

SECTION 1

Introduction

Deciding the Revised Budget

- 1.1 This document sets out the spending plans of the Executive for the financial years 2001/02 to 2003/04. The allocations for 2001/02 are firm plans and include some revisions from the draft Budget of 17 October. The allocations for 2002/03 and 2003/04 are indicative plans and will be reviewed in subsequent Budgets.
- 1.2 A draft Budget setting out the spending plans proposed by the Executive Committee for the financial year 2001/02 was introduced in the Assembly by the Minister of Finance and Personnel on 17 October. The draft Budget was developed in the context of supporting the priorities and principles of the Programme for Government which had been agreed by the Executive on 16 October and which was introduced in the Assembly on 23 October by the First Minister and the Deputy First Minister. The draft Budget has been considered by the Assembly Committees and was the subject of a full debate on 14 November on a motion of the Finance and Personnel Committee. Subsequently the Finance and Personnel Committee provided a report to the Minister of Finance and Personnel summarising the views of the Committee and of the other departmental Committees on the Budget proposals.
- 1.3 The Minister of Finance and Personnel also received comments on the draft Budget from a range of outside commentators, social partners and other interested bodies. In particular, there were two seminars (in Derry on 22 November and in Belfast on 23 November) on the impact of the draft Budget on equality issues. The Minister of Finance and Personnel addressed both conferences and the reports of the proceedings were available to inform the Budget process. The Minister was grateful to all who have commented, or participated in these events.
- 1.4 As indicated in the draft Budget document, the Executive has decided that all the spending allocations in the Budget are conditional on the development of a clear relationship between budgets, actions and output measures, including clear targets for delivery. Work on developing these is proceeding through the creation of detailed Public Service Agreements (PSAs) for each Department. The intention is that the PSAs will be published alongside a consolidated final Programme for Government in the New Year. In addition all particular spending programmes and projects remain subject to the completion of satisfactory scrutiny and analysis in respect of their value for money, equality impact and effect on New Targeting Social Need.

1.5 In light of:

- (a) the Report of the Finance and Personnel Committee;
- (b) the Assembly debate on the Budget on 14 November;
- (c) the Equality Conferences;
- (d) other comments on the Draft Budget;
- (e) progress on the development of Public Service Agreements; and
- (f) the changes in resources available (see paragraph 3.4-3.7)
- (g) emerging policy developments and revision of estimated requirements for services.

the Executive, at its meeting on 7 December, agreed Revised Budget proposals for 2001/02 and indicative allocations for 2002/03 and 2003/04

Background

1.6 The spending power available in the Revised Budget was mainly determined by the outcome of the 2000 Spending Review (SR2000) for the spending programmes of Whitehall Departments, announced on 18 July by the Chancellor of the Exchequer. This review also set new total allocations for the devolved administrations in Scotland and Wales and Northern Ireland for the period 2001/02 to 2003/04. Under the present public expenditure regime part of these allocations fall in the category known as the Departmental Expenditure Limit (DEL) and are fixed for the next three years. The remainder, which are largely demand driven items, funded on the basis of need, such as social security benefits, fall in the category known as Annually Managed Expenditure (AME) and are negotiated each year with HM Treasury. The greater part of the DEL (known as the 'Assigned DEL') may be allocated at the discretion of the Executive Committee. The remainder (known as the 'Non Assigned DEL') has been provided for particular purposes such as the EU Special Programme for Peace and Reconciliation, and may not be reallocated by the devolved administration without the agreement of the Treasury. Section 3 of this paper sets out in greater detail the Northern Ireland outcome in the SR2000. It also provides information on additional resources for the period 2001/02 to 2003/04 that have become available subsequent to the publication of the draft Budget proposals in October.

1.7 The 2000 Spending Review is the first to be conducted using the principles of Resource Accounting and Budgeting (RAB) as opposed to traditional cash accounting. The benefits this provides include:

- a more direct and clear relationship between spending and the services delivered or the results obtained (this will provide a sound foundation for the work on Public Service Agreements mentioned above);
- a greater transparency in establishing the true cost of providing services; and
- a clearer understanding of the division between current and capital expenditure in the public sector and greater incentives for the management of capital assets

- 1.8 In terms of the Budget arithmetic, RAB involves the production of separate figures for current expenditure and capital expenditure. The former are expressed on an accruals basis rather than cash and are referred to as the 'Resource DEL'. For the moment the larger non-cash items of the resource budget such as depreciation, and the opportunity cost of capital are managed separately in AME, but the Treasury plans to move these items into the Resource DEL in the 2002 Spending Review. Further details of the move to Resource Budgeting are given in Annex A of this paper.
- 1.9 The spending plans proposed in the Budget agreed by the Executive are supported by allocations received in the 2000 Spending Review announced by the Chancellor of the Exchequer in July, additional resources subsequently identified and also by resources raised through the Regional Rate. The spending proposals set out in the draft Budget document would require the Domestic Regional Rate to be increased by 8% and the Non Domestic Regional Rate by 6.6% in 2001/02. The Executive has confirmed these proposals for 2001/02. The spending plans for 2002/03 and 2003/04 set out in this document would require the Domestic Regional Rate to be increased by 8% and the Non-Domestic Regional Rate by 5.5% in both years.
- 1.10 In making and managing the spending allocations in this Budget, the Executive is acting to promote equality of opportunity and good relations between persons of different religious beliefs, political opinion, racial group, age, marital status or sexual orientation; between men and women generally; between persons with a disability and persons without; and between persons with dependants and persons without thus fulfilling the intention of Section 75 of the Northern Ireland Act (1998). In addition, the Executive is committed to the principles of the New Targeting Social Need policy which seeks to ensure that resources are allocated on the basis of greatest need. Further material on the Equality aspects of the Budget is contained at Annex B of this document.
- 1.11 Expenditure supported by receipts from the European Union Structural Funds including matching funding from the Member State (but not private or voluntary sector contributions) is a call on the Northern Ireland Departmental Expenditure Limit. Spending in Northern Ireland on both phases of the European Union Special Support Programme for Peace and Reconciliation is fully covered by ring fenced allocations in the 'Non Assigned' DEL which are therefore clearly fully additional to the Assigned DEL as determined by the Barnett formula. The full cost of other projects and programmes which receive support from the EU Structural Funds expenditure, including the Community Initiatives counts against the 'Assigned' DEL. Negotiations on the new round of Structural Funds are underway and allocations in this paper to functions and departments are therefore provisional. Figures in the summary and departmental tables illustrate the possible scope of the new programmes and how they complement the Executive Committee's own programmes. This helps to highlight the special

contribution made to the region by European programmes, and especially the unique assistance from the Peace and Reconciliation Programme. It is proposed that the new Community Regeneration Fund will be managed alongside elements of the Structural Funds and in particular the Community Initiatives to maximise co-operation between the Executive, District Councils and the European Union.

- 1.12 The Budget figure work is presented on the following basis: the figures for 2000/01 are the Plans put to the Assembly in December 1999 and approved by NIO ministers during the period of suspension, plus the additions announced in the Chancellor of the Exchequer's March 2000 Budget, along with those additional allocations announced in June 2000 that have spending implications over the next three years. The figures thus exclude some other allocations announced in June and July that were funded from the distribution of End-Year Flexibility money carried over from 1999/00 which would otherwise distort comparisons with future plans. Figures for 2001/02 are revised expenditure allocations proposed by the Executive after taking account of scrutiny by the Assembly and revised estimates of resources available. Figures for the final two financial years have been rounded to the nearest £10million. This reflects the indicative nature of allocations. As a result the sum of individual entries may not sum to aggregate totals.

SECTION 5

Allocations to Departments

Department of Agriculture and Rural Development (DARD)

£ million

Spending Area	Resource	2000/01 Capital	Total	Resource	2001/02 Capital	Total	Resource	2002/03 Capital	Total	Resource	2003/04 Capital	Total
Agri-Food Development Services	19.5	1.9	21.3	22.2	2.4	24.6	20	0	20	20	0	30
Science Services	25.6	1.1	26.6	27.0	3.5	30.4	30	0	30	30	0	30
Veterinary Services	20.3	-	20.3	21.3	-	21.3	20	-	20	20	-	20
Food & Farm Policy	13.2	5.0	18.2	27.3	4.0	31.3	30	0	30	30	0	30
Rural Development	8.3	-	8.3	8.3	-	8.3	10	-	10	10	-	10
Rivers Agency	12.9	7.4	20.4	11.7	9.0	20.7	10	10	20	10	10	20
Fisheries	1.4	3.6	5.0	1.5	3.6	5.1	0	0	10	0	0	10
Forest Service	4.1	1.0	5.1	5.5	1.0	6.5	10	0	10	10	0	10
Domestic Agriculture Policy	16.3	0.5	16.7	23.7	0.5	24.2	20	0	20	20	0	20
North/South Body: Foyle, Carlingford & Irish Lights	0.4	-	0.4	0.6	-	0.6	0	-	0	0	-	0
EU Structural Funds (ERDF/Non ERDF)	4.0	-	4.0	2.0	-	2.0	0	-	0	0	-	0
Central Administration & Misc. Services	14.5	3.4	17.9	14.5	3.4	17.9	20	0	20	20	0	20
Total Departmental DEL	140.5	23.7	164.2	165.6	27.3	192.9	170	30	200	170	30	200
EU Peace Programme	4.4	-	4.4	9.6	-	9.6	10	-	10	10	-	10
Total Other DEL	4.4	0.0	4.4	9.6	0.0	9.6	10	-	10	10	-	10
Total DEL – DARD	144.8	23.7	168.6	175.2	27.3	202.5	180	30	210	180	30	210

DRC Note: Provision for Departmental Running Costs is within the total DEL for the Department.

	2000/01	2001/02	2002/03	2003/04
Departmental Running Costs	92.2	97.7	100	100

Department of Agriculture and Rural Development (DARD)

The budget provides for departmental expenditure totaling £193 million in 2001/02. The increase of £2 million over the provision contained in the Draft Budget is largely accounted for by an additional allocation of £1 million for Animal Disease Compensation and £1 million for expenditure supported by the European Regional Development Fund. This represents an increase of £28.7 million or 17.5% over 2000/01. The increase over 2000/01 however is distorted by a revised treatment of Animal Disease Compensation and the fact that provision for Less Favoured Areas will be adjusted during the course of this year. When these factors are taken into account the increase for 2001/02 is £16.8 million or 10.2%. Estimated receipts from the EU Peace and Reconciliation Programme would boost spending to over £200 million.

The allocation to DARD will enable planned provision for Animal Disease Compensation to be aligned more accurately with anticipated requirements and for the introduction of a Scrapie Eradication Programme together worth £10.3 million next year. In 2001/02 there will also be additional funds amounting to £3.9 million for assisting modulation under the Common Agriculture Policy.

The budget also makes provision of £2 million in 2001/02 for launching a new Beef Quality Initiative to improve the standard of beef carcasses in Northern Ireland. This is the sort of initiative which would be appropriate to the New Directions Executive Programme Fund, but the Executive Committee has decided that funding should not be delayed while the Funds are set up, but instead released straightaway. Some £2.4 million has been provided for the replacement of laboratory facilities for the Science Service and some £1.5 million has been allocated to the electronic portal for farming and farm business development and environmental training to sustain the ongoing commitment.

Additional provision of £5.9 million has been made in 2001/02 to maintain service delivery and to progress work on the Agenda 2000 reforms and the Cod Recovery Plan. The budget also provides for an increase of £0.2 million in support for the Foyle, Carlingford and Irish Lights Commission, one of the North South Implementation Bodies.

Department of Culture, Arts and Leisure (DCAL)

£ million

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Spending Area	Resource	2000/01 Capital	Total	Resource	2001/02 Capital	Total	Resource	2002/03 Capital	Total	Resource	2003/04 Capital	Total
Arts	7.5	0.0	7.5	8.9	0.0	8.9	10	0	10	10	0	10
Museums	10.1	0.0	10.2	10.4	0.4	10.8	10	0	10	10	0	10
Libraries	21.2	1.3	22.5	21.8	2.3	24.1	20	0	20	20	0	30
Sport	2.3	0.0	2.3	2.8	0.5	3.4	0	0	0	0	0	0
Odyssey Millennium Landmark Project	0.2	5.0	5.2	0.5	1.0	1.5	0	0	0	0	0	0
Inland Waterways & Inland Fisheries	0.2	0.3	0.5	0.4	0.3	0.7	0	0	0	0	0	0
North South Body Languages	2.3	-	2.3	3.5	-	3.5	0	-	0	0	-	0
North South Body Waterways Ireland	1.3	-	1.3	2.6	-	2.6	0	-	0	0	-	0
Ordnance Survey (NI)	4.5	0.6	5.1	4.8	0.5	5.3	10	0	10	10	0	10
Public Records Office (NI)	2.1	-	2.1	2.2	-	2.2	0	-	0	0	-	0
NI Events Company	1.1	-	1.1	1.6	-	1.6	0	-	0	0	-	0
Central Administration & Misc Services	5.3	-	5.3	5.9	-	5.9	10	-	10	10	-	10
Total Departmental DEL	58.1	7.2	65.3	65.3	5.0	70.4	70	0	70	70	0	70
EU Peace Programme	0.0	-	0.0	1.0	-	1.0	0	-	0	0	-	0
Total Other DEL	0.0	-	0.0	1.0	-	1.0	0	-	0	0	-	0
TOTAL DEL-DCAL	58.1	7.2	65.3	66.4	5.0	71.4	70	0	70	70	0	70

DRC Note: Provision for Departmental Running Costs is within the total DEL for the Department.

	2000/01	2001/02	2002/03	2003/04
Departmental Running Costs	11.6	12.5	10	10

Department of Culture, Arts and Leisure (DCAL)

Planned spending in 2001/02 for cultural and recreational services will rise by 7% to £70.4 million. This will enable the department to deliver an extensive programme in relation to Arts, Museums, Libraries and Sport, and activities associated with Inland Waterways and Fisheries. The 2001/02 Budget also takes into account the reprofiling of the need for capital resources for the Odysset Millennium Project to reflect the progress that has been made on completing it to schedule. Indicative allocations of some £70 million in both 2002/03 and 2003/04 will enable these programmes to broadly continue at planned levels.

Appropriate provision is also included for the operational costs of the Languages Body and Waterways Ireland. In addition the plan supports the development of programmes to promote greater understanding and respect for cultural diversity.

Additional resources have been made available for the Libraries to enable a start to be made on a planned programme of capital investment in the library estate. Provision has been made to enable the Museums to address a number of issues including carrying out a programme of essential repairs. Extra resources have been made available to the Arts for improving access to and participation in the Arts particularly by young people and the most disadvantaged sections of the community. It also enables action to be taken to strengthen the economic status of individual artists by creating a thriving arts economy and market.

Provision of £1million has also been included to address health and safety at sports grounds and to promote access to sport which will enhance opportunities for all sections of the community to avail of the broad range of sporting and cultural facilities.

The plan also provides additional resources for the NI Events Company to assist with projecting a positive image of Northern Ireland and generating social and economic benefits. These resources will be supplemented by the Company forging strategic alliances and attracting private sector sponsorship.

Department of Education (DE)

£ million

Spending Area	Resource	2000/01 Capital	Total	Resource	2001/02 Capital	Total	Resource	2002/03 Capital	Total	Resource	2003/04 Capital	Total
Schools Recurrent – Schools*	981.3	-	981.3	1,060.5	-	1,060.5	1090	-	1090	1120	-	1120
Schools Recurrent - CASS	19.2	-	19.2	19.2	-	19.2	20	-	20	20	-	20
Schools Recurrent - Meals & Milk	28.0	-	28.0	29.0	-	29.0	30	-	30	30	-	30
Schools Recurrent - Home to School Transport	46.6	-	46.6	50.3	-	50.3	50	-	50	50	-	50
Schools Capital *	-	94.3	94.3	-	94.3	94.3	-	100	100	-	90	90
Youth & Community Relations	18.4	0.6	19.0	18.7	0.2	18.9	20	0	20	20	0	20
Central Admin & Misc. Services	54.1	1.1	55.2	59.5	0.7	60.3	60	0	60	60	0	60
Total Departmental DEL	1,147.6	95.9	1,243.5	1,237.3	95.3	1,332.5	1,270	100	1,370	1,310	90	1,400
Chancellor's Initiative	-	8.6	8.6	-	0.7	0.7	-	-	-	-	-	-
EU Peace Programme	5.4	-	5.4	9.0	-	9.0	10	-	10	10	-	10
Welfare to Work	-	-	-	0.5	-	0.5	0	-	0	0	-	0
Total Other DEL	5.4	8.6	14.0	9.6	0.7	10.3	10	-	10	10	-	10
TOTAL DEL- DE	1,153.0	104.5	1,257.5	1,246.8	96.0	1,342.8	1,280	100	1,380	1,310	90	1,410

* Contains New Deal for Schools which was outside the departmental DEL in 2000/01

DRC Note: Provision for Departmental Running Costs is within the total DEL for the Department.

	2000/01	2001/02	2002/03	2003/04
Departmental Running Costs	16.7	18.5	20	20
Welfasre to Work Running Costs	-	0.3	0	0

Department of Education (DE)

Planned expenditure in 2001/02 for services provided by the department will rise by 7.2% compared to the current year, to a total of £1333million. Indicative allocations for 2002/03 and 2003/04 of £1,370 million and £1,400 million will enable these services to broadly continue at planned levels. This will provide a substantial programme of support for the School sector, the Youth Service and Community Relations activities.

In setting the plans, account has been taken of demographic changes in the primary and post-primary sectors and of the planned expansion of pre-school provision. The plans also recognise the importance of maintaining good quality curricular support provision for schools, and the costs of the largely demand-led services of school meals and school transport. Schools' budgets will benefit directly from an extra £20million, including the continuation into future years of the £14.7million originally made available in 2000/01 as a one-year-only addition.

The plans also include resources for ongoing initiatives in support of raising standards and promoting excellence in education, including the School Improvement Programme. Provision has also been made for the initiation of the Classroom 2000 project. This project will provide all schools with Information and Communications technology facilities and presents both teachers and pupils with an exciting range of opportunities and facilitates access to a huge range of new material.

There will be continued emphasis on developing the key skills of literacy and numeracy, and on the measures needed to promote school discipline and deal with disruptive pupils. The plan also provides £3.5million for work associated with the curriculum review, new examination syllabuses and for pupil assessment. These measures will assist other initiatives aimed at developing citizenship and employability.

Further investment of £10.5million has also been made to tackle deficiencies in the schools estate. This will facilitate a further release of major projects, resources will be devoted to improving access for the disabled and removing temporary classrooms. The potential of Private Finance Initiative solutions to help address urgent capital development on a larger scale will continue to be explored.

Department of Enterprise, Trade and Investment (DETI)

£ million

Spending Area	Resource	2000/01 Capital	Total	Resource	2001/02 Capital	Total	Resource	2002/03 Capital	Total	Resource	2003/04 Capital	Total
Land and Buildings	2.6	19.5	22.0	3.6	17.7	21.3	0	20	20	0	20	20
ID Promotion	9.8	0.1	9.8	9.8	0.1	9.9	10	0	10	10	0	10
Selective Assistance and Trade Support	13.9	94.0	108.0	14.2	93.5	107.7	10	90	110	10	90	100
Local Enterprise	20.3	20.9	41.2	20.5	21.6	42.1	20	20	40	20	20	40
Industrial Research & Technology	15.9	0.4	16.3	16.8	0.4	17.2	20	0	20	20	0	20
Development of Tourism	9.7	4.7	14.3	15.0	4.7	19.6	10	0	20	10	0	20
Health & Safety Executive for NI	2.6	-	2.6	2.9	-	2.9	0	-	0	0	-	0
ERDF (Local Economic Development, Energy and Research and Development)	17.2	-	17.2	7.7	-	7.7	0	-	0	0	-	0
North/South Body, Trade and Business Development	3.1	-	3.1	2.9	-	2.9	0	-	0	0	-	0
Central Administration & Misc. Services	19.4	0.6	20.0	19.5	8.3	27.7	20	10	30	20	10	30
Energy Efficiency, Minerals, Gas & Electricity	1.8	-0.1	1.7	2.0	-0.1	1.9	0	0	0	0	0	0
Total Departmental DEL	116.3	140.1	256.3	114.7	146.1	260.8	110	140	260	110	140	250
Chancellor's Initiative	1.3	5.5	6.8	0.5	5.0	5.5	-	-	-	-	-	-
Interconnector	20.0	-	20.0	19.9	-	19.9	-	-	-	-	-	-
EU Peace Programme	7.2	-	7.2	19.2	-	19.2	20	-	20	20	-	20
Total Other DEL	28.4	5.5	33.9	39.6	5.0	44.6	20	-	20	20	-	20
TOTAL DEL -DETI	144.6	145.6	290.2	154.3	151.1	305.4	130	140	280	130	140	270

DRC Note: Provision for Departmental Running Costs is within the total DEL for the Department.

	2000/01	2001/02	2002/03	2003/04
Departmental Running Costs	36.4	38.1	40	40

Department of Enterprise, Trade and Investment (DETI)

The budget provision for the Department in 2001/02 is £261 million. This reflects the Executive's decision to increase by £2 million provision for the Information Age Initiative over the Draft Budget. Comparison with the current year is distorted by expenditure supported by the European Regional Development Fund which amounts to £17.2 million in 2000/01 but falls to £7.7 million in 2001/02 as the 1994-1999 Single Programme comes to an end. When this distortion is removed the underlying increase for the Department is £14 million or 5.9%.

The plans for 2001/02 provide £138.8 million for industrial development and a further £42.1 million of support for the small business sector through the Local Enterprise Development Unit and for the Company Development Programme. There is provision of £7.6 million for the Information Age Initiative in 2001/02, subject to the usual VFM appraisal procedures.

Energy efficiency and the use of renewable energy sources is supported by an allocation of £1 million from the Climate Change Levy Fund while £5.8 million has been provided for the Tourism Company to market the island of Ireland as a tourist destination.

The indicative plans envisage that the provision for the Department for 2002/03 will be broadly similar to 2001/02 with some reduction in provision in 2003/04 though as for all Departments these figures exclude the Executive Programme Funds. Continuing support for the Information Age Initiative is included in both years.

Department of the Environment (DOE)

£ million

Spending Area	Resource	2000/01 Capital	Total	Resource	2001/02 Capital	Total	Resource	2002/03 Capital	Total	Resource	2003/04 Capital	Total
Road Safety Services	4.3	0.1	4.4	4.9	0.1	4.9	10	0	10	10	0	10
Driver and Vehicle Testing Agency *	-1.2	1.2	0	-1.2	1.2	0	0	0	0	0	0	0
Driver and Vehicle Licensing NI	0.4	1.0	1.4	0.5	0.3	0.7	0	0	0	0	0	0
Environment and Heritage Services	26.3	1.6	27.9	35.0	1.7	36.7	40	0	40	40	0	40
Planning Service	7.1	0.5	7.6	8.9	0.6	9.5	10	0	10	10	0	10
Local Government Services	43.7	-	43.7	46.9	-	46.9	50	-	50	50	-	50
Central Administration and Misc Services	1.2	0.2	1.4	1.2	0.3	1.5	0	0	0	0	0	0
Total Departmental DEL	81.8	4.6	86.4	96.2	4.1	100.3	100	0	110	110	0	110
EU Peace Programme	-	-	-	1.0	0.0	1.0	0		0	0	-	0
Total Other DEL	-	-	-	1.0	-	1.0	0		0	0	-	0
TOTAL DEL- DOE	81.8	4.6	86.4	97.2	4.1	101.3	100	0	110	110	0	110

* DVTA operate on a trading fund with full cost recovery

DRC Note: Provision for Departmental Running Costs is within the total DEL for the Department.

	2000/01	2001/02	2002/03	2003/04
Departmental Running Costs	31.8	36.2	40	40

Department of Environment (DOE)

Planned provision of £100 million for 2001/02 will enable the Department to continue its programmes of work in support of the natural and built environment. The expenditure total provides for the development of recent initiatives on waste management and the control of pollution. Provision has also been made for the Planning Service and Road Safety, including Driver and Vehicle Testing and Licensing. The allocation for Local Government will assist District Councils in the provision of services to their ratepayers.

One of the first spending decisions of the Executive Committee was to fund increased recruitment of Road Safety Education Officers to keep in step with the rest of the UK. Next year's budget increase of 12% will meet the cost of this expansion and allow for enhancement of the road safety promotional campaign and the indicative allocations for future years would provide for continuance at the enhanced level.

The Executive recognises the importance of the environment to NI and is committed to putting EU environmental standards into legislation and programmes of action. Substantial extra resources of over £9 million are being committed in 2001/02 to address a legislative backlog and to provide for the proper implementation, monitoring and enforcement of environmental standards. The indicative allocations for 2002/03 and 2003/04 provide for further progress in this regard.

The Planning Service is expanding to meet the growth in demand for its services. The cost of processing planning applications is, by and large, met by the applicants but additional provision of £0.8 million is being made to continue the acceleration in the programme of area development plans, including the Belfast Metropolitan Area Plan, that the Executive Committee decided on this year. Full provision is also made for the first time to meet the current costs of the Planning Appeals Commission. In all the Budget allocation represents about 25% increase for planning services with the indicative allocations for 2002/03 and 2003/04 continuing the process.

The provision for Local Government Services will fully meet the costs to District Councils of derating policy and will maintain the value of the resources grant to less well-off Councils.

ANNEX C

Total Departmental Running Costs

	£ million		
	2000/01	2001/02	% Year on Year
Agriculture and Rural Development	92.2	97.7	6.0
Culture, Arts and Leisure	11.6	12.5	8.2
Education	16.7	18.5	10.5
Enterprise, Trade and Investment	36.4	38.1	4.8
Environment	31.8	36.2	13.8
Finance and Personnel	92.6	97.1	4.9
Health, Social Services and Public Safety	31.2	32.7	4.6
Higher and Further Education, Training and Employment	27.1	31.5	16.2
Regional Development	132.4	139.1	5.1
Social Development	144.0	162.6	12.9
Minor Departments	1.2	1.3	11.1
Office of the First Minister and Deputy First Minister	11.1	13.5	21.5
Total Departmental Running Costs Allocation	628.4	681.0	8.4
Welfare to Work			
Education	0	0.3	
Higher and Further Education, Training and Employment	0	7.3	
Social Development	0	2.9	
Total Welfare to Work Running Cost Allocation	0	10.5	
Total Overall Running Cost Allocation	628.4	691.4	10.0

Glossary of Terms

*Annually Managed
Expenditure (AME)*

A spending aggregate that covers programmes for which multi-year limits are not appropriate or possible, but which are taken into account in public expenditure planning.

See also

Main Departmental programmes in AME

Assigned budget in DEL

That part of the Departmental Expenditure Limit where the devolved administration has full discretion to determine where to allocate expenditure.

Barnett Formula

The formula that allocates a population share of changes in planned expenditure on comparable services by Departments of the United Kingdom Government to the devolved administrations in Scotland, Wales and Northern Ireland.

Base year

Year immediately prior to first year of spending review period.

Capital Expenditure

Expenditure on new construction, land, extensions and alterations of existing buildings and the purchase of fixed assets such as plant and machinery. Also includes expenditure on stocks and grants and lending for capital purposes. Also covers some intangibles, such as patents and in-house creation of software under recognised projects.

Chancellor's Initiative

A major economic strategy, worth £315 million, aimed at modernising the economy and encouraging investment throughout Northern Ireland, which was announced on 12 May 1998 by the Chancellor of the Exchequer.

*Comprehensive Spending
Review (CSR)*

A zero based review of all Departmental objectives, policies and spending plans, the conclusion of which set out Departmental Expenditure Limits for a three year period (1999/2000 – 2001/2002) and all other spending aggregates.

See also
Spending Review 2000.

Current Expenditure

Includes most direct expenditure on public sector pay and providing services e.g. Health or Education reflecting continuing programmes financed each year. It does not include the purchase of tangible assets.

Departmental Expenditure Limits (DEL)

A spending aggregate that sets firm expenditure limits for a three year period.

See also
Assigned budget in DEL
Non-Assigned budget in DEL

Devolved Administrations

Those administrations established by the Scotland Act, Government of Wales Act and Northern Ireland Act of 1998, respectively the Scottish Executive, the National Assembly for Wales and the Northern Ireland Executive.

End-year flexibility (EYF)

The mechanism to allow unspent provision in the Departmental Expenditure Limit assigned budget in one year to be carried forward from that year to the next to encourage good financial management. The re-allocation of EYF resources is at the discretion of the Executive Committee.

Main Departmental Expenditure Programmes in AME

Spending on identified programmes, in which other departments have a major interest, included in the vote from the United Kingdom Parliament within Annually Managed Expenditure to cover ring-fenced items for which multi-year limits are not appropriate.

Non-Assigned budget in DEL

Spending for those items where provision is not determined directly through the Barnett Formula. Such provision is included as ring-fenced within the Departmental Expenditure Limit.

Programme for Government

A programme which sets out the agreed strategic aims and policy priorities of the Northern Ireland Executive.

Regional Rate

Rates struck by the Northern Ireland Assembly for the purposes of local financing of expenditure on public services in Northern Ireland. The Assembly is responsible for decisions on how the revenues raised should be used.

Resource accounting and budgeting (RAB)

An accruals-based accounting and budgeting system that will focus more on resources consumed and not just cash spent; treat capital and current expenditure in a way which better reflects their economic significance; and encourage greater emphasis on outputs and the achievement of aims and objectives.

Ring-fenced

Expenditure that is specific to a particular policy or programme and cannot therefore be used for any other purpose without the prior agreement of the Treasury. Shortfalls in expenditure on ring-fenced items will be surrendered to the United Kingdom Consolidated Fund.

Spending Review 2000

This review takes forward the Comprehensive Spending Review carried out in 1998, and sets new plans for public spending to cover the years 2001/02 to 2003/04.