

*These notes refer to the Budget (No. 2) Act (Northern Ireland)  
2020 (c.3) which received Royal Assent on 17 June 2020*

# Budget (No. 2) Act (Northern Ireland) 2020

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## **EXPLANATORY NOTES**

### **BACKGROUND AND POLICY OBJECTIVES**

3. Budget Acts are the legislative means by which Assembly approval is sought for departments and certain other public bodies to incur expenditure and use resources as detailed in the corresponding Estimates volume and summarised in the Schedules to the Acts. Furthermore, Budget Acts enable the Assembly to hold departments accountable for managing and controlling those resources within the limits authorised.
4. The Budget Act not only authorises the use of resources but contains powers to authorise the issue of sums of cash from the Northern Ireland Consolidated Fund to departments and other public bodies and appropriate those sums to services. Budget Acts normally also set the relevant limits on the accruing resources that may be directed to be used for purposes specified in the Schedules to the Act. Accruing resources are divided into two categories: a) operating accruing resources, which is resource income offset against the gross resource expenditure and b) non-operating accruing resources, which is capital income, mainly relating to the sale of assets, and offset against gross capital spend. However the Budget (No. 2) Act will not authorise the use of accruing resources.
5. Estimates volumes and other relevant documents such as the Vote on Account document are published so as to be available when Budget Acts are introduced in the Assembly. In most years a separate Budget Act will be introduced relating to the Main Estimates (initial voted provision for a financial year) and subsequent Supplementary Estimates which revise that initial provision as a result of the in-year monitoring rounds. The Budget Act relating to the Supplementary Estimates also provides interim resources and funding (around 45%) for the first few months of the next financial year.
6. However in response to the COVID-19 emergency, the Budget (No. 2) Act is to authorise a further Vote on Account in addition to that previously authorised in the Budget Act (Northern Ireland) 2020. This will allow the Northern Ireland Departments and other bodies to continue to deliver services during the period of the COVID-19 response, pending the Main Estimates and associated Budget Act being introduced later in the year.