

Written Ministerial Statement

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Department of Finance

PUBLIC EXPENDITURE 2023-24 FINAL PLAN

Published at 1.30 pm on Thursday 15 February 2024.

Ms Archibald (The Minister of Finance): I wish to update the Members on the Executive's agreement on Final Plan for 2023-24. I am informing the Assembly of this by written statement to provide Members with the earliest possible notification of the position agreed.

It is this position, agreed by the Executive, which sets final departmental funding envelopes for the 2023-24 financial year.

The Chief Secretary to the Treasury confirmed the detail of the financial package which accompanied the restoration of the Executive on 13 February 2024. The key elements of this which are relevant to the 2023-24 position are:

- £1,045.6 million Resource DEL in 2023-24 for general overspend pressures and pay, of which £559.0 million is repayable.
- Deferral of the repayment of £559.0 million for two years, with a commitment to writing this off if the Executive publishes a Sustainability Plan by May 2024 and implements it by May 2025.

I have written to the Chief Secretary of the Treasury requesting an urgent meeting to discuss this timescale which I regard as unrealistic.

The total amount of £1,045.6 million Resource DEL available in 2023-24 takes account of the repayment of the outstanding reserve claim for 2022-23.

This amount is supplemented by £21.9 million of existing funds, which have become available due to changes in regional rates forecasts and easement identified by department in respect of earmarked funding, which departments could only use for the purpose originally intended.

The Resource DEL allocations to departments set out in **Annex A**, cover the current level of department forecast overspends, totalling some £380 million and provides an additional £688 million for pay.

The allocation for pay awards is just over £100 million higher than the £584 million provided specifically for pay in the financial package.

This funding had been provided as a total Resource DEL allocation for each department to allow individual Ministers to manage their budgets effectively and to avoid influencing pay negotiations.

It is regrettable that the Executive was not in a position to fund the full c£700 million of estimated pay costs identified by departments. However, it has gone as far as possible within the resources available and the allocations agreed today go a significant way towards those pressures.

It is now for individual Ministers to manage pay awards within the funding envelopes provided.

My department will begin discussions immediately with Unions on the 2023-24 pay awards for those staff on NICS terms and conditions. The costs of this award will fall to all departments and funding for this has been included in the Resource DEL allocations provided today.

Ring-Fenced Resource DEL

Following confirmation of additional Barnett consequentials through the Westminster Supplementary Estimates process, there is sufficient funding to meet all departmental pressures in respect of ring-fenced Resource DEL. Allocations to individual departments are set out in **Annex A**.

Capital DEL

Due to departmental reduced requirements and Barnett consequential from the Westminster Supplementary Estimates the Executive had £83.5 million of Capital DEL available for allocation.

The capital allocations set out in **Annex A** provide funding to the Department of Education and the Public Prosecution Service to address forecast overspends.

The following additional Capital DEL allocations were also provided:

- DfE £9 million for Research and Innovation in Higher Education
- DfC £6 million for social housing
 £6 million for NIHE Decent Homes
 £1.2 million for Cladding Scheme
- DE £2.6 million for Education Infrastructure Schemes
- DfI £16 million for Roads Structural Maintenance, Bus & Rail
 Capital Projects and Water & Wastewater Infrastructure

Conclusion

The additional funding allocations set out in this statement will provide much needed relief to our public sector workers and help offset the pressures facing departments. Significant challenges exist across all areas of our public services.

The harm done by the decisions made in an effort to live within the Budget set by the Secretary of State in April cannot be reversed in the few weeks left of the financial year.

Nonetheless, it is now important that departments live within the funding envelopes they have been provided with. It is equally important that underspends are minimised to avoid the risk of funding being returned to Treasury.

2023-24: Total Allocations

£million

Department	Non Ring-fenced Resource DEL	Ring-Fenced Resource DEL	Capital DEL
DAERA	14.7	1.9	-
DfC	19.4		13.2
DfE	12.1	2.4	9.0
DE	296.8	0.2	45.2
DoF	6.7		6.7
DoH	550.6	10.7	-
DfI	87.8		16.0
DoJ	75.3	4.9	
TEO	3.4		
PPS	2.0		0.0
Total	1,067.6	20.1	83.5

Totals may not add due to rounding
£0.0 reflects amount of less than £50k