

***IN-YEAR MONITORING OF PUBLIC  
EXPENDITURE***

**2024-25 GUIDELINES**

**PUBLIC SPENDING DIRECTORATE**

**DEPARTMENT OF FINANCE**

**MAY 2024**

**Version 1.0**

## **CONTENTS**

Section 1:	Introduction
Section 2:	Purpose of In-Year Monitoring
Section 3:	Overview of the 2024-25 Monitoring Process
Section 4:	Monitoring Structure
Section 5:	Controls and Presentation
Section 6:	Monitoring Returns and RBM Database Requirements
Section 7:	Outturn and Forecast Outturn
Section 8:	Provisional Outturn
Section 9:	Statutory Equality Obligations
Annex A:	List of Codes
Annex B:	Prioritisation of Bids
Annex C:	Flowchart and Monitoring Forms
Annex D:	Potential Equality Impact Template – Bids and Reclassifications

## SECTION 1: INTRODUCTION

1.1 This document sets out the main principles which will apply to the in-year monitoring of public expenditure during the financial year 2024-25. This document should be read in conjunction with:

- The HM Treasury Consolidated Budgeting Guidance which applies to in-year control at the UK level in 2024-25 and is available on the HM Treasury website:

[Consolidated budgeting guidance 2024 to 2025 - GOV.UK](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/118121/consolidated-budgeting-guidance-2024-to-2025.pdf)  
([www.gov.uk](https://www.gov.uk))

- Managing Public Money Northern Ireland which sets out the principles for dealing with resources used by public sector organisations in Northern Ireland and is available on the DoF website:

[Managing Public Money NI \(MPMNI\) | Department of Finance](https://finance-ni.gov.uk/management-public-money-northern-ireland/)  
([finance-ni.gov.uk](https://finance-ni.gov.uk))

The Department of Finance (DoF) expects that departments adhere fully to the guidance and standards set out in these documents.

1.2 Where departments require clarification on any aspect of this guidance or the Consolidated Budgeting Guidance they can contact Central Expenditure Division, in DoF Public Spending Directorate, as detailed below.

In-Year Issues	Cris Farmer	02890816832 (Ext. 76832) <a href="mailto:Cris.Farmer@finance-ni.gov.uk">Cris.Farmer@finance-ni.gov.uk</a>
	Emer Rice	02890816859 (Ext. 76859) <a href="mailto:Emer.Rice@finance-ni.gov.uk">Emer.Rice@finance-ni.gov.uk</a>
OSCAR & Database Issues	Cris Farmer	02890816832 (Ext. 76832) <a href="mailto:Cris.Farmer@finance-ni.gov.uk">Cris.Farmer@finance-ni.gov.uk</a>
	Emer Rice	02890816859 (Ext. 76859) <a href="mailto:Emer.Rice@finance-ni.gov.uk">Emer.Rice@finance-ni.gov.uk</a>

1.3 For all departmental specific issues, departments should continue to consult with their relevant DoF Supply contacts.

1.4 For all issues around Managing Public Money Northern Ireland departments should contact DoF Accountability and Financial Management Division (AFMD).

## SECTION 2: PURPOSE OF IN-YEAR MONITORING

- 2.1 Budget 2024-25 set out the departmental budget allocations for the coming year and was agreed by the Executive and announced by the Finance Minister by way of written statement on 25<sup>th</sup> April 2024.  
[Written Ministerial Statement - Public Expenditure - Budget 2024-25 \(finance-ni.gov.uk\)](https://www.finance-ni.gov.uk/written-ministerial-statement-public-expenditure-budget-2024-25)
- 2.2 These guidelines provide the underlying principles which underpin the In-Year Monitoring process. The commissioning letter for each subsequent exercise will provide more detail on the specific approach for that monitoring round. These arrangements will be kept under review as we move through the 2024-25 financial year.
- 2.3 The In-year Monitoring process provides a formal system for reviewing spending plans and priorities in this financial year in light of the most up to date position.
- 2.4 The In-year Monitoring process is designed to aid good financial management and ensure that resources are directed towards the Executive's highest priority areas.
- 2.5 The process is not intended to facilitate the re-opening of the agreed Budget position and **departments must treat all allocations set in the course of the Budget process as ceilings and should seek to manage their activities to contain spending within those ceilings, unless and until any increase is agreed by the Executive.**
- 2.6 **The Budget 2024-25 database letters also highlighted allocations made in the Budget which are earmarked for specific purposes, this funding cannot be used for a purpose other than that noted.**

## Scope of Monitoring Process

2.7 The monitoring process is concerned with departmental **budgets**, as opposed to **Estimates**, which are subject to separate guidance. In terms of principle, Main and Supplementary Estimates should reflect, rather than drive, departmental budgets – thus, for example:

- Main Estimates usually **reflect** the position established in the most recent Budget process (except where any change has been approved by the Executive in the interim, or where a classification change has been introduced); and
- Supplementary Estimates should take account of In-year Monitoring changes and be written to the January Executive Monitoring position (or other position as specifically advised by DoF at the time).

It should be noted that DoF Supply approval to virement, in the context of Estimates, **does not** convey approval for changes to departmental budgets. Separate guidance on Estimate process has been published at [Supply Estimates in Northern Ireland: Guidance Manual](#).

## SECTION 3: OVERVIEW OF THE 2024-25 MONITORING PROCESS

### Introduction

- 3.1 The Public Spending Directorate (PSD) within DoF is responsible for coordinating the In-year Monitoring process and providing advice to the Minister of Finance on the proposals for each round. The Finance Minister will then bring her proposals to the Executive for approval.
- 3.2 Central Expenditure Division (CED) within PSD will issue a commissioning letter in respect of each monitoring round to notify departments of the scope of the exercise and the deadline for returns.
- 3.3 A full suite of monitoring forms for submitting requests for changes to budget is attached at **Annex C**. Note that departments, with the exception of non-ministerial departments, are only required to submit forms for transactions that require approval and for increased receipts and spend (see 6.16) however, departments may complete additional forms if they wish to do so. Departments should also ensure that all transactions are entered onto the RBM database by the closing date for each exercise. Detailed database guidance will issue to departments prior to each monitoring round. While Annex C provides for most generic circumstances, should a new form be required for a particular issue this will accompany the database guidance.

### Timetable

- 3.4 The indicative timetable for the In-year Monitoring rounds in this financial year is set out in Table 1 overleaf. However, it may be necessary, in light of emerging public expenditure issues throughout the year, to commission ad-hoc monitoring rounds or to adjust the timing of planned monitoring rounds. CED will notify departments as to any change in the proposed timing and scope of any future rounds.

**Table 1: Indicative Timetable for 2024-25 In-Year Monitoring Rounds**

	June	October	January 1 <sup>st</sup> stage	January 2 <sup>nd</sup> stage
Departmental Returns	31 May	3 October	5 December	3 January
Executive Meeting	27 June	24 October	N/A	9 January
Assembly Statement	1 July	28 October	N/A	13 January

Note: Timings for Executive meetings or Assembly Statements have not yet been confirmed.

Following further consideration, and due to the time needed by departments to carry out equality screening and/or assessment following the Executive’s agreement to Budget 2024-25, it is now considered appropriate to have a third (October) monitoring round.

As in previous years the January Monitoring round will be split into 2 stages, the first stage will be to allow technical changes which will not require Executive approval to be processed in advance of the tight turnaround in January. This will assist with the preparation of Spring Supplementary Estimates.



## **SECTION 4: MONITORING STRUCTURE**

### **Public Expenditure Structure**

- 4.1 The Departmental Expenditure Limit (DEL) is the key control for public expenditure and it is within the DEL that resources are planned, managed and redistributed during the In-year Monitoring process. The presentation of figurework is on the basis of a clear separation between Resource DEL and Capital DEL.
- 4.2 The HM Treasury (HMT) public expenditure control framework distinguishes between ring-fenced Resource DEL (depreciation and impairments) and non ring-fenced Resource DEL. It is therefore crucial that the Executive are presented with information which transparently separates ring-fenced and non ring-fenced Resource DEL expenditure. Unless otherwise specified, the presentation of information in monitoring rounds will continue to focus on the non ring-fenced element, which can be reallocated in line with Executive priorities.
- 4.3 Depreciation, impairments and Student Loan Subsidy Impairment (scoring in DEL) remain ring-fenced within Resource DEL. To allow this to be managed, separate categories of expenditure within the Resource DEL boundary (DEL Admin Depreciation/Impairments; DEL Resource Depreciation/Impairments; and Student Loan Subsidy Impairment) will continue to be used to record these costs.
- 4.4 HM Treasury do not permit movement of resources out of ring-fenced Resource DEL. Further detail is provided at paragraph 5.7.
- 4.5 Financial Transactions Capital DEL is ring-fenced within Capital DEL and can only be used for loans to, or equity investment in, the private sector. To allow this to be managed, a separate category of expenditure within the Capital DEL boundary has been created to record these transactions.

4.6 Please refer to separate guidance on financial transactions capital to ensure that all elements are correctly recorded both to facilitate monitoring and management of this ring-fence locally but to also report to HMT along with the repayment of FTC at the correct level.

4.7 To maintain the clear separation of Resource DEL and Capital DEL the following structure will be maintained with each of the distinct elements being controlled independently:

- **Non Ring-fenced Resource DEL** (which scores recurrent expenditure, and sometimes termed RDELex by HMT);
- **Ring-fenced Resource DEL** (which scores depreciation and certain impairments, sometimes referred to as non-cash);
- **Student Loan Subsidy Impairment**;
- **Capital DEL** comprised of capital grants (grants to third parties which will be used to acquire fixed assets) and capital expenditure (which comprises capital investment and acquisitions), this is sometimes termed CDEL by HMT;
- **Ring-fenced Financial Transactions Capital DEL** comprised of loans and equity investment in the private sector, and sometimes termed FTC; and
- **Other earmarked areas** – for example, EU Co-operation Programmes (PEACE and Interreg), Flagship projects, City Deals Funding, NI Protocol Funding, ‘New Decade New Approach’ and New Deal for Northern Ireland. These will also be controlled on the basis of the category into which they fall i.e. non ring-fenced Resource DEL, Capital DEL etc. In addition, where departmental settlement letters advised of other earmarked allocations, while not noted in a separate unit of business, these cannot be used for any other purpose, and must be

surrendered at the first opportunity if not being used for the specific purpose intended.

- 4.8 The departmental structure used for monitoring rounds is based upon that reflected in the Budget 2024-25 process - i.e. Department, Objective and Spending Area, with Unit of Business (UoB) and Record Number further underlying this.
- 4.9 Units of Business and record lines will have been created within this structure to record any new earmarked allocations. A report will be issued to each department to show the earmarked UoBs and earmarked record lines, where each is the level at which control exists.

## SECTION 5: CONTROLS AND PRESENTATION

### Introduction

- 5.1 This section sets out the main controls and presentation with respect to Resource DEL and Capital DEL.
- 5.2 The fundamental principle in respect of the public expenditure control framework is that NI departments must not incur expenditure in excess of the amounts that have previously been approved by the Executive.
- 5.3 In particular, whilst departments have a degree of discretion as regards the use of resources this must not result in an overspend against budget allocations. This applies regardless of the circumstances involved and departments will be expected to take all possible steps to avoid an overspend.

### De Minimis Threshold

- 5.4 As a result of the additional flexibilities permitted for departments the de minimis threshold is no longer enforced.

### Movement of Resources

- 5.5 As in previous years, there is no formal limit on the level of administration costs. It is for individual Ministers to decide on the proportion of their budget that is allocated to frontline services or administration costs. This does not remove the need to record information at that level and DoF may seek explanations for significant movements.
- 5.6 Executive approval is required for **any** proposed movement of resources, regardless of amounts, between Resource DEL and Capital DEL. It should be noted that the movement of resources across expenditure categories, including between Resource DEL and Capital DEL is restricted to certain

specific circumstances and more detail on this is set out in paragraphs 5.20 to 5.25.

5.7 Within the Resource DEL, movement of resources from ring-fenced categories is not permitted by HM Treasury. Therefore any movement in to / out of ring-fenced Resource DEL should only be proposed in exceptional circumstances, as detailed in paragraph 5.22 below, and will require DoF approval as any changes may need to be offset by opposite movements in other departments to ensure management of the Block position. The changes must also be within the Admin and Resource boundaries. Movements between Admin and Resource can be facilitated through a separate transaction.

5.8 It is each department's responsibility to ensure that all movements are in compliance with these guidelines and the HM Treasury budgeting rules. Movements should be made in a transparent manner, using appropriate codes and as few transactions as possible. Also, departments must surrender reduced requirements at the first available opportunity to ensure that these can be reallocated by the Executive in a timely manner. This is necessary to ensure effective management of the overall block within the HM Treasury control totals. **DoF will monitor all movements of resources notified by departments and will query transactions that appear to be inconsistent with both the Monitoring and budgeting guidance.**

5.9 All proposed transactions must be made stating four identifiers:

- Unit(s) of Business;
- Expenditure Category(ies), i.e. Admin, Admin Depreciation / Impairments, Other Resource, Other Resource Depreciation / Impairments, Student Loan Subsidy Impairment, Capital, FT Capital;
- Transaction Type, i.e. bid, reduced requirement, etc.; and
- Description – this should clearly describe the nature or reason for the transaction and **should not restate the code or category being used.**

**This description will be reproduced in the tables accompanying the Executive paper and statement to the Assembly.** More information on descriptions is provided in paragraphs 6.11 to 6.15.

### Reduced Requirement (RR)

5.10 Reduced requirements are amounts arising as a result of:

- increased levels of receipts not linked to additional expenditure necessarily incurred;
- unplanned asset sales (i.e. above those included in the relevant budget position);
- a service or function requiring less than its existing provision;
- an allocation for a specific ear-marked or ring-fenced purpose not able to be spent on the intended project or function;
- savings from changes to pay/price assumptions; and
- a decision to cease or reduce a service or function (other than departmental proposals for the reduction/cessation of expenditure lines to meet pressures arising elsewhere with the department).

5.11 All reduced requirements above £1 million must be surrendered as early as possible in the financial year. To help aid the effective management of the overall expenditure position, **departments must notify DoF Supply of any reduced requirements on an ongoing, timely basis as soon as these are known.**

5.12 Reduced requirements in earmarked Units of Business or in respect of allocations for specific purposes must be surrendered irrespective of amount. CED will provide departments a list of their 2024-25 earmarked Units of Business along with reports confirming their Opening Monitoring position.

5.13 Departments must also reflect any such reduced requirements in their monthly Forecast Outturn returns as soon as they are identified. Separate guidance will issue on the Outturn and Forecast Outturn process.

#### Departmental Pressures (BID)

5.14 Any additional call on a department's resources, or demand for funding, would be viewed as a pressure, whether unforeseen or anticipated. That additional need can come from many sources, such as a shortfall in anticipated income, increase in the cost of goods or increased cost of providing a service. Departments should first seek to find resources from within their existing budgets to meet those pressures before submitting a bid through in-year monitoring.

5.15 When the bid is submitted the nature of the pressure will determine the categorisation of the bid into the priority areas noted. The action of submitting a bid or the categorisation to a higher priority should not be taken as indication that additional funding will be allocated. Any allocations will be dependent upon the overall resource position and competing pressures registered by other departments.

5.16 Departments should key the relevant detail on the RBM database and provide supporting information in the form at Annex C. Departments are required to assign a priority to their bids on both RBM and in the form, details are provided in Annex B. Departments should also rank their bids in order in the form at Annex C.

5.17 Under exceptional circumstances bids below £1 million may be accepted for inclusion in monitoring papers. The general rule will however be that departments should address these pressures from within their existing budget allocation. If transactions are being submitted under exceptional circumstances, additional supporting information must be provided. Without this additional supporting information, the bid will not be considered.

5.18 Bids identified by departments will only be considered as part of the monitoring process if they:

- are above £1 million (unless exceptional circumstances apply, in which case departments must provide detail of the exceptional circumstances underpinning any bid below £1 million for it to be considered);
- demonstrate the impact on the key commitments set out in the Programme for Government (if applicable);
- are consistent with departmental aims, objectives and priorities and contribute to the achievement of departmental targets; and
- comply with the statutory equality obligations.

5.19 Allocations subsequently approved by the Executive should be treated as ceilings and earmarked for the specific purpose intended where applicable.

Category Switches (RECLASS, RES2ADMIN, ADMIN2RES, TAD/I)

5.20 Under certain circumstances departments may request to transfer budget cover from one category to another. Departments should advise their Supply Officer of any proposed reclassifications as soon as they become aware of the need for a transaction of this nature.

5.21 Approval is required for movements crossing the Resource and Capital boundaries, and also in / out of the depreciation / impairment boundaries as these will depend upon the overall NI block position and therefore should not be assumed.

5.22 The circumstances for such requests are listed below:

- Where a department has made a decision to transfer budget cover between administration and frontline services;
- Where budget cover has transferred from another department in the wrong category; and



- Where original allocation was incorrectly classified or where the allocation is now in the wrong category **as a result of a change in accounting treatment.**

If a department feels that a category switch is appropriate and outside of this list they should contact DoF Supply for guidance.

5.23 The category switch proposed by departments should be **within the same Unit of Business**. Any movement across Units of Business or Units of Service should be discussed with Supply and then processed separately within the monitoring guidelines.

5.24 The movement being requested by departments will determine the code to be used.

- If the movement requires Executive approval, i.e. crossing the Resource and Capital boundaries, use RECLASS.
- If the movement requires DoF approval, i.e. in or out of Depreciation/Impairments but remaining within either the Admin or Resource boundary (e.g. from Admin to Admin Depreciation) use TAD/I.
- If the movement is a result of a Ministerial decision to reallocate funding to or from frontline services or administration use RES2ADMIN or ADMIN2RES as appropriate.

5.25 Some examples of proposed movements which will need to be processed in two stages are detailed below:

- From Resource to Resource Depreciation, crossing Unit of Business - in such cases departments should submit proposals for a TAD/I and then an IRUOS;
- a movement crossing Unit of Business and category (e.g. from Admin in A0101 to Resource in A0103), this should be processed as an IRUOS and then an ADMIN2RES.

### Internal Reallocations within a Unit of Business (IR)

5.26 Internal reallocations represent the movement of resources within the same Unit of Business and category of expenditure and do not normally require approval and should either be entered on the RBM system or where this is not possible notified to DoF Supply through submitting the relevant form. When inputting this transaction on the RBM database additional validation on RBM will only permit the increase of expenditure on one line if funded from a reduction of expenditure on another line; similarly an increase in receipts will only be permitted if another receipts line is reduced. If a department wishes to increase receipts on one line and expenditure on another this cannot be completed using an IR, this should instead be completed using the increased receipts and spend codes provided for that purpose (paragraphs 5.34 to 5.36).

### Reallocation within Unit of Service (IRUOS)

5.27 A reallocation within a Unit of Service allows a department to move resources within the same Unit of Service and the same category of spend, for any amount. These movements do not normally require approval and should either be entered on the RBM system or where this is not possible notified to DoF Supply through submitting the relevant form.

### Internal Reallocations across Units of Service (IRFLEX)

5.28 Reallocations across Units of Service allows a department to move resources across Units of Service and the same category of spend, for any amount. These movements do not normally require approval and should either be entered on the RBM system or where this is not possible notified to DoF Supply through submitting the relevant form.

### Technical Transfers (TA/TAFTC/TANI)

- 5.29 Technical transfers are the movement of resources between NI departments (TA) and these will be checked and monitored by DoF Supply. Departments should co-ordinate and agree all such changes in advance to ensure that both sides of a potential transfer are processed during the same monitoring round. DoF Supply will remove all transactions which are not balanced from the monitoring round.
- 5.30 Budget Cover Transfers between NI departments and other Devolved Administrations or Whitehall departments (TANlxx where xx is a number allocated by CED) should be processed in accordance with the HM Treasury guidance detailed in the Public Expenditure System paper on “Hard Charging and Budget Cover Transfers”, PES 2010 (04). This paper states that budget cover transfers are only appropriate in certain circumstances and **Hard Charging should be the first option in most cases.**
- 5.31 Where it is determined that a budget cover transfer is appropriate written confirmation that both departments are in agreement **must** be submitted to PSD or the transfer will not be actioned.
- 5.32 HM Treasury processes have been put in place for such transfers with the introduction of OSCAR, and CED will use the information provided by departments to liaise with the relevant Whitehall department to ensure that the proposed transfer conforms with this process **before** being actioned on RBM.
- 5.33 Only when the relevant Whitehall department confirms the proposed action with CED will the relevant code be made available to the department. It is the responsibility of departments to engage with both the relevant Whitehall department and PSD as early as possible to ensure that the code can be made available and transaction keyed before the Monitoring deadline.

**Treatment of Receipts (codes are created specifically for this purpose - see Annex A)**

5.34 Except where alternative agreements have been introduced (paragraph 5.35), additional receipts above the level planned in the Budget position cannot be used to offset expenditure. **Additional receipts must be surrendered as a reduced requirement**, with departments being free to submit a separate bid for the resources if necessary. It is therefore important that receipts are accurately forecast in the Budget process, with any subsequent increases being declared at the earliest possible opportunity.

5.35 In exceptional cases receipts may be retained by departments when it can be proven that the expenditure and receipts are linked. If transactions are being submitted under this exceptional circumstance, supporting information must be provided to DoF Supply for consideration and these should also be recorded on the database in the same Unit of Business using the codes provided for this purpose (CAPLINKR, CAPLINKP, RESLINKR, RESLINKP – see Annex A).

5.36 In order to spend the resources generated through receipts they must fall under the definition of income in Estimates. As a consequence the capacity of departments to spend or reallocate additional receipts to another area is limited. Departments should consult with their Supply teams to ensure that any planned changes do not contradict the recording of income in Estimates.

Non DEL Transactions

5.37 Non DEL transactions are changes to expenditure lines outside of DEL that do not net to zero and adjust spending plans in Annually Managed Expenditure (TAAME), Non Departmental AME (TAOTHAME), and Non Budget Expenditure (TANONBUD) to reflect more up to date information.

- 5.38 Changes to AME may be processed at each monitoring round to ensure that the 2024-25 forecast of spend is the most up to date position. Annex C includes a form for departments to provide details of any AME changes entered on the RBM system.
- 5.39 In addition monthly forecast outturn returns should always reflect the most up to date position as this provides both DoF and HM Treasury with the most accurate reflection of the in-year position on an ongoing basis.
- 5.40 Departments should note that HM Treasury has responsibility for approving all changes to AME budget lines, therefore any amendments to AME lines as part of an in year monitoring exercise should **not** be treated as confirmed budget positions until approval has been granted by HMT.
- 5.41 At various points in the year, in-year changes to AME lines should align to the AME forecasts provided in the Office for Budget Responsibility AME update exercises. CED will advise in commissioning letters where such alignment is required.
- 5.42 All other Non DEL transactions may be processed when necessary. Departments should first agree changes with their Supply teams.
- 5.43 We will continue to assist departments with the timeliness of NON BUDGET updates. A Non Budget code will continue to be available throughout each monitoring exercise. Where an additional Non Budget exercise will be opened, this will be included in the commissioning note.
- 5.44 As Non Budget information is used to calculate the NI Cash Grant requirement which is included in the NIO Estimate, as well as informing our own departmental Estimates, it is important this information is up to date and accurate.
- 5.45 Departments must provide evidence-based, robust explanations for all Non Budget movements. In particular departments should explain where changes impact upon the cash required, such as evidence based

justification for any amount recorded as movement in working capital not just changes from the last position.

5.46 In addition, departments should provide evidence-based explanations where grant in aid to sponsored bodies results in a variance from the amount derived from the ALB resource consumption. This applies to all stages of the financial year from original budget setting to final monitoring outcome.

5.47 Departments should note that the Non Budget form at Annex C has been extended to assist departments in providing the necessary information.

### **Summary of Transactions**

5.48 In summary the movement of resources during the monitoring exercises will be captured by one of the following types of transactions (change code in parenthesis):

Executive Approval required:

- Bid (BID); and
- Reclassification between categories of expenditure (RECLASS).

Must be Notified at Earliest Opportunity:

- Reduced Requirement (RR).

DoF approval required:

- Movements in or out of Depreciation / Impairments within the same Unit of Business and within the Admin and Resource boundaries (TAD/I); and
- Non-DEL Transactions (TAAME, TAOTHAME, TANONBUD).

Notified to DoF:

- Movements between Admin and Resource within the same Unit of Business (RES2ADMIN or ADMIN2RES);
- Internal Reallocations within a Unit of Business (IR);

- Internal Reallocations within the same Unit of Service and category (IRUOS); and
- Internal Reallocations across Units of Service (IRFLEX).

Notified to DoF (with restrictions):

- Increases in receipts and linked spend in accordance with paragraph 5.35 (CAPLINKR, CAPLINKP, RESLINKR, RESLINKP); and
- Technical Transfers with other departments/administrations (TA, TAFTC, TANI).

## **Earmarked Areas**

5.49 Earmarked areas are those in which the budget allocation cannot be used for any other purpose than that for which approval was initially granted. The Budget 2024-25 database letters advised departments of the elements of their budget that were earmarked. This included allocations from specific funding streams and allocations earmarked for a specific purpose.

5.50 Changes to any earmarked funding **will normally be made or amended using specific codes**. The use of other codes is not permitted against earmarked funds.

5.51 However, if a department identifies a Reduced Requirement or a legitimate need for a different transaction, for example movement of centrally held funds between Departments then departments should discuss with their Supply team in the first instance. They will then be advised of which code to use in processing the transaction on the RBM database.

5.52 Please refer to Earmarked Funding Guidance – letter to FDs issued on 10 May 2023 which sets out the structure of how to record earmarked funding, and the treatment at monitoring.

## **Outstanding EU Directives**

5.53 Departments are expected to cover, from within their own baselines, any fines/damages incurred as a result of a failure to implement a directive on time unless there are exceptional, extenuating circumstances. In addition, the costs of any new measures from Brussels should, in the first instance, be funded from within departments existing baselines.

## **EU Income from Previous years**

5.54 Departments recording EU funded spend in each year are expected to also record EU income to offset this expenditure. We recognise that it is also possible that a department may be entitled to record EU income related to a previous years' expenditure as a result of EU approval of an application for funding being received. This income should be recorded as a benefit to DEL but cannot be used by the department to offset the related expenditure as this occurred in a previous year. The department should therefore record this as EU CFER income in DEL and as a Reduced Requirement on the RBM database at the first opportunity.

## **Provisions**

5.55 The take up, movement and release of provisions are recorded in AME. The utilisation of provisions represent a pressure in DEL, with the corresponding easement (the release of the provision) recorded in AME. Movements between DEL and AME are not permitted. Departments must plan to meet any future DEL pressure resulting from the use of provisions from within their existing budget allocation.

5.56 When establishing or increasing provisions departments must therefore bear in mind the future budget implications of these decisions. In particular, departments must ensure that there is adequate DEL budget cover to fund utilisation of provisions. **There must be no expectation that the DEL**



**pressure resulting from the utilisation of provisions will be addressed centrally.**

### **Expected Credit Loss (ECL)**

5.57 HM Treasury's Consolidated Budgeting Guidance 2024-25 details how Financial Instruments should be treated in relation to the application of ECL.

### **Pooling of Budgets**

5.58 Where provision has been established for the sharing of resources, such as the Children's Services and Co-operation Act (Northern Ireland) 2015, departments should ensure that any arrangements established are consistent with public expenditure guidance issued by the Department of Finance.

### **Departmental Ministerial Approval**

5.59 DoF recognises that departmental officials will wish to clear any proposed bids with their Minister prior to the submission of monitoring returns to DoF. Therefore this should be built into their timetable for each round to ensure that DoF deadlines are met.

5.60 It is important to note, however, that notification of reduced requirements to departmental Ministers is on a "for information" basis only, as any and all **reduced requirements**, as defined in paragraph 5.10, **must automatically be surrendered by departments at the earliest opportunity.**

5.61 Where it is felt that a reduced requirement has been surrendered at a late stage departments will be expected to provide an explanation as to why it was not possible to surrender each reduced requirement at an earlier stage.

## **Engagement with Departmental Assembly Committees**

5.62 Assembly Committees have an important role to play in the scrutiny of departmental spending plans. Departments are now required under The Functioning of Government (Miscellaneous Provisions) Act (Northern Ireland) 2021 [Functioning of Government \(Miscellaneous Provisions\) Act \(Northern Ireland\) 2021 \(legislation.gov.uk\)](#), to provide the relevant Assembly Committee with a written or oral briefing on the department's submission to each monitoring round no later than 7 days following submission to the Department of Finance. For that reason departments must ensure that they engage fully with their Assembly Committees in respect of the In-year Monitoring process.

5.63 The extent of this engagement is obviously a matter for individual Committees and there should be early engagement with Committees in order to establish their requirements.

5.64 DoF recommends that Committees should be kept informed of financial matters on an ongoing basis.

## **SECTION 6: MONITORING RETURNS AND RBM DATABASE REQUIREMENTS**

### **General**

- 6.1 All proposed monitoring changes should be keyed onto the RBM database at the **Unit of Business** level and split between Admin; Admin Depreciation/Impairments; Other Resource; Other Resource Depreciation/Impairments; Capital and FT Capital.
- 6.2 All monitoring changes should correctly allocate resources to the correct Unit of Business in the first instance. If movements are from one Unit of Business to another this should be completed directly and not as a series of movements.
- 6.3 Supply teams will query with departments where it appears that resources are being moved into and then out of the same Unit of Business. These transactions could be removed from the exercise if there is no sound rationale provided to justify them.
- 6.4 CED will issue guidance on the input of data onto the RBM database before each monitoring round detailing any transactions specific to that round.
- 6.5 Departments should ensure that the correct database code is used for each transaction. In particular changes to earmarked areas will only be accepted if the relevant code is used.
- 6.6 **Annex A** provides a list of codes which are usually available for each monitoring round and a flowchart is included in **Annex C** to assist in deciding which code to use.
- 6.7 New codes relevant to each round may be set up as required and departments will be informed of these via the database guidance for that particular round.

- 6.8 It should be noted that not all codes will be made available to departments as some are for CED use only.
- 6.9 Each code created on RBM will have a set list of allowable categories that transactions should be processed against. When keying onto RBM, care should be taken to ensure that the monitoring change is keyed to the correct category. If a code does not include a category you wish to use contact either your Supply team or CED.
- 6.10 Transactions submitted should include any consequences for other expenditure categories, where appropriate, to ensure that the full implications of changes are considered together. In addition to the direct implications for each bid, reduced requirement and technical transfer, departments should also indicate the implications for the associated costs. For example, where a bid for additional capital investment would result in increased depreciation costs, if the bid were met, then both elements should be submitted as a bid, unless the department can meet the additional depreciation costs from within its existing resources.

## **Descriptions**

- 6.11 Each transaction **must** be accompanied by a meaningful description, which accurately conveys **the reason for the change. It is not sufficient, nor correct, to simply repeat the change type or the category of expenditure.**
- 6.12 **Where a transaction will be included in an Executive paper the descriptions entered on RBM will be used in the preparation of Executive papers and for publication, as appropriate.** It is therefore important to avoid general statements such as 'reduced Resource requirement' which do not convey sufficient meaning.
- 6.13 While RBM no longer includes a restriction on the number of characters allowed, departments should be mindful of the amount of text that can be

shown on a report or table. Each description should not usually be any longer than 40 characters in length but if a longer description is necessary for clarity, this should be provided.

6.14 Descriptions should be input in **title case** and **should not contain a ‘£’ sign, a long dash ‘–’ (short dash ‘-’ is allowable) or any other special characters**. Use of acronyms should be kept to a minimum and you should not assume that end users will have detailed understanding of the business area.

6.15 Technical Adjustments and movements between departments should continue to identify the departments involved, the direction of movement and description of the transfer. If these transactions relate to FTC repayments then a separate code is available for this purpose.

### **Supporting Information Requirements for each Transaction**

6.16 In order to facilitate a comprehensive consideration of the proposals submitted by departments, supporting information is required for each transaction requiring Executive or DoF approval (BID, RECLASS, TAD/I) and for reduced requirements.

6.17 This information may also be used for briefing material for, it is therefore essential that sufficient information is provided and that your DoF Supply team is fully apprised of the underlying details.

6.18 The monitoring forms, included in **Annex C**, have been designed to capture all relevant information relating to each transaction. **It is therefore important that monitoring forms are completed for all transactions requiring Executive or DoF approval and reduced requirements entered on RBM by the department, and these are forwarded to PSD.**

6.19 Non-ministerial departments are required to submit forms for **all transactions** to facilitate the recording of the transactions on RBM by Supply.

6.20 Bid and Reduced Requirement forms must contain the relevant information on the equality implications (see Section 9). Any item without this information will not be accepted or considered during the monitoring process and will be returned to departments.

6.21 Departments will be required to identify the reason for resources being surrendered. An explanation of the *timing* of the surrender is also important, given the need for funds to be surrendered as early as possible. In the context of the requirement to surrender reduced requirements on an ongoing basis, departments will be subject to challenge by DoF Supply to ensure early surrender of reduced requirements.

6.22 In the case of bids, these must be categorised as inescapable, pre-committed, high priority or desirable on RBM and on the relevant form (see **Annex B** for guidance). Departments should ensure accurate and meaningful information is supplied.

6.23 Departments should also rank bids in priority order in the forms returned to PSD (i.e. 1, 2, 3 etc.). Bids should also be classified into one of two categories and the description of bid should identify which category applies:

- New projects which the department wishes to do – split between issues not previously logged (in either Budget or Monitoring) and issues logged unsuccessfully; or
- Projects which the department has planned but where the cost has increased – split between pure cost increases and volume increases (i.e. doing more than originally planned).

6.24 In the case of cost pressures, departments should distinguish between internal and external factors, i.e. internal costs would be an increase in departmental pressures, whereas a possible external factor would be an increase in supplier charges.

6.25 Departments should provide detailed supporting narrative for each transaction on the standard supporting information form agreed with their Supply Officer. The completed forms should be forwarded to the relevant Supply Officer and copied to CED along with other monitoring material. **All** of the following headings should be covered, where specified, for each transaction: -

**Description** – a short, meaningful description of the transaction (around 40 characters). Avoid repeating the Expenditure Category and code used. Also avoid use of acronyms. [Bids and Reduced Requirements]

**Reason for Request i.e. need/justification** - an explanation of the transaction and why it is required, with particular emphasis on how it will address the needs identified and what the impact of the transaction is in terms of outputs. [Bids only]

**Reason for Reduced Requirement** - an explanation of why the Reduced Requirement has arisen and why the transaction could not have been put forward at an earlier stage. Reduced Requirements should be classified as one of the explanations as set out in paragraph 5.10. [Reduced Requirements only]

**Consequences if transaction not approved** - an indication of how the pressure will be handled if the transaction is unsuccessful. Simple statements suggesting that the service will not be provided should be avoided. The impact on specific outputs in the areas affected should be included, expressed in terms of impact on key public service delivery targets and Reform Plans [Bids only].

**Impact on Key Priorities** - One of the overriding concepts of Resource Accounting and Budgeting (RAB) is the linking of expenditure to public service objectives and targets. It will therefore be important to demonstrate the impact of the proposal on the key commitments set out in the any Programme for Government (if applicable). It will also be

important to set out how the proposal will contribute towards the department's own objectives.

**Impact on Statutory Equality Obligations-** DoF would not expect the implications of most monitoring transactions to be as significant as those arising in the course of the Budget process covering large amounts over a number of years, including policy developments, etc. However, given the statutory obligations under the NI Act 1998, departments should deal with this requirement rigorously and inform DoF of any adverse equality implications in accordance with paragraph 9.10. [Bids and Reduced Requirements].

**General comment** - any other supporting information that the department considers is relevant to the transaction e.g. if there are any relevant GB (or other) indicators. [Bids and Reduced Requirements].



## **SECTION 7: OUTTURN AND FORECAST OUTTURN**

- 7.1 In order to allow DoF to comply with HM Treasury requirements, NI departments are required to provide, on a monthly basis, details of actual DEL, AME and Other AME spend for the preceding month(s) and forecast spend for the remaining months of the financial year.
- 7.2 DoF use the monthly outturn and forecast outturn information provided by departments to inform decision making during the In-year Monitoring process. Therefore, the importance of timely and realistic actual and forecast outturn cannot be overstated.
- 7.3 The Outturn and Forecast Outturn information, including forecasting accuracy data, will be provided to the Committee for Finance and Fiscal Council on an ongoing basis. Furthermore, it is anticipated that Assembly Committees will be taking an active role in the scrutiny of these returns.
- 7.4 Reduced requirements should be reflected in the forecast outturn return as soon as possible, even if it is in advance of a monitoring round. Internal reallocations within category can also be incorporated especially if these permit the correct recording of a use of provision.
- 7.5 Departments should therefore always ensure that any predicted underspends are forecast and notified to DoF as soon as they are identified as this provides useful management information for the Block.
- 7.6 DoF will not unilaterally adjust departments budgets based on the forecast outturn information received although departments will be asked to provide explanations for significant projected over or underspends.

## **SECTION 8: PROVISIONAL OUTTURN**

- 8.1 Provisional Outturn is a department's best estimate of the level of actual expenditure reported in a financial year, completed before departmental accounts are finalised. This exercise will continue to be carried out in May in accordance with the HM Treasury timetable, which requires details of Northern Ireland's provisional outturn for inclusion in HM Treasury publications.
- 8.2 While departments may not have definitive outturn information at this time, the monitoring of outturn on a monthly basis will provide a sound basis for a reasonable and robust assessment of provisional outturn. It is essential that the most up-to-date information is used for provisional outturn and departments should consider how best to capture this information internally.
- 8.3 While the outturn position will be revisited in late summer following the completion and audit of resource accounts (to which the final outturn position **must** be reconciled), this should not be used as a justification for any dilution in the quality of the provisional figurework.
- 8.4 Significant variances at a departmental level between provisional and final outturn will attract close scrutiny from DoF due to the impact this may have on carry forward under the Budget Exchange Scheme.

### **Budget Exchange Scheme**

- 8.5 The Budget Exchange Scheme as applied to the Devolved Administrations was agreed in June 2011. This scheme allows Executive to carry forward, at block level, end of year underspends up to agreed caps of 0.75 per cent and 1.5 per cent in terms of Resource DEL and Capital DEL respectively, with a separate arrangement in place for Financial Transactions Capital.
- 8.6 Departments should note that the Budget Exchange caps in all of the areas noted above provide an upper limit as to the amount of resources that can

be carried forward by the Executive as a whole from one year to the next. It does not apply to individual departments.

- 8.7 To enable DoF to effectively manage this process with HM Treasury it is critically important that departments ensure that they minimise end of year underspends and surrender reduced requirements at an early stage.
- 8.8 Any end of year underspends at Block level above the Budget Exchange Scheme limits will be lost to Northern Ireland. Sound financial management by departments is critical to ensure that this does not happen.
- 8.9 Due to the call on reserve made in 2023-24 for non ring-fenced Resource DEL any underspend in NRFRDEL in 2023-24 will not be made available under the Budget Exchange scheme for 2024-25.

#### **Schools End of Year Flexibility (EYF) Scheme**

- 8.10 The Executive agreed a schools EYF scheme which allows individual schools to call on their reserves to plan financially and also build up savings in one year with access to these in future years, if desirable. This scheme therefore promotes good financial management within individual schools.
- 8.11 The schools EYF scheme requires DE to declare the estimated aggregate net drawdown, which will represent a high priority bid. DE will then get an opportunity to revisit this estimate later in the year. Any changes after the final monitoring round will have to be managed within DE.

#### **FE Colleges End of Year Flexibility (EYF) Scheme**

- 8.12 The Executive previously agreed an EYF scheme to enable FE colleges to manage their budgets within the Public Expenditure framework and timetable following their reclassification. DfE should submit details of any drawdown under the scheme as part of their monitoring submissions.

## **SECTION 9: STATUTORY EQUALITY OBLIGATIONS**

9.1 Section 75 and Schedule 9 to the Northern Ireland Act 1998 came into force on 1 January 2000 and placed a statutory obligation on public authorities to ensure that, they carry out their various functions relating to Northern Ireland, with due regard to the need to promote equality of opportunity between –

- persons of different religious belief;
- persons of different political opinion;
- persons of different racial group;
- persons of different age;
- persons of different marital status;
- persons of different sexual orientation;
- men and women generally;
- persons with a disability and persons without; and
- persons with dependants and persons without.

9.2 In addition, without prejudice to this obligation, Public Authorities are also required to have regard to the desirability of promoting good relations between persons of different religious belief, political opinion, and racial group. From January 2007 public authorities are also required to have due regard to the need to promote positive attitudes towards people with a disability and to encourage participation by people with a disability in public life.

9.3 The statutory obligations are implemented through Equality Schemes, approved by the Equality Commission, and by equality screening and if necessary carrying out Equality Impact Assessments (EQIAs) on policies. The purpose of the screening and EQIA is to decide whether, through the application of a particular policy, there is or is likely to be a differential impact on one or more of the nine categories listed above.

9.4 Details of commitments to Section 75 are included in Departmental Equality Schemes. Further advice and guidance, in the first instance, should be sought from your Departmental Equality Unit. Copies of the Equality Commission for Northern Ireland's revised "Guidance for implementing Section 75 of the Northern Ireland Act 1998" can be obtained from Departmental Equality Units, from the Equality Commission, or can be downloaded directly from its website at [www.equalityni.org](http://www.equalityni.org).

### **Departmental Responsibilities**

9.5 It is important that the Executive is fully informed of good relations, anti-poverty and the potential equality implications of decisions it makes as regards budget allocations, including in budget exercises and in-year monitoring rounds.

9.6 Therefore, in line with advice previously provided by the Equality Commission, the Executive was provided with a summary of the potential equality impacts of living within Resource DEL baselines and the equality impacts of Resource DEL and Capital DEL bids if met, when they considered and agreed Budget 2024-25.

9.7 The lack of available time meant that the ideal process of a Draft Budget 2024-25 issuing for consultation, allowing departments to carry out equality screening/impact assessment for the Executive to consider before making decisions on a Final Budget, could not happen. However, the Executive agreed that this information would be considered as part of the in-year process, so the Executive is able to give due regard to its Section 75 duties in the decision-making process whether through the allocation of additional resource or by redistributing existing funding if required.

9.8 Following the Executive's agreement to Budget 2024-25, departments are responsible for carrying out equality screening/impact assessment as appropriate in line with their own Equality Schemes. Ideally this information

would be provided in time to inform the June Monitoring round, however it is recognised that this is unlikely to be available in time.

- 9.9 Therefore, departments are asked to provide an assessment of emerging equality impacts in line with the June Monitoring timetable set out at Table 1, if possible, to allow early action if required.
- 9.10 This should be followed up with the full responses once departmental consultations have closed. These screenings/impact assessments should be provided to DoF in advance of the October Monitoring Round, as set out in Table 1.
- 9.11 This will allow the Executive to consider whether any action is required as a result of the screening/impact assessments on decisions required to live within Budget 20204-25 funding envelopes.
- 9.12 In addition, any changes to planned expenditure that require Executive approval (bids or reclassifications), requested by departments in a monitoring round, must be accompanied by the template at Annex D.
- 9.13 This template should be completed to reflect departmental consideration on potential equality impacts. Where there are negative impacts, the template should include details of mitigations or alternatives proposed.
- 9.14 Although these templates will be provided to the Executive for consideration before agreeing changes to departmental expenditure plans in a monitoring round, departments are responsible for carrying out appropriate equality screening/assessment in line with their Equality Schemes.
- 9.15 DoF is currently engaging with the Equality Commission with a view to implementing best practice when the Executive is discharging section 75 duties in terms of budget. Any new guidance will be passed on to departments in due course.

9.16 Departments should also ensure their Minister and Departmental Board are fully informed. This advice should highlight:

- all proposed changes in expenditure which could have positive differential impacts on equality of opportunity, good relations, lifetime opportunities or the disability duties;
- all proposed changes in expenditure which could have negative differential impacts on equality of opportunity, good relations or anti-poverty but which have been mitigated or are alternatives to the policy proposed; and
- all proposed changes in expenditure which could have negative differential impacts on equality of opportunity, good relations or anti-poverty which cannot be fully mitigated but are justified. Such justifications should be set out clearly.

9.17 Where there are negative impacts, the advice to the Minister and the Board, should include details of mitigations or alternatives proposed. A proposal with negative impacts, which cannot be mitigated, should only go ahead if such course of action can be robustly justified.

### **Other Statutory Obligations**

9.18 Departments should be mindful of their need to consider the Rural Needs Act, Climate Change Act and the Children Services Co-operation Act when considering budgetary changes. Departments should ensure any transfers under the children services co-operation Act meet with public expenditure rules. Departments should seek further advice from PSD if necessary.

## ANNEX A

CODE	DESCRIPTION
<b>DEL Transactions - Must be Notified</b>	
RR	This code to be used to record any Reduced Requirements.
<b>DEL Transactions - Requiring Executive Approval</b>	
BID	This code should be used to record a BID for additional resources, this is the only code for which departments are required to enter a priority value.
RECLASS	This code should be used to propose reclassifications between the category boundaries DEL Resource (both Admin and Resource) and DEL Capital.
<b>DEL Transactions – Requiring DoF Approval</b>	
TAD/I	This code should be used to request movement into or out of Depreciation/Impairments, within the same unit of business, but remaining within either the Admin or Resource boundary (e.g. from Admin to Admin Depreciation).
<b>DEL Transactions – to be Notified to DoF</b>	
RES2ADMIN	This code should be used to reflect decisions to reallocate resource (frontline services) funding to administration within the same unit of business.
ADMIN2RES	This code should be used to reflect decisions to reallocate administration funding to resource (frontline services) within the same unit of business.
IR	This code should be used to record transfers between record lines within a Unit of Business and of the same category and taking account of the rules surrounding movement between payment and receipt lines.
IRUOS	This code should be used to record transfers between Units of Business within the same Unit of Service. Transactions must be of the same category and should take account of the rules surrounding movement between payment and receipt lines.
IRFLEX	This code should be used to process the reallocation of any element of their budget outcome that has not been notified as earmarked, within the same category of expenditure across Units of Service.
CAPLINKR	This code should be used to record capital receipts being retained by departments when it



	can be proven that the expenditure and receipts are linked and are recorded in the same unit of business.
CAPLINKP	This code should be used in conjunction with CAPLINKR to record the increase in capital expenditure as a result of retaining the linked capital receipts in the same unit of business.
RESLINKR	This code should be used to record resource receipts being retained by departments when it can be proven that the expenditure and receipts are linked and are recorded in the same unit of business
RESLINKP	This code should be used in conjunction with RESLINKR to record the increase in resource expenditure as a result of retaining the linked resource receipts in the same unit of business.
<b>DEL Technical Adjustments Including Earmarked Areas</b>	
TA	Use this code the record any technical adjustments between departments
TAFTC	Use this code to record a technical transfer from a department to the 'centre' relating to the repayment of FTC.
TAINTERREG	Use this code to propose any EU INTERREG V changes (including match funding). These will then be forwarded to EUD for approval
TAPEACE	Use this code to propose any EU Peace IV changes (including match funding). These will then be forwarded to EUD for approval
TAPEACEPLUS	Use this code to propose any EU Peace Plus changes (including match funding). These will then be forwarded to EUD for approval
TADSC	This code should be used to record any approved allocations relating to Delivering Social Change and will only be made available following Executive approval of allocations.
TAPROTOCOL	This code should be used to record any approved allocations relating to NI Protocol, and will only be made available following approval of allocations.
TASE	This code should be used to record any approved allocations relating to Shared Education and Housing, and will only be made available following approval of allocations.
CITYDEALS	This code should be used to record any approved allocations relating to City & Growth Deals, and will only be made available following approval of allocations.
<b>Non DEL Transactions</b>	

TANONBUD	This code should be used to record any Increase/Reduction to Non DEL/AME figures.
TAAME	This code should be used to record any increase or reduction to AME figures
TAOTHAME	This code should be used to record any change to PC capital expenditure.

## **ANNEX B**

### **Prioritisation of Bids**

#### **Legal or Contractual Commitments**

This category covers bids for additional firm legal or contractual obligations, whose costs were not previously anticipated and if not met, may lead to proceedings being taken against the Department. Under no circumstances should this category be used simply to ensure a strongly supported bid is met.

#### **Executive Pre-commitments**

This category covers those bids relating to a situation where the previous Executive has already taken prior decisions, through an alternative decision making process, and the relevant papers recording those decisions should be supplied to support the request.

#### **Highest Priority**

This category covers those bids in areas which are deemed to be important proposed developments in either delivering the key areas covered in the draft Programme for Government or dealing with other emerging issues of comparable importance.

#### **Desirable**

This category covers those bids which are considered value for money projects but have a less direct impact on key departmental objectives and targets.

**ANNEX C – SEPARATELY ATTACHED**

## ANNEX D

### Potential Equality Impact Template – Bids and Reclassifications

Bid/Reclass Name and Description	
Under S75, will measure potentially impact upon:	Y/N
Persons of different religious beliefs	
Persons of different political opinion	
Persons of different racial group	
Persons of a different age	
Persons of a different marital status	
Persons of a different sexual orientation	
Men and women generally	
Persons with a disability and persons without	
Persons with dependants and persons without	

Please provide specific detail of impact. Please limit to 500 words.