


# EXPLANATORY NOTES

## Budget Act (Northern Ireland) 2025

Chapter 1

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*These Notes refer to the Budget Act (Northern Ireland) 2025 (c.1 )*
*which received Royal Assent on 6 March 2025*

# BUDGET ACT (NORTHERN IRELAND) 2025

## EXPLANATORY NOTES

### INTRODUCTION

1. These Explanatory Notes relate to the Budget Act (Northern Ireland) 2025 which received Royal Assent on 6 March 2025. They have been prepared by the Department of Finance in order to assist the reader in understanding the Act. They do not form part of the Act and have not been endorsed by the Assembly.

2. The notes should be read in conjunction with the Act. They do not, and are not meant to be, a comprehensive description of the Act. So where a section or part of a section does not seem to require an explanation or comment, none is given.

### BACKGROUND AND POLICY OBJECTIVES

3. Budget Acts are the legislative means by which Assembly approval is 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 Acts. Furthermore, Budget Acts enable the Assembly to hold departments accountable for managing and controlling those resources within the limits authorised.

4. The Budget Act 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 Act. The Budget Act also authorises the use of income for purposes specified in Schedules 1 to the Act.

5. Estimates volumes and other relevant documents are also published to correspond to the Budget Act. Separate Budget Acts 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 Act 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 Act will give effect to the 2024-25 Spring Supplementary Estimates and authorises the use of resources for both 2024-25 and 2025-26.

7. For 2024-25 a total revised amount of £31,041,393,000 is authorised and for 2025-26 a Vote on Account of £13,968,655,000 is taken to provide departments and specified public bodies with provision for the early months of 2025-26, until the Main Estimates and associated Budget (No. 2) Act are voted in the summer.

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 Act.

9. The resources (current and capital) authorised for use for the year ending 31 March 2026 are to be used for the purposes specified in Part 2 of the estimates set out in Schedule 2 to the Act.

10. The Act will also authorise the issue of cash from the Consolidated Fund of Northern Ireland in support of services for both 2024-25 and 2025-26. For 2024-25 the Act will authorise a total revised amount of £26,536,605,000 and for 2025-26 a Vote on Account of £12,148,157,000 is taken.

11. 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 Act.

12. The sums to be issued from the Consolidated Fund of Northern Ireland for the year ending 31 March 2026 are to be used for the purposes set out in Part 2 of the estimates contained in Schedule 2 to the Act.

13. In addition, the Act will authorise temporary borrowing by the Department of Finance. For 2024-25 up to £13,268,303,000 may be borrowed to be repaid no later than 31 March 2025, and in 2025-26 £6,073,079,000 may be borrowed to be repaid no later than 31 March 2026. 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 Act will revise the authorisations set in the Budget (No. 2) Act (Northern Ireland) 2024 on the use of income for the year ending 31 March 2025

## COMMENTARY ON SECTIONS

### Sections 1 and 2: Use of resources and limits on use of resources in year ending 31 March 2025

Sections 1 and 2 authorise the use of resources by Northern Ireland departments and other specified public bodies amounting to £31,041,393,000 in the year ending 31 March 2025 for the purposes specified in Part 2 of the estimates set out in Schedule 1. The authorisations in sections 1 and 2 supersede those made by sections 1 and 2 of the Budget (No. 2) Act (Northern Ireland) 2024.

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

Sections 3 and 4 authorise the Department of Finance to issue out of the Consolidated Fund of Northern Ireland the sum of £26,536,605,000 in the year ending 31 March 2025 for the purposes specified in Part 2 of the estimates set out in Schedule 1. The authorisations in sections 3 and 4 supersede those made by sections 3 and 4 of the Budget (No. 2) Act (Northern Ireland) 2024.

**Section 5: Power to Borrow for the year ending 31 March 2025**

Section 5 authorises the Department of Finance to borrow a sum or sums up to approximately half of the sum specified in section 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.

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

Section 6 authorises the use of income by Northern Ireland departments and other 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. The authorisations in section 6 supersede those made by section 6 of the Budget (No. 2) Act (Northern Ireland) 2024.

**Section 7 and 8: Use of resources and limits on use of resources in year ending 31 March 2026**

Section 7 and 8 authorise the use of resources by Northern Ireland departments and other specified public bodies amounting to £13,968,655,000 in the year ending 31 March 2026 for the purposes specified in Part 2 of Schedule 2.

**Section 9 and 10: Issue and use of sum out of the Consolidated Fund of Northern Ireland for the year ending 31 March 2026**

Section 9 and 10 authorise the Department of Finance to issue out of the Consolidated Fund of Northern Ireland the sum of £12,148,157,000 in the year ending 31 March 2026 for the purposes specified in Part 2 of the estimates set out in Schedule 2.

**Section 11: Power to Borrow in the year ending 31 March 2026**

Section 11 authorises the Department of Finance to borrow a sum or sums up to approximately half of the sum specified in section 9. This is a normal safeguard against the possibility of a temporary deficiency arising in the Consolidated Fund of Northern Ireland and any such borrowing is to be repaid by 31 March 2026.

**Section 12: Resources: excesses**

Section 12 authorises the use of resources by the Department for Communities and the Northern Ireland Assembly Commission in the year ending 31 March 2024. The Department for Communities may use resources up to the amount of £2,284,000 for the purposes specified in Part 1 of Schedule 3. The Northern Ireland Assembly Commission may use resources up to the amount of £492,000 for the purposes specified in Part 2 of Schedule 3.

**Section 13: Sums issued out of the Consolidated Fund: excesses**

Section 13 authorises the Department of Finance to issue out of the Consolidated Fund of Northern Ireland and apply to the service of the year ending 31 March 2024 the sum of £464,000. That sum may be used by the Northern Ireland Authority for Utility Regulation for the purposes specified in Part 3 of Schedule 3.

**Section 14 Interpretation**

Section 14 is self-explanatory.

**Section 15 Short Title**

Section 15 sets out the short title of the Budget Act (Northern Ireland) 2025.

## SCHEDULES TO THE ACT

Schedule 1: Estimates for the year ending 31 March 2025.

Schedule 2: Estimates for the year ending 31 March 2026.

Schedule 3: Excesses for the year ending 31 March 2024.

## HANSARD REPORTS

15. The following table sets out the dates of the Hansard reports for each stage of the Act's passage through the Northern Ireland Assembly.

| STAGE | DATE |
|---|---|
| Introduction | 17 February 2025 |
| Second Stage debate | 18 February 2025 |
| Consideration Stage | 24 February 2025 |
| Further Consideration Stage | 25 February 2025 |
| Final Stage | 25 February 2025 |
| Royal Assent | Received 6 March 2025 |

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