

Department provides Budget clarification

In the absence of a Budget Act, the Permanent Secretary of the Department of Finance, David Sterling will use powers under Section 59 of the Northern Ireland Act 1998, to release cash and resources to departments from April 2017 until a new administration is in place.

The legislation which becomes effective from Wednesday 29 March, limits the amount that may be approved to 75%, of the previous year's budget, up to the end of July and; if a Budget Bill is not in place by the end of July 2017, the amount allocated may then be increased to 95% of the previous year's budget.

The Department highlighted that these administrative allocations made under legislative procedures do not represent a Budget. That will be for an incoming Executive to agree.

David Sterling, Permanent Secretary at the Department of Finance said: "While the legislation limits the amount that may be approved to 75%, of the previous year, up to the end of July and 95% thereafter, this does not mean that departmental budgets for 2017-18 will be reduced by 25% or even 5%. Rather the powers available are simply an interim measure designed to ensure that services are maintained until such times as a budget is agreed and a Budget Act passed. At which point departments will have access to the full level of funding available.

"These Section 59 measures enable cash to continue to flow to maintain the provision of public services and will provide a degree of certainty to departments. They are not a substitute for a Budget agreed by an Executive. Indeed we are very clear that the prioritisation and allocation of financial resources is a matter for Ministers. There is also co-ordinated engagement between departments to ensure that key stakeholders are fully informed about these interim financial measures. Departments are currently writing out to community and voluntary bodies to confirm interim funding designed to maintain the ongoing integrity of the key services they provide until an agreed budget is in place.

“With regard to capital expenditure, all Executive Flagship and ongoing contractual capital commitments will be honoured into 2017-18.”

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