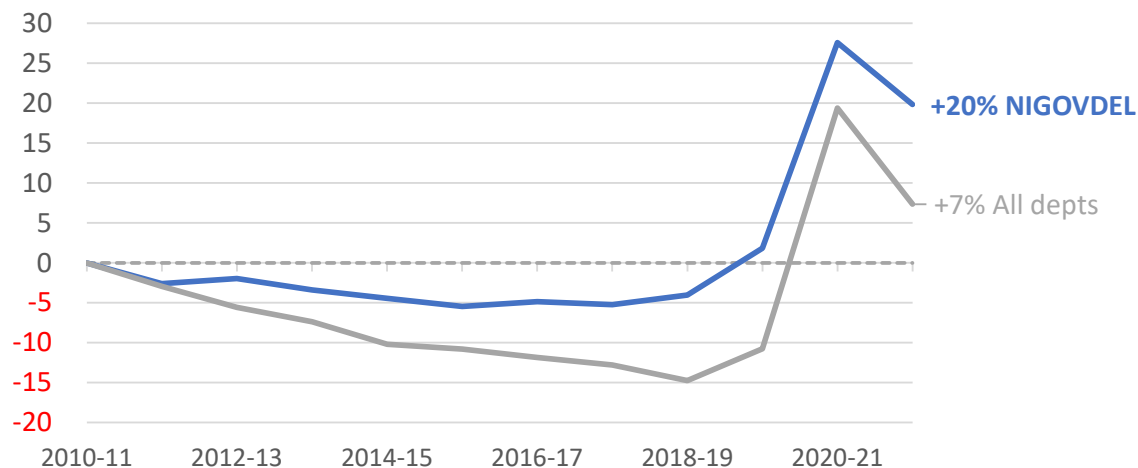


# Grant to the Northern Ireland Executive and Office of the Secretary of State for Northern Ireland

# Long-term trends in Northern Ireland's spending (in real terms)

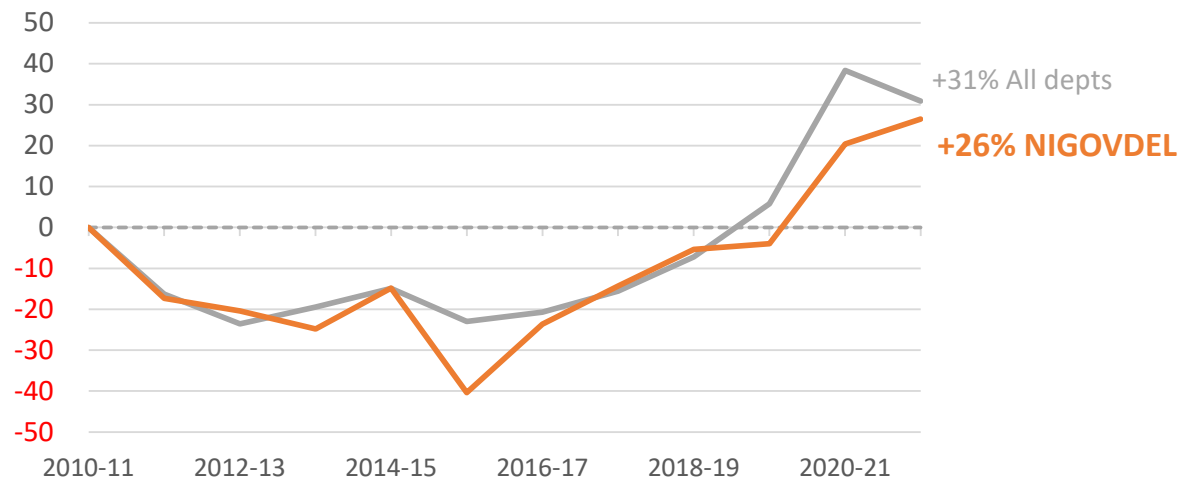
Percentage change in **day-to-day spending** compared to 2010 (Resource DEL):



## Day-to-day spending trends

- Funding for day-to-day spending for NI has **fallen slower than overall UK govt spending in real terms**, and as of the 2019-20 once again reached 2010 levels before rising sharply as a result of covid-19 funding. Changes, through the Barnett formula, largely reflect where the UK Government has decided to allocate money, and whether it is to functions that are devolved in NI.
- Some additional funding outside of Barnett, such as **the extra funding under the Confidence and Supply agreement, City Deals and Fresh start** has also been provided, boosting NI's funding above what it would otherwise have been.

Percentage change in **investment spending** compared to 2010 (Capital DEL):



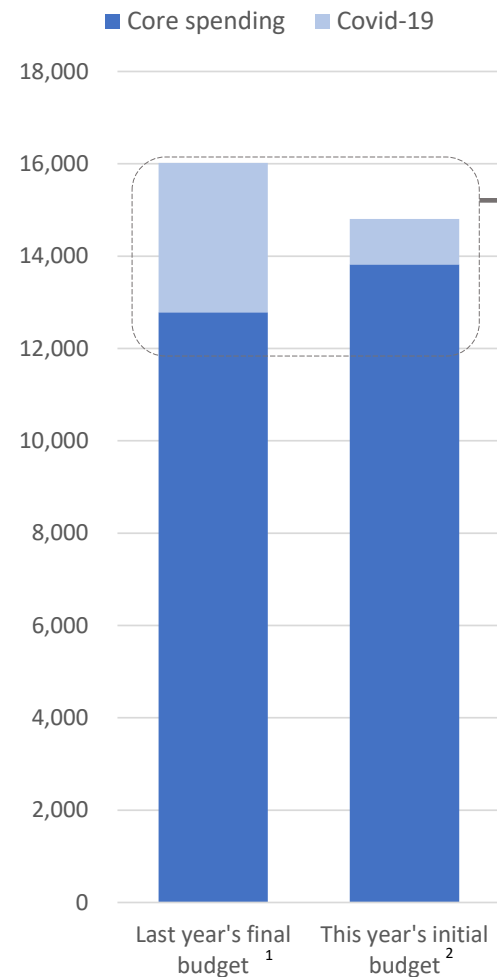
## Investment spending trends

- Funding for investment is **similarly affected by UK spending decisions and whether funding goes to devolved or non devolved functions**.
- For instance, more UK investment spending on **defence** does **not** benefit NI budgets as **defence is a non devolved function**, whereas **more UK funding on health** does.

# How is Northern Ireland's day-to-day spending changing in 2021-22?

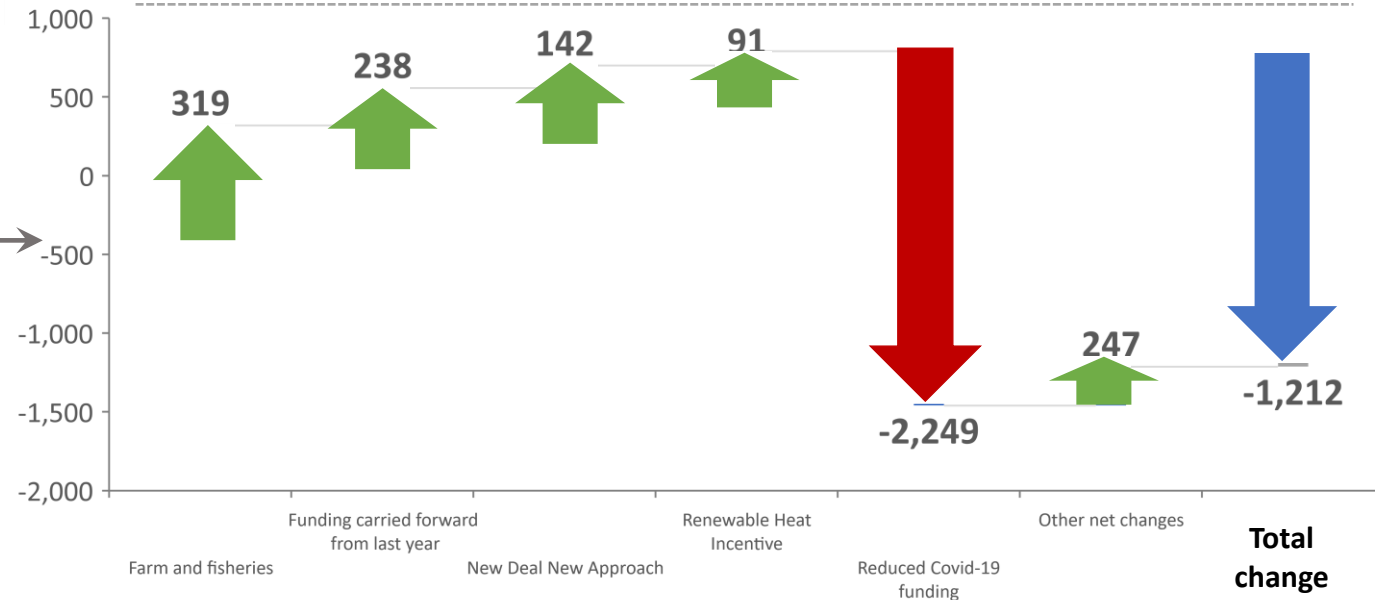
NI's day-to-day budget is decreasing by £1,212.4 (-7.6%)

Resource DEL budget in £m



NI' spending reduction is driven by a reduction in Covid-19 funding (possibly temporarily)

Changes in Day-to-day (Resource DEL) budget in £m since final budget for 2020-21



## Changes in 2021-22

- **Covid-19 funding:** Last year Northern Ireland received over £3 billion in Barnett Consequentials relating to Covid-19 funding. The majority of the reduction this year reflects far less pandemic spending across the UK.
- **Farming and fisheries:** Northern Ireland received £319 million for farming and fisheries, outside of the Barnett formula (£316 million for farming and £2 million for fisheries).
- **Funding carried forward:** In recognition of the exceptional circumstances and in response to calls for flexibility, the devolved administrations were given the option to carry forward any of the additional funding provided at last year's supplementary estimate into 2021-22. Northern Ireland carried forward £238 million in day-to-day spending, after adjusting for transfers between day-to-day- and investment spending.

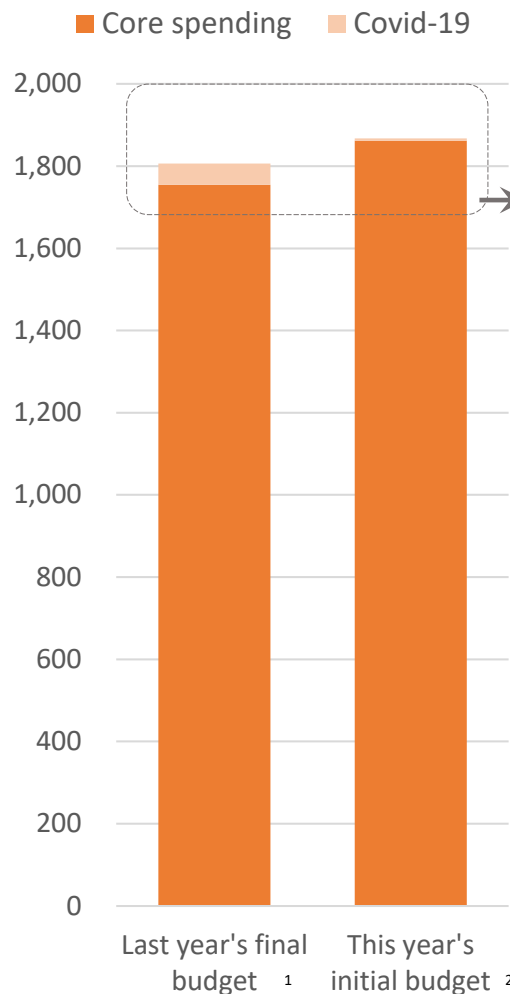
<sup>1</sup> Final Budget in Supplementary Estimates 2020-21 (Feb 2021))

<sup>2</sup> Initial Budget in Main Estimate 2021-22 (May 2021))

## How is Northern Ireland's investment spending changing in 2021-22?

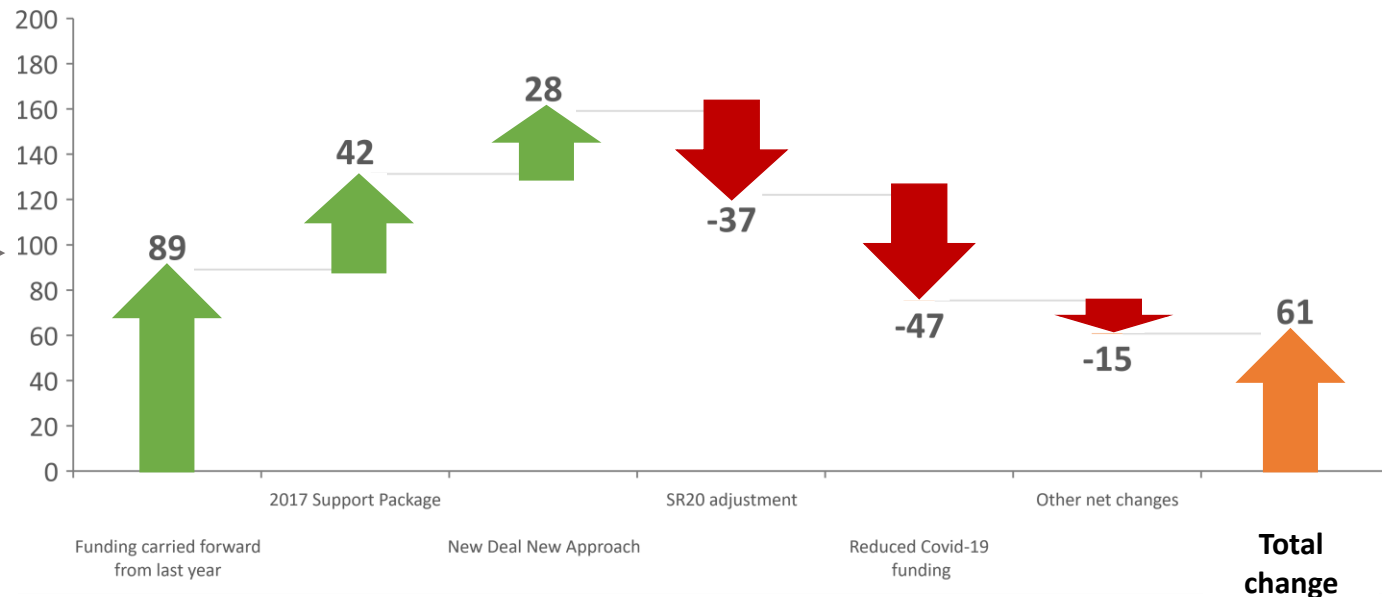
NI's investment budget is increasing by £60.7m (+3.4%)

Capital DEL budget in £m



NI's investment spending increases due to commitments from its "integrated review"

Changes in Investment (Capital DEL) budget in £m since final budget for 2020-21



### Changes in 2021-22

- **Funding carried forward:** In recognition of the exceptional circumstances and in response to calls for flexibility, the devolved administrations were given the option to carry forward any of the additional funding provided at last year's supplementary estimate into 2021-22. Northern Ireland carried forward £89 million of investment funding.
- **Covid-19 funding:** Last year Northern Ireland received £50.2 million in Barnett Consequentials relating to Covid-19 investment funding. The reduced funding this year reflects less spending across the UK on the pandemic.
- **Previous political agreements** account for £70 million of additional investment funding (£42 million from the 2017 Confidence & Supply arrangement and £28 million for the "New Deal New Approach" agreement).

<sup>1</sup> Final Budget in Supplementary Estimates 2020-21 (Feb 2021))

<sup>2</sup> Initial Budget in Main Estimate 2021-22 (May 2021))

# Cash grant to the Northern Ireland Assembly and funding for the Northern Ireland Office

## To the NI Asamble

*Cash grant to the NI Asamble*

**£22,602.3 million (-£0.5 million compared to this year's initial budget)**

This is the sum of

- Funding for day to day spending (Resource DEL)
- Funding for investment spending (Capital DEL)
- Adjustments to reflect differences between spending and cash (timing differences, debtors, creditors, and non-cash spending such as depreciation and write downs)

## To the Northern Ireland Office

- *Day to day spending (Resource DEL) : £34.8 million (+£2.5 million (+8%) compared to last year's final budget)*
- *Investment spending (Capital DEL): £0.3 million (-£0.3 million (-71%) compared to last year's final budget)*

The key drivers of this change are:

- Additional RDEL provision of £4.5m was awarded in 2021/22 at the Main Estimate to the Northern Ireland Electoral Office to support the 2021 Canvass in Northern Ireland.
- Additional CDEL provision of £0.56m was awarded at 2020/21 Supplementary Estimates to fund essential building alterations at the premises of the Northern Ireland Human Rights Commission, with a further £77k awarded for essential repairs at Stormont House. There is no equivalent funding in the 2021/22 Main Estimate.