Northern Ireland Office

Supplementary Estimate 2019-20: Estimates Memorandum

1 Overview

1.1 Objectives

The Northern Ireland Office supports the Secretary of State for Northern Ireland in promoting and protecting the best interests of Northern Ireland within a stronger United Kingdom.

It ensures Northern Ireland interests are fully and effectively represented at Westminster and the heart of Government, and the Government's responsibilities are fully and effectively represented in Northern Ireland.

Our key purpose is to make politics work by working alongside a restored Northern Ireland Executive to:

- Secure, sustain and support effective, inclusive devolved government in Northern Ireland.
- Ensure a more secure Northern Ireland.
- Deliver a growing and strengthening economy.
- Ensure a stronger society by supporting initiatives designed to build better community relations and a genuinely shared future.
- Support the United Kingdom's effective exit from the European Union and ensure that Northern Ireland's interests are represented during the negotiations for withdrawal and in the post-Exit settlement.

In 2019-20, the Northern Ireland Office has continued to work with the political parties and the Irish Government, consistent with the three-stranded approach, to restore the devolved institutions and ensure political stability in Northern Ireland. We have continued to deliver the UK Government's responsibilities under the previous political agreements, including Fresh Start and Stormont House Agreement to enable devolution to function more effectively and deal with the challenging issue of the legacy of the past.

The Northern Ireland Office will also work with the restored Executive to implement New Decade New Approach and working with cross-government partners we will develop a comprehensive and ambitious set of City Deals.

In addition to supporting the government's commitments to making politics work in Northern Ireland and developing a growing economy the Department will work with key partners, including the Police Service for Northern Ireland, other Government Departments and devolved government, to drive down the threat from Northern Ireland related terrorism and ensure appropriate protection for those at risk.

Another key focus for the Northern Ireland Office during 2019-20 has been to ensure that Northern Ireland's interests are effectively represented and taken account of as the UK exited the EU. The Department played a key role in both the negotiations with the EU on the terms of withdrawal and in discussions on the future UK-EU relationship as well as overseeing preparations for the period following withdrawal and the legislation which effected Exit. This work continues during this year and potentially beyond.

The Estimate provides for the administration costs of the Northern Ireland Office, including the salaries of the Secretary of State and his ministers and payments to the Northern Ireland Consolidated Fund.

1.2 Spending controls

The Northern Ireland Office's Estimate is broken down into a number of discrete elements, for which Parliament's approval is sought separately.

The spending totals which Parliament votes are:

For Northern Ireland Office itself:

- Resource Departmental Expenditure Limit ("**Resource DEL**")- day to day running costs of the Office
- Capital Departmental Expenditure Limit ("**Capital DEL**"): - investment in infrastructure of the Office
- Resource Annually Managed Expenditure ("**Resource AME**") - accounting provisions for legal case liabilities

For the Northern Ireland Administration

- **Non-budget** expenditure-cash payments to the Northern Ireland Consolidated Fund.

In addition, Parliament votes a net cash requirement, designed to cover both the cash required to cover Northern Ireland Office's own DEL spending, and the cash grant to the Northern Ireland Consolidated Fund.

2 Northern Ireland Office

2.1 Comparison of spending totals sought

The table and graphic below show how the totals sought for the Northern Ireland Office only compares with last year:

Spending total **Amounts sought this year**		**Compared to final budget last year. (Supplementary Estimates)**		**Compared to original budget last year (Main Estimates)**	
		£ m	**%**	**£m**	**%**
Northern Ireland Office: Resource DEL	£40.62 m	+£15.3	60%	+£18.3	82%
Northern Ireland Office: Capital DEL	£0.83 m	+£0.3	72%	+£0.6	200%
Northern Ireland Office: Resource AME	£1.0m	+£1.0	100%	+£1.0	100%

Provision for 2019-20 was determined in the 2015 Spending Review. From the baseline set in the 2015 Spending Review, the NIO agreed a series of efficiency measures to contribute to the Government's deficit reduction. Additional funding was provided for other areas such as boundary review. This was in line with the settlements for the other Territorial Offices (SO/WO).

The Northern Ireland Office also received additional funding for European Elections (£4.5m), EU Exit preparations (£1.07m) and increased employer pension contributions (£0.47m) in the 2019-20 Main Estimates. The absence of a functioning NI Executive, prior to the New Decade New Approach deal, and preparations for EU Exit have required the Department to take on a broader and complex role than was envisaged when the baselines were originally set in 2015. As a result, the NIO budget came under further pressure during 2019-20, for which further provision has been made.

As part of the Supplementary Estimate process the Northern Ireland Office made the following changes to its DEL and AME control totals:

Resource

- Additional provision of **£0.42m in RDEL** funding from the Reserve in relation to the running costs of the Independent Reporting Commission (IRC) set up under the Fresh Start Agreement;
- Additional provision of **£1m in RDEL** funding from the Reserve for the additional pressures arising from preparations for EU Exit and the lack of an Executive;
- Additional provision of **£1.85m in RDE**L funding from the Reserve for additional departmental resourcing pressures given the lack of an Executive;
- Additional provision of **£0.8m in RDEL** funding from the Reserve for operational contingency planning in preparation for EU Exit;
- Additional provision of **£4.569m in RDEL** funding (non-voted) from the Reserve to fund the cost of delivering the 2019 General Election;
- Additional provision of **£3.543m in RDEL** funding from the Reserve for additional pressures faced by the Department arising from substantial change in the circumstances and environment in which the Department is now operating compared to the situation when baselines were set in SR2015;

- Additional provision of **£1m in resource AME** (non-cash) funding for accounting provisions required on legacy legal cases.

Capital

- Additional provision of **£0.45m in CDEL** funding for necessary additional capital expenditure including new premises for the Northern Ireland Human Rights Commission;
- Re-classification of **£0.125m of RDE**L funding to CDEL to fund some building alterations in the Electoral Office and additional IT costs in the Department.

2.2 Spending trends

Northern Ireland Office, £ million	2015/16	2016/17	2017/18	2018/19	2019/20
	Outturn	Outturn	Outturn	Outturn	Plans
Admin costs	17.7	12.9	14.2	17.9	23.8
Other costs	12.7	12.2	10.7	7.5	16.9
Total Resource DEL	30.4	25.1	25.0	25.4	40.6
Capital DEL	2.0	0.4	1.5	0.5	0.8
Less depreciation and impairments	-1.7	-2.3	-1.9	-1.9	-2.1
Total DEL	30.7	23.3	24.6	24.0	39.3

Totals may not sum due to rounding

2.3 Administration costs and efficiency plans

Administration costs are set to increase by 32% in 2019-20 compared to last year's final budget.

Spending total **Amounts sought this year**		**Compared to final budget last year. (Supplementary Estimates)**		**Compared to original budget last year (Main Estimates)**	
		£ m	**%**	**£m**	**%**
Administration costs	£23.8m	+5.7	32%	+7.8	49%

The Northern Ireland Office has carried out a series of actions over the last eight years to deliver efficiencies e.g. restructuring staff, utilising shared services for transactional processing, optimising use of accommodation, etc. The Northern Ireland Office, together with the Office of the Secretary of State for Wales and the Office of the Secretary of State for Scotland, continue to assess where services can be shared across the three territorial offices and with other government bodies. The three offices have a single parliamentary clerk and the Northern Ireland and Office of the Secretary of State for Wales operate a shared Freedom of Information team. Other services are provided by the Ministry of Justice under Service Level Agreements.

3 Payments to Northern Ireland Consolidated Fund

3.1 Comparison of cash to be paid over

The table below shows how the cash funding provided for the Northern Ireland Consolidated Fund compares with last year:

Spending total **Amounts sought this year**		**Compared to final budget last year. (Supplementary Estimates)**		**Compared to original budget last year (Main Estimates)**	
		£ m	**%**	**£m**	**%**
Northern Ireland Consolidated Fund: Non-budget expenditure	£16,888m	+802	5.0%	+1,286	8.2%

3.2 Key drivers of changes in levels of cash to be paid over since last year

Additional funding is provided in 2019-20 for the Northern Ireland Consolidated fund as a result of;

- Spending decisions taken by the UK Government have resulted in additional funding being directed to the Northern Ireland Budget. This funding has been added to the Northern Ireland Block budget at past Fiscal Events and also as part of the 2019-20 Supplementary Estimates round.
- Additional funding was provided by HMT in 2019-20 for EU Exit preparations and increased employer pension contributions for which there was no equivalent funding in the 2018-19 Estimate.

The main drivers in changes to the Northern Ireland Executive funding from 2018-19 to 2019-20 are Barnett Consequentials from UK Government decisions, with over £230m from Autumn Budget 2018, as well as £140m to ensure the delivery of stable public services and good governance ahead of the restoration of the Executive and £30m from the 'New Decade, New Approach' deal with the UK Government.

3.3 Cash grant payable to Northern Ireland Consolidated Fund

The Northern Ireland Office Estimate allows for the payment of a cash grant to the Northern Ireland Consolidated Fund. This expenditure is shown in Section G of the Northern Ireland Office Estimate under the heading "non-budget spending". All expenditure by the Northern Ireland Administration is charged to the Northern Ireland Consolidated Fund.

The amount of cash which the Northern Ireland Administration receives via this route, and which is sought under this Estimate, is a result of a calculation. The starting point to that calculation is the amount of DEL budget (block grant) and Annually Managed Expenditure which the UK government is prepared to provide.

The table below shows the stages in the calculation.

Calculation of Cash Grant Payable to Northern Ireland Consolidated Fund 2019-20

	2019-20 Main Estimate	Change	2019-20 Supplementary Estimate
Departmental Expenditure Limit	13,038.2	390.7	13,428.9
Annually Managed Expenditure (inc Other AME & Reg Rates)	10,514.6	560.6	11,075.2
Expenditure Financed by Regional Rates	643.1	9.6	652.7
Expenditure Financed by RRI Borrowing	0.0	10.9	10.9
Total Managed Expenditure (DEL, AME & Other AME)	**24,195.8**	**971.8**	**25,167.7**
Less Non Cash charges	-4,563.5	-548.1	-5,111.6
Less Non Voted (DEL,AME & Other AME)	-13,360.9	-123.6	-13,484.6
Voted Other Expenditure outside DEL	8,914.6	474.1	9,388.7
Utilisation of Provisions	1,320.0	145.1	1,465.1
Movement in debtors/creditors (Z999)	140.9	-9.1	131.8
Supply Expenditure	**16,646.9**	**910.2**	**17,557.1**
	0.0	0.0	
Interest Payable	63.4	-4.9	58.5
District Council Rates	636.7	10.5	647.2
Repayment of Principal of RRI Loans	120.9	-0.6	120.3
Other Services	9.0	0.5	9.6
Total Expenditure	**17,477.0**	**915.7**	**18,392.7**
Income			
Add in RRI	0.0	10.9	10.9
District Rates	636.7	10.5	647.2
Regional Rates	764.0	8.9	773.0
Interest Receivable	43.7	-3.7	40.0
Miscellaneous receipts	**34.5**	**-1.1**	**33.4**
of which:			
NICF Balance	0.5	0.0	0.5
Continental Shelf	1.2	0.5	1.7
Misc - NIHE, Land Annuities etc	5.3	-2.0	3.3
Excess Accruing Resources	3.2	-0.2	3.0
CFERS	21.6	0.6	22.2
EU CFERS	2.7	0.0	2.7
Total Income	**1,478.9**	**25.6**	**1,504.5**
Cash Grant payable to the Northern Ireland Consolidated Fund	**15,998.1**	**890.1**	**16,888.24**

Note

All items forming this calculation refer to expenditure incurred by/income received by the Northern Ireland Administration

3.4 Barnett Consequentials

From time to time, the Treasury will adjust the budgets of UK departments with the devolved administrations receiving "Barnett consequentials" (Northern Ireland's share) of these adjustments.

The majority of these budgetary adjustments take place at major fiscal events such as at Budget (and previously at Spring Budget and Autumn Statement).

At the end of 2018, the Treasury published its Block Grant Transparency document.

https://www.gov.uk/government/publications/block-grant-transparency-december-2018

The tables below detail the Barnett consequentials for the financial year 2019-20 received by the NIE since the announcement of the 2015 Spending Review in Autumn 2015. This information is provided to assist the Committee in understanding the composition of the block budgets of the Northern Ireland Administration.

Barnett Consequentials	**£m**
RDEL	604.6
General CDEL	138.0
CDEL Financial Transactions	53.2

3.4 Barnett Consequentials (since last SR)

Department/Programme	Measure	Resource/Capital	2019-20 £m
Budget 2016			
Business, Innovation and Skills	Royal College of Arts	Capital	0.4
Business Rates	Permanently double SBRR from 2017-18	Resource	21.9
Business Rates	Increasing the Small Business Rate Relief thresholds from 2017-18	Resource	24.5
Business Rates	Increasing the standard multiplier threshold from 2017-18	Resource	3.6
Education	Making all schools academies by 2022	Resource	1.4
Education	National Funding Formula	Resource	1.7
Education	Northern Powerhouse	Resource	0.6
Education	Mentoring for 25,000 disadvantaged students	Resource	0.1
Education	Longer school day	Resource	9.4
Education	Expanding breakfast clubs	Resource	0.3
Education	Doubling the primary school sports premium	Resource	5.3
Environment, Food and Rural Affairs	Flood package: maintenance funding	Resource	1.3
Environment, Food and Rural Affairs	Floods: Partnership Support Fund	Capital	0.8
Environment, Food and Rural Affairs	Floods: Six year programme top-up	Capital	0.7
Transport	M62 smart motorway	Capital	3.2
	Sub Total Resource		*70.2*
	Sub Total Capital	Capital	*5.1*
Autumn Statement 2016			
Business, Energy and Industrial Strategy	Northern Power House: Investment Fund	Financial Transactions	0.1
Business, Energy and Industrial Strategy	Midlands Engine: Investment Fund	Financial Transactions	0.6
Business, Energy and Industrial Strategy	Mayfield Review of Management	Resource	0.1

Business, Energy and Industrial Strategy	Invest in University Tech Transfers	Capital	0.8
Business, Energy and Industrial Strategy	QR funding	Capital	2.4
Business Rates	Rural Rate Relief	Resource	0.2
Business Rates	Fibre relief	Resource	0.3
Communities & Local Government	Accelerated build-out	Capital	18.5
Communities & Local Government	Affordable housing grants	Capital	11.9
Communities & Local Government	“Help-to-Build”, including “Roads for Homes”	Capital	26.4
Culture, Media & Sport	Royal Society of Arts School Pilots	Resource	0.0
Culture, Media & Sport	Rugby League World Cup 2021	Capital	0.1
Culture, Media & Sport	Rugby League World Cup 2021	Resource	0.1
Culture, Media & Sport	World Road Cycling	Capital	0.2
Culture, Media & Sport	World Road Cycling	Resource	0.0
Education	Grammar Schools	Capital	1.6
Transport	Strategic roads – pinchpoints	Capital	1.5
Transport	Local roads and local transport	Capital	10.4
Transport	ULEVs - support for electric buses and taxis (E & W)	Capital	0.9
Transport	Digital signalling	Capital	4.7
Justice	Prison staffing and wider reforms to the justice system	Resource	5.2
	Sub Total Resource		*6.0*
	Sub Total Capital		*79.3*
	Sub Total Financial Transactions		*0.7*
Spring Budget 2017			
Business Rates	Business Rates - Mitigating Impact of SBRR	Resource	0.7
Business Rates	Business Rates - Discretionary Relief Fund	Resource	1.2
Education	16-19 Education: Sainsbury Review	Resource	3.2
Education	110 Free Schools	Resource	0.6
Education	110 Free Schools	Capital	0.9
Education	Schools Maintenance	Capital	3.6

Education	School Buses	Resource	0.1
Health	Social Care	Resource	11.1
Health	Social Transformation Programme Funding	Capital	3.6
Health	Employee Mental Health	Resource	0.1
Home Office	Tackling Domestic Violence and Abuse	Resource	0.3
	Sub Total Resource		*17.2*
	Sub Total Capital		*8.0*

Autumn Budget 2017			
Business Rates	Move from RPI to CPI in 2018-19	Resource	17.2
Business, Energy and Industrial Strategy	Growth Hubs and Diffusion Pilot	Resource	0.6
Communities & Local Government	Help to Buy Equity Loan	Financial Transactions	92.1
Communities & Local Government	Home Building Fund for SMEs	Financial Transactions	17.2
Communities & Local Government	Estate Regeneration	Financial Transactions	2.3
Communities & Local Government	National Housing Fund (Strategic Infrastructure inc. Remediation)	Capital	5.9
Communities & Local Government	National Housing Fund (Small/Stuck Sites infra and remediation)	Capital	9.9
Communities & Local Government	National Housing Fund (HCA Land Assembly)	Capital	6.1
Communities & Local Government	Voluntary Right to Buy Pilot	Resource	2.3
Communities & Local Government	Grenfell	Resource	0.3
Communities & Local Government	Private Rented Access Scheme	Resource	0.3
Communities & Local Government	Office for Data Analytics	Resource	0.0
Culture, Media & Sport	DCMS: Jodrell Bank Observatory	Capital	0.1
Culture, Media & Sport	Efficiency Savings	Resource	-2.3
Education	Industrial Strategy - Skills	Resource	2.4
Education	Teacher Development Premium	Resource	0.5
Education	Efficiency Savings	Resource	-1.4
Environment, Food and Rural Affairs	Compliance Funding	Resource	0.4
Environment, Food and Rural Affairs	Clean Air Fund	Resource	1.8
Environment, Food and Rural Affairs	Waste Crime Enforcement	Resource	0.2
Environment, Food and Rural Affairs	Flood Defences	Capital	0.6

Environment, Food and Rural Affairs	Flood Growth Fund	Capital	0.7
Health	Health Resource	Resource	29.6
Health	Health Capital	Capital	23.3
Transport	Clean Air Fund	Capital	1.8
Transport	Compliance Funding	Capital	2.0
Transport	Nexus Rolling Stock Replacement (from NPIF)	Capital	0.7
Transport	Midlands Connect: Motorway Hub	Capital	0.0
Transport	Regional Transport Infrastructure Fund (from NPIF)	Capital	5.9
Work & Pensions	Relationship Support	Resource	0.2
Work & Pensions	Reducing fraud and error in housing benefit	Resource	0.7
Work & Pensions	Wider Use of Real time Information	Resource	0.0
Work & Pensions	In work conditionality trial	Resource	0.0
	Sub Total Resource		*52.8*
	Sub Total Capital		*56.9*
	Sub Total Financial Transactions		*111.6*
Budget 2018			
Business Rates	Retail Discount	Resource	14.4
Business Rates	Revision to AB 17 package	Resource	5.5
Business, Energy and Industrial Strategy	Improving management by supporting peer to peer networks	Resource	0.7
Business, Energy and Industrial Strategy	Knowledge Transfer Partnerships	Capital	0.0
Business, Energy and Industrial Strategy	Small Business Leadership Programme - Conf Enterprise Package	Resource	0.4
Culture, Media & Sport	Coventry City of Culture	Capital	0.3
Culture, Media & Sport	Digital Skills Bootcamps	Resource	0.1
Environment, Food and Rural Affairs	Air Quality - Implementation Fund	Resource	0.1
Environment, Food and Rural Affairs	Food Waste Fund	Resource	0.5
Environment, Food and Rural Affairs	Landfill Site Clearance	Resource	0.2
Environment, Food and Rural Affairs	Urban Tree Planting	Resource	0.0

Environment, Food and Rural Affairs	Urban Tree Planting	Capital	0.1
Environment, Food and Rural Affairs	Plastics and Waste Innovation Funding	Capital	0.3
Education	Apprenticeships - Reducing co-investment charge for SMEs	Resource	0.7
Education	Children's Social Care	Resource	1.3
Education	Regional pilot of on-the-job training for young people	Resource	0.1
Education	National Retraining Scheme	Resource	0.1
Education	National Retraining Scheme	Capital	0.2
Education	Regional Skills for the Self-Employed	Resource	0.2
Transport	East West Rail development funding	Resource	0.6
Transport	Air Quality - Implementation Fund	Capital	0.2
Transport	Birmingham Future Mobility City	Resource	0.1
Transport	Birmingham Future Mobility City	Capital	0.2
Transport	Northern Powerhouse Rail Development Funding	Resource	1.1
Health & Social care	NHS Settlement	Resource	184.8
Housing, Communities & Local Government	Development Corporations	Resource	0.1
Housing, Communities & Local Government	High Streets	Capital	0.0
Housing, Communities & Local Government	High Streets	Resource	0.4
Housing, Communities & Local Government	Strategic Housing	Resource	0.1
Housing, Communities & Local Government	Neighbourhood forums	Resource	0.1
Housing, Communities & Local Government	Social Care (2019-20)	Resource	21.3
Housing, Communities & Local Government	Heritage High Streets	Capital	0.1
Housing, Communities & Local Government	Heritage High Streets	Resource	0.0
	Sub Total Resource		*232.9*
	Sub Total Capital		*1.4*

Main Estimates 2019-20			
Business Rates	Changes to Forecast	Resource	16.500

DHSC	NHS	Resource	1.277
Home Office	Police	Resource	2.791
Justice	Reserve Claim	Resource	41.100
Various	Pensions Pressures	Resource	92.968
Transport	Network Rail CP 6 settlement	Resource	20.294
Transport	Network Rail CP 6 settlement	Capital	-16.6
Home Office	Counter Terrorism Policing	Resource	4.961
Home Office	Knife Crime	Resource	2.480
ONS	2021 Census	Resource	3.225
	Sub Total Resource		*185.6*
	Sub Total Capital		*-16.6*

Supplementary Estimates 2019-20

Business, Energy and Industrial Strategy	In year reductions	Resource	-0.11
Business, Energy and Industrial Strategy	In year reductions	Capital	-1.73
Business, Energy and Industrial Strategy	Insolvency Service Breathing Space scheme	Resource	0.11
Cabinet Office	In year reductions	Resource	0.00
Health	Immigration Health Surcharge (2018-19)	Resource	1.29
Health	Baseline issues	Resource	13.77
Health	Capital for Trusts	Capital	39.33
Home Office	Police Officers	Resource	1.37
Home Office	Police Officers	Capital	0.03
Housing, Communities & Local Government	In year reductions	Financial Transactions	-59.02
Housing, Communities & Local Government	Towns regeneration	Resource	0.21
Housing, Communities & Local Government	Holocaust Memorial	Resource	0.18
Housing, Communities & Local Government	Integrated communities - English language	Resource	0.24

Local Government	In year reductions	Resource	-1.73
Culture, Media & Sport	In year reductions	Resource	-0.43
Culture, Media & Sport	In year reductions	Capital	-2.54
Culture, Media & Sport	Listed Places of Worship 1	Resource	0.02
Culture, Media & Sport	Commonwealth Games Delivery Unit 1	Resource	0.13
Culture, Media & Sport	Festival of Britain Policy Team	Resource	0.03
Culture, Media & Sport	Listed Places of Worship 2	Resource	0.63
Culture, Media & Sport	Commonwealth Games	Resource	0.73
Culture, Media & Sport	Commonwealth Games Delivery Unit 2	Resource	0.08
Culture, Media & Sport	Festival of Britain funding for CWG OC	Resource	0.01
Education	In year reductions	Resource	-11.57
Education	Period poverty	Resource	0.08
Education	Restructuring facility	Resource	0.26
Education	Academies	Resource	1.51
Education	Academies	Capital	0.00
Environment, Food and Rural Affairs	Air Quality Plan	Resource	0.43
Environment, Food and Rural Affairs	Flood recovery for farmers	Resource	0.02
Environment, Food and Rural Affairs	Flood Risk Management (Admin)	Resource	0.01
Environment, Food and Rural Affairs	Flood Resilience Review	Resource	0.00
Environment, Food and Rural Affairs	Property resilience funding	Capital	0.02
Justice	Court Reform Funding	Resource	1.99
Justice	Prison Maintenance	Resource	0.93
Justice	Probate Fees	Resource	3.79
Justice	Bringing forward Security in Prisons funding from 2020/21	Resource	0.31
Justice	Glen Parva	Capital	0.28
HM Treasury	In year reductions	Resource	0.00
Work and Pensions	In year reductions	Resource	-0.12
Transport	In year reductions	Resource	-1.83
Transport	In year reductions	Capital	-62.00
Transport	HS2 VAT	Resource	2.23
Transport	Rail risk share	Resource	6.49

Transport	HS2 VAT	Capital	10.58
Transport	Class 365s	Capital	2.95
Crown Prosecution Service	GFS schemes	Resource	0.40
Crown Prosecution Service	Prosecutor recruitment	Resource	0.16
Various	EU Exit allocation	Resource	13.02
Various	EU Exit allocation	Capital	0.39
Various	Operational Contingency Fund	Resource	3.99
Various	Business Readiness	Resource	1.41
	Sub Total Resource		*40.01*
	Sub Total Capital		*-12.68*
	Sub Total Financial Transactions		*-59.02*

Total Barnett Consequentials Since 2015 Spending Review

	Total Resource	**604.6**
	Total Capital	**138.0**
	Total Financial Transactions	**53.2**

3.5 2019-20 Control Totals for the NI Executive

The current control totals for the NIE are set out in the table below:

Northern Ireland Administration Control Totals

£m nominal	**2019-20**
Resource DEL (RDEL)	**11,794.3**
of which:	
*RDEL excluding depreciation**	*11,153.3*
depreciation & impairments ring fence in RDEL	*459.0*
student loans ring fence in RDEL	*182.0*
Capital DEL (CDEL)	**1,634.6**
of which:	
General CDEL	*1,449.3*
Ring-fenced Financial Transactions	*185.3*

Annually Managed Expenditure (AME)

The NIE are also forecasting Annually Managed Expenditure of £11,739 million in the following areas:

Annually Managed Expenditure (AME)

Programme	**2019-20 Main Estimate**	**Change**	**2019-20 Supplementary Estimate**
			£m
Expenditure funded by Regional Rates	643.1	9.6	652.7
Borrowing under Reinvestment & Reform Initiative	0.0	10.9	10.9
Non cash spending in AME (provisions, depreciation, impairments)	834.8	252.5	1,087.3
Welfare	6,292.6	202.8	6,495.4
Student Loans	248.9	-24.0	224.9
Public Sector Pensions	2,821.6	245.0	3,066.6
Capital expenditure of Public Corporations	285.5	-115.4	170.1
Renewable Heat Incentive	28.9	0.0	28.9
Corporation Tax	1.2	-0.3	0.9
Bad debt	0.0	0.0	0.0
Profit and loss	1.0	0.0	1.0
TOTAL	**11,157.6**	**581.2**	**11,738.8**

3.6 Reconciliation of the 2015 Spending Review settlement for the Northern Ireland Government and current Control Totals for 2019-20

The Treasury's Block Grant Transparency document details all changes made to the Control Totals of the Northern Ireland Administration between SR 2015 and the end of 2018, and how they are calculated. This covers all years which were considered during the 2015 Spending Review (2016-17, 2017-18, 2018-19 and 2019-20).

The table below details all changes to the Northern Ireland Administration budget for 2019-20 since the 2015 SR settlement, including changes since the above document was published.

Changes to Northern Ireland Administration Control Totals for 2019-20 since 2015 Spending Review

	Resource DEL £m	Depreciation & impairments ring-fence £m	Student loans ring-fence £m	General Capital DEL £m	Financial Transactions Capital £m
SR 2015 Settlement	**9,884.9**	**456.3**	**130.9**	**1,126.3**	**66.1**
Changes Recorded in Main Estimated Memorandum					
Barnett Consequentials: Budget 2016	70.2			5.1	
Barnett Consequentials: Autumn Statement 2016	5.9			79.3	0.7
Barnett Consequentials: Spring Budget 2017	17.2			8.0	
Barnett Consequentials: Autumn Budget 2017	52.8			56.9	111.6
Barnett Consequentials: Budget 2018	232.9			1.4	
Barnett Consequentials Main Estimates 2019-20	185.6			-16.6	

Re-profile Efficiency Review savings into 2017-18	3.7			
Budget Transfer from BIS: Open University	2.5			
Re-profile Financial Transactions Capital from 2016-17 into 2017-18, 2018-19, 2019-20 & 2020-21				14.0
Budget Transfer from BEIS: National Productivity Investment Fund R&D			1.6	
Budget Transfer from Cabinet Office: Cyber Security	1.2			
Budget Transfer from Home Office: Immigration Health Surcharge	8.8			
Budget Cover Transfer from BEIS - GovTech Catalyst Funding			5.0	
Belfast City Deal			20.0	
FAS reclassification to AME	-5.4			
Reserve Claim - NI Block Pressures	140.0			
Network Rail				
Reserve Claim - Financial Services	1.5			
Reserve Claim - Funding for EU Exit	28.0		8.9	
Reserve Claim - 2017 Support Package	130.0		203.0	
Transfer of Research & Development Spending from Resource to Capital	-11.7		11.7	
<u>Changes since Main Estimates 2019-20 Memorandum</u>				
Barnett Consequentials Supplementary Estimates 2019-20	40.01		-12.68	-59.02
Budget Exchange drawdown	139.0	2.7	17.5	
Fresh Start Shared Future	12.0			
Fresh Start Fraud and Error	25.0			
Fresh start Tackling Paramilitary Activity	5.8			
CHX Aut Statement Budget 2018 (Reserve)	4.0			
EU exit funding	18.0			
Operational Contingency Fund, PSNI	3.1			
Air Passenger Duty	- 2.3			
Cash Management Charge / Rebate	0.0			

Tampon Tax	0.4				
BCT from HO - Immigration Health Surcharge	5.8				
Coastal Communities	0.4				
Budget Transfer from from DfT - City of Derry Airport PSO route	0.1				
Budget Transfer from from NIO (ACR547 NIO On-boarding)	0.0				
Budget Transfer from from NIE (DOF) to Cabinet Office (NCSP Cyber Security)	-0.6				
Budget Transfer from from DH (HIV Infected Blood)	0.1				
Budget Transfer from from DfT - City of Derry Airport PSO Route	1.7				
Budget Transfer from DWP – Contribution to FMOP project costs	-0.4				
Budget Transfer from DWP – Operational Staff on Tax Credit Debt Project	0.2				
Budget Transfer from DWP – NI Tax Credit Debt Project Staff Costs	0.0				
Budget Transfer from NIO - admin support	-0.0				
Capital to Resource reclassification	130.0				
Capital to Resource reclassification (Voluntary Exit Scheme)	10.9				
Budget cover due to re-classifaction Expected Credit Loss	0.1				
New Decade, New Approach funding	30.0				
Student Loan Reserve Claim			51.0		
Fresh Start Shared Education and Housing				13.4	
Budget Transfer from BEIS (R&D)				1.2	
Capital to Resource reclassification				-130.0	
Capital to Resource reclassification (Voluntary Exit Scheme)				-10.9	
Autumn Statement Budget 2016 (Reserve-Flooding)				1.2	
Reprofile of Supplementary Estimates 19/20 Barnett into 20/21	-18.548			52.1	59.0
Budget switch				7.1	-7.1
Total at Supplementary Estimates 2019-20	**11,153.3**	**459.0**	**182.0**	**1,449.3**	**185.3**

3.7 Trends: Northern Ireland Administration spending 2016-17 to 2019-20

Spending by Northern Ireland 2016-17 to 2019-20

	2016-17 Outturn £m	2017-18 Outturn £m	2018-19 Outturn £m	2019-20 Plans £m
Northern Ireland Administration				
Resource	10,475.3	10,624.9	11,006.3	11,794.3
Capital	1,005.4	1,148.0	1,297.1	1,634.6
Northern Ireland DEL(3)	**11,480.7**	**11,772.9**	**12,303.4**	**13,428.9**
less depreciation & impairments	*-590.3*	-546.6	-525.3	-640.9
Northern Ireland DEL(4)	**10,890.4**	**11,226.4**	**11,778.1**	**12,788.0**

Notes

(1) Totals may not sum due to roundings.

(2) Includes Budgetary Changes as a result of Clear Line of Sight

(3) Including depreciation & impairments

(4) Resource + capital - depreciation & impairments

(5) By convention Departmental Expenditure Limit budgets are expressed as resource and capital less depreciation & impairments. Therefore the resource and capital numbers in this table will not sum to the Departmental Expenditure Limit: the difference being depreciation & impairments.