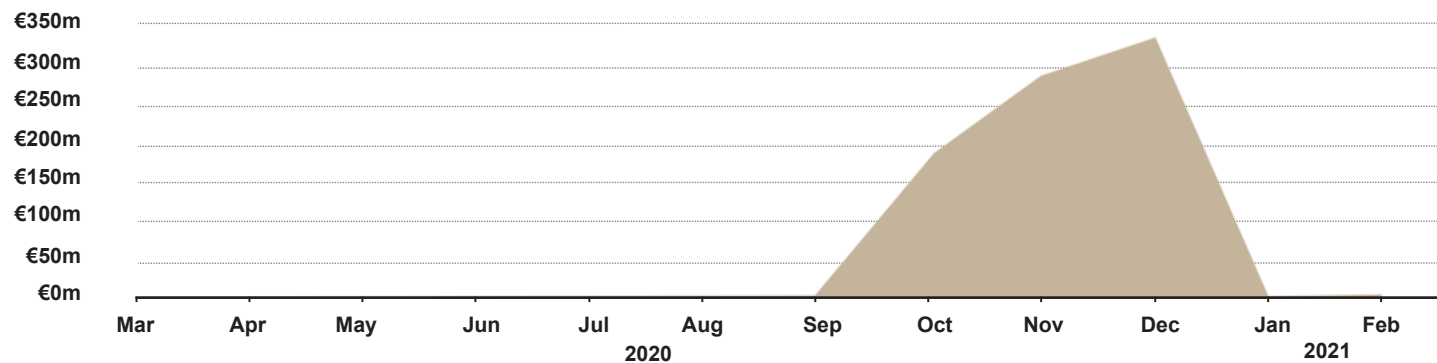


Figure 2.12 Timeline of Housing, Local Government and Heritage expenditure



Source: Department of Housing, Local Government and Heritage

Note: The Department of Housing, Local Government and Heritage provided a monthly breakdown of 95% of its total expenditure. The timeline shows gross expenditure. Commercial rates waiver refunds of €2.8 million are not included.

## Section 2 Analysis by department (continued)

### Enterprise, Trade and Employment

The Department of Enterprise, Trade and Employment provided €783 million in supports to businesses impacted by Covid-19. In addition, the Department provided Covid-19 related loan funding to the value of €82.5 million, via Strategic Banking Corporation of Ireland (SBCI) and Microfinance Ireland.

The initiative with the highest level of spending was the restart grant schemes at a cost of €640 million (see chapter 6 for further details).

There was also a number of schemes to support business continuity. The Sustaining Enterprise Fund paid just over €98 million to nearly 340 businesses, an average support of approximately €290,000 per business.

Figure 2.13 Enterprise, Trade and Employment Covid-19 expenditure supports

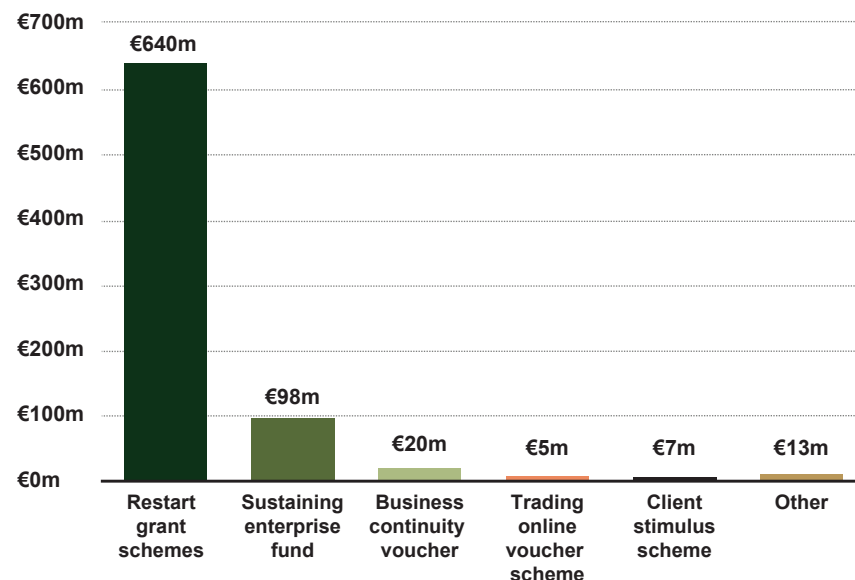


Figure 2.14 Restart grant schemes distribution

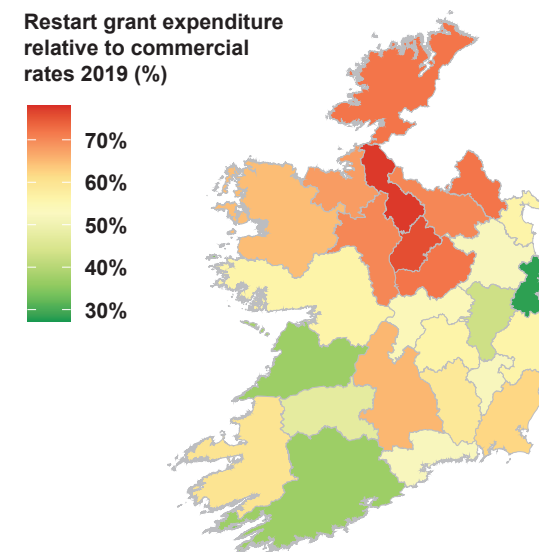
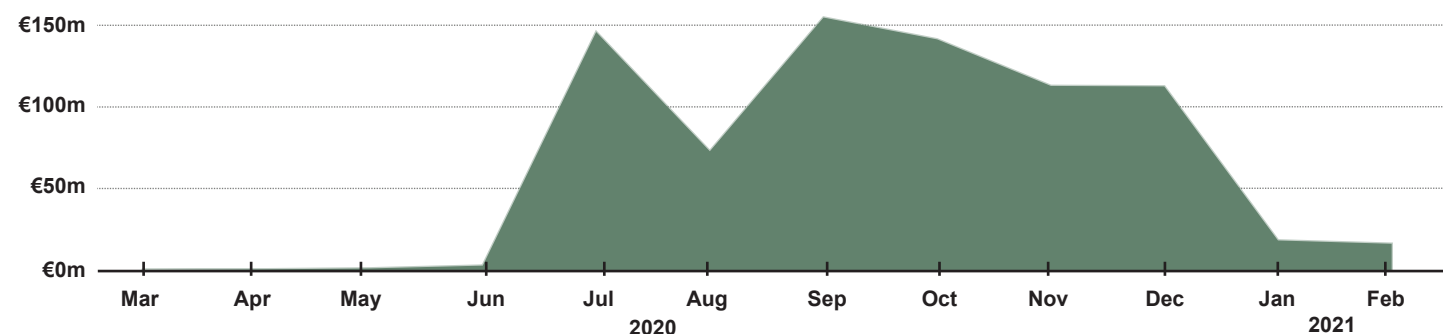


Figure 2.15 Timeline of Enterprise, Trade and Employment expenditure



Source: Department of Enterprise, Trade and Employment

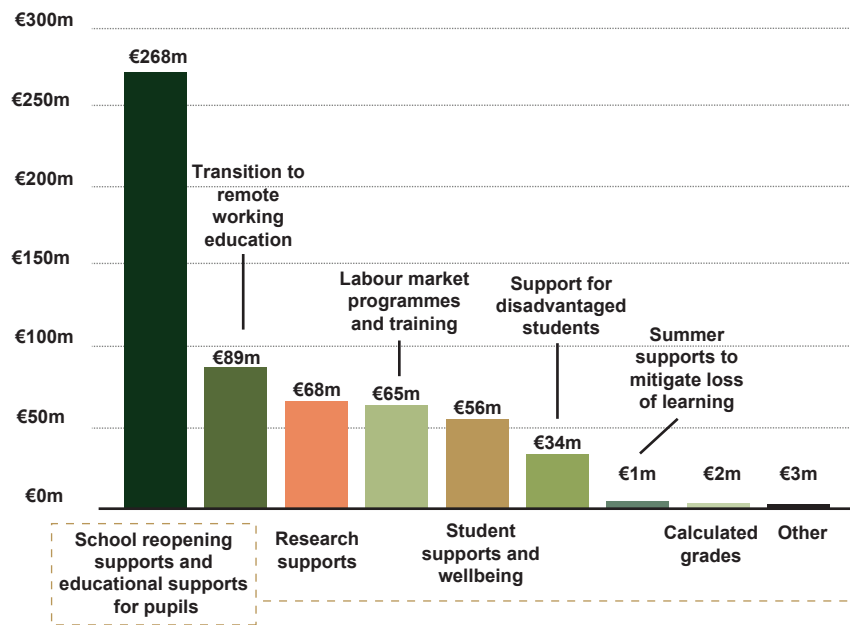
**Section 2 Analysis by department (continued)**

**Education sector**

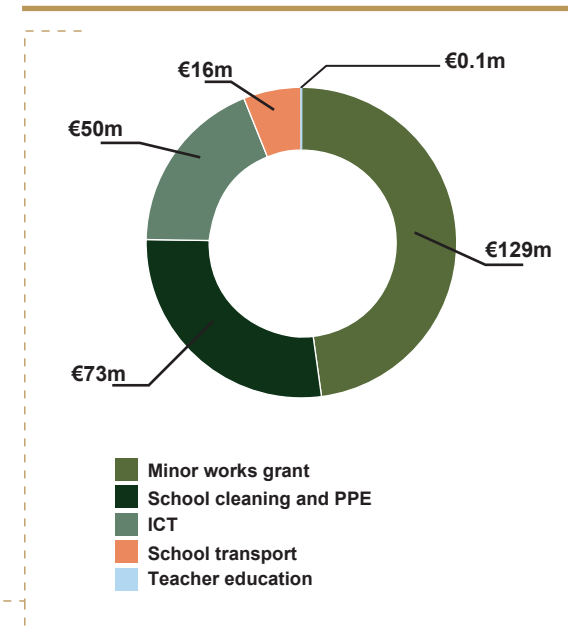
The Department of Education and the Department of Further and Higher Education, Research, Innovation and Science together incurred direct Covid-19 expenditure estimated at €586 million. Nearly half (€268 million) of this expenditure related to supports for the reopening of schools and educational supports for pupils.

While schools reopened in September 2020, the bulk of the financial support for the sector issued in December 2020. Schools were closed again in January 2021 with a phased reopening commencing in February 2021.

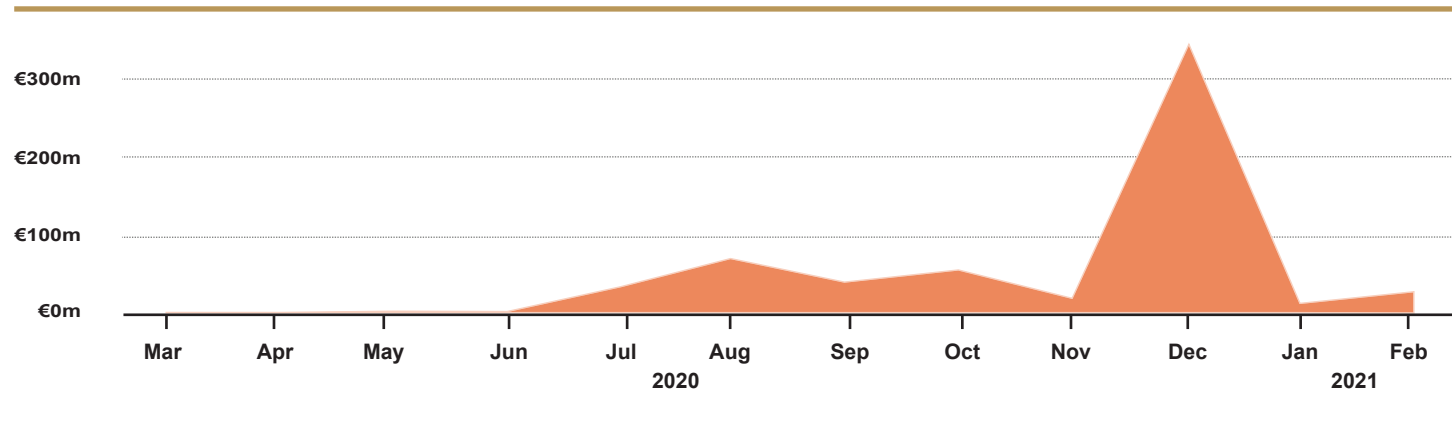
**Figure 2.16 Education Covid-19 expenditure supports**



**Figure 2.17 Breakdown of school reopening supports and educational support for pupils**



**Figure 2.18 Timeline of Education expenditure**



Source: Department of Education and the Department of Further and Higher Education, Research, Innovation and Science

## Section 2 Analysis by department (continued)

### Transport

There was significant disruption of travel as a result of Covid-19. The level of demand for public transport (measured in passenger journeys) was very significantly reduced. In response, financial support was provided to the transport companies in the form of additional public service obligation (PSO) grants.

The PSO payments were made from the vote for transport, through the National Transport Authority to the companies. The objective was to ensure that socially beneficial transport services continued to be provided.

Figure 2.19 Transport Covid-19 expenditure supports

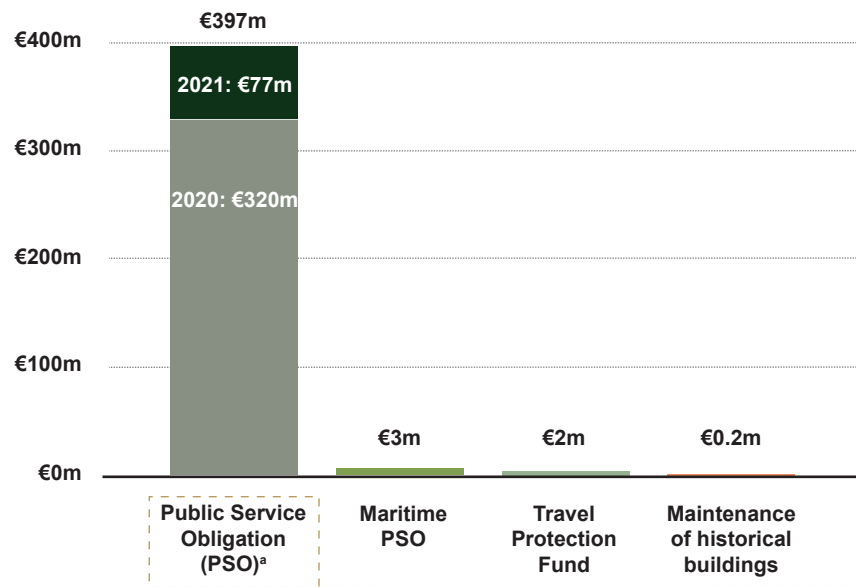


Figure 2.20 Analysis of 2020 PSO scheme expenditure

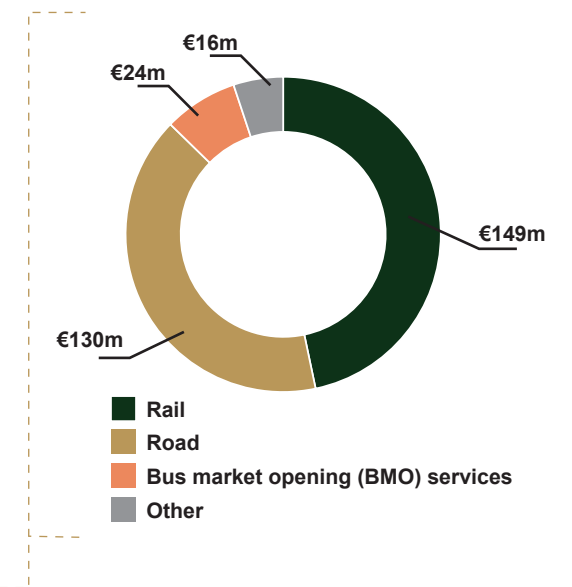
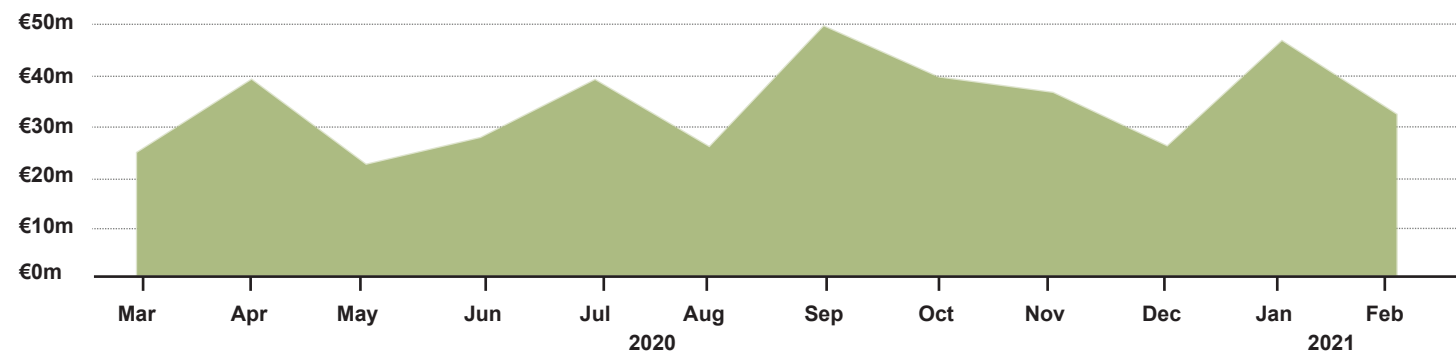


Figure 2.21 Timeline of Transport expenditure



Source: Department of Transport

Note: a The figures provided by the Department for January and February 2021 PSO expenditure are estimates.

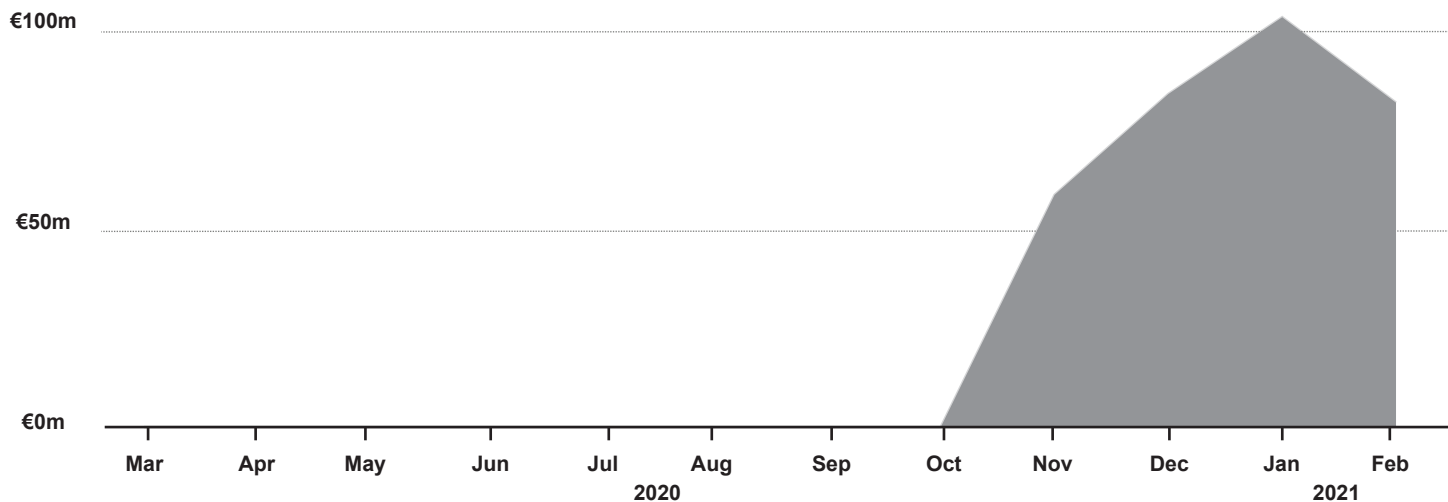
**Section 2 Analysis by department (continued)**

**Revenue**

The Office of the Revenue Commissioners incurred direct expenditure of €329 million on the Covid-19 restrictions support scheme (CRSS). This scheme began in October 2020 to support businesses significantly affected by restrictions introduced to combat the Covid-19 pandemic. A qualifying person who carries on a business activity can make a claim to Revenue for a payment (advanced credit for trading purposes) subject to a maximum of €5,000 for each week that the business is affected by restrictions.

CRSS payments were funded from gross tax receipts.

**Figure 2.22 Timeline of Revenue expenditure**



Source: Office of the Revenue Commissioners

### Section 3 Total cost by support type

#### Total cost split

An analysis of total expenditure by type of recipient is set out in Figure 2.23 with the source of the funding displayed in Figure 2.24.

Supports to individuals accounts for 37% of all expenditure incurred with the majority being funded by the Department of Social Protection.

Supports for businesses account for 36%, the majority of which was funded by the Departments of Social Protection and Enterprise, Trade and Employment. A timeline of the expenditure on the main supports for individuals and businesses up to February 2021 is set out in Figure 2.25.

Health and social care accounts for 16% of total expenditure and was funded mainly by the Department of Health.

Figure 2.23 Grouped analysis for Covid-19 expenditure

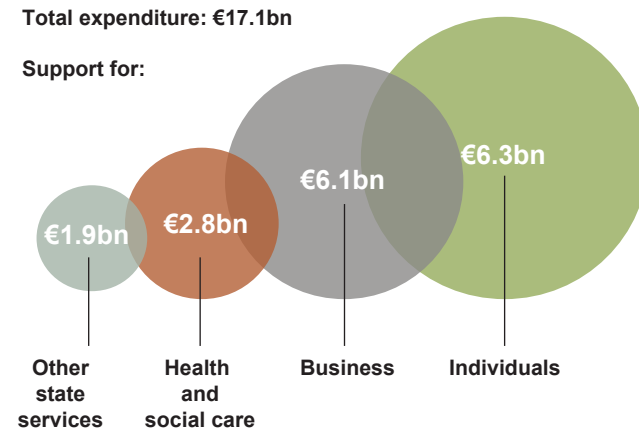


Figure 2.25 Timeline of individual and business supports

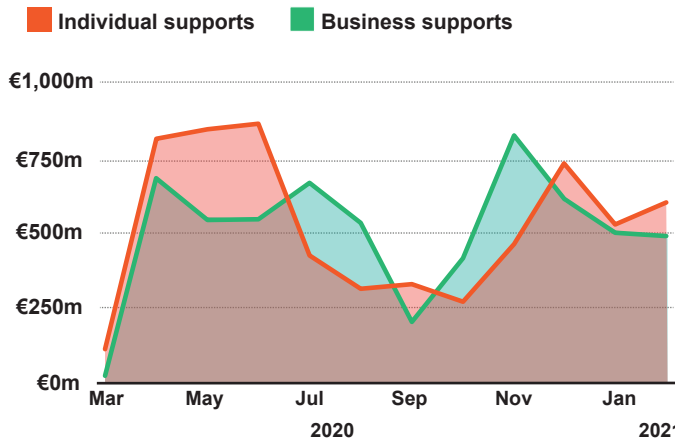
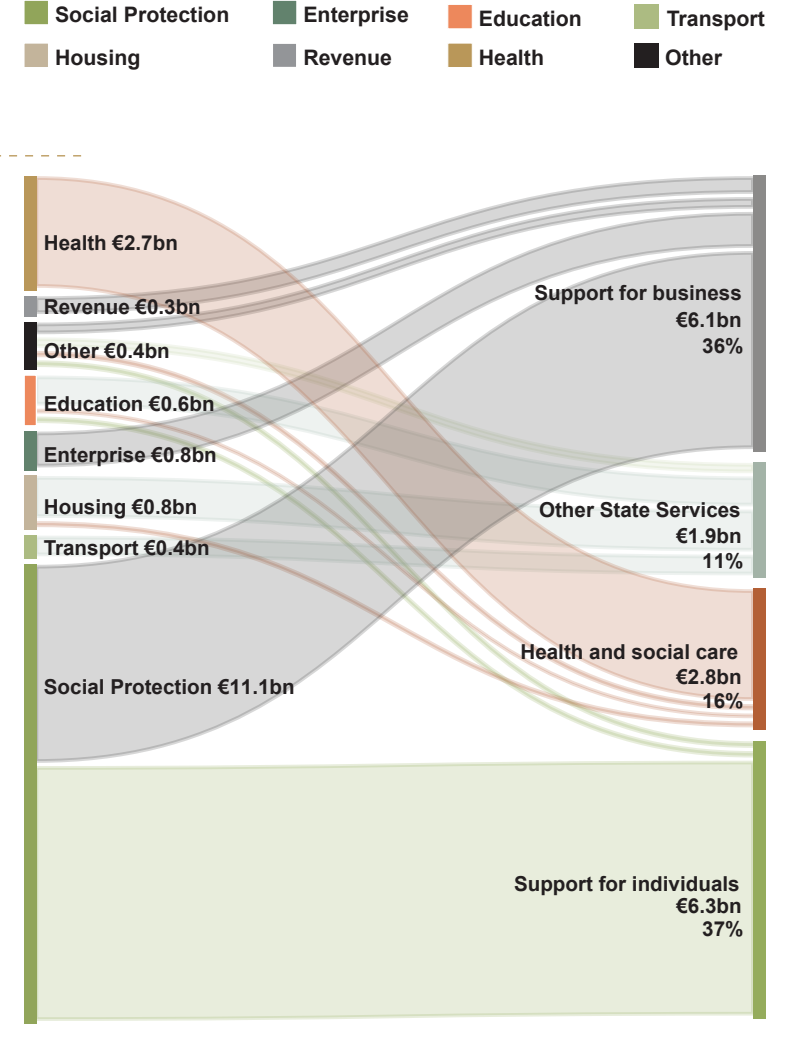


Figure 2.24 Grouped analysis of department expenditure



Source: Departments of Social Protection; Health; Housing, Local Government and Heritage; Enterprise, Trade and Employment; Education; Further and Higher Education, Research, Innovation and Science; Transport; Justice; Agriculture, Food and the Marine; Children, Equality, Disability, Integration and Youth; Environment, Climate and Communications; Rural and Community Development; Tourism, Culture, Arts, Gaeltacht, Sport and Media; Defence; Office of Public Works; Office of the Revenue Commissioners.