

## **BUDGET (NO. 2) BILL**

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### **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. So where a clause or part of a clause does not seem to require any explanation or comment, none is given.

#### **BACKGROUND AND POLICY OBJECTIVES**

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 (No. 2) 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 (No. 2) 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 (No. 2) 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 2024-25 Main Estimates and authorises the use of resources for 2024-25.
7. For 2024-25 a total amount of £28,772,794,000 is authorised.

8. 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 1 to the Bill.
9. The Bill will also authorise the issue of cash from the Consolidated Fund of Northern Ireland in support of services for 2024-25. For 2024-25 the Bill will authorise a total amount of £25,255,627,000.
10. 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 1 to the Bill.
11. In addition, the Bill will authorise temporary borrowing by the Department of Finance. For 2024-25 up to £12,627,814,000 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.

## **COMMENCEMENT**

12. 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 2025**

Clauses 1 and 2 authorise the use of resources by Northern Ireland departments and other specified public bodies amounting to £28,772,794,000 for 2024-25 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 7 and 8 of the Budget Act (Northern Ireland) 2024.

### **Clauses 3 and 4: Issue and use of sum out of the Consolidated Fund of Northern Ireland for the year ending 31 March 2025**

Clauses 3 and 4 authorise the Department of Finance to issue out of the Consolidated Fund of Northern Ireland the sum of £25,255,627,000 for 2024-25 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 9 and 10 of the Budget Act (Northern Ireland) 2024.

### **Clause 5: Power to borrow for the year ending 31 March 2025**

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 of Northern Ireland. Any sum borrowed is to be repaid by 31 March 2025.

**Clause 6: Use of Income for the year ending 31 March 2025**

Clause 6 authorises the use of income by Northern Ireland departments and specified public bodies from a source specified in Part 3 of the estimates set out in Schedule 1 for the purposes specified in Part 2 of those estimates, subject to certain conditions.

**Clause 7: Resources: excesses**

Clause 7 authorises the use of resources by the Department of Education for the years ending 31 March 2021, 2022 and 2023. The amounts authorised are £11,409,000 in 2020-21, £10,721,000 in 2021-22 and £7,380,000 in 2022-23. For each year the Department may use the resources for the purposes specified in the Part of Schedule 2 corresponding to that year.

**Clause 8: Sums issued out of the Consolidated Fund: excesses**

Clause 8 authorises the Department of Finance to issue out of the Consolidated Fund of Northern Ireland and apply to the service of the years ending 31 March 2017 and 2019 the sums of £397,000 and £45,000 respectively. In each year, the relevant sum may be used by the Public Prosecution Service for Northern Ireland for the purposes specified in the Part of Schedule 3 corresponding to that year.

**Clauses 9 and 10: Interpretation and Short Title**

These clauses are self-explanatory.

**FINANCIAL EFFECTS OF THE BILL**

13. As detailed above.

**HUMAN RIGHTS ISSUES**

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

**EQUALITY IMPACT ASSESSMENT**

15. No effect on this area.

**SUMMARY OF THE REGULATORY IMPACT ASSESSMENT**

16. No effect on this area.

## **LEGISLATIVE COMPETENCE**

17. 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 (No. 2) Bill would be within the legislative competence of the Northern Ireland Assembly.”*

## **RECOMMENDATION**

18. 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 (No. 2) Bill to the Assembly as is required by section 63 of the Northern Ireland Act 1998.”*









**Northern Ireland  
Assembly**

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