

BUDGET BILL

EXPLANATORY AND FINANCIAL MEMORANDUM

INTRODUCTION

1. This Explanatory and Financial Memorandum has been prepared by the Department of Finance, in order to assist the reader of the Bill and to help inform the debate on it. It does not form part of the Bill and has not been endorsed by the Assembly.
2. The Memorandum should be read in conjunction with the Bill. It is not, and is not meant to be, a comprehensive description of the Bill, and where a clause or part of a clause does not seem to require any explanation or comment, none is given.

BACKGROUND

3. Budget Bills are the legislative means by which Assembly approval will be sought for departments and certain other public bodies to incur expenditure and use resources as detailed in the corresponding Estimates volume and summarised in the Schedules to the Bills. Furthermore, the Budget Bills will enable the Assembly to hold departments accountable for managing and controlling those resources within the limits authorised.
4. The Budget Bill will not only authorise the use of resources but contains powers to authorise the issue of sums of cash from the Consolidated Fund of Northern Ireland to departments and other public bodies to be used for the purposes specified in the Schedules to the Bill. The Budget Bill also authorises the use of income for purposes specified in Schedules 1 to the Bill.
5. Estimates volumes and other relevant documents are also published to correspond to the Budget Bill. Separate Budget Bills will be introduced relating to the Main Estimates (voted provision for a full financial year) and subsequent Supplementary Estimates which revises that provision as a result of the Executive's in-year process. The Budget Bill relating to the Supplementary Estimates will also provide interim resources and funding for the first few months of the next financial year.

PURPOSE

6. The Bill will give effect to the 2023-24 Spring Supplementary Estimates and authorises the use of resources for both 2023-24 and 2024-25.
7. For 2023-24 a total revised amount of £28,817,828,000 is authorised and for 2024-25 a Vote on Account of £18,731,611,000 is taken to provide departments and specified public bodies with provision for the early months of 2024-25, until the Main Estimates and associated Budget (No. 2) Bill are voted in the summer.
8. The resources (current and capital) authorised for use for the year ending 31 March 2024 are to be used for the purposes specified in Part 2 of the estimates set out in Schedule 1 to the Bill.
9. The resources (current and capital) authorised for use for the year ending 31 March 2025 are to be used for the purposes specified in Part 2 of the estimates set out in Schedule 2 to the Bill.
10. The Bill will also authorise the issue of cash from the Consolidated Fund of Northern Ireland in support of services for both 2023-24 and 2024-25. For 2023-24 the Bill will authorise a total revised amount of £23,937,688,000 and for 2024-25 a Vote on Account of £15,724,763,000 is taken.
11. The sums to be issued from the Consolidated Fund of Northern Ireland for the year ending 31 March 2024 are to be used for the purposes set out in Part 2 of the estimates contained in Schedule 1 to the Bill.
12. The sums to be issued from the Consolidated Fund of Northern Ireland for the year ending 31 March 2025 are to be used for the purposes set out in Part 2 of the estimates contained in Schedule 2 to the Bill.
13. In addition, the Bill will authorise temporary borrowing by the Department of Finance. For 2023-24 up to £11,968,844,000 may be borrowed to be repaid no later than 31 March 2024, and in 2024-25 £7,862,382,000 may be borrowed to be repaid no later than 31 March 2025. This is a normal safeguard to allow the efficient management of the Consolidated Fund of Northern Ireland and does not authorise any additional expenditure.
14. The Bill will revise the authorisations set in the Northern Ireland Budget (No.2) Act 2023 on the use of income for the year ending 31 March 2024.

COMMENCEMENT

15. The legislation shall come into operation on Royal Assent.

COMMENTARY ON CLAUSES

Clauses 1 and 2: Use of resources and limits on use of resources in year ending 31 March 2024

Clauses 1 and 2 authorise the use of resources by Northern Ireland departments and other specified public bodies amounting to £28,817,828,000 for 2023-24 for the purposes specified in Part 2 of the estimates set out in Schedule 1. The authorisations in clauses 1 and 2 supersede those made by sections 1 and 2 of the Northern Ireland Budget (No. 2) Act 2023.

Clauses 3 and 4: Issue and use of sum out of the Consolidated Fund for Northern Ireland for the year ending 31 March 2024

Clauses 3 and 4 authorise the Department of Finance to issue out of the Consolidated Fund for Northern Ireland the sum of £23,937,688,000 for 2023-24 for the purposes set out in Part 2 of the estimates set out in Schedule 1. The authorisations in clauses 3 and 4 supersede those made by sections 3 and 4 of the Northern Ireland Budget (No. 2) Act 2023.

Clause 5: Power to Borrow for the year ending 31 March 2024

Clause 5 authorises the Department of Finance to borrow a sum or sums up to approximately half of the sum specified in clause 3. This is a normal safeguard against the possibility of a temporary deficiency arising in the Consolidated Fund for Northern Ireland. Any sum borrowed is to be repaid by 31 March 2024.

Clause 6: Use of Income for the year ending 31 March 2024

Clause 6 authorises the use of income by Northern Ireland departments and specified public bodies from a source specified in Part 3 of Schedule 1 for the purposes specified in Part 2 of Schedule 1, subject to certain conditions. The authorisations in clause 6 supersede those made by section 6 of the Northern Ireland Budget (No. 2) Act 2023.

Clauses 7 and 8: Use of resources and limits on use of resources in year ending 31 March 2025

Clauses 7 and 8 authorise the use of resources by Northern Ireland departments and specified public bodies amounting to £18,731,611,000 for 2024-25 for the purposes specified in Part 2 of Schedule 2.

Clauses 9 and 10: Issue and use of sum out of the Consolidated Fund for Northern Ireland for the year ending 31 March 2025

The purpose of clauses 9 and 10 is to authorise the issue out of the Consolidated Fund for Northern Ireland the sum of £15,724,763,000 for 2024-25 for the purposes set out in Part 2 of Schedule 2.

Clause 11: Power to Borrow in the year ending 31 March 2025

This clause authorises the temporary borrowing by the Department of Finance of approximately half up to the sum covered by clause 9. This is a normal safeguard against the possibility of a temporary deficiency arising in the Consolidated Fund for Northern Ireland and any such borrowing is to be repaid by 31 March 2025.

Clauses 12 and 13: Interpretation and Short Title

These clauses are self-explanatory.

FINANCIAL EFFECTS OF THE BILL

15. As detailed above.

HUMAN RIGHTS ISSUES

16. The Bill is compatible with the European Convention on Human Rights.

EQUALITY IMPACT ASSESSMENT

17. No effect on this area.

SUMMARY OF THE REGULATORY IMPACT ASSESSMENT

18. No effect on this area.

LEGISLATIVE COMPETENCE

19. At Introduction, the Minister of Finance, had made the following statement under section 9 of the Northern Ireland Act 1998:

“In my view, the Budget Bill would be within the legislative competence of the Northern Ireland Assembly.”

RECOMMENDATION

20. The Minister in charge of the Bill, Dr Caoimhe Archibald, has made the following recommendation under Section 63 of the Northern Ireland Act 1998.

“As Minister of Finance, I recommend the Budget Bill to the Assembly as is required by section 63 of the Northern Ireland Act 1998.”



Northern Ireland
Assembly

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