

ORAL STATEMENT TO THE NORTHERN IRELAND ASSEMBLY

PUBLIC EXPENDITURE: 2024-25 OCTOBER MONITORING

MONDAY 11 NOVEMBER 2024

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MINISTER OF FINANCE

INTRODUCTION

Mr Speaker, thank you for the opportunity to make a Statement on the outcome of the 2024-25 October Monitoring exercise.

The October Monitoring round was postponed following confirmation that the Chancellor would announce her Autumn Budget on 30 October and would set the budgets for Whitehall departments for 2024-25. This in turn provided the Executive with its final spending envelope for 2024-25.

Departments were invited to provide updates to their forecast overcommitments in order that the Executive could consider the most up-to-date position in the October Monitoring round.

Funding available for allocation

Following the Autumn Budget, the Executive has £631.5 million Resource DEL, £68.1 million Capital DEL and

£20.4 million Financial Transactions Capital available for allocation in this Monitoring round.

Despite the considerable additional funding provided through the Autumn Budget it still falls short of the pressures identified by departments in full.

Before addressing departmental overcommitments, some central allocations were agreed, as these would not have been included in departmental overcommitments.

An allocation of £1 million Resource DEL was agreed for the costs associated with attaining the necessary assurances from Central Procurement Directorate on City and Growth Deal projects; allocations of £2.8 million Resource DEL and £0.1 million Capital DEL were agreed for match funding to allow departments to draw down EU funds; and the Executive also agreed a Resource to Capital DEL switch for the Department of Justice, for the NI Road Safety Partnership.

Having taken account of these issues the Executive had £627.3 million Resource DEL, £68.0 million Capital DEL and £20.4 million Financial Transactions Capital DEL available for allocation.

Resource DEL allocations

Turning first to Resource DEL. The most recent departmental returns forecast overcommitments of £791 million, meaning even after allocating the full £627 million it still falls short of the pressures facing departments.

Given the Executive's collective commitment to ensuring public sector workers are fairly paid, I have encouraged Ministers to prioritise pay.

Departments will have to make savings or reduce what they would want to do in order to remain within their allocations.

The general allocations to each department are set out in Table B which accompanies this statement. There are also some earmarked allocations for specific purposes.

Despite the challenges facing us the Executive has prioritised the funding available. 92.6% of the resource funding available for general allocation has been provided to Health, Education and Justice.

£350 million has been allocated to health and £170 million to education. Some £36 million is being provided towards addressing pressures in justice. In addition, £2.8 million is provided for the costs incurred by the PSNI due to the unacceptable racist disturbances over the summer.

The Department for Communities has been provided with a general allocation of £11.3 million and an allocation of £17 million for winter fuel support. While this funding cannot mitigate fully against the bad decision taken at Westminster it shows our determination to do what we can within the constrained funding available to us to provide a level of mitigation from the detrimental impacts

of Winter Fuel Payment changes on older vulnerable people this winter.

The Department for Infrastructure has been provided with a general allocation of £22.8 million.

The Executive Office (TEO) has been allocated £7 million in respect of victims' payments.

The Department for the Economy (DfE) has been provided with £6.2 million and the Department of Agriculture, Environment and Rural Affairs (DAERA) with £3.6 million as general allocations.

No allocation has been made to my Department.

Capital allocations

Turning now to Capital. Once again capital bids far outstripped the funding available – some five times over. Departments submitted bids totalling £346.1 million against funding available for allocation of £68 million.

Given there are clearly considerable capital pressures across the system I have urged any departments with reduced requirements to bring these forward as early as possible.

The Executive has today agreed allocations totalling £68 million. These include:

£24 million to the Department for Communities for new build social housing which will enable delivery of up to 1,400 houses in this financial year and a further £1 million as a general allocation.

The Department for Infrastructure has been allocated £39.6 million towards its capital pressures, including the ongoing issues arising due to the constraints within the wastewater infrastructure, and the resultant impact both on construction and the environment.

£2 million is being given to DAERA for Tackling Rural Poverty and Social Isolation and £1.4 million to TEO for North South Ministerial Council accommodation costs.

Financial Transactions Capital

On Financial Transactions Capital, I am proposing a small allocation of £0.2 million to DfE to reflect a reduction in receipts.

With over £20 million of Financial Transactions Capital remaining unallocated, and a further £27.7 million expected from a budget cover transfer later this year, I have asked all departments to consider how this can be utilised.

Conclusion

Mr Speaker, while the Executive does not have the funding to meet the overcommitments in full.

Today's allocation of over £631.5 million across Resource and £68.1 million Capital DEL, will help to alleviate some of the pressures facing departments.

The allocation reflects the total level of funding available this year. The Treasury have been clear that it is unlikely that significant further funding will be made available this year. Therefore, it is imperative that every Minister and all departments take the action necessary to live within their budget following these allocations.

Given the significant impact of an overspend at block level, failure to do so by any one department will have consequences for all departments.

Overspending is not an option. Doing so would run the risk of having to repay the £559 million from financial package, and a reduction in next year's allocation by any amount that we overspend. This would only serve to make 2025-26 even more difficult, given the constrained financial context. Collectively we must work together to deliver a balanced budget.

Given the continued pay and inflationary pressures and growing demands on our services this highlights the need for the transformation of our public services.

The level of in-year funding reflects the reality of underfunding of public services following 14 years of austerity. The Autumn Statement signalled a step in the right direction. But we will need to see continued investment over the coming years to help transform public services.

With the substantive funding from the financial package ending prior to 2026-27 I am determined to continue building on the progress made to negotiate a fair funding model going forward which ensures that our budget is reflective of our relative need and not just the uplift provided through Barnett consequentials.

My focus will now turn quickly to the 2025-26 Budget which I intend to bring to the Executive for consideration later this month for what I hope to be the last single year budget.

I commend the outcome of the October Monitoring Exercise to the Assembly.

INDEX OF TABLES

2024-25 October Monitoring Exercise

Table A Reduced Requirements

Table B Allocations

Table C Departmental Outcome – Non Ring-fenced Resource

Table D Departmental Outcome – Capital

Table E Departmental Outcome – Financial Transactions Capital

Table A

October Monitoring Exercise Reduced Requirements (£ millions)

Department	Description	Non Ring Fenced Resource	Capital
DAERA	Peace Plus Match Funding	-0.2	
	Whitespots Complementary Fund		-0.1
Total DAERA		-0.2	-0.1
DfC	Cladding Safety Scheme		-2.0
	De-Rating Grant	-0.7	
Total DfC		-0.7	-2.0
DfE	Complementary Fund		-1.6
	Inclusive Future Fund - DNA Museum		-2.3
	Regulatory Services - CFER	-0.1	
Total DfE		-0.1	-3.9
DoF	Integr8 Transformation Contract delays	-2.5	
	Land & Property Services ICT		-6.2
	Property Sales		-24.4
	Accommodation Project Delays		-0.9
	Rate Rebate Requirements	-3.0	
Total DoF		-5.5	-31.5
DoH	Graduate Entry Medical School	-2.1	
DfI	A5 Western Transport Corridor ¹		-27.5
	Central Admin CFER	-0.0	
	Roads Service CFER	-0.1	
Total DfI		-0.1	-27.5
TEO	Permanent HIA memorials		-0.2
	NI Protocol - Website development costs ²		-0.1
Total TEO			-0.3
FSA	NI Protocol ²	-0.3	
NIA	Accommodation and ICT Project Delays	-1.8	
	Project Delays - CFER	-0.0	
	Windsor Framework - Recruitment Delays ²	-0.2	
Total NIA		-2.0	
NIAO	Salaries, Pension, ERNI Costs	-0.6	
NIPSO	HR and Finance Systems		-0.0
Total Reduced Requirements		-11.6	-65.3

Figures may not add due to roundings

¹ Irish Government funding

² Treasury earmarked funding

Table B

October Monitoring Allocations (£ millions)

Department	Description	Non Ring Fenced Resource	Capital	FT Capital
DAERA	General Allocation	3.6		
	Tackling Rural Poverty and Social Isolation (Earmarked)		2.0	
	City Deals CPD costs (Earmarked)	0.1		
	EU Match Funding (Earmarked)		0.1	
Total DAERA		3.7	2.1	
DfC	General Allocation	11.3	1.0	
	Winter Fuel Support (Earmarked)	17.0		
	Social Housing (Earmarked)		24.0	
	City Deals CPD costs (Earmarked)	0.3		
Total DfC		28.6	25.0	
DfE	General Allocation	6.2		
	City Deals CPD costs (Earmarked)	0.6		
	EU Match Funding (Earmarked)	1.8		
	Reduced FTC receipts			0.2
Total DfE		8.6		0.2
DE	General Allocation	170.0		
	EU Match Funding (Earmarked)	1.0		
Total DE		171.0		
DoH	General Allocation	350.0		
Total DoH		350.0		
Dfl	General Allocation	22.8	39.6	
Total Dfl		22.8	39.6	
DoJ	General Allocation	36.1		
	Judicial Salaries (Earmarked)	0.4		
	PSNI Public Disorder (Earmarked)	2.8		
Total DoJ		39.3		
TEO	NSMC accommodation costs (Earmarked)		1.4	
	Victims (Earmarked)	7.0		
Total TEO		7.0	1.4	
PPS	General Allocation	0.5		
Total Proposed Allocations		631.5	68.1	0.2

Figures may not add due to roundings

Table C**Departmental Outcome – Non Ring-fenced Resource (£ millions)**

Department	June Monitoring Position	Reduced Requirements	Executive Allocations	October Monitoring Position
DAERA	630.7	-0.2	3.7	634.2
DfC	879.9	-0.7	28.6	907.8
DfE	800.1	-0.1	8.6	808.6
DE	2,974.40		171.00	3145.4
DoF	210.9	-5.5		205.4
DoH	7,931.50	-2.1	350	8279.4
DfI	571.1	-0.1	22.8	593.8
DOJ	1,299.40		39.3	1338.7
TEO	186.9		7	193.9
FSA	16.4	-0.3		16.1
NIA	55.7	-2.0		53.7
NIAO	10.2	-0.6		9.6
NIAUR	0.3			0.3
NIPSO	4.4			4.4
PPS	39.8		0.5	40.3
Total	15,611.7	-11.6	631.5	16,231.6

Totals may not add due to roundings

Table D**Departmental Outcome – Capital (£ millions)**

Department	June Monitoring Position	Reduced Requirements	Executive Allocations	October Monitoring Position
DAERA	99.3	-0.1	2.1	101.3
DfC	190.7	-2.0	25.0	213.7
DfE	222.7	-3.9		218.8
DE	332.4			332.4
DoF	38.9	-31.5		7.4
DoH	384.7			384.7
Dfi	837.9	-27.5	39.6	850
DOJ	93.9			93.9
TEO	11.2	-0.3	1.4	12.3
FSA	0.5			0.5
NIA	3.2			3.2
NIAO	0			0
NIAUR	0.1			0.1
NIPSO	0	-0.0		0
PPS	0.7			0.7
Total	2,216.20	-65.30	68.0	2,219.00

Totals may not add due to roundings

Table E**Departmental Outcome – Financial Transactions Capital (£ millions)**

£millions

Department	June Monitoring Position	Executive Allocations	October Monitoring Position
DfC	31.8		31.8
DfE	1.0	0.2	1.2
DoH	-0.1		-0.1
TEO	8.5		8.5
Total	41.3	0.2	41.5

Totals may not add due to roundings