

# **BUDGET (NORTHERN IRELAND) ORDER 2003**

**S.I. 2003 420**

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## **EXPLANATORY MEMORANDUM**

### **INTRODUCTION**

1. The Budget Order “the Order” was made on 27 February 2003.
2. The Memorandum needs to be read in conjunction with the Order. It is not, and is not meant to be, a comprehensive description of the Order. So where an Article or part of an Article does not seem to require any explanation or comment, none is given.

### **BACKGROUND**

3. Expenditure plans for the Northern Ireland departments for 2002-03 were agreed by the Northern Ireland Executive and approved by the Assembly in December 2001. These plans, and the consequential cash needs, were granted formal legislative authority by the Assembly in the Budget (No. 2) Act (Northern Ireland) 2002 in August 2002. This Budget Order provides Parliamentary approval for subsequent modifications to those plans, made since that time by the Northern Ireland Executive.
4. In addition, this Order authorises initial provision for 2003-04 (a “Vote on Account”), based on a proportion of the total voted provision for the current financial year (broadly 45 per cent), thus providing funds to departments for the early months of the next financial year. Further legislative authority to cover the full provision contained in the Budget for 2003-04 will be sought in early summer.

### **PURPOSE**

5. The Order authorises the issue of cash from the Consolidated Fund in support of services for both 2002-03 and 2003-04. For 2002-03 an amount of £421,576,000 is sought, in addition to the amount previously authorised by the Northern Ireland Assembly. For 2003-04 a Vote on Account of £4,195,167,000 is sought to provide departments with provision for the early months of 2003-04, until legislative authority for the full provision needed for the year can be brought forward.
6. The Order also authorises the use of resources for both 2002-03 and 2003-04. For 2002-03 a total revised amount of £10,503,229,000 is sought and for 2003-04 a Vote on Account of £4,761,612,000. The Order revises the limits as set in the Budget (No.2) Act (Northern Ireland) 2002 on the amount of accruing resources, including both operating and non-operating accruing resources that may be directed to be used for certain purposes for the year ending 31<sup>st</sup> March 2003. (Under cash-based Estimates cash receipts were either authorised by Parliament/the Assembly as appropriations in aid, and used to offset the gross spend or, where this was not the case, fell to be surrendered into the Consolidated Fund as Consolidated Fund Extra Receipts (CFERs). However, following the introduction of resource Estimates and consequent changes in terminology, it is more appropriate to refer to amounts authorised by the Assembly/Parliament to be applied against gross requirements as “Accruing Resources”). In

addition, the Order authorises temporary borrowing by the Department of Finance and Personnel.

7. The sums to be issued from the Consolidated Fund of Northern Ireland for the year ending 31<sup>st</sup> March 2003 are to be appropriated for services, as set out in Schedule 1 to the Order.
8. The amount of resources (including accruing resources) authorised for use for the year ending 31<sup>st</sup> March 2003 are to be used for the purposes specified in Schedule 2 to the Order.
9. The sums to be issued from the Consolidated Fund of Northern Ireland for the year ending 31<sup>st</sup> March 2004 are to be appropriated for services as set out in Schedule 3 to the Order.
10. The amount of resources authorised for use for the year ending 31<sup>st</sup> March 2004 are to be used for the purposes specified in Schedule 4 to the Order.
11. Further information on the provision contained in the Order is set out within the 2003-03 Spring Supplementary Estimates volume.

#### **COMMENTARY ON ARTICLES**

12. [Article 1](#): Title and commencement:

[Article 2](#): Interpretation

[Article 3](#) : Issue of Sum out of the Consolidated Fund for year ending 31<sup>st</sup> March 2003 and appropriation of that sum.

Paragraph (1) authorises the issue out of the Consolidated Fund of Northern Ireland of the supplementary sum of £421,576,000 for 2002-2003.

Paragraph (2) appropriates that sum for the purposes specified in Schedule 1.

#### ***Article 4: : Revised limit on the use of resources (other than accruing resources) for year ending 31<sup>st</sup> March 2003.***

This article authorises the use of resources amounting to £10,503,229,000 for 2002-2003, for the purposes specified in column 1 of Schedule 2

Paragraph (4) provides authority for the resources limits set by the Budget Act (Northern Ireland) 2002 and the Budget (No. 2) Act (Northern Ireland) 2002 to be superseded by the amounts specified in column 2 of Schedule 2 of the Budget (Northern Ireland) Order 2003.

#### ***Article 5: Revised limits on use of certain accruing resources in year ending 31<sup>st</sup> March 2003***

Paragraph (1) This article sets relevant limits on the total amount of accruing resources, including both operating and non-operating accruing resources that may be directed to be used for certain specified purposes as shown separately in the Estimates for 2002-03.

Paragraph (2) provides authority for the direction of accruing resources as specified in column 3 of Schedule 2 for the purposes specified in the corresponding entries in column 1 of that schedule.

Paragraph (3) provides authority for the accruing resources limits set by the Budget (No. 2) Act (Northern Ireland) 2002 to be superseded by the amounts specified in column 3 of Schedule 2 of the Budget (Northern Ireland) Order 2003.

Article 6: Issue of sum out of the Consolidated Fund for year ending 31<sup>st</sup> March 2004 and appropriation of that sum.

Paragraph (1) authorises the issue out of the Consolidated Fund of Northern Ireland of the sum of £4,195,167,000 for 2003-04.

Paragraph (2) appropriates that sum for the purposes specified in Schedule 3.

#### ***Article 7: Power of the Department of Finance and Personnel to borrow***

This article authorises the temporary borrowing by the Department of Finance and Personnel of approximately half the aggregate sum covered by Article 3 (1) and Article 6 (1). This is a

*This Explanatory Memorandum refers to the Budget (Northern Ireland) Order 2003420*

normal safeguard against the possibility of a temporary deficiency arising in the Northern Ireland Consolidated Fund.

***Article 8: Use of resources (other than accruing resources) for year ending 31<sup>st</sup> March 2004***

This article authorises the use of resources amounting to £4,761,612,000 for 2003-2004, for the purposes specified in column 1 of Schedule 4.