

EXPLANATORY NOTES

Budget (No. 2) Act (Northern Ireland) 2024

Chapter 4

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BUDGET (NO. 2) ACT (NORTHERN IRELAND) 2024

EXPLANATORY NOTES

INTRODUCTION

1. These Explanatory Notes relate to the Budget (No. 2) Act (Northern Ireland) 2024 which received Royal Assent on 18 October 2024. 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 (No. 2) 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 (No. 2) 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 (No. 2) 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 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 Act.

9. The Act 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 Act 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 Act.

11. In addition, the Act 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.

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 £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 sections 1 and 2 supersede those made by sections 7 and 8 of the Budget Act (Northern Ireland) 2024.

Sections 3 and 4: Issue and use of sum out of the Consolidated Fund for 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 for 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 sections 3 and 4 supersede those made by sections 9 and 10 of the Budget 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 for 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 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.

Section 7: Resources: excesses

Section 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.

Section 8: Sums issued out of the Consolidated Fund: excesses

Section 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.

Sections 9: Interpretation

As in Budget bill.

Section 10: Short Title

This section sets out the short title of the Budget (No. 2) Act (Northern Ireland) 2024.

SCHEDULES TO THE ACT

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

Schedule 2: Excesses.

Schedule 3: Sums Issued out of the Consolidated Fund: Excesses.

HANSARD REPORTS

12. 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	1 July 2024
Second Stage debate	2 July 2024
Consideration Stage	9 September 2024
Further Consideration Stage	16 September 2024
Final Stage	23 September 2024
Royal Assent	Received 18 October 2024

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