

# The Budget for Northern Ireland

## KEY:

N: Narrator

N: The Budget is the Northern Ireland Executive's spending plan for delivering public services such as healthcare, education, public transport and policing. It sets out how much money the nine government departments will get over a set period of time. The Assembly has to approve the Budget with cross-community support – that is, support from both unionists and nationalists.

The Executive usually looks at what each department needs and the priorities in the Programme for Government, then sets out proposals for sharing out the money available to spend. Usually, the biggest share goes to the Department of Health, followed by Education, then Justice.

The Executive submits a draft budget to the Assembly, and the Assembly's nine statutory committees study its proposals – there's one committee for each government department. The Committee for Finance gathers all the views and co-ordinates the Assembly's response.

The Executive finalises its proposals, and these come back to the Assembly as a Budget Bill. This can be 'fast tracked' through the law-making process more quickly than most bills, because the Assembly has already seen its content – this is known as 'accelerated passage' which sometimes takes only a few days. When the Bill receives Royal Assent, it becomes law – an Act of the Northern Ireland Assembly

Both the Assembly and the Executive keep a close eye on spending.

The statutory committees monitor what each department spends to make sure it is in line with what's in the budget. They ask questions to Ministers and officials and, if there is unexpected overspending or underspending, they look into why this has happened.

Circumstances can change, and departments may end up needing more or less money than planned. The financial year runs from 1 April to 31 March, and at certain times the Minister of Finance gives other Ministers the opportunity to give back money or bid for more. This is called 'In-Year Monitoring', and it means the Executive can change its priorities and plans when necessary.

Where does the money come from?

Most of the money to run Northern Ireland's government departments comes from the UK Treasury in the form of a 'block grant' each year. The amount allocated is based on a formula known as the Barnett formula, which is quite complex but linked to population size. The UK government also funds pensions and welfare benefits.

In addition, the Northern Ireland Executive gets a share of the rates which home and business owners pay to councils – known as the regional rate – and a small amount of income from fees

and charges, as well as the charge or levy on carrier bags. Extra money may come from borrowing or special funding programmes.