

Written Ministerial Statement

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Department of Finance

PUBLIC EXPENDITURE: 2024-25 JANUARY MONITORING

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Dr Archibald (The Minister of Finance):

Introduction

This statement notifies the Assembly of the outcome of the Executive's January Monitoring exercise which is the final monitoring round of the year.

Demands for funding once again outstrip the funding available many times over. Bids for day-to-day Resource DEL funding outstripped funding available almost six times over with three times as many Capital bids compared to funding available.

Resource DEL

The primary source of funding available for allocation in this round is reduced requirements identified by departments. These are set out in Table A which accompanies this statement.

Some £5.6 million of Resource DEL reduced requirements related to earmarked funding provided for Windsor Framework/NI Protocol which must be returned to the Treasury and so is not available for reallocation.

After adjusting for forecast changes in regional rates income and RRI interest payments along with a small cash management charge and minor adjustment to carry forward under the budget exchange scheme, there remains £15.3 million available for allocation.

This is supplemented by Resource to Capital reclassifications totalling £1.6 million requested by the Department for Environment, Agriculture and Rural Affairs (DAERA) and the Department of Justice (DOJ).

Of the £16.9 million available following these adjustments, £0.1 million has been provided to DoJ in respect of statutory salaries, £0.8 million to Department for Economy (DfE) in respect of a previous Executive commitment to end year flexibility for Further Education (FE) colleges and £0.5 million to various departments in respect of changes to the centrally funded EU match funding.

Given the central nature of these issues, with the exception of the FE Colleges EYF, they are not included in the £89 million of Resource Bids in Table B. However, they are reflected in the allocations in Table E.

The Department for Infrastructure (DfI) has identified a £5.2 million cost in relation to the Holiday Pay legal challenges which it feels will crystallise this year.

While the Department of Finance (DoF) view remains that exceptional issues such as these legal challenges should be funded by the Treasury Reserve, given the late stage in the year, and that the amount involved is relatively small, it is not considered appropriate to seek a Reserve Claim at this stage. Therefore, this will be funded by the Executive.

A case will be made for access to the Reserve when the pressures crystallising are of a greater quantum.

After funding these issues there remains £10.2 million of available Resource DEL. This has been allocated as follows:

- £7.0 million to the Department of Health (DoH) for use against pay, waiting lists or other emerging pressures.
- £1.5 million to the Department of Education (DE) for Special Education Needs.
- £1.5 million to the DfE for Skills for Life and Work.
- £0.04 million to the Utility Regulator for additional OFGEM administration costs for the statutory REGO Scheme.
- £0.1 million to the Public Prosecution Service to help address inescapable pressures as a result of additional caseloads and complexity levels.

These allocations are also reflected in Table E attached included in this statement.

Ring-fenced Resource DEL

The Executive has a separate DEL control for the non-cash costs of depreciation and impairments. As this cannot be used for any other purpose it is referred to as Ring-fenced Resource DEL. While departments have identified a number of pressures in this category, we have not been able to consider these in previous monitoring rounds as we were awaiting confirmation from the Treasury of the funding to be provided.

Treasury has now advised that the Executive will receive an additional £144 million as part of the Westminster Supplementary Estimates.

Combined with existing funding, this has resulted in £150.4 million Ring-fenced Resource DEL being available for allocation. This is sufficient to fund the £147.7 million requirements identified by departments in full.

The allocations to each department are set out in Table E.

Capital DEL

As with Resource DEL, the primary source of Capital DEL funding available for allocation in this round is reduced requirements identified by departments. These are set out in Table A.

Of the £54.7 million of reduced requirements surrendered, £3.6 million relates to Treasury earmarked funding for Fresh Start, NDNA and NI Protocol. This must be returned to Treasury and so is not available for reallocation. The Fresh Start and NDNA funding will be reprofiled into future years.

The Resource to Capital reclassification mentioned earlier, reduces the capital funding available by £1.6 million.

Of the £172.6 million of capital Bids submitted by departments, which are set out in Table C, £4 million relates to advance works for the A5 Western Transport Corridor project. This cost will be met through the Irish Government contribution to the project and so does not reduce the funding available for allocation.

Of the £5.1 million bid from DfE in respect of the Belfast Region City Deal (BRCD), £4.9 million relates to projects which will be funded from the Treasury contribution. However, due to a timing issue it is not possible to draw down additional Treasury funding this year. Therefore, this will be funded by the Executive with the £4.9 million recouped from Treasury next year.

The remaining BRCD bid of £0.1 million relates to the projects to be funded from the Executive's contribution to the Deal. There is also a bid of £0.3 million relating to the Executive's Complementary Fund. Both of these have been funded in full.

The remaining £44.1 million of available Capital DEL funding has been allocated as follows:

- £13.5 million to the Department of Health (DoH) to help ensure a sufficient stockpile of PPE. This is in line with the recommendations of the National Security Risk Assessment (NSRA), UKHSA and DHSC on re-establishing an interim pandemic preparedness stockpile of PPE and hygiene consumables across the four nations in order to avoid delays in delivery or increased costs.
- £12.5 million is allocated to DE as a general allocation to help cover major schools' capital projects, Special Education Needs capital works and minor works.
- £13.6 million general allocation to the Department for Infrastructure (DfI) to assist with a range of pressures.
- £4.5 million to the Department for Communities (DfC) for Social Housing New Build funding commitments.

These allocations are set out in Table E.

In addition, the Executive has agreed that DfC will receive the first £1.5 million of any further capital DEL easements identified by departments this year.

Financial Transactions Capital (FTC)

As the result of a budget cover transfer from the Department of Business and Trade in relation to the repayment of launch investment previously provided to Bombardier, which was jointly funded by the Executive, the level of unallocated FTC has increased to some £50 million.

Regrettably, there were no bids from departments in this Monitoring round. I continue to encourage Ministers to consider ways to utilise this funding.

While the level of unallocated FTC exceeds the level that may be carried forward under the Budget Exchange Scheme, this funding is not lost but instead will be used to offset future repayments to the Treasury.

Technical Issues

As part of the engagement leading up to Westminster Supplementary Estimates, a number of technical issues have been agreed with the Treasury that resulted in additional funding for departments. These include £1.9 million to DfC for JobStart 50+, £2.3 million to DoH for the Immigration Health Surcharge, £0.042 million to DE for Private Schools VAT, and £0.54 million to DAERA for the Windsor Framework as well as a number of other budget cover transfers.

These amounts will be provided to the relevant departments through technical adjustments as set out in Tables F-I.

Conclusion

I have asked Ministers if any further reduced requirements are identified that they are notified to my Department as early as possible so their potential reallocation may be considered.

I recognise the funding available in this monitoring round did not allow us to fund all the pressures identified by departments.

Nonetheless, the financial position at the conclusion of the in-year monitoring process is vastly improved than that facing the Executive at the start of the financial year.

It is imperative that each department now lives within its funding envelope set by the January Monitoring round. I welcome the work being done by all Ministers both individually and collectively to ensure we deliver a balanced budget.

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TABLE A

Reduced Requirements (£ millions)

Department	Description	Non Ring Fenced Resource	Ring Fenced Resource	Capital	FT Capital
DAERA	City and Growth Deals	-0.0			
	Consolidated Fund Extra Receipt (CFER) - Fines and Penalties	-1.1			
	Peace Plus Match Funding	-0.5			
	Windsor Framework ¹	-5.2			
Total DAERA		-6.8			
DfC	City Deal			-0.6	
	City Deals			-0.1	
	City Deals CPD costs	-0.1			
	Cladding Safety Scheme			-6.8	
	De Rating Grant	-0.8			
	Housing Benefit-Rates-Tenants	-0.9			
	Increasing Housing Options (FTC) (Move-on accommodation)				-2.0
	NDNA - An Ciste ¹			-0.1	
	Office for Building Safety	-0.4			
	Peace Plus - Match Funding	-0.7		-0.8	
	Regional Stadia Programme - Casement Park Redevelopment			-11.6	
	The Northern Ireland Football Fund (TNIFF)			-2.0	
Total DfC		-2.8		-22.1	-2.0
DfE	Belfast Regional City Deal - Destination Hillsborough			-0.3	
	Belfast Regional City Deal - Gateway to the Mournes			-0.1	
	Belfast Regional City Deal - Gobbins Phase 2			-0.0	
	CFER - Insolvency Fees and Charges	-0.0			
	CFER - Invest NI Property Sales Receipts	-0.3			
	Graduate Entry Medical School	-0.3			
	Inclusive Future Fund (IFF) - DNA Museum			-0.4	
	Peace Plus Match Funding	-0.4			
Total DfE		-1.0		-0.8	
DE	Early Learning & Childcare Strategy	-1.8			
	Fresh Start Major Works ¹			-3.4	
	Strule Campus			-6.9	
Total DE		-1.8		-10.3	
DoF	Administration costs	-0.6			
	Building upgrade delays and Property Sales			-1.4	
	Increased Income	-2.8			
	Integr8 - Project Delays	-0.2			
	Integr8 - Recruitment and vacancies	-0.7			

Department	Description	Non Ring Fenced Resource	Ring Fenced Resource	Capital	FT Capital
Total DoF	NOVA - Project Delays	-0.5			
	Rate Rebate Scheme	-1.0			
	Recruitment and vacancies	-2.1			
		-7.8		-1.4	
DoH	Graduate Entry Medical School	-0.1			
	NI Protocol - Cross Border Health ¹	-0.1			
	NI Protocol - Pharmaceutical Advice and Services ¹	-0.1			
		-0.2			
DfI	Belfast Regional City Deal - BRT2			-5.0	
	Peace Plus Match Funding			-7.0	
Total DfI				-12.0	
DOJ	Procurement delays and changes to leases			-6.1	
TEO	Administration	-0.1			
	Delays in filling vacancies and staff turnover	-0.4			
	Leases			-0.7	
	NI Protocol - EU Legislation Information Tracking System (EULITS) ¹			-0.0	
	Peace Plus Match Funding	-0.2			
	Truth Recovery	-4.1			
Total TEO		-4.8		-0.7	
FSA	NI Protocol - Grants to Local Authorities ¹	-0.2			
	Research and Development			-0.1	
Total FSA		-0.2		-0.1	
NIA	Project Slippage	-1.3		-1.0	
	Windsor Framework - Project Slippage ¹	-0.1			
Total NIA		-1.4		-1.0	
NIAO	Delay in timing of works			-0.0	
	Depreciation		-0.1		
	Increase in Receipts	-0.2			
Total NIAO		-0.2	-0.1	-0.0	
NIPSO	Depreciation and impairment		-0.1		
PPS	Depreciation		-0.2		
	IT Project Spend			-0.2	
Total PPS			-0.2	-0.2	
Total Reduced Requirements		-27.0	-0.3	-54.7	-2.0

Totals may not add due to roundings

¹ Treasury earmarked funding

TABLE B

Departmental Bids (£ millions)

Non-Ringfenced Resource DEL

Department	Description	Departmental Priority	£million
DfE	Apprenticeships NI	Inescapable	2.2
	FE Colleges - End Year Flexibility	Inescapable	0.8
	Skills for Life and Work	Inescapable	4.4
Total DfE			7.4
DE	Special Educational Needs (SEN)	Inescapable	21.8
DoH	Health and Social Care Pay	Inescapable	35.0
	Waiting List Initiatives	Inescapable	1.5
Total DoH			36.5
DfI	Concessionary Fares Bus	Inescapable	1.0
	Concessionary Fares Rail	Inescapable	1.0
	Holiday Pay	Inescapable	5.2
	NI Water	High Priority	11.0
	Translink Public Service Obligation	High Priority	4.4
Total DfI			22.6
TEO	Transformation - Digital Maturity Assessment	Inescapable	0.3
NIAUR	GAE	Inescapable	0.0
PPS	Counsel Fees	High Priority	0.3
Total Resource Bids			89.0

Totals may not add due to roundings

TABLE C

Departmental Bids (£ millions)

Capital DEL

Department	Description	Departmental Priority	£million
DfC	Disabled Adaptations	High Priority	14.5
	New Build Funding	High Priority	6.0
Total DfC			20.5
DfE	Belfast Regional City Deal	Inescapable	5.1
	Complementary Fund	Inescapable	0.3
	Additional Quality Related Research	High Priority	19.6
	FE Colleges - Minor Works	High Priority	2.0
Total DfE			27.0
DE	Major Works	Inescapable	13.4
	Minor Works Statutory	Inescapable	1.9
	SEN Minor Works	Inescapable	3.8
	Education ICT Infrastructure	High Priority	7.9
	Other Capital ALBs	High Priority	1.0
Total DE			28.0
DoH	General Capital and Red Fleet	Inescapable	6.7
	ICT capital	Inescapable	5.6
	Pandemic preparedness - PPE stockpile	Inescapable	20.5
Total DoH			32.8
DfI	A5 Western Transport Corridor	Inescapable	4.0
	Belfast Transport Hub	Inescapable	5.0
	Capital Overplanning	Inescapable	12.0
	Translink - Climate Action - Zero Emission Buses and Infrastructure	Inescapable	3.0
	Capital Structural Maintenance	High Priority	17.5
	Translink Climate Action	High Priority	0.5
	Translink Passenger Demand	High Priority	1.9
	Translink Safety & Operational Performance	High Priority	10.4
	Wastewater and Water Asset Base	High Priority	10.0
Total DfI			64.3
Total Capital Bids			172.6

Totals may not add due to roundings

TABLE D

Reclassifications (£ millions)

Department	Description	Non Ring Fenced Resource	Capital
DAERA	Replacement Funding	-1.6	1.6
DOJ	NI Road Safety Partnership	-0.0	0.0
Total Reclassifications		-1.6	1.6

Totals may not add due to roundings

TABLE E

Allocations (£ millions)

Department	Description	Non Ring Fenced Resource	Ring Fenced Resource	Capital
DAERA	Depreciation		6.7	
DfC	Depreciation		2.2	
	New Build Funding			4.5
Total DfC			2.2	4.5
DfE	Belfast Regional City Deal			5.1
	Complementary Fund			0.3
	Depreciation		36.7	
	FE Colleges - End Year Flexibility	0.8		
	Skills for Life and Work	1.5		
Total DfE		2.3	36.7	5.4
DE	Depreciation		0.5	
	General allocation			12.5
	Special Educational Needs (SEN)	1.5		
Total DE		1.5	0.5	12.5
DoF	Depreciation and Impairment		4.8	
	Peace Plus Match Funding	0.2		
Total DoF		0.2	4.8	
DoH	Depreciation and Impairments		65.0	
	Pandemic preparedness - PPE stockpile			13.5
	Pay, waiting lists or emerging pressures	7.0		
	Peace Plus Match Funding	0.3		
Total DoH		7.3	65.0	13.5
DfI	A5 Western Transport Corridor			4.0
	Depreciation		20.2	
	General allocation			13.6
	Holiday Pay	5.2		
Total DfI		5.2	20.2	17.6
DOJ	NICTS Depreciation		0.5	
	PSNI Depreciation		10.6	
	Statutory Salaries	0.1		
Total DoJ		0.1	11.1	
TEO	Depreciation		0.0	
NIA	Depreciation		0.5	
NIAO	Statutory Salaries	0.0		

Department	Description	Non Ring Fenced Resource	Ring Fenced Resource	Capital
NIAUR	Depreciation GAE	0.0	0.0	
Total NIAUR		0.0	0.0	
PPS	Counsel Fees	0.1		
Total Allocations		16.9	147.7	53.6

Totals may not add due to roundings

TABLE F

Departmental Outcome – Non Ringfenced Resource DEL (£ millions)

Department	October Monitoring Position	Reduced Requirements	Executive Allocations	Reclassifications	Technical Adjustments	January Executive Monitoring Position
DAERA	634.1	-6.8		-1.6	1.0	626.7
DfC	907.0	-2.8			7.7	911.9
DfE	808.5	-1.0	2.3		13.2	823.0
DE	3,145.3	-1.8	1.5		0.7	3,145.8
DoF	204.4	-7.8	0.2		-0.1	196.7
DoH	8,283.7	-0.2	7.3		36.3	8,327.1
Dfi	597.6		5.2		0.0	602.8
DOJ	1,337.2		0.1	-0.0	-1.4	1,335.9
TEO	190.5	-4.8			5.5	191.2
FSA	16.1	-0.2				15.9
NIA	53.7	-1.4				52.3
NIAO	9.6	-0.2	0.0			9.4
NIAUR	0.3		0.0		-0.2	0.2
NIPSO	4.4				0.1	4.5
PPS	40.5		0.1		0.1	40.7
Total	16,232.9	-27.0	16.9	-1.6	62.9	16,284.0

Totals may not add due to roundings

TABLE G

Departmental Outcome – Capital DEL (£ millions)

Department	October Monitoring Position	Reduced Requirements	Executive Allocations	Reclassifications	Technical Adjustments	January Executive Monitoring Position
DAERA	99.4			1.6	0.6	101.6
DfC	216.3	-22.1	4.5		-1.2	197.5
DfE	219.1	-0.8	5.4		20.0	243.7
DE	334.2	-10.3	12.5		0.3	336.7
DoF	7.4	-1.4			0.1	6.2
DoH	385.1		13.5		0.4	399.1
DfI	852.9	-12.0	17.6		-0.1	858.4
DOJ	94.5	-6.1		0.0		88.4
TEO	12.5	-0.7			1.4	13.2
FSA	0.5	-0.1				0.4
NIA	3.2	-1.0				2.2
NIAO	0.0	-0.0				0.0
NIAUR	0.1					0.1
NIPSO						
PPS	0.7	-0.2				0.5
Total	2,226.0	-54.7	53.6	1.6	21.6	2,248.1

Totals may not add due to roundings

TABLE H

**Departmental Outcome – Ring-fenced Resource DEL including Student Loans
Impairments (£ millions)**

Department	October Monitoring Position	Reduced Requirements	Executive Allocations	Technical Adjustments	January Executive Monitoring Position
DAERA	34.4		6.7	0.5	41.6
DfC	16.7		2.2		18.8
DfE	470.1		36.7		506.8
DE	2.4		0.5		3.0
DoF	49.0		4.8		53.8
DoH	194.2		65.0		259.2
DfI	129.3		20.2		149.5
DOJ	88.0		11.1		99.1
TEO	2.4		0.0		2.5
FSA	0.2				0.2
NIA	3.9		0.5		4.5
NIAO	0.3	-0.1			0.2
NIAUR	0.2		0.0		0.2
NIPSO	0.2	-0.1			0.2
PPS	4.2	-0.2			4.0
Total	995.6	-0.3	147.7	0.5	1,143.5

Totals may not add due to roundings

TABLE I

Departmental Outcome – Financial Transactions Capital (£ millions)

Department	October Monitoring Position	Reduced Requirements	Executive Allocations	Technical Adjustments	January Executive Monitoring Position
DfC	27.2	-2.0			25.2
DfE	1.2				1.2
DoH	-0.1			-0.0	-0.1
TEO	8.5				8.5
Total	36.9	-2.0		-0.0	34.9

Totals may not add due to roundings