

# **BUDGET (NO. 2) ACT (NORTHERN IRELAND) 2010**

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## **EXPLANATORY NOTES**

### **INTRODUCTION**

1. These Explanatory Notes relate to the Budget (No. 2) Act (Northern Ireland) 2010 which received Royal Assent on 26 March 2010. They have been prepared by the Department of Finance and Personnel 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 need to 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 or Schedule does not seem to require any explanation or comment, none is given.

### **BACKGROUND**

3. Budget Acts 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 Acts. Furthermore, the Budget Acts enable the Assembly to hold departments and public bodies 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 Northern Ireland Consolidated Fund to departments and other public bodies and appropriate those sums to services. Budget Acts also set the relevant limits on the accruing resources that may be directed to be used for purposes specified in the Schedules to the Act. Accruing resources are divided into two categories: a) operating accruing resources, which is resource income offset against the gross resource expenditure and b) non-operating accruing resources, which is capital income, mainly relating to the sale of assets, and offset against gross capital spend.
5. Estimates volumes and other relevant documents are published so as to be available when Budget Acts are introduced in the Assembly. Separate Budget Acts will be introduced relating to the Main Estimates (initial voted provision for a financial year) and subsequent Supplementary Estimates which revise that initial provision. The Budget Act relating to the final Estimates of departments and public bodies will also provide interim resources and funding (around 45%) for the first few months of the next financial year.

## **PURPOSE**

6. The Act will give effect to the 2010-11 Main Estimates of the Department of Justice, the Office of the First Minister and deputy First Minister and the Public Prosecution Service for Northern Ireland in the event of Stage 2 devolution. The Act will authorise the issue of cash from the Consolidated Fund of Northern Ireland of £1,432,778,000 during 2010-11. The Act will also authorise the use of resources amounting to £1,369,871,000 and will specify the limits on the amount of accruing resources, including both operating and non-operating accruing resources, that may be directed to be used for certain purposes for the year ending 31<sup>st</sup> March 2011. The cash and the resources authorised for use by the Office of the First Minister and deputy First Minister are in addition to the Vote on Account authorised by the Budget Act (NI) 2010.
7. The sums to be issued from the Consolidated Fund of Northern Ireland for the year ending 31<sup>st</sup> March 2011 are to be appropriated for services, as set out in Schedule 1 to the Act.
8. The amount of resources (including accruing resources) authorised for use for the year ending 31<sup>st</sup> March 2011 are to be used for the purposes specified in Schedule 2 to the Act.

## **COMMENCEMENT**

9. The Act will only come into operation after Royal Assent and on and after the date of devolution.

## **COMMENTARY ON CLAUSES**

### **Section 1: Application of this Act**

This section ensures that the Act only applies if an Order in Council is made under Section 4 of the Northern Ireland Act 1998 which provides for policing and justice matters to cease to be reserved. The Act will only have effect on and after the date of devolution within the year ending 31<sup>st</sup> March 2011.

### **Section 2: Issue of sum out of the Consolidated Fund for the year ending 31<sup>st</sup> March 2011 and appropriation of that sum**

Sub-section (1) authorises the issue out of the Consolidated Fund of Northern Ireland of the sum of £1,432,778,000 for 2010-2011.

Sub-section (2) appropriates that sum for the purposes specified in column 1 of Schedule 1.

### **Section 3: Use of resources in year ending 31<sup>st</sup> March 2011**

This section authorises the use of resources (other than accruing resources) by the Department of Justice, the Office of the First Minister and deputy First Minister and the Public Prosecution Service for Northern Ireland amounting to £1,369,871,000 in 2010-2011 for the purposes specified in column 1 of Schedule 2.

#### **Section 4: Limit on use of accruing resources in year ending 31st March 2011**

This section sets the limits on the amount of accruing resources, including both operating and non-operating accruing resources, that may be directed to be used for certain specified purposes in the year ending 31st March 2011 in addition to the resources authorised by section 3.

#### **Section 5: Interpretation**

This section provides interpretation of terms used within the Act.

#### **Section 6: Short title**

This section sets out the title of the Act.

#### **SCHEDULES TO THE ACT**

Schedule 1: Sums granted for the year ending 31st March 2011.

Schedule 2: Amounts of resources authorised for use and amounts of accruing resources which may be used in year ending 31st March 2011.

#### **HANSARD REPORTS**

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

<b>STAGE</b>	<b>DATE</b>
Introduction	22 March 2010
Second Stage debate	22 March 2010
Consideration Stage	23 March 2010
Final Stage	23 March 2010
Royal Assent	26 March 2010

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