BUDGET (NORTHERN IRELAND) ORDER 2007

S.I. 2007 No. 914 (N.I. 8)

EXPLANATORY MEMORANDUM

BACKGROUND AND POLICY OBJECTIVES

2.   Budget Orders are the legislative means by which Parliamentary approval will be sought for voted expenditure by departments. Expenditure is measured on a resource basis whilst maintaining an overall cash limit on departmental activity.

3.   The requirements of the Government Resources and Accounts Act (Northern Ireland) 2001 have been taken into account in drafting the Budget Order. The Budget Order seeks Parliament's authorisation for the use of resources by departments, and contains powers to authorise the issue of sums of cash from the Northern Ireland Consolidated Fund and appropriate those sums to services. Budget Orders also set the relevant limits on the accruing resources (including both operating and non-operating) that may be directed to be used for specified purposes. Accruing resources represent income, which with the authority of Parliament, can be applied against gross expenditure. They are divided into two categories – operating accruing resources, which is income offsetting the gross total within the Resource Budget, and non-operating accruing resources, which is mainly income relating to the sale of assets offsetting the gross total within the Capital Budget.

4.   Budget Orders authorise the use of resources for the services detailed in corresponding Estimates volumes and summarised in Schedules to the Order. Estimates volumes, Vote on Account and Excess Vote documents where appropriate are published so as to be available when Budget Orders are laid in Parliament. Budget Orders also provide Parliamentary authority for the Department of Finance and Personnel to issue money from the Northern Ireland Consolidated Fund by way of financing for the services detailed in corresponding Estimates volumes and summarised in the Schedules to the Order. Separate Budget Orders are taken to cover 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.

5.   The Order authorises the use of resources for both 2006-07 and 2007-08. For 2006-07 a total revised amount of £16,829,572,000 is taken and for 2007-08 a Vote on Account of £6,216,507,000 is taken to provide departments with provision for the early months of 2007-08, until the Main Estimates are voted in the summer. The Order revises the limits as set in the Budget (No.2) (Northern Ireland) Order 2006 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 31st March 2007. The Order also authorises the issue of cash from the Consolidated Fund in support of services for both 2006-07 and 2007-08. For 2006-07 the Order authorises a total revised cash requirement of £11,193,685,000 which is detailed in the 2006-07 Spring Supplementary Estimates. For 2007-08 a Vote on Account of £5,050,369,000 is taken.

6. The sums to be issued from the Consolidated Fund of Northern Ireland for the year ending 31st March 2007 are to be appropriated for services, as set out in Schedule 1 to the Order.

7. The amount of resources (including accruing resources) authorised for use for the year ending 31st March 2007 are to be used for the purposes specified in Schedule 2 to the Order.

8. The cash sums to be issued from the Consolidated Fund of Northern Ireland for the year ending 31st March 2008 are to be appropriated for services as set out in Schedule 3 to the Order.

9. The amount of resources authorised for use for the year ending 31st March 2008 are to be used for the purposes specified in Schedule 4 to the Order.

10. Further information on the provision contained in the Order is set out within the 2006-07 Spring Supplementary Estimates volume and the Vote on Account document for 2007-08.