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Executive Budget 2024-25: Allocations

Paper 2 of 3-part Series

Public Finance Scrutiny Unit

This Briefing Paper aims to facilitate Members of the Legislative Assembly (MLAs) in Northern Ireland Assembly committees and plenaries, when considering the Northern Ireland Executive Budget 2024-25.

This information is provided to MLAs in support of their 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 Briefing Paper is the second in a three-part series that addresses Executive Budget 2024-25 (Budget 2024-25) – its formulation and approval – with the aim of supporting Members of the Legislative Assembly (MLAs) when working in Northern Ireland Assembly committees and plenaries.

Ultimately, the series aims to increase openness and transparency in budgetary/public finance matters in Northern Ireland, which in turn seeks to increase Executive and departmental accountability *via* Assembly plenaries and committees. The series, however, is unavoidably limited by the extent to which departmental information and data are accessible – including data accessibility in terms of timeliness, level of granularity, consistent format presentation and accompanying rationales clearly articulating underlying reasons for decisions taken.

The series is premised on good budgetary practice identified by the Organisation of Economic Development and Cooperation (OECD); while also recognising the challenging circumstances in which Budget 2024-25 has been formulated and is considered, and ultimately approved by the Assembly. It follows on from the resumption of devolved governance in Northern Ireland in early February 2024.

Section 1 highlights what has been happening in terms of the Executive Budget and Programme for Government (PfG), since recent resumption of fully functioning devolved government in Northern Ireland in early February 2024.

Thereafter, sections 2 and 3 respectively outline the overall funding available to the Executive for both its Resource and Capital budgets, followed by departmental allocations for each, including allocations relating to earmarked funding.

1 Executive Budget 2024-25 – Formulation and Approval Stages in the Annual Budget Cycle

In mid-February 2024, following the resumption of fully functioning devolution in Northern Ireland earlier that month, the Executive has been working to a compressed timetable - as highlighted in sub-section 1.1 of this Paper - to formulate and agree an Executive Budget 2024-25. That work has been undertaken in the absence of an Executive agreed Programme for Government; though work to develop one is underway and a number of Executive Priorities have been shared with the Assembly to date, as recently explained in Assembly plenary sessions - see sub-section 1.2 below. It commenced the first stage in its Budget 2024-25 cycle – the Formulation stage – as explained in sub-sections 1.3 – 1.4 below.

1.1 Awaited Executive PfG

On 2 May 2024, the response to an Assembly Written Question to the First Minister and deputy First Minister stated¹:

Work to develop a Programme for Government is moving forward quickly. The Executive is agreed on priorities, including: childcare; reducing hospital waiting lists; tackling violence against women and girls; Special Educational Needs; housing; developing a globally competitive economy; and Reform and Transformation of public services.

We will move at pace to agree a programme and bring it before the Assembly for scrutiny and approval. We will keep Members updated as progress continues.

Thereafter, during the 13 May 2024 Assembly plenary, the Deputy First Minister stated²:

¹ <https://aims.niassembly.gov.uk/questions/printquestionssummary.aspx?docid=400152>

²

<https://aims.niassembly.gov.uk/officialreport/reportssearchresultsreport.aspx?&eveDate=2024/05/13&rlid=400576&hwclID=4366186&m=0&c=0&p=0&s=1&mv=0&o=0&ov=0&cv=1&pv=0&sv=26&mi=All>

My colleague mentioned a range of issues for prioritisation, and I welcome the fact that he recognised that five priorities were set, including special educational needs, health waiting lists, settling the public-sector pay claims and the action on Lough Neagh, which I did not mention, but the Executive agreed to put aside an additional just under £2 million for immediate actions on Lough Neagh this year.

Despite the absence of a PfG announcing all agreed Executive Priorities for the 2024-25 financial year, the Executive agreed a draft Budget on 25 April 2024, followed by the Finance Minister's announcement in the Assembly that same day, using a Written Ministerial Statement³. Since that time, until the time of writing this Paper, Assembly statutory committees have engaged with their respective departments – to lesser or greater extents – about their proposed allocations, and the Audit Committee having done same with the Northern Ireland Audit Office (NIAO), the Northern Ireland Assembly Commission (NIAC), and the Northern Ireland Public Services Ombudsman (NIPSO).

An Assembly debate on the Draft Executive Budget now is scheduled for the plenary on 28 May 2024.

1.2 Executive Budget 2024-25 Timetable – Formulation and Approval Stages in the Annual Budget Cycle

Despite the absence of a PfG announcing all agreed Executive Priorities for the 2024-25 financial year, the Executive agreed a draft Budget on 25 April 2024, followed by the Finance Minister's announcement in the Assembly that same day, using a Written Ministerial Statement⁴. Since that time, until the time of writing this Paper, Assembly statutory committees have engaged with their

[%20Members&pi=All%20Parties&si=2023-2024&k=SKwoS9B3q26klz9NnkUGgA==&fd=&td=&pg=1&pm=0&per=1#4366186](#)

³ <https://www.niassembly.gov.uk/globalassets/documents/official-reports/written-ministerial-statements/2022---2027/written-ministerial-statement---department-of-finance---public-expenditure-budget-2024-25.pdf>

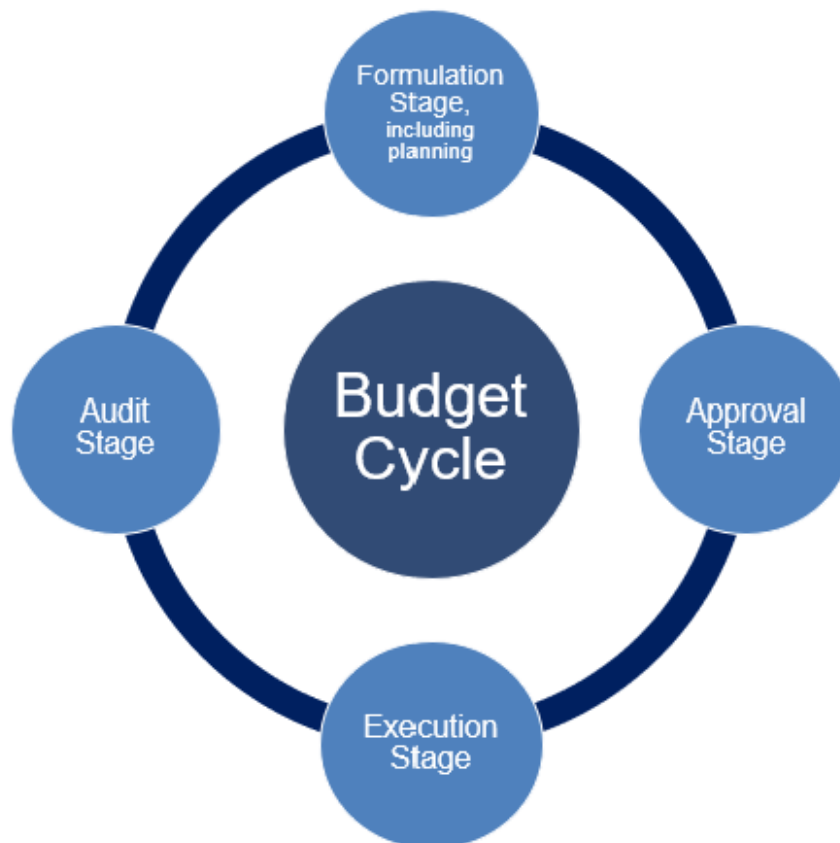
⁴ <https://www.niassembly.gov.uk/globalassets/documents/official-reports/written-ministerial-statements/2022---2027/written-ministerial-statement---department-of-finance---public-expenditure-budget-2024-25.pdf>

respective departments – to varying extents, mostly limited – about their proposed allocations – see sub-section 1.3. Moreover, the Audit Committee has engaged with NIAO, NIAC, and NIPSO – see sub-section 1.4

An Assembly debate on the Draft Executive Budget now is scheduled for the plenary on 28 May 2024, when the Assembly is to debate and vote on the Budget approval motion.

Figure 1 provides an overview of the annual budget cycle, including its key stages:

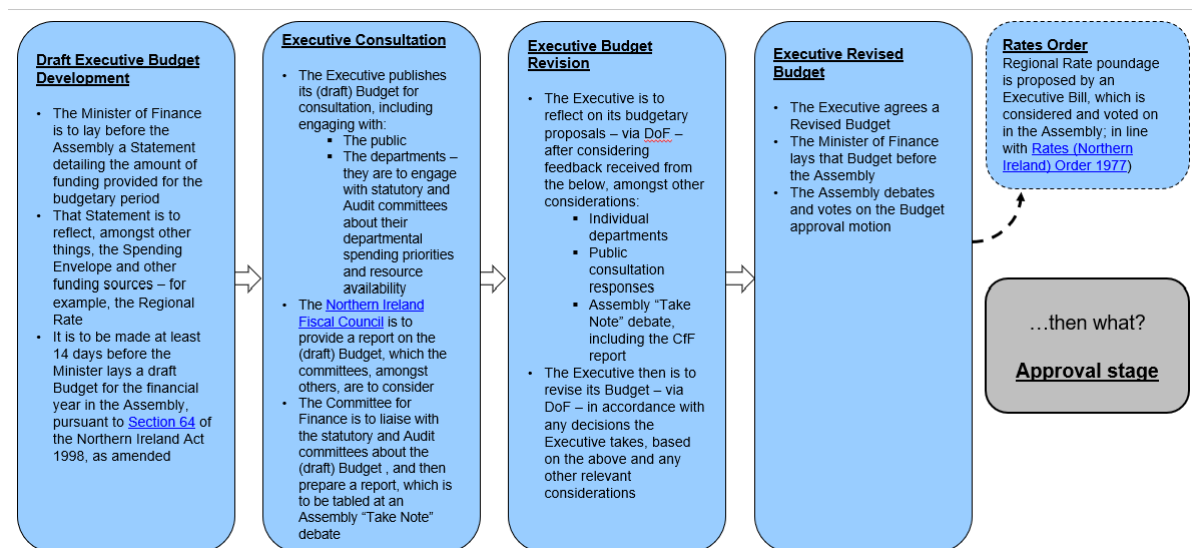
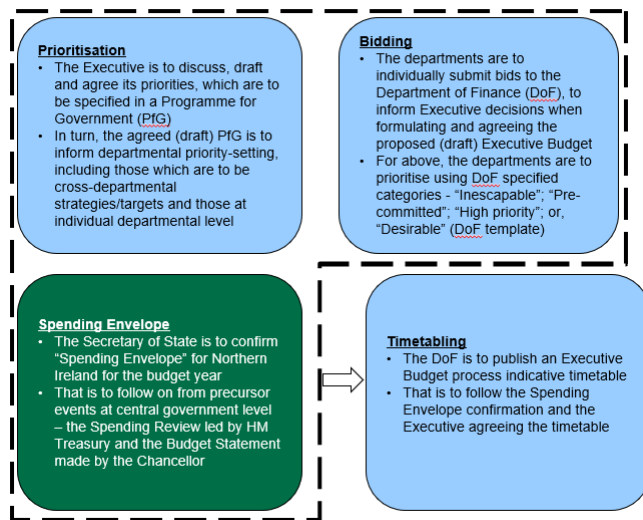
Figure 1: Budget Cycle



Source: RaISe PFSU Public Finance Scrutiny Workshop Series: [Module 1: Northern Ireland Executive Budget Cycle: explaining key concepts to support Assembly scrutiny](#)

Figure 2 highlights what typically is to occur during the Formulation stage:

Figure 2: Formulation Stage of Budget Cycle



Source: [RaISe PFSU Public Finance Scrutiny Workshop Series: Module 3: Spending Plans and Supply Estimates Process: supporting Assembly scrutiny during Formulation and Approval stages of Budget cycle](#)

Given devolved governance only resumed in early February, Table 1 below highlights the compressed timetable for Executive Budget 2024-25, in particular the Formulation and Approval stages in the annual budget cycle:

Table 1: Compressed Timetable for Executive Budget 2024-25

Budget Cycle Stage	Date
Formulation	<p>18 February 2024: DoF bidding exercise with all Executive departments; Finance Minister met with Ministerial colleagues</p> <p>25 April 2024: Finance Minister outlined her proposals to Executive and Executive agreed Draft Executive Budget 2024-25</p>
Approval	<p>28 May 2024: Assembly debate and vote on Motion to approve Executive Budget 2024-25</p>

Source: RalSe 2024

1.3 Formulation Stage: DoF Departmental Bidding Exercise

On 18 February 2024, on the Executive's behalf, the DoF commissioned a bidding exercise to engage with all Executive departments and capture information to inform Budget 2024-25. Departments were required to submit the following "bids" to DoF, using DoF issued templates that sought the following information:

- Resource requirements over and above a departmental "baseline"⁵ allocation;
- Capital requirements; and,
- Information on His Majesty's Treasury (HMT) earmarked funding outside of the departmental baseline.

⁵ Departmental resource budgets are set on an incremental basis – that is, they are substantially based on the previous year's budget, with additions and reductions applied as appropriate. The baseline for each department is set by taking the previous year's budget and adjusting it for certain factors including time-bound allocations. It is not equivalent to the previous year's budget position⁵. A department then is required to submit bids for resource requirements over and above its departmental baseline allocation.

The baseline position for Resource was reported to be a “flat-cash” position from 2023-24 – meaning departments are to receive broadly similar levels of “cash” as they did at the beginning of the previous financial year. In line with previous budget exercises, the Capital baseline had been reset to zero.

As highlighted at Figure 3 below, the DoF template entitled “Template Two: Resource DEL Bids” was to capture each departmental Non Ring-fenced Resource DEL bid. Responses were to identify the bid “title”, “description” and amount of funding required above the department’s “baseline”. Therein, departments also were asked to specify the following: if the particular bid would be funded from the recent United Kingdom Government Financial Settlement⁶ monies; and, whether the bid is “scalable”. Departments also were to rank the bid, using the specified numerical “priority ranking”, with 1 as the highest priority. They also were to set out any potential Section 75 considerations for each bid:

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https://assets.publishing.service.gov.uk/media/65eb2c043649a255a7ed63a5/UK_Government_Funding_Streams_Summary_Financial_Settlement_Annex_.pdf

Figure 3: DoF issued “Template Two: Resource DEL Bids” - Non-ring-fenced

Template Two: Resource DEL Bids

Priority Ranking:

DEPARTMENT	
TITLE	

£000s

	2024-25
Funding required above baseline	
Included in £708m funding from financial package – Annex A (Y/N)	
Scalable (Y/N)	

Description

Template Two: Resource DEL Bids Template

Under S75, will measure potentially impact upon:	Y/N
Persons of different religious beliefs	
Persons of different political opinion	
Persons of different racial group	
Persons of a different age	
Persons of a different marital status	
Persons of a different sexual orientation	
Men and women generally	
Persons with a disability and persons without	
Persons with dependants and persons without	

Potential Equality Impact

Source: DoF 2024

Illustrated at Figure 4 below, DoF issued the template entitled “Template Seven: Capital DEL Bids/Receipts”, which captured Capital DEL bids, including those concerning Financial Transactions Capital (FTC). Therein, departments were to identify a bid “title”, “priority” ranking – that is, “*Earmarked; Inescapable*”, “*Pre-Committed*”, “*High Priority*”, and, “*Desirable*” - defined in DoF guidance⁷, and outlined in sub-section 3.3 of this Paper. The departments also were to select a “category” – namely: “*Flagship*”, “*Green Growth*”, “*Transformation*”, “*City Deals*”, “*Complementary Fund*”, “*New Decade New Approach*”, or, “*Fresh Start*”. (More detail about bid prioritisation and categories are provided at sub-section 3.3 of this Paper.)

⁷ <https://www.finance-ni.gov.uk/sites/default/files/publications/dfp/CED%202023-24%20In-Year%20Monitoring%20of%20Public%20Expenditure%20-%20Guidelines%20-%20ACC.pdf> Annex B

Moreover, the template asked departments to specify the following: “Business Area”; Type of funding – “Conventional”, “FTC”, or “Receipts”; Any “Contractual Commitment”, including: the date the contract was signed; whether there had been a contractual commitment in 2023-24 and previous years; the amount of funding required in 2024-25; and, the total amount of funding required post 2024-25. Departments also were to rank each bid, using a specified numerical “priority ranking”, with 1 at the highest priority; and to provide a “narrative to include support of ranking assessment” (an underlying rationale). In addition, they were to specify any potential Section 75 considerations for each bid:

Figure 4: DoF issued “Template Seven: Capital DEL Bids/Receipts”

Dept	Priority	Rank	Category	Title of Bid	BUSINESS AREA	Conventional or Financial Transactions Capital (FTC) or Receipt	Contractual Commitment	If Yes	Tail from 2023-24 and previous years	2024-25	Total Commitment post 2024-25	Narrative to include support of ranking assessment.	Narrative on Potential Equality Impact
		(1,2,...)		(40 characters)			Yes/No	Date contract signed	Yes/No	£000s	£000s		

Source: DoF 2024

Notes:

Priority includes: Earmarked; Inescapable; Pre-Committed; High Priority; and, Desirable
 Category includes: Flagship; Green Growth; Transformation; City Deals; Complementary Fund; NDNA; and Fresh Start

Following DoF’s receipt of department’s completed templates, its Bidding Exercise continued, with the Finance Minister holding a series of bilateral meetings with all Ministerial colleagues, to inform her paper for the Executive outlining her proposals for Executive Budget 2024-25. Thereafter, in April 2024, the Executive considered her paper and approved the Draft Executive Budget.

MLAs may wish to note that RalSe’s Public Finance Scrutiny Unit sought to undertake an analysis of all the completed departmental bid templates, seeking to secure them from:

- The departments indirectly, via the Assembly’s individual statutory committees; and,
- The DoF via the Assembly’s Committee for Finance.

However, such analysis was not possible for the following reasons:

- The Assembly's individual statutory committees were not all in receipt of their departments' completed templates or some did not receive all the department's completed templates. Moreover, at the time of writing this Paper, a number of Assembly statutory committees had not received Budget 2024-25 briefings from their respective departmental officials. In many cases, evidence sessions have been scheduled for early June 2024, after Budget 2024-25 will have been debated by the Assembly at its forthcoming plenary on 28 May 2024; and,
- The Assembly's Committee for Finance received a DoF summary of all departmental bids, but not all completed departmental templates.

Nonetheless, later in this Paper, at sub-sections 2.3 and 3.3, there is some analysis of the summary information DoF shared with the Assembly's Committee for Finance.

1.4 Formulation Stage: Independent Non-Ministerial Bodies

The Assembly's Audit Committee (a standing committee) scrutinises and agrees the budgets and estimates of the Northern Ireland Audit Office (NIAO) and the Northern Ireland Public Services Ombudsman (NIPSO). It also lays the estimates for these bodies before the Assembly.

In addition, the Audit Committee undertakes scrutiny of the budget for the Northern Ireland Assembly Commission (NIAC). It fulfils these roles and responsibilities in place of the DoF, in recognition of the independence of the NIAO, NIPSO and NIAC.

The previous Audit Committee agreed a number of protocols for agreeing budgets and estimates of the three non-Ministerial bodies – as outlined in its legacy report⁸. Given the compressed timetable for formulating Budget 2024-25, and given that draft budgets for NIAO, NIPSO and NIAC must be done in

⁸ <https://www.niassembly.gov.uk/assembly-business/committees/2017-2022/audit-committee/report-on-draft-budgets-2022-25/appendix-1/>

advance of the Executive departments, the process for budget setting this financial year varied from normal practice. The Audit Committee therefore received written and oral evidence from each noted body, and ultimately agreed fully with the bids from all three bodies, with no changes recommended.

2 Resource Budget

This section outlines the Northern Ireland Executive's Resource Budget for 2024-25:

2.1 Northern Ireland Budgets 2021-22 to 2024-25 – Available Funding

2.2 Resource Budget 2024-25 – Earmarked Funding

2.3 Resource Budget 2024-25 – Departmental Allocations

2.1 Northern Ireland Budgets 2021-22 to 2024-25 – Available Funding

The Executive's Resource Budget comprises a Block Grant from His Majesty's Treasury (HMT), and income from Regional Rates. Table 2 outlines the Executive's Resource Budget between 2021-22 and 2024-25. It shows that the Block Grant has increased year-on-year from £12.5 billion in 2021-22, to £14.5 billion in 2024-25.

The Block Grant available to the Executive for the 2024-25 Resource Budget is **£14.5 billion**. This is supplemented by a forecasted Regional Rates income of **£698.2 million**, providing a total 2024-25 Resource Budget of **£15.2 billion**.

This represents a **6.7%** increase on the total Resource Budget available at the beginning of the 2023-24 financial year, as set out in the Secretary of State's (SoS) Budget for Northern Ireland:

Table 2: Resource Budget 2021-22 to 2024-25

£ million	Budget 21-22	DEB 22-23 ¹	SoS Budget 22-23 ²	SoS Budget 23-24	Budget 24-25
Block Grant	12,484.9	12,994.2	13,386.7	13,634.3	14,548.3
Regional Rates Income	580.1	577.2	603.8	649.6	698.2
HMT Reserve Claim	-		331.7	-	
Total	13,065.0	13,571.4	14,322.2	14,283.9	15,246.5

Sources: [Northern Ireland Budget 2021-22](#); [Northern Ireland Draft Budget 2022-25](#); [Northern Ireland Budget 2022-23](#); [Northern Ireland Budget 2023-24](#); [Written Ministerial Statement 25 April 2024](#)

Notes:

1,2 The Northern Ireland Executive published a Draft Executive Budget in February 2022; it was never agreed – these numbers have been included for comparison reasons only. Northern Ireland's Secretary of State set the Northern Ireland Budget 22-23 in November 2022 – by this time in the financial year the position had changed significantly and year-on-year comparisons are of less use.

2.2 Resource Budget 2024-25 – Earmarked Funding

Not all Non Ring-fenced Resource DEL (RDEL) is available for allocation to departments as some is “earmarked” for specific priorities. Funding can be earmarked by HMT or by the Executive. In the financial year 2024-25, **£402.5 million** of RDEL has been earmarked by HMT, and a further **£350.8 million** has been earmarked by the Executive for specific priorities. These projects receive specific earmarked funding which means the funding must be used for these projects or returned to HMT or the Executive. **£14.4 billion** of RDEL remains available for allocation to the departments.

Table 3 below outlines RDEL that has been earmarked by HMT. It includes information on the origin of each priority and the corresponding 2024-25 allocation:

Table 3: HMT Earmarked Non Ring-fenced Resource DEL

Funding	Announcement	2024-25 Allocation £ million	Department
Farm Support Payments	Spending Review 2020 (December 2020)	329.4	DAERA
Fisheries Payments	Spending Review 2020 (December 2020)	3.1	DAERA

Security Funding	Spending Round 2013 (June 2013)	31.2	DOJ
Tackling Paramilitary Funding	Spending Review 2021 (October 2021)	4.8	DOJ
Health and Social Care Waiting Lists	Financial Settlement between UK Government and the Northern Ireland Executive (February 2024)	34.0	DOH
Total		402.5	

Source: RalSe relying on [Written Ministerial Statement – 25 April 2024](#) and HM Treasury Spending Review publications

Tables 4 and 5 below provide information on RDEL that has been earmarked by the Executive for specific priorities, including the 2024-25 allocations:

Table 4: Executive Earmarked Non Ring-fenced Resource DEL – Previous Commitments

Funding	2024-25 Allocation £ million	Department
HIA, Victims, Truth Recovery	100.0	TEO
Welfare Reform Mitigations	45.0	DFC
Rates Rebate (Housing Benefit)	124.2	DFC/DOF
EU Peace Match Funding	6.8	Various
Tackling Paramilitary Activity Match Funding	8.0	DOJ
Total	284.0	

Source: RalSe relying on [Written Ministerial Statement – 25 April 2024](#)

Table 5: Additional Executive Earmarked Non Ring-fenced Resource DEL

Funding	2024-25 Allocation £ million	Department
Increase in the De-rating Grant	9.9	DFC
Office of Building Safety	1.6	DFC
Graduate Entry Medical School	13.4	DOH/DFE
Integr8 and Nova	16.9	DoF
Childcare Strategy	25.0	Centrally Held
Total	66.8	

Source: RalSe relying on [Written Ministerial Statement – 25 April 2024](#)

2.3 Resource Budget 2024-25 – Departmental Allocations

Table 6 below provides information on the overall composition of the 2024-25 proposed departmental allocations, including comparisons with the 2023-24 Secretary of State's Budget, as well as the 2023- 24 Provisional Outturn. It shows that:

- Department of Health (DoH) - 51.2% - majority of the available Non Ring-fenced Resource DEL
- Department of Education (DE) - 19.0%
- Department of Justice (DoJ) - 8.3%
- Department for Communities (DfC) - 5.6%
- Department for the Economy (DfE) - 5.1%
- Department for Agriculture, Environment and Rural Affairs (DAERA) - 3.8%
- Department for Infrastructure (DfI) - 3.7%
- Department of Finance (DoF) - approximately 1%
- The Executive Office - approximately 1%

These figures are all broadly similar to the 2023-24 Provisional Outturn. Table 6 below also outlines any variances between the 2023-24 Secretary of State's

Budget and the 2024-25 Budget, as well as variances between the 2023-24 Provisional Outturn and the 2024-25 Budget.

In monetary terms, the following observations are made:

- DoH is to receive £458.9 million more in the 2024-25 Budget than it did in the 2023-24 Budget. However, when comparisons are made with the 2023-24 Provisional Outturn, DoH is to receive £182.9 million less than it spent last year.
- DE and DoJ are to receive £297.9 million and £105.8 million more than they did in the 2023-24 Budget. However, when compared with the 2023-24 Provisional Outturn, the variances are minimal at -£3.9 million and £4.0 million respectively – meaning they are in a better starting position than DoH, and some of the other departments are to receive much less than they spent last year:

Table 6: Resource Allocations by Department

£ million	SoS Budget 2023-24	%	Provisional Outturn 2023-24	%	Budget 2024-45	%	Change between 2023-24 Budget and 2024-25 Budget		Change between 2023-24 Provisional Outturn and 2024-25 Budget	
							£	%	£	%
DAERA	579.8	4.1	600.7	3.9	577.3	3.8	-2.5	-0.4	-23.4	-3.9
DFC	861.6	6.1	869.9	5.6	856.0	5.6	-5.6	-0.7	-13.9	-1.6
DFE	772.0	5.4	793.9	5.2	766.6	5.1	-5.4	-0.7	-27.3	-3.4
DE	2,576.5	18.1	2,878.3	18.7	2,874.4	19.0	297.9	11.6	-3.9	-0.1
DOF	147.5	1.0	180.4	1.2	208.1	1.4	60.6	41.1	27.7	15.3
DOH	7,300.9	51.4	7,942.7	51.5	7,759.8	51.2	458.9	6.3	-182.9	-2.3
DFI	523.4	3.7	618.0	4.0	559.5	3.7	36.1	6.9	-58.5	-9.5
DOJ	1,156.7	8.1	1,258.4	8.2	1,262.5	8.3	105.8	9.1	4.1	0.3
TEO	181.8	1.3	156.7	1.0	183.2	1.2	1.4	0.7	26.5	16.9
FSA	15.5	0.1	14.9	0.1	11.9	0.1	-3.6	-23.4	-3.0	-20.3
NIA	47.6	0.3	42.5	0.3	54.5	0.4	6.9	14.5	12.0	28.2
NIAO	8.4	0.1	8.3	0.1	10.2	0.1	1.8	20.8	1.9	22.3
NIAUR	0.1	0.0	0.1	0.0	0.3	0.0	0.2	150.0	0.2	180.4
NIPSO	3.9	0.0	3.9	0.0	4.4	0.0	0.5	13.0	0.5	13.2
PPS	36.2	0.3	39.4	0.3	39.4	0.3	3.2	8.9	0.0	0.0
Total	14,212.0		15,408.2		15,168.1		956.1	6.7	-240.1	-1.6

Sources: [Northern Ireland Budget 2023-24](#); DoF Provisional Forecast Outturn 2023-24; [Written Ministerial Statement 25 April 2024](#)

2.3.1 Departmental Bids

Departmental resource budgets are set on an incremental basis – that is, they are substantially based on the previous year’s budget, with additions and reductions applied as appropriate. The baseline for each department is set by taking the previous year’s budget and adjusting it for certain factors including time-bound allocations. It is not equivalent to the previous year’s budget position⁹. A department then is required to submit bids for resource requirements over and above its departmental baseline allocation.

DoF received **112** departmental bids for all departments (excluding The Executive Office) totalling **£3,168.8 million** for resource funding.

As would be expected in this type of bid exercise, from the information currently available to RaISe-PFSU, there appeared to be a varied approach in the departmental responses received. For example, some departments submitted multiple smaller bids with greater levels of detail; while other departments grouped bids together, submitting bids for much larger values, with much less detail.

Moreover, it should be noted that RaISe-PFSU did not receive TEO bidding information. However, TEO received £183.2 million in Resource funding, of which £100 million was Earmarked, as shown in Table 6.

Nonetheless, what can be observed from the currently available bid information made available to RaISe-PFSU, is the following:

- DoH bid for the largest amount of resource funding, of £1,292.9 million, across 9 bids
- DE bid for £910.0 million, across 13 bids
- DoJ bid for £446.1 million, across 20 bids
- DoH had the highest single bid of £555.5 million for *Inescapable Pressures (Trust Deficits, Waiting List Initiatives, Legal Commitments)*. Moreover, DoH submitted bids of £306.0 million and £155.5 million for

⁹ <https://www.finance-ni.gov.uk/sites/default/files/publications/dfp/Final%20Budget%202021-22%20document%2021.04.21%20-%20accessible.pdf>

Pay 23-24 and Pay 24-25, despite DoF asking departments to manage pay pressures from within their baselines

Table 7 below provides information on the percentage of successful bids by department. On average, 30% of bids were successful. Table 7 shows departmental successful bid rate; and it can be seen that the following were most successful:

- DoH - 36.5%
- DE - 32.7%
- DfI - 25.2%:

Table 7: Percentage of Successful Bids by Department, excluding TEO

£ million	Baseline	Allocation (excluding earmarked)	Bids	Successful Bids	%
DOH	7,244.0	7,716.0	1,292.9	472.0	36.5
DE	2,576.0	2,873.8	910.0	297.8	32.7
DOJ	1,123.0	1,218.4	446.1	95.4	21.4
DFI	520.0	559.5	156.6	39.5	25.2
DFC	702.0	714.7	130.4	12.7	9.7
DFE	742.0	761.1	103.6	19.1	18.4
DAERA	229.0	243.8	95.8	14.8	15.4
DOF	149.0	150.1	25.9	1.1	4.3

Source: DoF Bidding documents

3 Capital Budget

This section outlines the Northern Ireland Executive's Capital Budget for 2024-25:

3.1 Northern Ireland Budgets 2021-22 to 2024-25 – Available Funding

3.2 Capital Budget 2024-25 – Earmarked Funding

3.3 Capital Budget 2024-25 – Departmental Allocations

3.1 Northern Ireland Budgets 2021-22 to 2024-25 – Available Funding

The Executive's Capital Budget comprises a Block Grant from HMT, funding from the Irish Government, as well as funding generated through the use of the Executive's borrowing facility. Table 8 below outlines the Executive's Capital Budget between 2021-22 and 2024-25.

The Block Grant available to the Executive for the 2024-25 Capital Budget is **£1.8 billion**. The Executive plans to utilise **£220 million** of its borrowing facility, and anticipates a **£88.5 million** funding stream from the Irish Government in 2024-25. Altogether that provides a total Capital Budget of **£2.1 billion**; representing a reduction of 6.8% in capital investment, when compared to that planned at the beginning of the 2023-24 financial year, as set out in the SoS Budget 2023-24:

Table 8: Capital Budget 2021-22 to 2024-25

£ million	Budget 21-22	DEB 22-23 ¹	SoS Budget 22-23 ²	SoS Budget 23-24	Budget 24-25
Block Grant	1,605.1	1,843.6	1,854.2	2,040.3	1,778.9
RRI borrowing	170.0	140.0	200.0	200.0	220.0
ROI funding	6.0	7.4	-	-	88.5
Total	1,781.1	1,991.0	2,054.2	2,240.3	2,087.4

Sources: [Northern Ireland Budget 2021-22](#); [Northern Ireland Draft Budget 2022-25](#); [Northern Ireland Budget 2022-23](#); [Northern Ireland Budget 2023-24](#); [Written Ministerial Statement 25 April 2024](#)

Notes:

1,2 The Northern Ireland Executive published a Draft Executive Budget in February 2022; it was never agreed – these numbers have been included for comparison reasons only. Northern Ireland's Secretary of State set the Northern Ireland Budget 22-23 in November 2022 – by this time in the financial year the position had changed significantly and year-on-year comparisons are of less use.

3.2 Capital Budget 2024-25 – Earmarked Funding

£238.2 million has been earmarked by the Executive for a number of high priority capital projects, and **£88.5 million** of Irish Government funding is to fund an additional Executive high priority capital project. These projects receive specific earmarked funding, which means the funding must be used for the

specified projects or returned to the Executive¹⁰. **£1,822.9 million** remains available for allocation to the departments.

It should be noted that RaiSe-PFSU did not receive TEO bidding information. However, TEO received £0.5 million in Earmarked Capital funding as shown in Table 9 below.

In this context, it also should be noted that in 2015, the Executive identified seven Flagship projects as its highest priority projects¹¹:

- A5
- A6
- Belfast Rapid Transport
- Belfast Transport Hub
- Fire and Rescue Learning Development Centre
- Mother and Children's Hospital
- Regional and sub-regional stadia

To date, only one of the seven Flagship projects, the Belfast Rapid Transit project, has been fully completed. The status of each of the flagship projects is summarised in the Northern Ireland Audit Office's (NIAO) Major Capital Projects: Follow-up Report¹². £181.5 million has been allocated across five Executive flagship projects in the Executive Budget 2024-25, as shown in Table 9 below. The remaining Executive Flagship project, the A5, is to receive £88.5 million in the 2024-25 financial year from the Irish Government as part of its Shared Island Initiative¹³. In addition to its Flagship projects, the Executive has earmarked Capital DEL funding for: City and Growth Deals, including Complementary Funds; Strule Shared Education Campus; Peace Plus Match

¹⁰ <https://www.finance-ni.gov.uk/sites/default/files/publications/dfp/Final%20Budget%202021-22%20document%2021.04.21%20-%20accessible.pdf>

¹¹ <https://www.niassembly.gov.uk/assembly-business/official-report/written-ministerial-statements-2011-2016/departments-of-finance-and-personnel--budget-2016-17/>

¹² <https://www.niauditoffice.gov.uk/files/niauditoffice/documents/2024-02/NI%20Audit%20Office%20Report%20-%20Major%20Capital%20Projects%20-%28follow-up%29.pdf>

¹³ <https://www.gov.ie/en/campaigns/c3417-shared-island/>

Funding; and, HIA/Victims/Truth Recovery. These allocations are shown in Table 9:

Table 9: Executive Earmarked Capital DEL

Funding	2024-25 Allocation £ million	Department
A6* and Belfast Transport Hub*	85.6	DFI
Mother and Children's Hospital*	77.0	DOH
Sub-Regional Stadia Programme and Casement Park*	15.0	DFC
Fire and Rescue Learning Development Centre*	3.9	DOH
Strule Shared Education Campus ¹	20.0	DE
HIA/Victims/Truth Recovery	0.5	TEO
City/Growth Deals ²	23.2	DFC/DFE/DFI
Peace Plus Match Funding	8.0	DFC/DFI
Complementary Funds ³	5.0	DAERA/DFC/DFE
Total	238.2	

Source: RaISe relying on [Written Ministerial Statement – 25 April 2024](#)

Notes:

*Executive Flagship Project

1 The status of the Strule Shared Education Campus is summarised in the NIAO report noted above.

2,3: City and Growth Deals are a package of funding between government and local authorities, aimed at helping to harness additional investment, create new jobs and accelerate inclusive economic growth. The Executive and UK government have committed £1.2 billion to four Northern Ireland City and Growth Deals: Belfast Region City Deal (£700m); Derry City and Strabane City Deal (£210m); Causeway Coast and Glens Growth Deal (£72m); and Mid South West Region Growth deal (£252m); plus a £100m Executive capital Complementary Fund.

DoF received **21** departmental bids, totalling **£463.1 million** for capital funding categorised as Earmarked. 17 bids, totalling **£312.4 million** were successful, with allocations fully met. One bid was partially successful – DFE bid for £43.4 million for City/Growth Deals - receiving an allocation of **£13.9 million**. Smaller

bids for City/Growth Deals from DFI - £7.5 million, and from DFC - £1.8 million - were both fully met. The following three bids categorised as Earmarked, totalling £70.4 million were unsuccessful:

- DE – Shared/Integrated Education – Fresh Start - £80.3 million
- DFC – Housing for All Shared Housing – Fresh Start - £26.5 million
- DFC – An Ciste - £0.5 million

There are a number of Financial Packages that contribute to the Executive's Budget, which are usually time bound and for a specific purpose. These include: New Decade, New Approach (NDNA); Fresh Start; City Deals; and, the Executive Restoration Financial Package. Each agreed financial package has to be formally confirmed by the Secretary of State in order to be included in the Budget. During an evidence session with the Committee for Finance, a DoF Official confirmed that¹⁴:

There is still some Fresh Start money to come that is not in the Budget but will come from Treasury later this year

3.3 Capital Budget 2024-25 – Departmental Allocations

Departmental capital allocations are determined on a “zero-based approach” – meaning they are not determined based on allocations made in previous years - informed by the assessment of the capital requirements of individual departments. With the exception of allocations for specific purposes, such as Flagship projects, departmental Ministers have flexibility to allocate funding to individual projects.

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<https://aims.niassembly.gov.uk/officialreport/reportssearchresultsmoereport.aspx?&eveDate=2024/05/01&rlid=399255&hwclID=4357170&m=0&c=0&p=0&s=1&mv=0&o=0&ov=&cv=1&pv=0&sv=26&mi=All%20Members&pi=All%20Parties&si=2023-2024&k=A6wFOoZzZxCsye%20vSfy6qQ==&fd=&td=&pg=1&pm=0&per=1&aid=32685&evid=16668#4357170>

Departments therefore submitted bids prioritised as “Inescapable”, “Pre-committed”, “High Priority”, or “Desirable”. These priority categories are defined in DoF guidance as¹⁵:

Inescapable: *This category covers bids for additional firm legal or contractual obligations, whose costs were not previously anticipated and if not met, may lead to proceedings being taken against the Department. Under no circumstances should this category be used simply to ensure a strongly supported bid is met.*

Pre-committed: *This category covers those bids relating to a situation where the previous Executive has already taken prior decisions, through an alternative decision making process, and the relevant papers recording those decisions should be supplied to support the request.*

High Priority: *This category covers those bids in areas which are deemed to be important proposed developments in either delivering the key areas covered in the draft Programme for Government or dealing with other emerging issues of comparable importance.*

Desirable: *This category covers those bids which are considered value for money projects but have a less direct impact on key departmental objectives and targets*

Within each priority category, departments were asked to rank each bid, with 1 as the highest priority.

As was the case for the Resource bids, there appeared to be a varied approach in the responses received for the Capital bids. For example, some departments ranked all of their bids; while others only ranked some. Most departments ranked their bids sequentially - for example, from 1 to 30. However, DoF ranked a number of its bids as 1, then a number of bids as 2, then a number of bids as 3, etc. DfI bid for the highest value of capital bids, at £1,212.6 million

¹⁵ <https://www.finance-ni.gov.uk/sites/default/files/publications/dfp/CED%202023-24%20In-Year%20Monitoring%20of%20Public%20Expenditure%20-%20Guidelines%20-%20ACC.pdf> Annex B

across 89 bids. In comparison, DoF bid for a relatively small amount in monetary terms of £49.7 million, over 65 bids. This shows that DoF is bidding for much smaller projects than DfI and other departments.

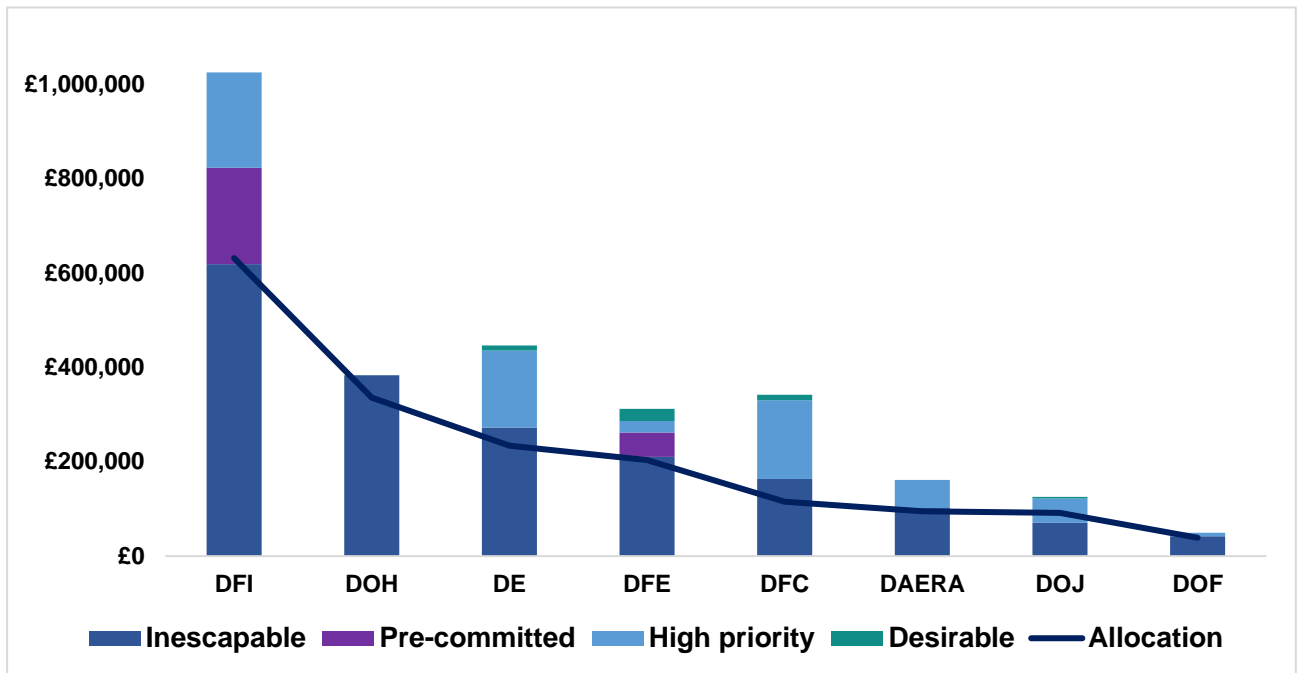
DoF received **482** departmental bids, totalling **£2,845.4 million** for capital funding categorised, across the four categories:

- Inescapable - 257 bids - totalling £1,862.1 million
- Pre-committed - 18 bids - totalling £255.5 million
- High Priority - 183 bids - totalling £675.8 million
- Desirable - 14 bids - totalling £51.5 million

Figure 5 shows the composition of bids by each department against the overall allocation received. When considering departmental receipts, only four departments were allocated enough funding to cover their inescapable bids: DfI; DfE; DAERA; and, DoJ. While DfC, DoF, DoH and DE were allocated between 86% and 96% of their inescapable bids. For DE, this represents a monetary deficit of approximately £37.5 million; and for DoH this represents a monetary deficit of approximately £28.0 million:

It should be noted that RaiSe-PFSU did not receive TEO bidding information. However, TEO received £10.0 million in Capital funding.

Figure 5: Bid value by category and overall allocation, excluding TEO



Source: RalSe relying on DoF Bids documentation and [Written Ministerial Statement – 25 April 2024](#)

3.3.1 Financial Transactions Capital

The Executive Budget 2024-25 included Block Grant funding for Financial Transactions Capital (FTC) of £62 million. Three departments – DfC, DfE and TEO – submitted bids totalling £40.9 million for FTC, and all such bids were successful. The remainder of FTC (unallocated) now is held centrally, pending further departmental bids for same throughout this financial year.