

*These notes refer to the Budget Act (Northern Ireland)
2021 (c.4) which received Royal Assent on 23 March 2021*

Budget Act (Northern Ireland) 2021

EXPLANATORY NOTES

INTRODUCTION

1. These Explanatory Notes relate to the [Budget Act \(Northern Ireland\) 2021](#) which received Royal Assent on 23 March 2021. 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 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 authorises the use of resources for both 2020-21 and 2021-22. For 2020-21 a total revised amount of £25,124,542,000 is authorised and for 2021-22 a Vote on Account of £11,194,733,000 is taken to provide departments and public bodies with provision for the early months of 2021-22, until the Main Estimates are voted in the summer. The Act revises the limits as set in the Budget (No.3) Act (Northern Ireland) 2020 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 2021. The Act also authorises the issue of cash from the Consolidated Fund in support of services for both 2020-21 and 2021-22. For 2020-21 the Act authorises a total revised amount of £22,220,328,000 and for 2021-22 a Vote on Account of £10,081,611,000 is taken. In addition, the Act authorises temporary borrowing up to £5,040,806,000 in 2021-22 by the Department of Finance.
7. The sums to be issued from the Consolidated Fund of Northern Ireland for the year ending 31 March 2021 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 March 2021 are to be used for the purposes specified in Schedule 2 to the Act.
9. The sums to be issued from the Consolidated Fund of Northern Ireland for the year ending 31 March 2022 are to be appropriated for services as set out in Schedule 3 to the Act.
10. The amount of resources authorised for use for the year ending 31 March 2022 are to be used for the purposes specified in Schedule 4 to the Act.

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 revised sum of £22,220,328,000 for 2020-2021.

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

Sub-section (3) provides authority for cash limits set by the Budget Act (Northern Ireland) 2020, the Budget (No.2) Act (Northern Ireland) 2020 and the Budget (No.3) Act (Northern Ireland) 2020 to be superseded by the amounts specified in column 2 of Schedule 1 to the Budget Act (Northern Ireland) 2021.

Section 2: Use of resources (other than accruing resources) in the year ending 31 March 2021

Sub-section (1) authorises the use of resources amounting to £25,124,542,000 for 2020-2021.

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) provides authority for the resource limits set by the Budget Act (Northern Ireland) 2020, the Budget (No.2) Act (Northern Ireland) 2020 and the Budget (No.3) Act (Northern Ireland) 2020 to be superseded by the amounts specified in column 2 of Schedule 2 to the Budget Act (Northern Ireland) 2021.

Section 3: Revised limits on use of certain accruing resources in the year ending 31 March 2021

Sub-section (1) sets relevant revised 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 31 March 2021 in addition to the resources authorised by the Act.

Sub-section (2) provides authority for the direction of accruing resources as specified in column 3 of Schedule 2 to be used for the purposes specified in the corresponding entries in column 1 of that Schedule.

Sub-section (3) provides authority for the accruing resource limits set by the Budget (No. 3) Act (Northern Ireland) 2020 to be superseded by the amounts specified in column 3 of Schedule 2 to the Budget Act (Northern Ireland) 2021.

Section 4: Issue of sum out of the Consolidated Fund for the year ending 31 March 2022 and appropriation of that sum

Sub-section (1) authorises the issue out of the Consolidated Fund of Northern Ireland of the sum of £10,081,611,000 for 2021-22.

Sub-section (2) appropriates that sum for the purposes specified in Schedule 3.

Section 5: Power of the Department of Finance to borrow

This section authorises the temporary borrowing by the Department of Finance in 2021-22 of approximately half the sum covered by Section 4 (1). This is a normal safeguard against the possibility of a temporary deficiency arising in the Northern Ireland Consolidated Fund.

Section 6: Use of resources (other than accruing resources) in the year ending 31 March 2022

Sub-section (1) authorises the use of resources amounting to £11,194,733,000 for 2021-2022.

Sub-section (2) authorises that sum for the purposes specified in column 1 of Schedule 4.

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 7: Interpretation

As in the Budget Act.

Section 8: Short Title

This section sets out the title of the [Budget Act \(Northern Ireland\) 2021](#)

Schedules to the Act

[Schedule 1](#): Sums granted for the year ending 31 March 2021

[Schedule 2](#): Amounts of resources authorised for use and amounts of accruing resources which may be used in year ending 31 March 2021

[Schedule 3](#): Sums granted for the year ending 31 March 2022

[Schedule 4](#): Amounts of resources authorised for use in the year ending 31 March 2022

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.

<i>STAGE</i>	<i>DATE</i>
Introduction	1 March 2021
Second Stage debate	2 March 2021
Consideration Stage	8 March 2021
Further Consideration Stage	9 March 2021
Final Stage	9 March 2021
Royal Assent	Received 23 March 2021