



**Northern Ireland  
Assembly**

## **Committee for the Economy**

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**From:** Peter McCallion, Clerk to the Committee for the Economy  
**To:** Peter Hall, Clerk to the Committee for Finance  
**Date:** 17 May 2024  
**Our Ref:** EC2024:200  
**Subject:** 2024-25 Budget Submissions from DfE

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At its meeting of 15 May 2024, the Committee for the Economy considered your memo seeking sight of 2024-25 budget submissions from the Department for the Economy.

The relevant papers relate to budget bids and provide no detail on allocations. These are appended for your Committee's consideration.

Owing to the timing of the budget process and the absence of any detail on allocations, the Committee for the Economy has not taken a position in respect of the 2024-25 budget allocations.

A further briefing from officials is expected on 22 May 2024 which it is hoped will set out allocations and inform contributions to the anticipated Executive budget debate. The Committee may elect to write to you again in this regard following this evidence session.

If you require further information or clarification in respect of the above, please do not hesitate to contact me.

**Peter McCallion**

Clerk to the Committee for the Economy  
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## **SUBJECT TITLE: 2024-25 BUDGET INFORMATION GATHERING EXERCISE**

### **REQUEST**

Philip Brett, Chair of the Committee for the Economy wrote to the Minister for the Economy asking for him provide written and oral briefing setting out the Department of the Economy's spending pressures and its proposed budget for 2024-25.

### **RESPONSE**

#### **DfE BRIEFING PAPER TO COMMITTEE FOR THE ECONOMY ON 2024-25 BUDGET INFORMATION GATHERING EXERCISE**

##### **Background**

1. A separate written update on the 2022-23 and 2023-24 financial positions was provided to the Committee on 28<sup>th</sup> February. The 2023-24 position remains as reported, apart from the Student Loan subsidy in ringfenced Resource DEL, the Department is forecasting to spend its non-earmarked Resource DEL (RDEL) and Capital DEL (CDEL) budgets.
2. The Department of Finance (DoF) commissioned an exercise, on 18 February, to capture information to inform the 2024-25 Budget.
3. The Department for the Economy (DfE) submitted the following information, on 4 March, to DoF:
  - i. RDEL requirements over and above the DfE baseline allocation;
  - ii. Capital requirements; and
  - iii. Information on HMT earmarked funding outside of the DfE baseline.
4. DfE's non-ringfenced RDEL baseline for 2024-25 is £744.4 million. In line with previous budget exercises the Capital baseline is reset to zero.
5. The Minister of Finance will hold bilateral meetings with all Ministerial colleagues before bringing her recommendations to the Executive in April.

##### **Resource**

6. DfE submitted 12 RDEL bids, totalling £78 million, to support economic growth and the four key priorities of our Economic Mission:
  - i. increase the proportion of people working in **good jobs**;
  - ii. promote **regional balance**;
  - iii. raise **productivity**; and
  - iv. **decarbonisation**.

7. Table 1 below provides a summary of the DfE RDEL bids submitted to DoF as part of the 2024-25 Budget Information Gathering exercise.

**Table 1 – Resource DEL Bids 2024-25**

Priority	Description of Bid	Amount £m
1	Graduate Entry Medical School	4.1
2	<i>Previous Executive/Gov Commitments:</i> <ul style="list-style-type: none"> <li>a. Public Service Obligation City of Derry Airport - NI Contribution £1.1m</li> <li>b. Teaching Grant - Covid A-level policy £1.5m</li> <li>c. Committed Future Major Sporting Events- £1.7m</li> <li>d. Bereavement Leave HMRC System Updates £1.7m</li> </ul>	6.0
3	Loss of European Social Fund for Apprenticeships	18.0
4	Entry & Level 1 Programmes Increased Participation Nos & Increased No with a Disability	4.9
5	Tourism Ireland – Restoration of the North South Funding Ratio	8.0
6	Intertradelreland – Restoration of the North South Funding Ratio	2.4
7	Restore Shortfall In Higher Education Teaching Grant	7.5
8	Enhanced Flooding Support Scheme	1.5
9	New Decade New Approach – Expansion of Magee Campus	4.1
10	Skills Fund	6.5
11	NI Screen - Stories, Skills, & Sustainability Strategy	8.3
12	Maintain Funding to Tourism NI - Major Events & Marketing	6.7
<b>TOTAL BIDS TO DoF</b>		<b>78.0</b>

## Capital

8. As summarised in Table 2 below, DfE also submitted CDEL bids totalling £359.8 million; Capital Receipts of £16.7 million; and Financial Transactions Capital bids of £3.7 million; all in support of our Economic Vision. Further details are provided in Appendix A.

**Table 2 – DfE Capital Bids 2024-25**

Description	£m	£m
Resource/Capital DEL switch for R&D – Inescapable/Committed	115.3	
Inescapable/Committed projects	67.9	
<b>Total DfE Inescapable / Committed Capital DEL</b>		<b>183.2</b>
Earmarked Capital DEL funding from other Government Sources*		86.1
NICS Wide Pre-Committed Schemes – Administered by DfE		35.5
High Priority & Desirable Projects		50.0
Potential Projects Previously Included in Executive's Financial Package		5.0
<b>Total Gross Capital DEL Requirement</b>		<b>359.8</b>
Less Conventional Capital Receipts		(16.7)
<b>Total Net Capital DEL Requirement</b>		<b>343.1</b>

<b>Total Financial Transactional Capital (FTC)</b>		<b>3.7</b>
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\*includes City Deals which is mixture of Block and Treasury earmarked funding

**Treasury earmarked funding outside of the DfE baseline**

9. In addition to baseline funding, DfE will continue to receive earmarked funding to implement the Windsor Framework; and New Deal Funding to support international expansion and skills and entrepreneurship programmes. The specific amounts are still to be confirmed.

## Appendix A

Description	BID	2024-25 £m	2024-25 £m
<b>Historic Resource/Capital Switch</b>	Invest NI	16.7	
	Higher Education	98.6	
<b>Inescapable &amp; pre-committed</b>	Further Education Capital Works	28.0	
	Invest NI Capital Grants	25.3	
	Geothermal Stage 1	1.7	
	Innovate UK - Blue Zone	1.0	
	Other Including R&D & Essential IT	11.9	
<b>Total DfE Incapable/Committed Capital DEL</b>			<b>183.2</b>
<b>Earmarked Funding from Alternative Sources</b>	Project Gigabit Broadband Project	10.0	
	City Deals & Complementary Fund	40.6	
	Project Stratum Broadband Project	22.6	
	Other	12.9	
<b>Total DfE Incapable/Committed Capital DEL</b>			<b>86.1</b>
<b>NICS Wide Pre-committed Schemes – Administered by DfE</b>	NICS Green Energy Invest To Save	25.0	
	Enhance Flood Support Scheme, & Small Business Research Initiative	10.5	
<b>Total NICS Wide Pre-committed Schemes – Administered by DfE</b>			<b>35.5</b>
<b>High Priority &amp; Desirable Projects</b>	Magee Expansion	14.7	
	Higher Education Construction Projects	28.1	
	Geothermal Stage 2 and 3	1.0	
	NI Sustainable Energy Programme (NISEP)	2.5	
	Other	3.7	
<b>Total High Priority &amp; Desirable Projects</b>			<b>50.0</b>
<b>Potential Projects Previously Included in Executives Financial Package</b>	Fort George Catalyst and Future Medicines		<b>5.0</b>
<b>Total Gross Capital DEL Requirement</b>			<b>359.8</b>
<b>Less Conventional Capital Receipts</b>			<b>(16.7)</b>
<b>Total Net Capital DEL Requirement</b>			<b>343.1</b>

Description	BID	2024-25 £m	2024-25 £m
<b>Invest NI FTC</b>	Includes Seed Fund, Small Business Loan Funds, Co-Fund 3, and Techstart		<b>8.3</b>
<b>Invest NI FTC Receipts</b>	Includes receipts across various FTC funded projects		<b>(4.4)</b>
<b>Total Net FTC Requirement</b>			<b>3.7</b>