



Northern Ireland  
Assembly

## Research and Information Service Briefing Paper

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NIAR 15-22

# Draft Executive Budget 2022-2025: Departmental Pressures

Paper 4 of 4

**Finance & Economics Research Team**

This Paper – Paper 4 - is part of a four-part series addressing key themes arising from the Draft Executive Budget (DEB) 2022-25, which the now collapsed Executive had approved in December 2021 for consultation alone. The Paper explores departmental pressures within the context of DEB identified funding. In the lead up to the end of the Assembly mandate in late March 2022, this Paper seeks to inform Assembly statutory committees' consideration of budgetary matters relating to next year – 2022-23 - and beyond, given that an Executive Budget now cannot be agreed and other means now are to be taken.

This information is provided to MLAs in support of their Assembly duties, and is not intended to address the specific circumstances of any particular individual. It should not be relied upon as professional legal advice or as a substitute for it.

## Introduction

This Paper addresses departmental pressures within the context of the Draft Executive Budget (DEB) 2022-25, closely examining Resource and Capital Departmental Expenditure Limits (DEL) funding that the Minister of Finance (MoF) identified in the DEB consultation document issued in mid-December 2021, and explained in his accompanying written statement.<sup>1</sup> The Paper also factors in departmental returns submitted to the Department of Finance (DoF), and subsequently shared with their corresponding Assembly committees, which outlined estimated departmental funding pressures. The Paper is the fourth in a four-part series addressing key aspects of DEB.<sup>2</sup> It should be read in conjunction with the rest of the series, in particular Papers 1 and 2 concerning Northern Ireland's Economic and Public Finance Contexts, and Paper 3 concerning Capital Investment.

The entire series aims to inform Assembly statutory committees in their consideration of budgetary matters for next year – 2022-23 - and beyond. It follows on from a request made by the Committee for Finance (the Committee) in mid-January 2022 - prior to the Executive's collapse in early February 2022. That Committee request remained valid, given its ongoing budgetary considerations for next year – 2022-23 – and beyond, which are impacted by a number of factors, including:

- (i) No Executive since early February 2022;
- (ii) DoF's consideration of other legal options to ensure a Budget for Northern Ireland for 2022-23 and thereafter (2023-25), in the absence of an Executive from now until the end of the current Assembly mandate on 27 March and the start of the new budget year on 1 April, and potential issues subsequently arising post-May Assembly election that could further impact budgetary considerations for Northern Ireland;
- (iii) Central government developments arising (directly and indirectly) from the United Kingdom's exit from the European Union (EU), which relate to public finance and the economy in Northern Ireland, for example, centrally administered EU replacement funding such as "fisheries" and "farming";
- (iv) No Executive agreement on DEB - only the Executive's agreement in December 2021 that the DoF could consult on it; and,
- (v) Now "paused" DEB public consultation, as directed by the MoF on 15 February, following his receipt of legal advice.

Using two sections, the Paper addresses the following:

1. Financing identified within DEB to be spent by departments in 2022-23; and,
2. Estimated departmental funding pressures for 2022-25.

Throughout, blue boxes provide potential issues meriting committee consideration.

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<sup>1</sup> [http://www.niassembly.gov.uk/globalassets/documents/official-reports/written-ministerial-statements/2021-2022/bv146\\_wms\\_dof\\_101221.pdf](http://www.niassembly.gov.uk/globalassets/documents/official-reports/written-ministerial-statements/2021-2022/bv146_wms_dof_101221.pdf)

<sup>2</sup> [Northern Ireland Draft Budget 2022-25](#)

## 1. Financing identified within DEB to be spent by departments in 2022-23

Table 1 below outlines the total financing identified by the MoF when compiling DEB, in light of the 2022-25 Spending Review period. That financing is broken down by: Resource Spending; Capital Spending; and, Financial Transactions Capital (FTC) Spending; as set out in the DEB document in December 2021:<sup>3</sup>

**Table 1: Total financing available to the NI Executive for spending review period 2022-25, as identified in DEB**

£ million	2022-23	2023-24	2024-25
<b>Resource Spending</b>	13571.4	13840.7	14034.9
<b>Capital Spending</b>	1991.0	2146.9	2063.1
<b>FTC Spending</b>	162.8	66.4	62.2

*Source: Draft Executive Budget 2022-25 Consultation Document*

DEB identified financing comprising:

- Funding provided by the UK Government – i.e. the Northern Ireland block grant; and,
- Other funding sources available to the Executive including: Regional rates income; borrowing; and, EU funding.

A few things worth repeating here: first, DEB was compiled by the MoF, relying on departmental bidding. The Executive then agreed in December 2021 to publicly consult on DEB, but it did not agree to DEB. Hence, there is no Executive agreed DEB.

Moreover, elements of the total financing identified within DEB are subject to change. Most notably, that change may arise from: the magnitude of borrowing over the noted Spending Review period; and, the level of Regional Rates income for 2023-24 and 2024-25, given the MoF's decision to freeze domestic and non-domestic Regional Rates, as agreed and enacted for 2022-23.

Following on here, sub-sections 1.2 and 1.3 present Resource DEL and Capital DEL identified in DEB at the departmental level.

### 1.2 DEB Resource DEL

The amount of Resource DEL identified in DEB for each department is detailed in Table 2 below; alongside the 2021-22 Budget allocation, by department. This information aims to aid comparative analysis provided after the Table:

<sup>3</sup> [http://www.niassembly.gov.uk/globalassets/documents/official-reports/written-ministerial-statements/2021-2022/bv144\\_wms\\_dof\\_021121.pdf](http://www.niassembly.gov.uk/globalassets/documents/official-reports/written-ministerial-statements/2021-2022/bv144_wms_dof_021121.pdf)

**Table 2: Resource DEL by department**

Department	2021-22 Budget Allocation	DEB 2022-25 - £ million		
	2021-22	2022-23	2023-24	2024-25
Agriculture, Environment and Rural Affairs	553.8	550.7	566.6	571.2
Communities	876.3	839.1	838.5	840.4
Economy	821.3	832.1	842.1	841.3
Education	2,345.1	2,431.2	2,471.2	2,503.2
Finance	172.1	168.5	172.1	174.1
Health	6,451.9	6,782.4	6,947.4	7,109.2
Infrastructure	429.9	443.8	448.2	450.4
Justice	1,125.3	1,117.6	1,128.7	1,122.0
The Executive Office	120.5	210.7	231.4	230.7
<b>Total*</b>	<b>13,001.5</b>	<b>13,483.7</b>	<b>13,753.8</b>	<b>13,951.5</b>

*\*Total includes all Departments*

*Source: Draft Executive Budget 2022-25 Consultation Document*

Table 2 above shows that total 2022-23 Resource DEL identified in DEB equates to £13,483.7 million (m). That is 4% higher than the total 2021-22 Resource DEL budget allocation in the 2021-22 Executive Budget. Moreover:

- Almost half of the Resource DEL within DEB was identified for expenditure by the Department of Health (DoH);
- A further 18% was for expenditure by the Department of Education (DE); and,
- A further 8% was identified for expenditure by the Department for Justice (DoJ).

The above reflects a proportional change of more than 0.5% between the 2021-22 Executive Budget allocation and 2022-23 Resource DEL identified in DEB for the following three departments:

- Department of Justice (DoJ; from 8.7% to 8.3% of total Resource DEL);
- Department for Communities (DfC; from 6.7% to 6.2% of total Resource DEL); and,
- The Executive Office (TEO; from 0.9% to 1.6%).

### 1.3 DEB Capital DEL

The amount of Capital DEL identified in DEB - for each department - is detailed in the Table 3 below; alongside the 2021-22 Budget allocation, by department. This information aims to aid comparative analysis provided after the Table:

**Table 3: Capital DEL by department**

Department	2021-22 Budget Allocation	DEB 2022-25 - £ million		
	2021-22	2022-23	2023-24	2024-25
Agriculture, Environment and Rural Affairs	95.5	101.2	116.0	109.8
Communities	224.8	214.1	231.5	185.3
Economy	89.8	187.2	196.6	198.1
Education	158.3	199.4	217.6	203.9
Finance	45.0	35.0	40.0	29.9
Health	326.5	349.9	369.8	368.3
Infrastructure	722.5	767.0	821.7	822.7
Justice	96.4	100.0	124.9	128.5
The Executive Office	15.3	15.0	15.0	15.0
<b>Total</b>	<b>1,781.0</b>	<b>1,976.0</b>	<b>2,136.8</b>	<b>2,063.1</b>

*\*Total includes all Departments*

*Source: Draft Executive Budget 2022-25 Consultation Document & Executive Budget 2021-22*

Table 3 above shows that the 2022-23 total Capital DEL identified in DEB for 2022-23 equates to £1,976.0m. That is 11% higher than the 2021-22 total Capital DEL budget allocation. Moreover:

- Approximately 40% of the Capital DEL identified in DEB was for expenditure by the Department of Infrastructure (DfI);
- A further 18% was for expenditure by the DoH; and,
- While 11% was identified for expenditure by the DfC.

The above reflects a proportional change of more than 1% between the 2021-22 Executive Budget allocation and 2022-23 Capital DEL identified in DEB for the following four departments:

- Department for the Economy (DfE; from 5.0% to 9.5% of total Capital DEL);
- DfC (from 12.6% to 10.8% of total Capital DEL);
- DfI (from 40.6% to 38.8%); and,
- Department of Education (DE; from 8.9% to 10.1%).

## 2. Estimated departmental funding pressures for 2022-25

Throughout December 2021 – February 2022, the nine departments provided their respective statutory Assembly committees with information relating to their estimated budgetary pressures for the 2022-25 Spending Review period. Those pressures, alongside statutory committees' areas of particular interest, as identified to RaISe in January – February 2022, are outlined in sub-sections 2.1 – 2.9 below, taking each department in turn. Included throughout is commentary intended to inform committees' consideration of budgetary matters for 2022-23 and beyond.

## 2.1 Department of Education

The amount of Resource DEL and Capital DEL identified in DEB for the DE is detailed in Table 4 below; alongside the 2021-22 Executive Budget allocation. That information is to aid comparative analysis:

**Table 4: Resource and Capital DEL by financial year – DE**

Department	DEL	2021-22 Budget Allocation	DEB 2022-25 - £ million		
		2021-22	2022-23	2023-24	2024-25
DE	Resource	2,345.1	2,431.2	2,471.2	2,503.2
	Capital	158.3	199.4	217.6	203.9
	<b>Total</b>	<b>2,503.4</b>	<b>2,630.6</b>	<b>2,688.8</b>	<b>2,707.1</b>

Source: Draft Executive Budget Consultation Document 2022-25 & Executive Budget 2021-22

Table 4 above shows that 2022-23 Resource DEL identified in DEB is almost 4% higher than the Resource DEL allocation presented in the 2021-22 Executive Budget. The DEB document highlights that the identified monies, totalling £207m are:

- To fund “Addressing Food Poverty: School Holiday Food Grant” (£22m); and,
- To be spent at the discretion of the Departmental Minister (£185m).

Given the identified 2% reduction in baseline Resource DEL, that translates to a net increase of £162m.

In response to enquiries made by the Public Finance Scrutiny Unit (PFSU) within RaISe’s Finance & Economics Research Team, the Committee for Education (CE) provided information on DE’s bids for Resource DEL submitted to DoF, assuming an indicative baseline of £2,269.6m. DE premised its bid on the following:<sup>4</sup>

*...taking into consideration only those pressures which are inescapable or pre-committed, the Department reported an estimated funding gap of £367.03m for 2022-23, with the gap increasing in subsequent years*

When considering the £162m Resource DEL identified in the DEB document for DE, the estimated funding gap for 2022-23 is reduced to £204.5m. The figures provided by DE are presented in Table 5 below:

<sup>4</sup> Letter to the Education Committee Clerk from DE – dated 17<sup>th</sup> November 2021

**Table 5: Estimated Resource DEL Funding Gap in DE**

Future Years Resource	2022-23 £m	2023-24 £m	2024-25 £m
<b>Baseline</b>	<b>2,269.6</b>	<b>2,269.6</b>	<b>2,269.6</b>
General Pressures	325.51	395.82	462.49
Covid-19 Pressures	8.64	0.83	0.77
NDNA	31.97	54.02	80.22
<b>DE identified funding gap</b>	<b>366.12</b>	<b>450.67</b>	<b>543.48</b>
<b>DEB identified Resource DEL</b>	<b>2,431.2</b>	<b>2,471.2</b>	<b>2,503.2</b>
<b>funding gap</b>	<b>204.52</b>	<b>249.07</b>	<b>309.88</b>

Source: Letter to Education Committee Clerk from DE

In addition, the CE provided information on bids made by DE for Capital DEL. Those capital funding bids included funding for:

- A major capital programme;
- A school enhancement programme;
- A youth programme; and,
- Other minor works and capital programmes.

The DE also provided the CE with a capital spend profile for four years, up to 2025-26, as shown in Table 6 below. The Table shows that for the 2022-23 financial year there is a variance of almost £60m between the total value of DE capital DEL bids, when compared against DEB identified Capital DEL:

**Table 6: DE Capital DEL bids against DEB identified Capital DEL**

Capital DEL	2022-23 £m	2023-24 £m	2024-25 £m	2025-26 £m
DE Capital DEL bid	257.69	340.42	301.86	266.50
DEB identified Capital DEL	199.4	217.6	203.9	N/A
<b>Variance</b>	<b>58.29</b>	<b>122.82</b>	<b>97.96</b>	<b>-</b>

Source: Letter to CE Clerk from DE

The PFSU requested the CE to highlight any key issues arising from the proposals contained with the DEB, which could impact the DE, if implemented. This sub-section draws on those CE replies received, as highlighted below.

At its meeting on 17 December 2021, members of the CE noted that the 2% identified reduction in Resource and Capital DEL was of concern.<sup>5</sup> The CE shared these concerns with the MoF, noting:<sup>6</sup>

*Members noted with concern proposals which, while supporting the response of the Health Service to the Covid-19 pandemic, would nonetheless cause a 2% reduction in real terms to the Education Budget. Members noted that not only was this in addition to sustained underinvestment in education and lower spending per pupil here than in neighbouring jurisdictions, but it imperilled implementation of the Fair Start report action plan, which urges investment in our young people as early as possible and in an intuitive range of ways.*

Subsequently, the CE provided the PFSU with four areas of particular interest, including:

- 1. Covid-19 safety and resourcing of schools for continuity in education** - CE members have repeatedly raised the issue of Covid-19 safety in schools, in particular the area of ventilation in schools. During a January 2022 meeting, DE officials were asked why the department had not made bids for such equipment. The DE replied:<sup>7</sup>

*The guidance still states that natural ventilation is the best approach, and that is the basis of most of the mitigations that are being taken forward across the schools' estate. As I said, the advice on that lack of efficacy of the mobile filtration units is still to be determined.*

- 2. Special Educational Needs (SEN) provision** - In response to CE questions regarding funding provision for children with SEN, the DE stated:<sup>8</sup>

*Future years are the problem, based on the extent of underfunding that is proposed in the draft Budget. It is a concern, which is the case right across our budgets.<sup>9</sup>*

- 3. Children and young people's emotional and mental health (including: access to the outdoors and early interventions for emotional regulation)** - When questioned on the availability of funding for the emotional health and well-being framework, the DE replied:<sup>10</sup>

*...this year, there is deemed to be enough to do what needs to be done at school level.*

However, in reference to the coming years, the DE officials continued:<sup>11</sup>

*...it is now just going to be wrapped up in the problems that we face with the draft Budget position, because we are going to have to be looking at scenario planning and what decisions will have to be made. There are significant challenges with the draft Budget position, so, like every other*

<sup>5</sup> Letter to the Minister of Finance from Education Committee (Ref 2022.04) – Dated 06/01/2022

<sup>6</sup> *ibid*

<sup>7</sup> <http://aims.niassembly.gov.uk/officialreport/minutesofevidencereport.aspx?AgendaId=30103&evidID=15175>

<sup>8</sup> *ibid*

<sup>9</sup> *ibid*

<sup>10</sup> *ibid*

<sup>11</sup> *ibid*



*budget, it is wrapped up in that and thought will have to be given to that. We will have to discuss it with the Minister in due course etc, all subject to what our final budget looks like, obviously, and we live in hope in that regard.*<sup>12</sup>

- 4. Issues surrounding equal opportunities in education (socioeconomic, including: underachievement; underachievement by young men (Fair Start); period poverty and its impact on attendance; morale and equal opportunity for young women; participation in STEM by young women; connecting through good careers advice; and, visible options after school) –** While this is a broad area, covering many facets, the following DEB identified Resource DEL is relevant here, i.e. “Addressing Food Poverty: School Holiday Food Grant” (£22m).<sup>13</sup>

**Potential issues for consideration:**

1. Would the Ministers of Finance and Education advise as to how the recent changes to Covid-19 Guidance impact on the need to commit funding to Covid-19 mitigations, if we are moving into a post-Covid Recovery Phase?

## 2.2 Department for the Economy

The amount of Resource DEL and Capital DEL identified DEB for 2022-25 for the DfE is detailed in Table 7 below; alongside the 2021-22 Executive Budget allocation. This information aims to aid comparative analysis:

**Table 7: Resource and Capital DEL by financial year – DfE**

Department	DEL	2021-22 Budget Allocation	DEB 2022-25- £ million		
		2021-22	2022-23	2023-24	2024-25
DfE	Resource	821.3	832.1	842.1	841.3
	Capital	89.8	187.2	196.6	198.1
	<b>Total</b>	<b>911.1</b>	<b>1,019.3</b>	<b>1,038.7</b>	<b>1,039.4</b>

*Source: Draft Executive Budget Consultation Document 2022-25 & Executive Budget 2021-22*

Table 7 shows that 2022-23 Resource DEL identified in DEB for DfE is approximately 1% higher than the Resource DEL allocation presented in the 2021-22 Executive Budget. The DEB document highlights that the identified monies, totalling £31m are:

- To fund *Previous Executive Commitments* (£4m); and,
- To be spent at the discretion of the Departmental Minister (£27m).

Given the identified 2% reduction in baseline Resource DEL, that translates to a net increase of £14m.

The PFSU contacted the Committee for the Economy (CEc), enquiring as to key issues arising from the proposals contained in DEB that could impact the DfE, if implemented. This sub-section draws on CEc replies received, as highlighted below.

<sup>12</sup> ibid

<sup>13</sup> [Draft Executive Budget 2022-25](#) Pg.67

During a recent committee meeting, it was noted that roughly three-quarters of DfE's budget is spent on Education and Skills – an area where cuts are most likely to be made.<sup>14</sup>

The headline figures provided in DEB for DfE state:

- 2% Baseline Reduction Each Year = Cut of £16.4m per annum;
- Actual Additional Funding = **£10.6m, £21.3m & £20.3m** over each year of the budget;
- Loss of £65m EU funding per annum = **£40 million reduction** in funding for key DfE Services;
- **Inescapable Pressures of £78m 2022/23, £109m 2023/24 & £125m 2024/25;**
- **56% reduction in Conventional Capital by 2024/25; and,**
- 73% of DfE Baseline = Impact on Education and Skills.

In addition, DEB noted that Northern Ireland already rates poorly on key skills and innovation indicators.

The CEc took particular interest in the savings modelling summary provided by the DfE to CEc on 7 January 2022, which identified areas where savings could be made. Table 8 below outlines that modelling:

**Table 8: Summary of Savings Modelling**

Modelled Options	2022/23 £m	2023/24 £m	2024/25 £m	Total £m
Reduction in Higher Education Student Places (6,328 FTE)	30.0	30.0	30.0	<b>90.0</b>
59% Increase in Student Fees from Sept'24	-	-	63.0	<b>63.0</b>
50% Reduction in Apprentices and Cease all Higher-Level Apprentices	-	-	6.0	<b>6.0</b>
Cessation of Student Support Grant	51.0	51.0	51.0	<b>153.0</b>
Cessation of Educational Maintenance Allowance	15.0	15.0	15.0	<b>45.0</b>
Cease New Business Invest NI In 2021/22	6.0	19.0	39.0	<b>64.0</b>
<b>Total Modelled Options</b>	<b>102.0</b>	<b>115.0</b>	<b>204.0</b>	<b>421.0</b>

Source: CEc correspondence with RaiSe

The modelled cuts have not yet been decided on by the MoF. However, if implemented, they would have a considerable negative impact on the development of the economy here, including: cuts to apprenticeships; caps on university students; and, the raising of university tuition fees. All those were noted concerns of CEc Members. The noted cuts, combined with the cessation of Education Maintenance Allowance (EMA), would have a particularly detrimental impact on disadvantaged young people's access to Further Education (FE) and Higher Education (HE).

If the 2% baseline reduction goes forward, the DfE conclude that many businesses and the livelihoods of families across Northern Ireland would be materially worse off. They would be left without adequate funding in areas such as:

<sup>14</sup> Presentation sent by Economy Committee Clerk – received 24/01/2022

- Structural weaknesses In Skills and Education would increase;
- Skills gaps between Northern Ireland and the rest of the UK would significantly increase;
- Northern Ireland Skills Gap would increase between socio-economic groups, barriers increasing;
- Increases would arise in the numbers of those “Not in Employment, Education or Training” (NEETs);
- Huge financial stress would be place on HE institutions;
- Wider implications across departments in Northern Ireland – such as Department of Health (DoH), DfC and DoJ – would arise, as life outcomes for young people would change dramatically;
- Reduced level of Invest NI support for investment opportunities for NI would result.

In addition, the DfE identified a series of current and future challenges arising from the DEB including:

- **The challenges are pre and post pandemic – risk of scarring;**
- **Low skills base and low level of investment in skills to support economy;**
- **Loss of EU Structural Fund; and,**
- **Resourcing.**

Additionally, the DfE noted that opportunities may be foregone as a result of above, across the Department’s four current strategies that aim to grow the NI economy – i.e.:

- **10X Economic Vision;**
- **Skills Strategy;**
- **Energy Strategy – Green Growth; and,**
- **Tourism Strategy.**

From the point of view of the CEc, members also were extremely concerned by the potential cessation of new business at Invest NI. Again, that would have an adverse impact on the development of the local economy.<sup>15</sup>

Additionally, Committee members expressed great concern about the impact of the loss of EU Structural Funds, which led to the modelled savings already highlighted above, and could impact on the ability to provide match-funding to allow drawdown of available EU funding. That would have the added impact of throwing service provision for programmes in the most disadvantaged communities back on the DfE at a time when it has the least ability to provide budget.<sup>16</sup>

<sup>15</sup> Email received by PSFU from Economy Committee Clerk – 24/01/2022

<sup>16</sup> *ibid*

Members further expressed concern that DEB would draw into question funding for the newly published Energy Strategy Action Plan, as well as the upcoming Skills Strategy, with a “knock-on” impact on the review of FE and HE and the development of the 14-19 Strategy with DE.<sup>17</sup>

**Potential issues for consideration:**

2. What is the DfE’s plan in relation to match-funding for 2022-25, and thereafter until 2024-25, to replace the loss of EU funding?
3. Has the DfE commissioned any research to capture the medium to long-term impacts of the potential future reductions in H/FE institutions and Invest NI as result of decreased budget for those areas?
4. What consideration has the DfE given to the number of students who could choose not to go to third level education, if fees are increased subsequent to DEB?
5. How has the above consideration – if any - been factored into the potential projected savings for the public purse?

## 2.3 Department of Agriculture, Environment and Rural Affairs

The amount of Resource DEL and Capital DEL identified in DEB for 2022-25 for the Department of Agriculture, Environment and Rural Affairs (DAERA) is detailed in Table 9; alongside the 2021-22 Executive Budget allocation. This information aims to aid comparative analysis:

**Table 9: Resource and Capital DEL by financial year – DAERA**

Department	DEL	2021-22 Budget Allocation	DEB 2022-25- £ million		
		2021-22	2022-23	2023-24	2024-25
DAERA	Resource	553.8	550.7	566.6	571.2
	Capital	95.5	101.2	116.0	109.8
	<b>Total</b>	<b>649.3</b>	<b>651.9</b>	<b>682.6</b>	<b>681.0</b>

*Source: Draft Executive Budget 2022-25 Consultation Document & Executive Budget 2021-22*

Table 9 shows that 2022-23 Resource DEL identified in DEB is marginally lower than the Resource DEL allocation presented in the 2021-22 Executive Budget. The DEB document highlights that the identified monies, totalling £15m are to be spent at the discretion of the Minister. Given the identified 2% reduction in baseline Resource DEL, that translates to a net increase of £11m.

The PFSU contacted the Committee for Agriculture, Environment and Rural Affairs (CAERA), enquiring about key issues arising from the proposals contained with the DEB that would impact DAERA, if implemented. This sub-section draws on CEc replies received, as highlighted below.

The CAERA identified a number of anticipated pressures, as a result of the Resource DEL and Capital DEL allocations in the DEB, compared to the DAERA spending proposals that the Department shared with the Committee. In the case of resource pressures, the Committee compared the DAERA submitted bids, “totalling an additional

<sup>17</sup> ibid

£224.3m over the course of the next three financial years”, with DEB, which “indicatively allocated only £50.7m (23%)”.<sup>18</sup>

The CAERA identified eight concerns arising from DEB:

**1. Concern over the long-term facilitation of funding for direct farm payments**

**following Brexit** - The UK Government has committed to providing resource until the end of the current parliamentary period (previously came from EU funding), but there is no certainty after that. DEB states:<sup>19</sup>

- 2022-23: £312.8m
- 2023-24: £327.2m
- 2024-25: £329.4m

**2. Concern over resourcing of Rural Development Programmes in the years**

**ahead** – Similar to the above, that funding came from EU historically comprising approximately £80m per annum.

The DAERA responded to the Committee concerns in this area, as follows:<sup>20</sup>

*The Department is developing a Rural Policy Framework (RPF) for NI in consultation with key rural stakeholders. The RPF will form the basis of the Rural Business and Communities Investment Programme which will ultimately replace the EU Rural Development Programme.*

Additionally:<sup>21</sup>

*Projects funded under the Rural Development Programme (RDP) 2014-2020 will continue to receive funding for the lifetime of the project. The European Commission has advised that commitments can be made under the 2014–2020 RDP up until 2023 and receive EU funding until 31 December 2023 or until EU funds are exhausted. Therefore, DAERA still aims to claim EU match funding in relation to these schemes.*

**3. Concern over the sufficiency of funding to deliver the Green Growth/Climate**

**Change agenda** – The DAERA has informed the CAERA that the departmental bid is £600m for this purpose. However, that figure was based on a 5-year period.<sup>22</sup> In the DEB, £304m appears to have been identified for 2022-25, for Green Growth, in which the DAERA receives £137.2m. Indeed, while the DAERA is to lead the Green Growth agenda in the Executive, the £304m is to be split between the DAERA and the DfI, with more funding available to the DfI than the DAERA in the first two years of 2022-25, as shown in Table 10 below:

<sup>18</sup> Department for Agriculture, Environment and Rural Affairs 2022-25 Multi-Year Budget Proposals Committee for Agriculture, Environment and Rural Affairs Report – Sent to PFSU 16/02/2022

<sup>19</sup> Email received from Committee Clerk – 15/12/2021

<sup>20</sup> Annex A – Further Details on Draft Budget 2022-25 proposals for DAERA – DAERA Evidence to Committee – 27/01/2022

<sup>21</sup> ibid

<sup>22</sup> <http://aims.niassembly.gov.uk/officialreport/minutesofevidencereport.aspx?AgendaId=30290&evidID=15267>

**Table 10: Green Growth Allocations**

Green Growth funding proposals	2022-23 £m	2023-24 £m	2024-25 £m
DAERA	36.6	47.5	53.1
DfI	80.2	53.6	33.4
<b>Total</b>	<b>116.8</b>	<b>101.1</b>	<b>86.5</b>

Source: CAERA correspondence with RalSe

However, DAERA officials confirmed that:<sup>23</sup>

*It has been possible to increase that by an additional £8 million in each of the latter two years through EU funding, bringing it up to £48.0 million, £65.9 million and £61.1 million, which totals £175 million.*

The CAERA are therefore concerned about the potential consequence of receiving almost half the specified DAERA bid amount to meet future Green Growth and to address the climate change agenda. In response to the consequences of not receiving the £600m bid for, the officials explained:<sup>24</sup>

*...the proposed funding is less than that, but the Budget period is for only the next three years, which is less than the longer green growth period, and we anticipate that there will be further increased funding beyond 2025.*

Moreover, the CAERA identified that:<sup>25</sup>

***New monies are needed for extensive capital redevelopment plan of the three local fisheries harbours comprising a total of £120m or so – no avenue has been identified as yet for this.*** [emphasis added]

Within DEB, local fisheries harbours receive funding of only £1m in the final year of the 2022-25 period. In response, the DAERA stated that:<sup>26</sup>

*Detailed preparation work will be taken forward over the next three years with the significant Capital expenditure due to be incurred after the current Budget period.*<sup>27</sup>

**4. Concern over the costs associated with facilitating EU Exit** - In its report on DEB, the CAERA stated:<sup>28</sup>

*DAERA sought a total of approx. £33m over the course of the Draft Budget period in order to facilitate the appointment of additional staff to carry out Sanitary and Phytosanitary (SPS) checks on goods imported to local Ports of Entry (PoE) from Great Britain. However, only £1m per annum has been allocated which represents a significant shortfall and raises fundamental questions about the provision of resources to enable*

<sup>23</sup> <http://data.niassembly.gov.uk/HansardXml/committee-30290.pdf>

<sup>24</sup> *ibid*

<sup>25</sup> Department for Agriculture, Environment and Rural Affairs 2022-25 Multi-Year Budget Proposals Committee for Agriculture, Environment and Rural Affairs Report – Sent to PFSU 16/02/2022

<sup>26</sup> Annex A – Further Details on Draft Budget 2022-25 proposals for DAERA – DAERA Evidence to Committee – 27/01/2022

<sup>27</sup> Annex A – Further Details on Draft Budget 2022-25 proposals for DAERA – DAERA Evidence to Committee – 27/01/2022

<sup>28</sup> Department for Agriculture, Environment and Rural Affairs 2022-25 Multi-Year Budget Proposals Committee for Agriculture, Environment and Rural Affairs Report – Sent to PFSU 16/02/2022

*DAERA to carry out its responsibilities as outlined in the Ireland/Northern Ireland Protocol...*

The Committee concluded that “it is imperative that DAERA has the appropriate human, and physical, resources in place to discharge these duties”.

**5. Concern over significant reductions in Revenue and Capital funding in DEB –**

If implemented, those reductions would be likely to hamper the implementation of key initiatives, such as:

1. Development of projects and policies to support the cross-cutting Green Growth Strategy;
2. Policy implementation in respect of Climate Change and environmental health;
3. Continuation of projects to mitigate poverty and social isolation in rural areas; and,
4. Modernisation of DAERA’s Scientific and Research Infrastructure.

**6. Concern over the DAERA’s potential inability to meet legislative and regulatory requirements**

**7. Concern over uncertainties regarding EU replacement funding**

**8. Concern over Green Growth Funding in relation to DEB and potential challenges arising to continue the Farm Business Improvement Scheme, if DEB implemented.**

**Potential issues for consideration:**

6. In the DAERA’s assessment, what impact would be anticipated to arise if it did not receive its Green Growth funding bid – in terms of Northern Ireland achieving its Climate change/decarbonisation targets?

## 2.4 Department of Health

The amount of Resource DEL and Capital DEL identified within the DEB, for the DoH is detailed in Table 11 below; alongside the 2021-22 Executive Budget allocation. This information aims to aid comparative analysis:

**Table 11: Resource and Capital DEL by financial year – DoH**

Department	DEL	2021-22 Budget Allocation	DEB 2022-25- £ million		
		2021-22	2022-23	2023-24	2024-25
DoH	Resource	6,451.9	6,782.4	6,947.4	7,109.2
	Capital	326.5	349.9	369.8	368.3
	<b>Total</b>	<b>6,778.4</b>	<b>7,132.3</b>	<b>7,317.2</b>	<b>7,477.5</b>

Source: Draft Executive Budget 2022-25 Consultation Document & Executive Budget 2021-22

Table 11 shows that 2022-23 Resource DEL identified within the DEB is more than 5% higher than the Resource DEL allocation presented in the 2021-22 Executive Budget.

The DEB document identifies Resource DEL of £664m to be spent at the discretion of the Minister. In addition, the Secretary of State confirmed £49m of Transformation Resource DEL funding is to be made available under the New Decade, New Approach political agreement, in each year of the 2022-25 Spending Review period. The DEB identifies a total increase of £713m of 2022-23 Resource DEL funding. The DoH report a total 2022-23 Resource DEL forecast expenditure of £7,557.9m. That equates to a potential shortfall of £775.5m, when considering the £6,782.4m 2022-23 Resource DEL identified in DEB.

In response to DEB, the DoH stated:<sup>29</sup>

*While the proposed additional funding seems significant it actually represents a drop in funding overall in both 2022/23 and 2023/24 compared to our 2021/22 October monitoring position... there is only an increase in our current funding position when we reach 2024/25.*

When referring to its 2021-22 final Executive Budget allocation, the DoH noted:<sup>30</sup>

*Practically all the additional funding Health has received for 2021/22 has been non-recurrent and this is necessarily being spent on recurrent commitments such as Transformation, Pay Awards and Covid Response which will all need to continue into 2022/23.*

Recurrent and non-recurrent funding are clearly defined in the DoH's Elective Care Framework as follows:<sup>31</sup>

*Recurrent funding is required, for example, when recruiting additional staff into the health service. Non-recurrent funding, conversely, is funding that is made available for a specific, time-limited purpose, or which may be made available within the budget period due to underspend elsewhere.*

That Framework further highlighted an important caveat in relation to non-recurrent funding:<sup>32</sup>

*...non-recurrent funding cannot be used to invest in staff or services as there is no guarantee that it will be available after the budget cycle comes to an end.*

Thereafter, the Framework stated:<sup>33</sup>

*It also clear that if the system only receives short-term, non-recurrent investment, we will continue to rely on purchasing additional activity rather than investing in long term improvements.*

The PFSU requested that the Committee for Health (CfH) highlight any key issues arising from DEB, which could impact the DoH. Subsequently, the CfH provided the PFSU with the following four areas of particular interest:

1. **Waiting lists** – The DoH report mentioned previously indicated that the investment required to reduce waiting lists can be split into two distinct funding

<sup>29</sup> <https://www.health-ni.gov.uk/sites/default/files/consultations/health/doh-draft-budget-22-25-EIA.pdf>

<sup>30</sup> Ibid

<sup>31</sup> <https://www.health-ni.gov.uk/sites/default/files/publications/health/doh-elective-care-framework-restart-recovery-redesign.pdf>

page 42

<sup>32</sup> Ibid

<sup>33</sup> Ibid



streams – backlog reduction and closing the capacity gap. Details of the funding estimates required to do that also were included - totalling £707.5m over 5 years. That comprises: £475m on backlog reduction; and, £232.5m on incrementally increasing the capacity gap. Over time, the DoH envisages that recurrent investment will allow the amount of non-recurrent funding to reduce.

DEB identified 2022-23 Resource DEL, to be spent on: *Elective Care* (£91.5m).<sup>34</sup>

More information on the issues relating to waiting lists can be found in a recent RaSe paper - entitled “The unhealthy state of hospital waiting lists: What we know, don't know, and need to know”<sup>35</sup> (published December 2021).

- 2. The transformation agenda** – As previously mentioned, the Northern Ireland Secretary of State confirmed £49m of Transformation Resource DEL funding is to be available under the New Decade, New Approach political agreement in each year of the 2022-25 Spending Review period.

Moreover, the DoH noted that NDNA Transformation funding was allocated non-recurrently in 2021-22; and if allocated in 2022-23, it would be sufficient only to sustain projects at their current 2021-22 spending levels.

- 3. Workforce planning – recruitment, retention and pay** – The DoH identified new inescapable pressures of £208.2m in 2022-23 in relation to Pay and Non-Pay. Those are summarised in Table 12 below:

**Table 12: Pay and Non-Pay Pressures - DfH**

Pay and Non-Pay Pressures	£m		
	2022-23	2023-24	2024-25
Agenda for Change pay inflation	92.8	190.5	293.7
Agency Staff and Medical Locums	8.5	17.2	26.1
Salaried Staff and Medical Locums	21.8	45.1	69.9
Family Health Service Staff	14.7	29.9	45.6
National Living Wage Uplift	28.3	60.4	88.6
Apprenticeship Levy at 0.5% on pay inflation and HSC National Living Wage	0.7	1.4	2.1
Non-Pay Inflation estimated at 2%	41.4	83.3	125.9
<b>Total</b>	<b>208.2</b>	<b>427.8</b>	<b>651.9</b>

Source: CfH correspondence with RaSe

- 4. Covid-19 recovery** - The full cost of the Covid-19 response in 2022-23 and beyond is uncertain at this time. The DoH therefore have assumed that it is likely that the funding required in 2022-23 will be at similar levels as 2021-22. It is then anticipated that the funding required will gradually scale down in each of the following years; however, this may not be the case. For example, should Personal Protective Equipment (PPE) usage continue indefinitely at current levels, there would be an annual cost currently estimated to be in the region of £175m.

<sup>34</sup> Draft Executive Budget 2022-25 Page 67

<sup>35</sup> <http://www.niassembly.gov.uk/assembly-business/research-and-information-service-raise/research-publications/research-publications-2021/>

## 2.5 The Executive Office

The amount of Resource DEL and Capital DEL identified DEB for 2022-25 TEO is detailed in Table 13 below; alongside the 2021-22 Executive Budget allocation. That information aims to aid comparative analysis:

**Table 13: Resource and Capital DEL by financial year – TEO**

Department	DEL	2021-22 Budget Allocation	DEB 2022-25- £ million		
		2021-22	2022-23	2023-24	2024-25
TEO	Resource	120.5	210.7	231.4	230.7
	Capital	15.3	15.0	15.0	15.0
	<b>Total</b>	<b>135.8</b>	<b>225.7</b>	<b>246.4</b>	<b>245.7</b>

*Source: Draft Executive Budget 2022-25 Consultation Document & Executive Budget 2021-22*

Table 13 shows that 2022-23 Resource DEL identified in DEB is 75% higher than the Resource DEL allocation presented in the 2021-22 Executive Budget. However, due to the relatively small size of the TEO budget, in monetary terms that equates to a difference of only £90m. It should be noted, however, that the 2021-22 Executive Budget allocation of £120.5m was almost double TEO's opening budget position for Resource DEL at the beginning of the 2021-22 financial year. These variances are due to the nature of TEO's responsibilities – that is, it tends to end up with short notice projects throughout the financial year. Such projects require the administration of money that does not necessarily appear in the initial budget, and is usually non-recurring. The DEB document identifies £126.2m of Resource DEL for TEO, to be spent on: Historical Institutional Abuse redress payments; Victims' Payments Scheme; and, the Truth Recovery Programme.

TEO highlighted to the PFSU the following four areas of particular interest:

- 1. Victims payments** – This comes from central funds, but it is a departmental responsibility and a concern for the Committee for TEO (CTEO).
- 2. Project Management** - TEO is typically expected to undertake projects at short notice. That involves setting up project teams etc. The CTEO is concerned that there may not always be enough capacity to do so.
- 3. Strategic Investments** - TEO has responsibility for a number of strategic investments. Concerns are more about delays than what is in the budget, or lack of consensus. For example, the Maze Long Kesh site costs over £1m annually to maintain, but development has been held up because of disagreement over the prison site.
- 4. Sustainability of projects funded under certain programmes** – These include programmes/projects relating to: good relations; Communities in Transition and, others. In that regard, the CTEO recognised potential additional flexibilities if DEB was to be multi-year.

## 2.6 Department for Infrastructure

The amount of Resource DEL and Capital DEL identified in the DEB for 2022-25 for the Dfl is detailed in Table 14 below; alongside the 2021-22 Executive Budget allocation. This information aims to aid comparative analysis:

**Table 14: Resource and Capital DEL by financial year – Dfl**

Department	DEL	2021-22 Budget Allocation	DEB 2022-25- £ million		
		2021-22	2022-23	2023-24	2024-25
Dfl	Resource	429.9	443.8	448.2	450.4
	Capital	722.5	767.0	821.7	822.7
	<b>Total</b>	<b>1,152.4</b>	<b>1,210.8</b>	<b>1,269.9</b>	<b>1,273.1</b>

Source: Draft Executive Budget 2022-25 Consultation Document & Executive Budget 2021-22

Table 14 above shows that 2022-23 Resource DEL identified in DEB is 3.2% higher than the Resource DEL allocation presented in the 2021-22 Budget. In 2023-24, it is 4.3% higher, and in 2024-25 it is 4.8% higher.

The PFSU contacted the Committee for Infrastructure (Cfl), enquiring about key issues arising from DEB that would impact the Dfl. Subsequently, the Cfl provided the PFSU with the following three areas of particular interest to the Committee:

- 1. Resource funding amount considerably less than Dfl bid** - This is shown in Table 15 below. Here, it should be noted that the Cfl previously heard that the Dfl cannot spend its Capital Budget without adequate Resource budget to support the Capital Budget, as noted by the Minister in her appearance before the committee on 19 January 2022.<sup>36</sup>

**Table 15: Difference between required and proposed Resource allocation- Dfl**

Resource Funding (£m)	2022-23	2023-24	2024-25
Roll Forward Baseline	420.7	420.7	420.7
Inescapable Pressures	117	92.5	103.2
Total Resource Requirement	537.7	513.2	523.9
Total Resource Proposed (Budget)	443.8	448.2	450.4
<b>Difference Between Required and Proposed</b>	<b>-103.9</b>	<b>-65.0</b>	<b>73.5</b>

Source: Cfl correspondence with RalSe

- 2. Capital funding amount (excluding City Deals) considerably less than Dfl bid** – That presents similar issue as in the case of Resource (noted above at 1). That decrease is shown in Table 16 below:

**Table 16: Difference between required and proposed Capital allocation - Dfl**

Capital (£m)	2022-23	2023-24	2024-25
Dfl Bid	787.3	1,017.7	1,403.6
Dfl Proposed Allocation	767.0	821.7	822.7
<b>Difference Between Bid and Proposed</b>	<b>-20.3</b>	<b>-196.0</b>	<b>-580.9</b>

Source: Cfl correspondence with RalSe

<sup>36</sup> <http://aims.niassembly.gov.uk/officialreport/minutesofevidencereport.aspx?AgendaId=30145&evidID=15128>

The Dfl bid for Indicative Capital Requirements (excluding City Deals) is broken down in the below Table 17:

**Table 17: Breakdown of capital requirements - Dfl**

Priority (£m)	2022-23	2023-24	2024-25
Flagship	70.6	140.4	264.1
Inescapable	475.6	512	616.3
Pre-committed	62.6	27.9	45.5
High Priority	178.5	337.4	477.7
<b>Total</b>	<b>787.3</b>	<b>1,017.7</b>	<b>1,403.6</b>

Source: Cfl correspondence with RalSe

According to the Cfl officials, the Dfl stated:<sup>37</sup>

*Year 3 of the draft capital budget allocations, in particular, presents a significant funding gap based on the Department's indicative capital requirements submitted, where there would be insufficient funding to address Flagship, inescapable and pre-committed schemes in total. This will require prioritisation of schemes over the budget period, which could result in the delay of some schemes into later years.*

- 3. Adequacy of Translink and NI Water funding** - The Cfl stated that is also concerned about funding provision in DEB for both Translink and NI Water. However, the detail is not yet available to respond substantively on these concerns.

In its response to the CfF regarding the DEB 2022-25,<sup>38</sup> the Cfl stated that it:

*... recognises the challenges presented to the Executive by the competing priorities and pressures across departments for the provision of public services. Due to the COVID-19 pandemic these pressures have been exacerbated in the past two years. This has especially been the case in respect of priority areas such as Health, Education and the Economy.*

The Cfl also stated that key policy areas that the Committee will wish to see prioritised and progressed during the Budget period include:

- NI Water – water infrastructure and provision of safe drinking water and environmentally sound waste water treatment;
- Long-term investment in affordable and sustainable public transport;
- Active travel initiatives;
- Improvements to enhance road safety;
- Timely road maintenance, improvement and adoptions; and,
- Key road and rail infrastructure projects.

<sup>37</sup> Cfl correspondence with RalSe

<sup>38</sup> Dated Wednesday 9 February 2022.

## 2.7 Department for Communities

The amount of Resource DEL and Capital DEL identified in DEB for 2022-25 for the DfC is detailed in Table 18 below; alongside the 2021-22 Executive Budget allocation. That information aims to aid comparative analysis:

**Table18: Resource and Capital DEL by financial year – DfC**

Department	DEL	2021-22 Budget Allocation	DEB 2022-25- £ million		
		2021-22	2022-23	2023-24	2024-25
DfC	Resource	876.3	839.1	838.5	840.4
	Capital	224.8	214.1	231.5	185.3
	<b>Total</b>	<b>1,101.1</b>	<b>1,053.2</b>	<b>1,070.0</b>	<b>1,025.7</b>

*Source: Draft Executive Budget 2022-25 Consultation Document & Executive Budget 2021-22*

Table 18 shows that 2022-25 Resource DEL identified in DEB is lower across all three years relative to the DEL allocation presented in the 2021-22 Executive Budget. It is: 4.2% lower in 2022-23; 4.3% lower in 2023-24; and, 4.1% lower in 2024-25.

The PFSU contacted the Committee for Communities (CfC), enquiring about key issues arising from DEB, which would impact the DfC. Subsequently, the CfC provided the PFSU with the following.

On 1 December 2021, the DfC wrote to the CfC, providing an update in relation to the latest Departmental position regarding DEB 2022-25. In this letter, the DfC stated that its bids were developed in line with the four Covid-19 Recovery Strategy Pillars endorsed by the Executive:

- Sustainable Economic Growth;
- Green Growth and Sustainability;
- Tackling Inequalities; and,
- Health of population.

The DfC noted that it had submitted significant Resource bids which reflected Covid Recovery pressures and New Decade New Approach political commitments in future years. These were in addition to the pressures faced in order to maintain existing baseline services. Resource bids submitted by the DfC are outlined below in Table 19.

**Table 19: Resource bids – DfC**

Priority	Bid title – description	2022-23	2023-24	2024-25
		£'000	£'000	£'000
1	Covid-19 Benefit Delivery Response	44,522	44,384	44,844
2	NIHE - Homelessness	14,381	14,048	15,362
3	NDNA Existing Mitigations	41,480	42,960	44,034
4	Covid-19 Labour Market Interventions	12,047	5,847	3,333
5	NDNA Special Rules Terminal Illness (SRTI)	2,710	2,720	2,725
6	NDNA Child Funeral Fund	755	810	870
7	Housing Revitalisation	4,450	6,830	22,000
8	Pay & Price & Additional Employer NIC for Department & ALB's	9,412	12,505	15,446
9	Employment Practices (CED & VCD)	1,500	1,600	1,700
10	Covid-19 IT Assist Laptop Charges	1,296	1,239	1,391
11	Culture Arts and Heritage	21,000	25,500	27,000
12	Delivery of Strategy for Sport & Physical Activity & FIFA World Cup 2030	2,371	2,373	2,375
13	Community Sector Recovery Fund	3,000	3,000	3,000
14	Housing Climate Change	1,351	1,401	1,453
15	NIHE - Supporting People	5,164	8,029	10,851
16	NDNA Commitment Delivery	4,215	4,615	4,384
17	North/South Language Bodies	1,000	1,000	1,000
18	Festival 2022 (UnbOxed)	2,550	-	-
19	Building Safety Bill	272	300	330
20	NIHE Research & Fundamental Review of Allocation	1,832	2,179	83
21	Review of Liquor licensing	500	500	500
22	CCNI Strategic Reform	500	500	500
23	Appeals Tribunal Service	647	647	647
24	Libraries & Museums	4,800	6,900	6,900
25	NDNA 2 Child Policy	57,700	57,700	57,500
26	NDNA New Mitigations (excl. 2 child policy & SRTI)	73,750	147,500	147,500
27	Central Translation Hub For The Public Sector	340	340	340
28	Local Government statutory Grants	1,812	2,622	3,432
	<b>Total bids</b>	<b>315,357</b>	<b>397,149</b>	<b>419,700</b>

Source: Letter from DfC to CfC, 1 December 2021.

In terms of the Capital budget; departments were asked by the DoF to highlight any contractual or otherwise inescapable commitments, with other bids, which are considered high priority or desirable, then being ranked in priority order. The above-mentioned letter from the DfC to the CfC notes that, in order to reflect the wide remit of the DfC business areas and following a discussion with the DoF, it was agreed that the DfC could present its bids using groupings by business area, rather than ranked at departmental level. These bids are outlined in Table 20 below:

**Table 20: Capital bids – DfC**

Priority	2022-23	2023-24	2024-25
	£'000	£'000	£'000
Inescapable	126,394	116,046	102,297
Flagship	7,000	60,000	66,200
Pre-Committed	16,664	17,975	10,000
High priority	182,433	195,284	291,807
Desirable	16,000	18,989	11,253
FTC	52,061	57,386	61,270
Receipts	-67,099	-65,386	-61,197
<b>Total bids</b>	<b>333,453</b>	<b>400,294</b>	<b>482,080</b>

Source: Letter from DfC to CfC, 1 December 2021.

## 2.8 Department of Justice

The amount of Resource DEL and Capital DEL identified in DEB for 2022-23 for the DoJ is detailed in Table 21 below; alongside the 2021-22 Executive Budget allocation. This information aims to aid comparative analysis:

**Table 21: Resource and Capital DEL by financial year – DoJ**

Department	DEL	2021-22 Budget Allocation	DEB 2022-25- £ million		
		2021-22	2022-23	2023-24	2024-25
DoJ	Resource	1,152.3	1,117.6	1,128.7	1,122.0
	Capital	96.4	100.0	124.9	128.5
	<b>Total</b>	<b>1,248.7</b>	<b>1,217.6</b>	<b>1,253.6</b>	<b>1,250.5</b>

Source: Draft Executive Budget 2022-25 Consultation Document & Executive Budget 2021-22

Table 21 shows that 2022-25 Resource DEL identified in DEB is lower across all three years relative to the DEL allocation presented in the 2021-22 Executive Budget. It is: 3% lower in 2022-23; 2% lower in 2023-24; and, 2.6% lower in 2024-25.

The Committee for Justice (CfJ) stated that the four top areas of concern arising from DEB were:

1. **Police Service for Northern Ireland (PSNI)** – accounting for a large percentage of the overall DoJ identified funding in DEB;
2. **Transformation programme** – amount of identified funding to move towards prevention and the contribution to/impact on wider society;
3. **Probation Board** – amount of identified funding for resourcing and operational requirements and public protection; and,
4. **Resourcing legislation passed or currently going through** – potential issues arising from the Domestic Abuse and Civil Proceedings Bill, stalking, new offences in the Justice (Sexual Offences and Trafficking Victims) Bill and work to speed up the Justice System in relation to, for example, the Committal Reform Bill.

The DoJ “Draft Budget 2022-25 Consequences Document”<sup>39</sup> (the Consequences Document) states that:

*It is worth highlighting that while Barnett consequentialia are unhypothecated and may therefore be spent at the NI Executive’s discretion, the Department’s Draft Resource Budget for 2022-25 is in stark contrast to the recognition in England of the need to invest in justice services with £2bn allocated in the recent budget.*

*The NI Executive 2022-25 Draft Budget seeks to prioritise health. However, support for good mental and physical health of people and communities is not delivered by the Department of Health alone: the substantial contribution of policing and justice and our partners, such as social workers in courts, police as first responders to harm, and early intervention to address complex issues such as addiction and mental health should not be overlooked. Significant*

<sup>39</sup> Shared with RalSe on 25 January 2022

*numbers of people in the justice system are also the biggest users of the health service*

Referencing the 2% reduction that would be required by DEB, if implemented, to provide additional funding to health, the Consequences Document states that:

*A 2% reduction is simply not achievable from the Justice Budget without significant impact to frontline services, in Police, Prisons, Courts and Legal Services [...] The Draft Resource Budget 2022-25 for the DoJ is not just difficult, it is damaging to the justice system.*

## 2.9 Department of Finance

The amount of 2022-25 Resource DEL and Capital DEL identified in DEB for the DoF is detailed in Table 22 below; alongside the 2021-22 Executive Budget allocation. That information aims to aid comparative analysis:

**Table 22: Resource and Capital DEL by financial year – DoF**

Department	DEL	2021-22 Budget Allocation	DEB 2022-25- £ million		
		2021-22	2022-23	2023-24	2024-25
DoF	Resource	172.1	168.5	172.1	174.1
	Capital	45.0	35.0	40.0	29.9
	<b>Total</b>	<b>217.1</b>	<b>203.5</b>	<b>212.1</b>	<b>204.0</b>

*Source: Draft Executive Budget 2022-25 Consultation Document & Executive Budget 2021-22*

Table 22 shows that Resource DEL identified within the DEB for 2022-23 is marginally lower than the Resource DEL allocation presented in the 2021-22 Executive Budget. Given the relatively small size of the DoF budget, in monetary terms, this equates to a difference of only £3.6m.

In correspondence shared with RaiSe, The Committee for Finance (CfF) reported the following four headline issues arising from DEB in relation to DoF:

**1. Expected variation in staff costs:** Land and Property Services (LPS) – LPS will no longer be supporting Covid-19 support schemes, and instead support Reval 2023; and, the Northern Ireland Research and Statistics Agency (NISRA) - as the bulk of Census 2021 work will have concluded in the early 2022-25 period.

**2. Unfunded pressures during 2022-25 for Reval 2023** – These amount to £4.9m in 2022-23, then £5.3m and £1.6m in the following years. These pressures will be managed through in-year vacancy management and the roll-out of the employee relations programme which will allow line managers more authority to make decisions and thus reducing the need for centrally provided HR services.

**3. Capital Projects** – These include: LPS Nova system; Integ8; NI Digital Contact Centre; and, NICS estate management changes.

**4. No identified provision for further Covid-19 support for business** – With the exception of the business rates holiday for the first 3 months of 2022-23, additional



Covid-19 support programmes may represent a further pressure in terms of grants to be paid, and staffing in LPS to deliver the support.