

Written Ministerial Statement

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It has not been subject to the official reporting (Hansard) process.

Department of Finance

2019-2020 PUBLIC EXPENDITURE FURTHER ALLOCATIONS

Published on Monday 17 February 2020

Mr Murphy (The Minister of Finance): The purpose of this Statement is to inform the Assembly of late changes made to the 2019-20 Departmental Expenditure Limit (DEL) budget by the Treasury and the actions taken by the Executive as a result.

Changes to budgets by Treasury would normally be known well in advance of this stage of the year and factored into the appropriate Monitoring round. While numbers would be confirmed during the Supplementary Estimate process it is unusual for significant changes to be notified at this late stage.

The late changes notified by the Treasury are **a net increase of £18 million Resource DEL, a net decrease of £52 million in Capital DEL and a decrease of £59 million in Financial Transaction Capital (FTC)** when compared with the changes to budgets anticipated in January.

The changes arise as a result of some unexpected Barnett consequential additions offset by Barnett reductions that have been applied as a result of the decisions taken by Whitehall Ministers to fund some large reserve claims with reductions in other areas.

In view of the late stage in this financial year the Executive has moved quickly to agree the following:

RESOURCE DEL BUDGET

Whilst the option existed to carry the additional Resource DEL allocation forward to 2020-21, in view of the unfunded pressures in departments following the conclusion of the January Monitoring round, and the commitment given to review additional allocations should further funding become available, the Executive has decided to access that funding in this year.

Of the additional £18 million Resource DEL available, £1.3 million is in relation to the Immigration Health Surcharge and must be passed on to the Department of Health.

The remaining £16.7 million available will be allocated as follows.

Department of Education

£10.0 million to the Department of Education to aid in addressing pressures within the education sector.

Department for Infrastructure

£3.0 million to the Department for Infrastructure to provide services to deal with winter conditions.

Department of Health

£3.7 million to the Department of Health for doctors and dentist pay pressures.

CAPITAL DEL BUDGET

Treasury has provided details of a net decrease of £52 million in our Capital DEL, at this stage of a financial year a reduction of that magnitude poses significant challenges.

The Capital DEL budget was fully allocated as a result of my statement on the January Monitoring outcome, so this reduction could only be managed in-year if significant underspends were anticipated or if departments were able to take action to stop planned expenditure.

The decision has therefore been made to defer the Capital reduction until 2020-21, where it can be managed as part of the wider Budget process.

FINANCIAL TRANSACTIONS CAPITAL

Treasury has provided details of a net decrease of £59 million in Financial Transactions Capital (FTC) DEL which we are accepting in this financial year, on the basis and, as previously indicated to the Assembly, £150.8 million FTC remained unallocated after January Monitoring round.