

# BUDGET (NO. 2) ACT (NORTHERN IRELAND) 2008

## EXPLANATORY NOTES

### INTRODUCTION

1. These Explanatory Notes relate to the Budget (No. 2) Act (Northern Ireland) 2008 which received Royal Assent on 2<sup>nd</sup> July 2008. 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 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 not only authorises 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 are introduced relating to the Main Estimates (initial voted provision for a financial year) and subsequent Supplementary Estimates which revise that initial provision as a result of the in-year monitoring rounds. The Budget Act relating to the Supplementary Estimates also provides interim resources and funding (around 45%) for the first few months of the next financial year.

## **PURPOSE**

6. The Act gives effect to the 2008-2009 Northern Ireland Main Estimates and authorises the issue of cash from the Consolidated Fund of Northern Ireland of £7,184,270,000 in addition to the cash sum in the Vote on Account authorised by the Budget Act (NI) 2008. The Act also authorises the use of resources amounting to £8,474,916,000, in addition to the Vote on Account amount authorised by the Budget Act (NI) 2008 and specifies 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 March 2009. In addition, the Act authorises temporary borrowing by the Department of Finance and Personnel.

7. The sums to be issued from the Consolidated Fund of Northern Ireland for the year ending 31<sup>st</sup> March 2009 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 2009 are to be used for the purposes specified in Schedule 2 to the Act.

9. The Act also authorises an excess amount of cash of £7,224,593.19 for the Department of Health, Social Services and Public Safety – Health and Personal Social Services Superannuation in respect of the 2006-07 financial year.

10. A number of spent enactments are also repealed.

## **COMMENTARY ON SECTIONS**

### **Section 1: Issue of sum out of the Consolidated Fund for the year ending 31<sup>st</sup> March 2009 and appropriation of that sum**

Sub-section (1) authorises the issue out of the Consolidated Fund of Northern Ireland of the sum of £7,184,270,000 for 2008-2009.

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

### **Section 2: Power of the Department of Finance and Personnel to borrow**

This section authorises the temporary borrowing by the Department of Finance and Personnel of approximately half the sum covered by Section 1 (1). This is a normal safeguard against the possibility of a temporary deficiency arising in the Northern Ireland Consolidated Fund.

### **Section 3: Use of resources (other than accruing resources) in the year ending 31<sup>st</sup> March 2009**

This section authorises the use of resources amounting to £8,474,916,000 for 2008-2009, for the purposes specified in column 1 of Schedule 2.

**Section 4: Limit on use of accruing resources in the year ending 31<sup>st</sup> March 2009**

This section sets the limits on the accruing resources that may be directed to be used for certain specified purposes in the year ending 31<sup>st</sup> March 2009.

**Section 5: Cash excess for the year ending 31<sup>st</sup> March 2007**

This section, which relates to the Department of Health, Social Services and Public Safety Superannuation Estimate, authorises the issue of £7,224,593.19 from the Consolidated Fund for 2006-07 for excess expenditure on superannuation benefits to or in respect of persons engaged in the health and personal social services or in other approved employment.

**Section 6: Repeal of spent provisions**

This section removes from the statute book two Budget Orders which are no longer operative.

**Section 7: Interpretation**

As in Budget Act.

**Section 8: Short title**

This section sets out the title of the Act.

**SCHEDULES TO THE ACT**

Schedule 1: Sums granted for the year ending 31<sup>st</sup> March 2009.

Schedule 2: Amounts of resources authorised for use and amounts of accruing resources which may be used in year ending 31<sup>st</sup> March 2009.

## **HANSARD REPORTS**

11. 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	9 June 2008
Second Stage debate	10 June 2008
Consideration Stage	17 June 2008
Further Consideration Stage	23 June 2008
Final Stage	24 June 2008
Royal Assent	Received 2 July 2008

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