



Northern Ireland
Assembly

Research and Information Service Briefing Paper

Paper 110/14

7 November 2014

NIAR 766-14

The Public Finance Scrutiny Unit

Draft Budget 2015-16: departmental allocations and timetable

Paper 1 of 5

As part of the five-part series on the Draft Budget 2015-16, this Briefing Paper presents some of the headlines from the Executive's proposals using tables and graphs and tables. In particular, it illustrates the extent to which funding Health and Social Care is placing an increasing demand on Northern Ireland's Resources. It also highlights some key risks in relation to the Executive remaining within its expenditure totals, and compares the consultation timetable for Draft Budget 2015-16 with the timetable for Draft Budget 2011-15.

This information is provided to MLAs in support of their Assembly duties and is not intended to address the specific circumstances of any particular individual. It should not be relied upon as professional legal advice or as a substitute for it.

Introduction

This Briefing Paper is the first in a five-part series that covers key issues arising out of the Draft Budget 2015-16. The series is not intended to exhaustively address the full implications of the proposals: much of the detail that will inform impact is still to follow in terms of how each department will implement the proposals. Also, the timetable for the Assembly to scrutinise and debate the Draft Budget is extremely tight.

With these two factors in mind, and the desire to facilitate Members' participation in the Assembly's on-going discussions and deliberations about the Draft Budget 2015-16, the series addresses key issues that appear to have raised particular interest. The series complements the Lines of Questioning Briefing (NIAR 753-14, dated 4 November 2014) by the Public Finance Scrutiny Unit (PFSU) within the Research and Library Service (RaISe).

This Briefing Paper first presents the allocations made in the Executive's Draft Budget 2015-16.¹ These allocations concern DEL (Departmental Expenditure Limits), i.e.:

- Resource (Non-ringfenced Resource and Ringfenced Resource DEL); and,
- Capital (Conventional Capital DEL and Financial Transactions Capital (FT Capital))

For more information on DEL categories see Section 1 of RaISe paper [NIAR 835-12](#). For FT Capital see RaISe papers [NIAR 082-14](#) and NIAR 769-14 (forthcoming, on FT Capital and Draft Budget 2015-16).

Using colour-coded tables and graphs, the Paper sets out the allocations for each as follows:

- On Page 3, the Tables 1 to 3 illustrate the total resources available to the Executive for 2015-16 and also the extent of allocations. Key risks to the balancing of the budget are highlighted down the left side of the page;
- On Page 4, Figure 1 shows the Non-ringfenced Resource DEL allocations to each of the Executive and Non-ministerial departments;
- On Page 5, Figure 2 shows the Ringfenced Resource DEL allocations to each of the Executive and Non-ministerial departments;
- On Page 6, Figure 3 shows the total (i.e. including conventional capital and Financial Transactions Capital (FTC)) DEL allocations to each of the Executive and Non-ministerial departments;
- On Page 7, Figure 4 shows the percentage change in Non-ringfenced Resource DEL allocations to Ministerial departments from the opening position at the start of 2014-15;
- On Page 8, Figure 5 shows the increasing proportion of total Non-ringfenced Resource DEL allocated to the Department of Health Social Services and Public

¹<http://www.northernireland.gov.uk/draft-budget-2015-2016.pdf>

Safety since 2010-11. This Figure shows how increasing Health and Social Care costs are consuming an increasing percentage of the available resources; and, Secondly, on Page 9, at Table 4, the Paper compares the consultation timetable for Draft Budget 2015-16 with the timetable for Draft Budget 2011-15.

Note: In Figures 1 to 3 allocations to Non-ministerial departments are shown as an extracted pie chart because their allocations are very small in relative terms and cannot easily be seen on the main pie chart.

The red boxes show that the full amount of Non-ringfenced Resource DEL has been allocated in the Draft Budget.

The blue and orange boxes show that the full amount of both conventional Capital and Financial Transactions Capital DEL has been allocated in the Draft Budget.

The green boxes show that almost the full value of Ringfenced Resource DEL has been allocated.

The purple boxes highlight three key potential risks to the Draft Budget as proposed.

1. Pensions. The Draft Budget allocates £133.2m to cover pressures arising for increased employer contributions. If this estimated level is too low, this would create pressures elsewhere in Non-ringfenced Resource DEL.

2. Repayment of the Reserve. The Draft Budget assumes that £100m will be repaid to the UK Reserve from capital receipts. This is subject to Treasury approval. If not approved, this would create pressures elsewhere in Non-ringfenced Resource DEL.

3. Workforce restructuring. The Draft Budget assumes that £100m will be provided through RRI borrowing. This is subject to Treasury approval. If not approved, this would create pressures elsewhere in Non-ringfenced Resource DEL.

Table 1: Total Resources available to the Executive. (source DFP)

	Non Ring Fenced Resource	Ring Fenced Resource	Conventional Capital DEL	Ring Fenced FT Capital
Spending Round Outcome	9,621,665	544,863	955,680	104,333
Autumn Statement 2013	55,660		6,149	22,342
Budget 2014	6,766		1,829	997
Classification Changes	6,973	5,500	935	0
Budget Cover Transfer	20			
Total	9,691,094	550,363	964,593	127,672

Table 2: Resource Allocations made in Draft Budget 2015-16 (source Draft Budget)

	2015-16 Non Ring-Fenced Resource	2015-16 Ring-Fenced Resource	Emillion 2015-16 Total Resource
Total Departmental Resource DEL	10,019.5	537.8	10,557.3
EU Funding	10.7		10.7
Social Investment Fund	11.0		11.0
Childcare Strategy	3.0		3.0
Pensions	133.2		133.2
Change Fund	30.0		30.0
Welfare Reform Measures	70.0		70.0
RRI Interest Repayment	63.4		63.4
Unallocated Funding		12.6	12.6
Regional Rates Income	-649.8		-649.8
Total Resource DEL¹	9,691.1	550.4	10,241.5

¹Totals may not add due to rounding

Table 3: Capital Allocations made in Draft Budget 2015-16 (source Draft Budget)

	2015-16 Conventional Capital	2015-16 Financial Transactions Capital	Emillion 2015-16 Total Capital
Total Departmental Capital DEL	1,071.7	115.6	1,187.3
Repayment of 2014-15 Reserve Claim	100.0		100.0
EU Funding	8.0		8.0
Anticipated Receipts	-50.0		-50.0
Social Investment Fund	15.0		15.0
Workforce Restructuring Costs	100.0		100.0
RRI Borrowing	-200.0		-200.0
RRI Borrowing (T:BUC)	-26.8		-26.8
NI Community Safety College	-53.3		-53.3
NI Investment Fund		12.1	12.1
FTC Repayment to HM Treasury	0.0		0.0
Total Capital DEL¹	964.6	127.7	1,092.3

¹Totals may not add due to rounding

Figure 1: Non-ringfenced Resource DEL

£s million

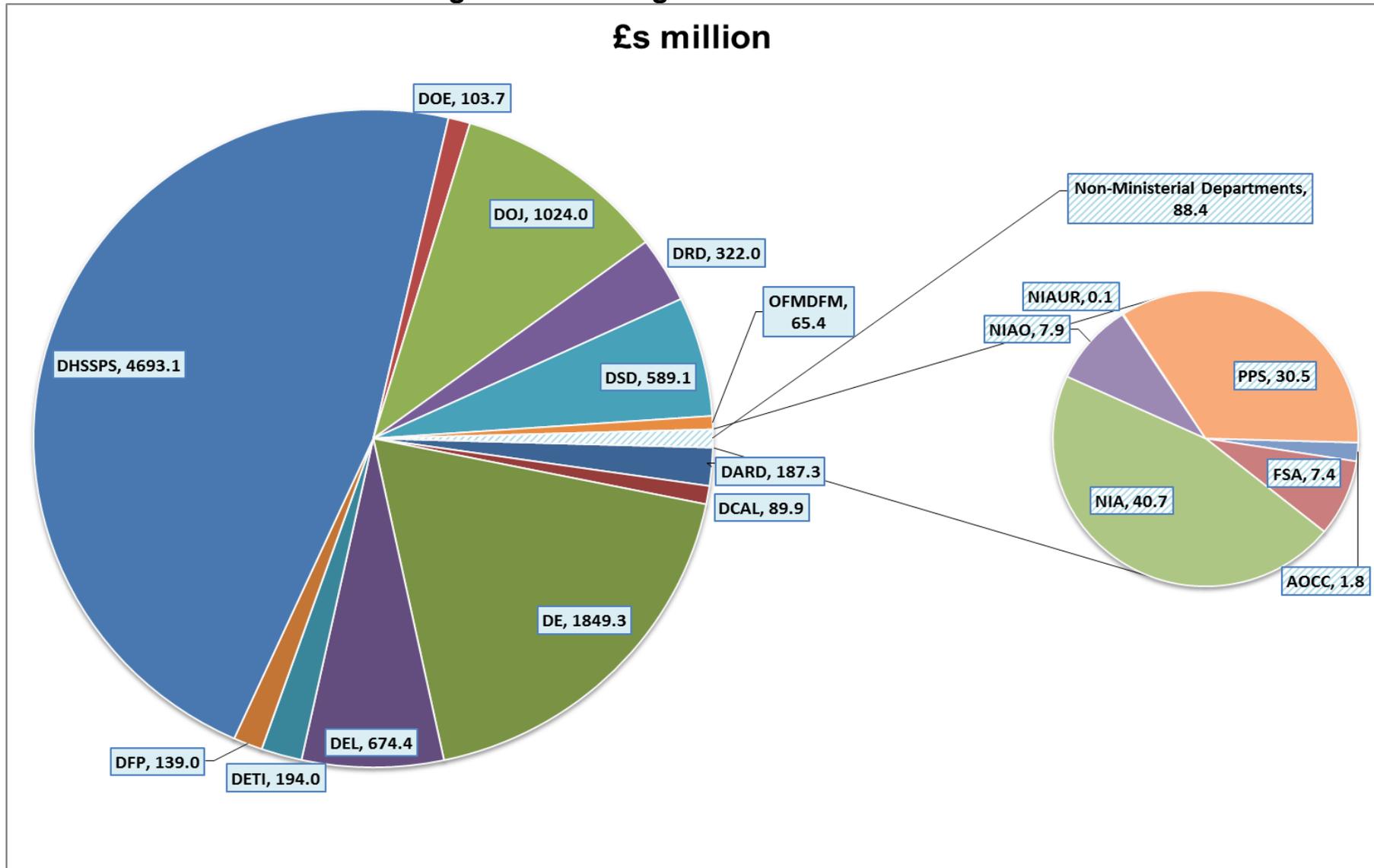


Figure 2: Ringfenced Resource DEL

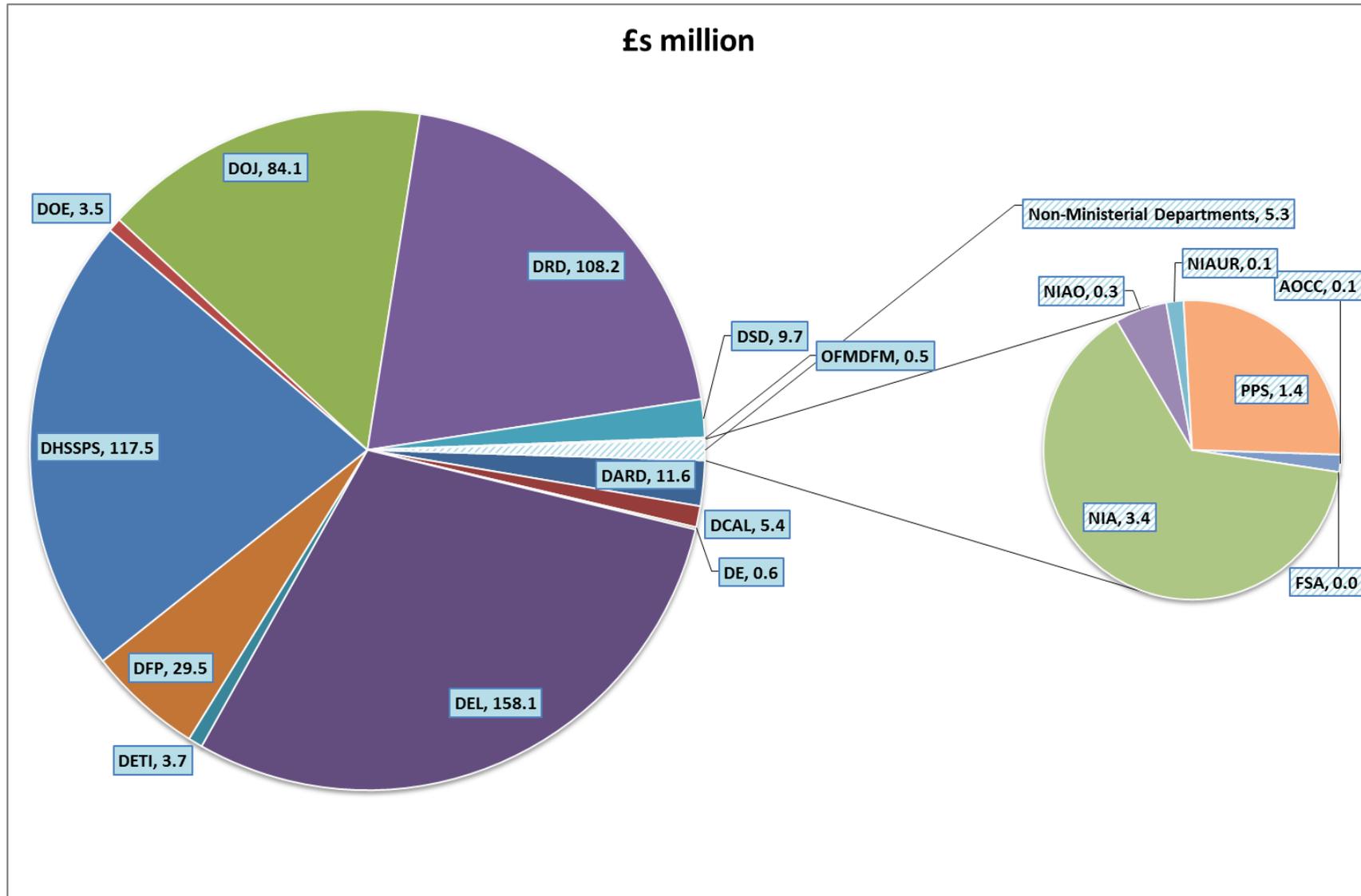


Figure 3: Total Capital DEL (net of receipts, including Financial Transactions Capital)

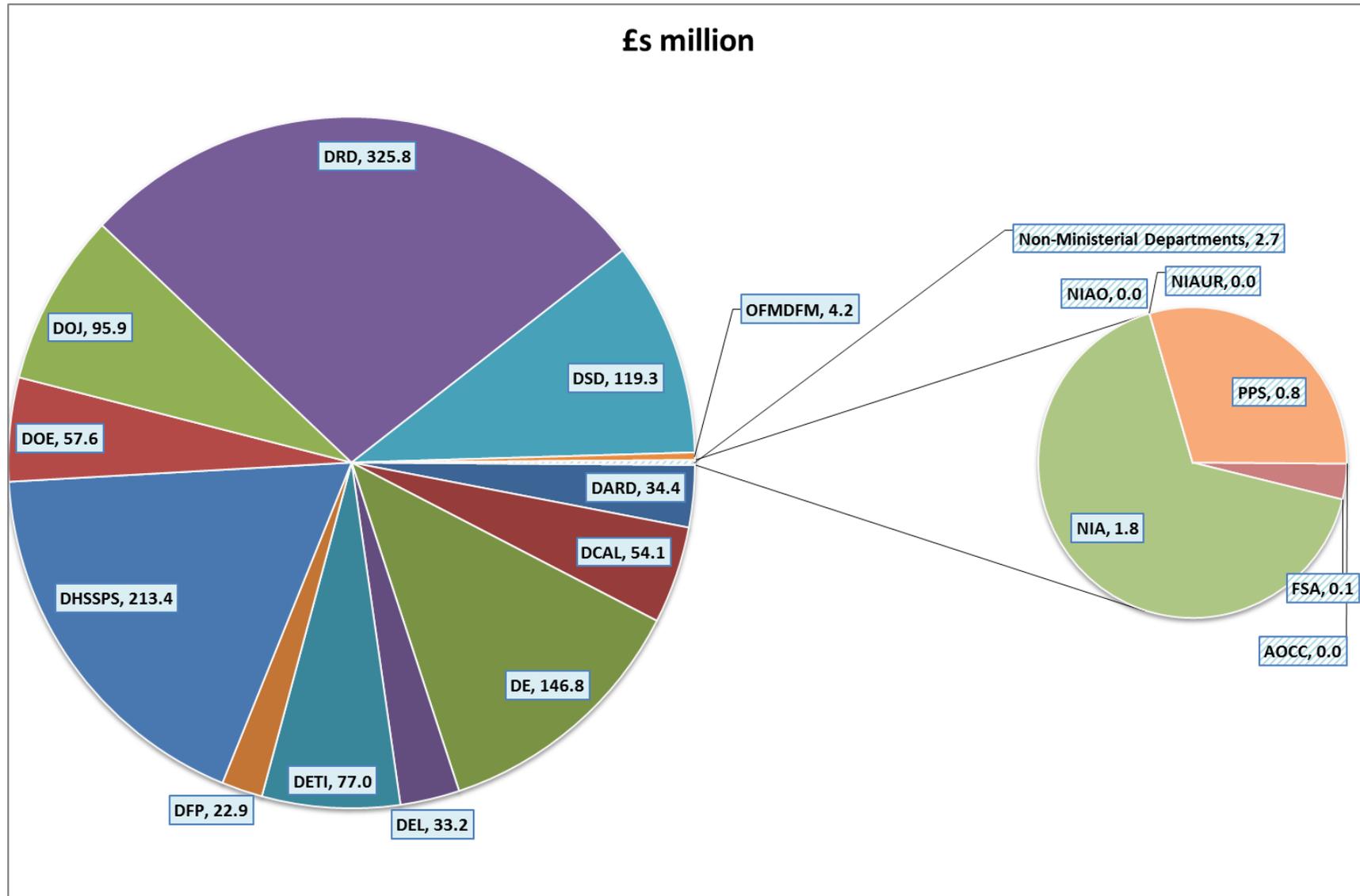


Figure 4: Percentage change from Baseline (2014-15 Opening Budget) to Draft Budget 2015-16 allocation in Non-ringfenced Resource DEL

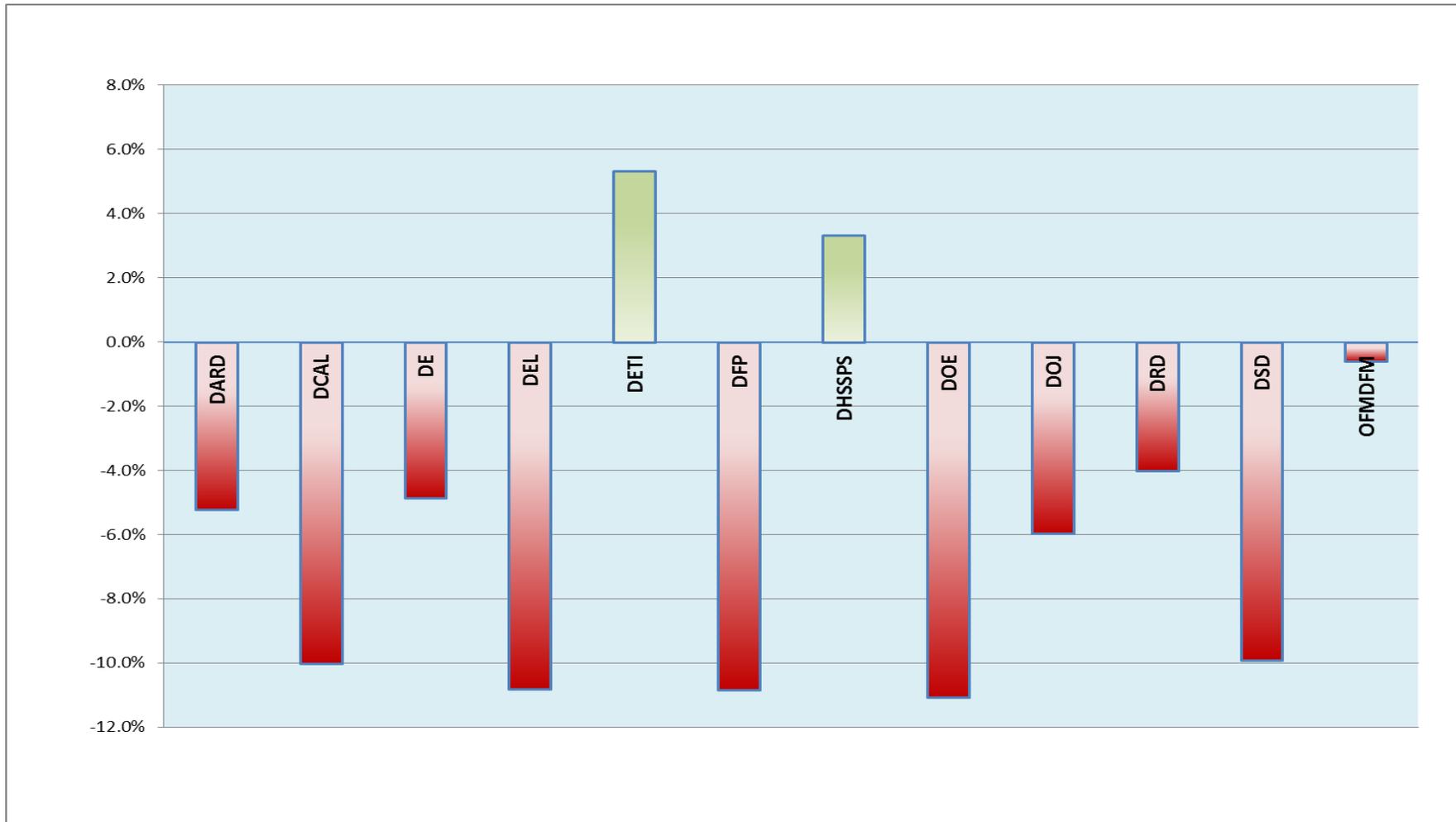


Figure 5: Percentage of Total Northern Ireland Non-ringfenced Resource DEL allocated to DHSSPS

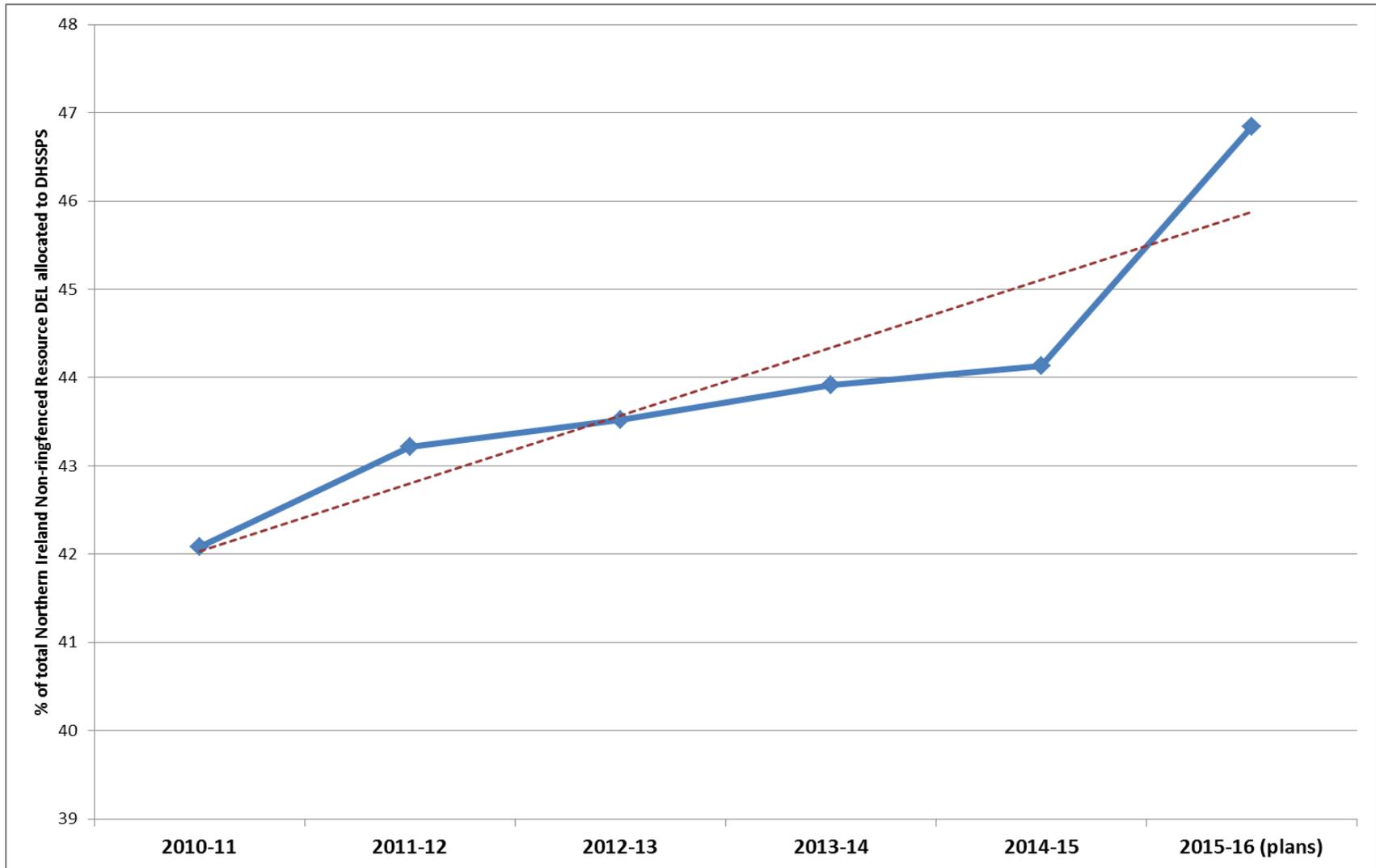


Table 4: Budget consultation timetables

Comparative Timeline of Budget Processes 2011-15 & 2015-16

Consultation began significantly later in the 2011-15 process, but allowed more time for scrutiny

Event	Budget 2011/15	Budget 2015/16
Executive Paper Agreed	14 December 2010	30 October 2014
Ministerial Statement on Draft Budget, launching public consultation	15 December 2010	3 November 2014
Close of public consultation	16 February 2011 <i>(43 Working Days including recess, excluding public holidays)</i>	29 December 2014 <i>(38 Working Days, including recess, excluding public holidays)</i>
CFP briefed by DFP officials	12 January 2011	5 November 2014
Deadline for Committee responses to CFP	27 January 2011	2 December 2014 (TBC)
Take Note Debate	31 January 2011	(TBC)
CFP's initial Consideration of Draft Report	9 February 2011	3 December 2014 (TBC)
CFP's final Consideration of Draft Report	16 February 2014	10 December 2014 (TBC)
Deadline for CFP's coordinated report to DFP	16 February 2014	(TBC)
Date for consideration by the Executive¹	24 February 2011 & 4 March 2011	(TBC)
Assembly debate and vote on Final Budget	14 March 2011	(TBC)

Source: Committee for Finance and Personnel