

Northern Ireland Budget

Lesson 5 – LLW (Citizenship Unit)

Learning Objectives

Within this lesson pupils should understand what a government budget is and gain understanding of the issues involved in budget allocation.

Lesson 1

Total 50 minutes

Starter – word generation competition

5 minutes

Ask pupils to generate as many words as they can in one minute that they would associate with the main topic content – budget.

Pupils count how many words they generated that associate with the term 'budget'.

Find your pupil who created the most words and the one who thought up a word with the most letters. These can be read out, either by the pupil, a peer or the teacher.

Create a thought shower of words on the board from the class.

Following the thought shower, pupils could be asked: 'Who has to plan how they spend money/budget?' Parents/young people (pocket money or wages from part time job)/school principals/government/councils etc?

Key Question 1 – What is the Northern Ireland Budget?

10 minutes

Pupils will watch a short animation on the Northern Ireland Budget and then feedback what they consider a definition of the Northern Ireland Budget. [The Budget for Northern Ireland | Northern Ireland Assembly Education Service \(niassembly.gov.uk\)](https://www.niassembly.gov.uk/education-service/)

Add into their notes a full definition on budget, such as:

The money required to operate public services in Northern Ireland – schools, the education service, road building and maintenance, policing and any other essential public services.

Background information for teachers:

The UK Treasury allocates a certain amount of money to Northern Ireland per year. Some of that is earmarked for benefits and pensions. The Assembly and Executive have the power to decide how the rest of the money is divided between the 9 Government Departments responsible for public services.



Key Question 2 – Where does the money come from for the Northern Ireland Budget?

Information given to pupils that 90% of the billions of pounds required to run Northern Ireland comes from revenue raised from a variety of taxes.

As a stretch and challenge addition add in an explanation of the process of taxes being paid to the Treasury in London and then the Treasury provides funding to Northern Ireland called the 'block grant'. The use of the 'Barnett Formula' to calculate the block grant, which is largely based on population size can also be discussed with pupils.

Activity 1 Anagram of different taxes

10 minutes

Ask pupils to work in pairs to identify the following types of tax; or allocate one anagram to different sections of the class to see who can work theirs out fastest. Do this at the back of their notebooks or on whiteboards.

Anagrams = **come in** tax – answer income tax
orinoco trap tax = Corporation tax
again plastic tax = Capital Gains tax
innit teacher tax = Inheritance Tax
add devalue tax = Value Added Tax (VAT)
antinuclear nasion contributions = National Insurance Contributions

Differentiation – after 1 minute you could capitalise the starting letter/s of the correct answer for any tax not identified correctly, therefore

come In tax – answer income tax
orinoCo trap tax = Corporation tax
aGain plastiC tax = Capital Gains tax
Innit teacher tax = Inheritance Tax
Add deValue tax = Value Added Tax (VAT)
aNtinuclear naslon contributions = National Insurance Contributions

OR for differentiation pupils could access the internet, search for 'types of tax' and use the results to help them identify the named taxes which have been turned into anagrams.

Activity 2 Ask pupils to copy out the correct names and brief detail on the main forms of tax. 10 minutes

Income Tax – on income earned by individuals (salary, pensions and rental income)

Corporation Tax (companies/businesses)

Capital Gains Tax – on the profit gained from selling an asset

Inheritance Tax – on money left to you in a will

VAT – Value Added Tax – on lots of goods and services – 20% – included in the price

There are special taxes on alcohol, tobacco and fuel (petrol, diesel) – on top of the 20% VAT

National Insurance Contributions – tax on employment income (salary) to fund the NHS and welfare benefits, including statutory sick pay, maternity pay and the state pension



Key Question 3 – What are the issues involved in budget allocation?

Activity 1 Who is responsible for what?

10 minutes

Ask pupils to complete the following table by naming the government department they think is responsible for paying the cost of each of the services listed below.

Give them a list of departments to choose from and remind them that a department may be responsible for more than one of the costs listed in the table.

Government departments list (in alphabetical order)

- Agriculture, Environment and Rural Affairs (AERA)
- Communities
- Economy
- Education
- Finance
- Health
- Infrastructure
- Justice
- The Executive Office

Table to complete (A copy for pupils has been provided at the end of the lesson.)

Which department will cover the cost of ...?	
Fixing potholes	
Teachers' salaries	
Woodland grant schemes	
Museums and libraries – free to the public	
Translink bus pass for over 60s	
School building repairs	
Recruitment of 1000 new police officers	
Campaign to promote tourism in Northern Ireland	
Apprenticeship scheme for young people	
Pay increase for doctors and nurses	
Building a new sports stadium	



Answers

Which department will cover the cost of ...?	
Fixing potholes	Infrastructure
Teachers' salaries	Education
Woodland grant schemes	Agriculture, Environment and Rural Affairs
Museums and libraries – free to the public	Communities
Translink bus pass for over 60s	Infrastructure
School building repairs	Education
Recruitment of 1000 new police officers	Justice
Campaign to promote tourism in Northern Ireland	Economy
Apprenticeship scheme for young people	Economy
Pay increase for doctors and nurses	Health
Building a new sports stadium	Communities

Extension

Any pupils who complete the task could add a few extra examples into their table.

Plenary for lesson 1

5 minutes

'Think' question – Which department do you think should have the most money allocated to them in the government budget and why?

The extended answer can be recorded as a homework and teacher can indicate this will be followed up in the next lesson.

Curriculum skills and Capabilities covered in Lesson 1 include Communication, Using ICT (if pupils use the hyperlink themselves), Problem Solving and Working with Others.



Lesson 2

Total 50 minutes

Starter

5 minutes

Task review from homework, do a tally chart response from the class to see which department the class thinks should have the most money allocated to it, then lead in to review the actual allocations.

Activity 1 Who gets what?

15 minutes

What proportion/percentage of money did each government department have allocated in the 2024 budget?

Numeracy task to work out the percentage of the annual 2024 budget allocation by department.

Pupils copy down some basic information on the budget total and then use the instructions to calculate the percentage of the total budget which was allocated to each department.

Information to copy down:

The overall budget for this year (2024) was £14.95 billion, divided between the 9 government departments. However, the money is not equally divided.

Table to complete (A copy for pupils has been provided at the end of the lesson.)

Department	Budget for 2024–25	Rank order of amount of money given	Percentage of the Overall Budget?
Health	£7.7 billion	1	
Education	£2.9 billion	2	
Justice	£1.3 billion	3	
Communities	£856 million	4	
Economy	£767 million	5	
AERA	£577 million	6	
Infrastructure	£559 million	7	
Finance	£208 million	8	
The Executive Office	£183 million	9	
Total	£14.95 billion		

Work out each allocation as a percentage of the total. Round up/down to the nearest whole percentage figure.

Remember that 1 billion is made up from 1000 million.

Worked example. The percentage Finance gets is $\frac{£208 \text{ million}}{£14950 \text{ million}} \times 100 = 1.39\%$ which rounds down to 1%



Answers

Department	Budget allocated for 2024–25	Percentage of the Budget
Health	£7.7 billion	51%
Education	£2.9 billion	19%
Justice	£1.3 billion	9%
Communities	£856 million	6%
Economy	£767 million	5%
AERA	£577 million	4%
Infrastructure	£559 million	4%
Finance	£208 million	1%
The Executive Office	£183 million	1%

Differentiation option – The percentages could be displayed on the whiteboard in a random order and pupils simply write them into the table against the correct department.

Activity 2 Question and Answer

15 minutes

Take a moment to check the answers from the table and compare the rank order of actual budget allocation with that proposed in the ranked outcomes from the class starter activity.

Pupils should then be given time to discuss and record answers in their notebooks to the following questions:

1. Look back to your homework answer, did the department which you thought should get the biggest amount of money get what you expected?
2. Why do you think Health gets the biggest budget?
3. Why do you think Education is the second biggest spending department?
4. What are your thoughts about the allocations given to the bottom six departments in the table? Include at least 3 points in your answer.

Stretch and Challenge Activity / Homework Activity

Using the World Wide Web as a source and an Internet search engine (or even AI helper) as a method, research recent news stories relating to either health or education in Northern Ireland.



Identify which, if any, are budget related.

Is there an implication that these departments are under-funded?

Knowledge advancement – these are the 2 biggest spending departments, yet it is often reported that there is not enough money to solve problems in health and education, eg. to reduce waiting lists for operations, or to increase the pay of those working in health and education.

Activity 3

10 minutes

Pupils take down the following two questions then watch/re-watch the animation on the budget process and write down the answers – [The Budget for Northern Ireland | Northern Ireland Assembly Education Service \(niassembly.gov.uk\)](https://www.niassembly.gov.uk/education-service/)

1. Who has a say in how the budget is spent?
2. Is the process of agreeing a budget democratic?
3. What measures are in place to ensure that the money is spent wisely by departments?

Answers to Activity 3

1. Who has a say in how the budget is spent?

What is the role of the Assembly in the budget process? (Scrutiny and Approval)

The Assembly *scrutinises the 'draft budget'* (proposals) presented by the Executive. The Assembly's 9 statutory committees – one for each of the 9 government departments – investigate the proposals and consult the public. The Finance Committee responds to the Executive on behalf of the whole Assembly.

When the Executive introduces the final Budget Bill to the Assembly, the Assembly *must vote to pass the Bill* before it can become law. (The Budget Bill requires cross-community support in the Assembly – that is, a certain percentage of both nationalists and unionists must vote in favour, for the budget to be passed and implemented.)

The Assembly committees will keep an eye on how departments are spending their budgets throughout the year.

What is the role of the Executive?

The Executive *develops the initial proposals*. The Finance Minister talks to all the ministers about how much money their departments need to carry out its work.

The Executive *consults the Assembly* on the 'draft budget'. It then *produces final proposals* – called the Budget Bill.

Each government department will produce its own spending plans. They will answer questions from the relevant Assembly committee about their spending.



2. Is the process of agreeing a budget democratic?

The public gets the opportunity to have their say when committees are scrutinising the draft budget proposals. For example, the Education Committee will seek the views of those within the education system including principals and teachers etc.

The public also shapes government budget decisions when they vote for particular parties in the election. The parties set out their aims and priorities in manifestos and the parties, when elected, will push for those priorities to be reflected in the budget proposals.

3. What measures are in place to ensure that the money is spent wisely by departments?

Assembly committees ('statutory committees' – one for each of the 9 government departments) monitor departments' spending. They can ask the Minister or officials to appear before the committee to answer questions.

MLAs can also ask ministers written questions and oral questions in the Chamber, which could be about spending.

The Finance Minister will also keep an eye on departmental spending through the 'in year monitoring' process, when ministers get the opportunity to surrender money, if they no longer require it, or to bid for more money.

The Public Accounts Committee is a special committee which investigates how departments have spent their money when concerns are raised by the Northern Ireland Audit Office.

What if departments spend more than their allocated amount?

As part of the Executive's monitoring round process, it may be the case that some departments need more than originally budgeted for, and others may not need as much as they thought. Funds can be moved around as part of this in order to try and balance the books.

In planning ahead, if the Executive feels like it needs more money, it could try and raise more revenue by increasing taxes. The options for this are a bit limited as only the UK Government can increase most taxes such as Income Tax or VAT in Northern Ireland. At the moment, Northern Ireland householders don't have a separate water charge. Instead, a portion of our rates charge goes towards paying for water and sewerage services. In other parts of the UK, householders must pay an extra bill for 'Water (& Sewerage Services)'. If the Executive wanted to raise revenue, it might introduce an additional water charge for households, or it could simply increase regional rates for householders and/or businesses.

The Executive has very limited additional borrowing capacity which will always have to be repaid to the UK Treasury.



Plenary Reverse Questioning

5 minutes

Present the following answers to the class and see if a pupil can make up an appropriate question.

Answer 1

Income Tax

Answer 2

Department of Health

Answer 3

Promoting good relations between people with different religious beliefs, different political opinions or from different racial groups.

Curriculum skills and Capabilities covered in Lesson 2 include Communication, Using ICT (if pupils use the [hyperlink themselves](#)), Using Mathematics, Managing Information, Problem Solving, Working with Others and Self Management.

Further relevant questions

Explain **two** roles of any one Northern Ireland government department. [4]

Name **one** Northern Ireland government department. [1]

Name **two** main roles of the Northern Ireland Executive. [2]

Discuss the role of the Northern Ireland Executive in producing a draft budget. [4]

