

*These notes refer to the Budget (No. 3) Act (Northern Ireland) 2020 (c.6) which received Royal Assent on 25 November 2020*

# Budget (No. 3) Act (Northern Ireland) 2020

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## EXPLANATORY NOTES

### COMMENTARY ON SECTIONS

#### ***Section 1: Issue of sum out of the Consolidated Fund for the year ending 31 March 2021 and appropriation of that sum***

Sub-section (1) authorises the issue out of the Consolidated Fund of Northern Ireland of the sum of £4,757,631,000 for 2020-21.

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

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

This section authorises the temporary borrowing by the Department of Finance in 2020-21 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 March 2021***

Sub-section (1) authorises the use of resources amounting to £4,791,050,000 for 2020-21.

There is a distinction between the cash sum authorised for issue in section 1, and the amount of resources authorised for use in section 3. The cash sum in section 1 includes cash used to finance capital investment, and also takes into account movement in working capital and payments based on provisions created in previous years. These do not constitute resource consumption. The resources authorised in clause 3 exclude those items, but include non-cash items, mainly the depreciation of assets and creation of new provisions.

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

Sub-section (3) specifies the departments and other bodies to which these authorisations apply.

Sub-section (4) confirms that this section does not include accruing resources.

***Section 4: Limit on use of certain accruing resources in the year ending 31 March 2021***

This section sets the limit on the 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 31 March 2021.

***Section 5: Cash Excesses for the year ending 31 March 2017***

Sub-section (1) authorises the issue out of the Consolidated Fund of Northern Ireland of the sum of £112,618,000 to the six departments and other public bodies mentioned in Schedule 3 that exceeded the authorised provision in 2016-17. It authorises the amounts that may be used, as detailed in column 2 of Schedule 3, and the purposes for which they may be used, as specified in column 1 of that Schedule.

***Section 6: Resource excesses for the year ending 31 March 2017***

Subsection (1) authorises the use of resources amounting to £183,290,000 by the seven departments and other public bodies mentioned in Schedule 4 that exceeded the authorised provision in 2016-17. It authorises the amounts that may be used, as detailed in column 2 of Schedule 4, and the purposes for which they may be used, as specified in column 1 of that Schedule.

Subsection (5) clarifies the additionality of the resources authorised by Clause 6 over any existing statutory provision for 2016-17.

***Section 7: Repeal of spent provisions***

This clause removes from the statute books three Budget Acts which are no longer operative, as specified in Schedule 5.

***Section 8: Interpretation***

As in Budget Bill.

***Section 9: Short Title***

This section sets out the short title of the Budget (No. 3) Act (Northern Ireland) 2020.