

*These notes refer to the Budget (No. 2) Act (Northern Ireland)
2001 (c.16) which received Royal Assent on 20 July 2001*

Budget (No. 2) Act (Northern Ireland) 2001

EXPLANATORY NOTES

PURPOSE

Background

6. Budget Acts are the legislative means by which the Assembly gives approval for voted expenditure by Departments. Previously this was measured on a cash basis. However, from 2001-02 expenditure is measured on a resource basis (bringing the public sector into line with the private sector) whilst maintaining an overall cash limit on departmental activity.

The requirements of the Government Resources and Accounts Act (Northern Ireland) 2001 have been taken into account in the Budget (No.2) Act. The Budget (No.2) Act authorises the issue of sums from the Northern Ireland Consolidated Fund and appropriates those sums to services. It also authorises the use of resources by departments. This latter provision reflects the change from controls based solely on cash to a new system where limits on the use of resources for specified purposes is the main public expenditure control mechanism. In order to reflect this change, which is linked to the introduction of resource accounting and budgeting the title ‘Budget’ Act is more appropriate than ‘Appropriation’ Act which dealt only with cash allocations. The Budget (No. 2) Act also sets the relevant limits on the accruing resources (including both operating and non-operating) that may be directed to be used for specified purposes.

Budget Acts authorise the Department of Finance and Personnel to issue money from the Northern Ireland Consolidated Fund for the services detailed in corresponding Estimates volumes and summarised in Schedules in the Act. From 2001-2002 Budget Acts also authorise the use of resources for the services detailed in corresponding Estimates volumes and summarised in Schedules in the Act. Estimates volumes and other relevant documents are published so as to be available when Budget Bills are introduced in the Assembly. The Main Estimates (initial voted provision for a financial year) and subsequent Supplementary Estimates which increase or vary what was approved in the Main Estimates are contained in separate Budget Acts.