



## Northern Ireland Budget Bill 2019–20

On 31 October 2019, the second reading and all remaining stages of the [Northern Ireland Budget Bill 2019–20](#) are scheduled to take place in the House of Lords.

### Summary

In the absence of an Executive or an Assembly in Northern Ireland, this bill makes provision for the Northern Ireland budget for the year ending 31 March 2020. Initial authority to provide funds for the year 2019/20 was provided by the Northern Ireland Budget (Anticipation and Adjustments) Act 2019. However, these initial amounts are expected to begin to be exhausted from 31 October 2019. The bill is therefore intended to complete the authorisations for the full financial year. No new money will be voted as a result of the bill; instead, it appropriates approximately £5.31 billion already provided for in the Consolidated Fund of Northern Ireland. It also authorises the use of resources by Northern Ireland departments and public bodies of approximately £6.04 billion.

The bill received its first reading in the House of Commons on 29 October 2019 and is due to complete all its remaining stages on 30 October 2019. It is then expected to complete its second reading and all remaining stages in the House of Lords on 31 October 2019. Such fast-tracking is not unusual for Northern Ireland budget bills: the bills which became the Northern Ireland Budget Acts 2017 and 2018 also passed through their stages on a single day in each House.

The Leader of the House of Commons has stated that it is necessary to pass the bill before Parliament is dissolved for a general election, providing a further reason for fast-tracking. As a general election is now expected to be held on 12 December 2019, Parliament will need to dissolve by 6 November 2019 and the bill will need to have received royal assent by the end of 5 November 2019.

The bill has been designated as a '[money bill](#)' and therefore the House of Lords may not amend it. Although the Lords will debate the bill at second reading, later stages will go through formally without debate.

Chris Smith | 30 October 2019

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## I. Provision of Funds for Northern Ireland

Ordinarily, bills to authorise public spending in Northern Ireland would be taken through the Northern Ireland Assembly by ministers in the Northern Ireland Executive.<sup>1</sup> However, there has been no Executive since 9 January 2017, and in the absence of an Executive the Assembly is not currently sitting. In these circumstances, it falls to the UK Parliament to legislate to provide authority for expenditure in Northern Ireland.<sup>2</sup>

The initial authority to provide funds for the Northern Ireland departments and other public bodies for 2019/20 was provided by the Northern Ireland Budget (Anticipation and Adjustments) Act 2019, which received royal assent on 15 March 2019.<sup>3</sup> This provided approximately 70 percent of the amount authorised for the previous financial year, ensuring services could continue to be delivered pending a budget bill for the full 2019/20 year.<sup>4</sup> The explanatory notes to the bill state that these initial amounts “are expected to begin to be exhausted from 31 October 2019”.<sup>5</sup> The bill is therefore intended to complete the authorisations for the full 2019/20 cash and resource requirements.

The explanatory notes state that the bill is a “minimal step to ensure that public services can continue to be provided in Northern Ireland for the full financial year”.<sup>6</sup> The bill does not change the requirement for devolved spending decisions to be made by the Northern Ireland Executive or, in its absence, the Northern Ireland civil service. The explanatory notes also clarify that “no new money would be voted as a result of the bill”. Instead, it will appropriate sums already provided to the Consolidated Fund of Northern Ireland through the UK estimates process, together with revenue generated locally in Northern Ireland.<sup>7</sup>

## 2. Level of Funds

The bill appropriates approximately £5.31 billion from the Consolidated Fund of Northern Ireland and authorises the use of resources by Northern Ireland departments and public bodies of approximately £6.04 billion.<sup>8</sup> These amounts are in addition to those provided for under the Northern Ireland Budget (Anticipation and Adjustments) Act 2019.

In February 2019, the then Secretary of State for Northern Ireland, Karen Bradley, announced the spending allocations for Northern Ireland departments for 2019/20.<sup>9</sup> She said that the settlement delivered “real-terms increases for health, education, infrastructure and justice” and cash increases for the Department for the Economy and the Department of Agriculture, Environment and Rural Affairs. Other departments, she stated, would be “cash-flat”, except for “notable reductions” for the Department of Finance and the Executive Office. Mrs Bradley also allocated £20.4 million for preparations for Northern Ireland exiting the EU, in addition to £16.5 million provided by the

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<sup>1</sup> [Explanatory Notes](#), p 3.

<sup>2</sup> *ibid.*

<sup>3</sup> *ibid.*, pp 3–4.

<sup>4</sup> *ibid.*, p 4.

<sup>5</sup> *ibid.*

<sup>6</sup> *ibid.*

<sup>7</sup> *ibid.*

<sup>8</sup> *ibid.*, p 8.

<sup>9</sup> House of Commons, [‘Written Statement: Northern Ireland Finances’](#), 28 February 2019, HCWS1370.

Department of Justice to the Police Service Northern Ireland.

The table provided with the Secretary of State's statement suggested that total departmental planned spend in Northern Ireland was £13.4 billion in 2019/20.<sup>10</sup> Excluding certain centrally held items and income from regional rates, total department expenditure limit (DEL) control totals were £13.2 billion. The allocation included £333 million of funding from the confidence and supply agreement. Writing in the *Belfast Telegraph*, the commentator John Simpson suggested that these figures do not provide a comprehensive view of all public sector spending in Northern Ireland.<sup>11</sup> He stated that they excluded funds categorised as annually managed expenditure (AME), such as social security and state pension payments, where the level of spending is determined at a UK level. He argued that public expenditure in Northern Ireland is “nearer £26 billion” when AME is included.

### 3. House of Commons Stages

The House of Commons was due to take all stages of the bill on 30 October 2019. At the time of writing, the bill had not yet completed these stages.

In the debate on the Northern Ireland Budget (Anticipation and Adjustments) Bill in March 2019, discussions in the House of Commons included individual areas of expenditure (for example, on education and preparations for Brexit), the use of fast-tracked legislation and the wider political situation in Northern Ireland.<sup>12</sup> No amendments were moved to a division during the bill's proceedings in both Houses and the third readings were agreed to without a division.

### 4. Fast-tracking of Legislation

On 28 October 2019, the Leader of the House of Commons, Jacob Rees-Mogg, explained the reasons why the bill is being fast-tracked through both Houses.<sup>13</sup> He said that this was linked to the length of time needed to prepare for a general election, given that the Government was also bringing forward the Early Parliamentary General Election Bill.<sup>14</sup> The explanatory notes state that fast-tracking is necessary to “safeguard the continued delivery of public services and to provide clarity for departments”.<sup>15</sup>

There are precedents for fast-tracking legislation in this way. For example, the previous two Northern Ireland budget bills, for the financial years ending 31 March 2018 and 31 March 2019, passed through their Commons stages in a single day and also their Lords stages in a single day.<sup>16</sup>

The explanatory notes to the bill contain a longer explanation of why fast-tracking is necessary in this case, and why the criteria for fast-tracking legislation set out in a 2009 report of the House of Lords

<sup>10</sup> House of Commons, '[Written Statement: Northern Ireland Finances](#)', 28 February 2019, HCWS1370.

<sup>11</sup> John Simpson, '[Taking a Sensible Look at Stormont's Finance Puzzle](#)', *Belfast Telegraph* (£), 25 June 2019.

<sup>12</sup> [HC Hansard, 5 March 2019, cols 868–910](#) and [911–28](#).

<sup>13</sup> [HC Hansard, 28 October 2019, col 134](#).

<sup>14</sup> This legislation has since passed its initial House of Commons stages and is being considered by the House of Lords today, 30 October 2019.

<sup>15</sup> [Explanatory Notes](#), p 5.

<sup>16</sup> UK Parliament website, '[Bill Stages—Northern Ireland Budget Act 2017](#)'; and '[Bill Stages—Northern Ireland Budget Act 2018](#)'; accessed 29 October 2019.

Constitution Committee have been met.<sup>17</sup>

In House of Lords proceedings, fast-tracking will mean setting aside the standing orders which ordinarily require:

- no two stages of a bill to be taken in the same day, other than the report stage of a bill which has not been amended in committee; and
- minimum intervals between stages in the Lords (two weekends between the first and second readings; 14 days between second reading and committee stage; and three sitting days between report stage and third reading).

A motion has been put forward for 30 October 2019 to set aside these standing orders and to allow the bill to be taken through all its remaining stages on 31 October 2019.<sup>18</sup>

## 5. Further Information

### Research Briefings

- House of Commons Library, [Northern Ireland Budget Bill](#), 30 October 2019
- House of Commons Library, [Fast-track Legislation](#), 12 November 2012

### Parliamentary Debate, Statements and Questions

- Northern Ireland Department of Finance, [‘Northern Ireland Budget 2019–20 Announced’](#), 28 February 2019
- [Debate on ‘Northern Ireland Budget \(Anticipation and Adjustments\) \(No. 2\) Bill’](#), HC *Hansard*, 5 March 2019
- [Debate on ‘Northern Ireland Budget \(No. 2\) Bill’](#), HL *Hansard*, 18 July 2018

### Press Articles and Comment

- Stephen Walker, [‘Northern Ireland Budget: MPs Criticise Karen Bradley’](#), BBC News, 5 March 2019
- Tara Mills, [‘Health Budget in Northern Ireland “Not Sustainable”](#)’, BBC News, 12 June 2019
- John Simpson, [‘Taking a Sensible Look at Stormont’s Finance Puzzle’](#), *Belfast Telegraph* (£), 25 June 2019
- Frances McDonnell, [‘Brexit: UK Pledges Biggest Budget Increase for Northern Ireland “in a Decade”](#)’, *Irish Times* (£), 4 September 2019

<sup>17</sup> [Explanatory Notes](#), pp 5–7. The recommendations of the House of Lords Constitution Committee can be found at: House of Lords Constitution Committee, [Fast-track Legislation: Constitutional Implications and Safeguards](#), 7 July 2009, HL Paper 116-I of session 2008–09, pp 41–4.

<sup>18</sup> House of Lords Business, [‘Order Paper for 30 October 2019’](#), accessed 30 October 2019.