Northern Ireland Fiscal Council

Bringing transparency to NI's public finances

Databank User Guide

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Introduction

The NI Fiscal Council (NIFC) has produced this databank to show the main public spending numbers for Northern Ireland. These numbers show how the NI Executive chooses to spend the money it receives.

We are making the data available in this databank so everyone can have access to the same source numbers we rely on for many of our analyses.

Our first release of the databank only contains outturn data for the NI Executive Departmental Expenditure Limit (DEL) budgets. But we plan to expand this databank further, as explained later in this guide.

We use these outturn DEL budgets data in our annual budget assessment, which reports on the NI Executive's revenue streams and spending proposals.

The databank includes tables which show:

- **how much each department spends** on spending that is controlled by budget limits. This is the outturn data for departmental budgets that is published by the Department of Finance (DoF);
- **how this DoF outturn spending data for departments' budgets relates to the outturn spending data for the whole NI Executive** that is published by HM Treasury within their Budget documents - which is measured on a slightly different basis; and
- **how the departmental spending is financed**, including outturn data for the Block Grant.

We hope users will find this guide helpful because it explains:

- **the different types of departmental spending** that we include in the databank tables;
- why the **Treasury publish some different numbers**; and
- the **financing and spending tables**.

The databank uses outturn data sourced from HM Treasury's public expenditure database, consistent with Public Expenditure Statistical Analyses 2024. These data are provided to HM Treasury by the Department of Finance (DoF) and they are consistent with outturns published directly by DoF.

The databank includes a glossary of terms which may be helpful if any of the public finance terminology used is unfamiliar.

Explanations of the different types of public spending in NI

There are two main types of public spending:

- **DEL – Departmental Expenditure Limits** – is spending which is generally within a government department's control and can be managed within multi-year limits. This includes the day-to-day current spending costs of public services and capital investment. Current and capital spending are controlled by separate DEL limits. The DEL limits for the whole NI Executive are set in the UK Chancellor's Budgets and Spending Reviews. The Executive then allocates spending across all NI departments in its Budget and gives each NICS department its own DEL spending limits.

- **AME – Annually Managed Expenditure** – is spending which is demand led and therefore cannot be easily planned, managed or controlled within multi-year budgets. Examples include welfare (i.e. social security payments), tax credits, and public sector pensions.

Money cannot be moved from AME to be spent in DEL, but additional spending on areas normally funded by AME can be funded from DEL. For example, if the NI Executive decided to be more generous with a social security benefit, this additional cost would be paid for from the DEL budget.

DELs are divided into Resource DEL (RDEL) and Capital DEL (CDEL) as follows:

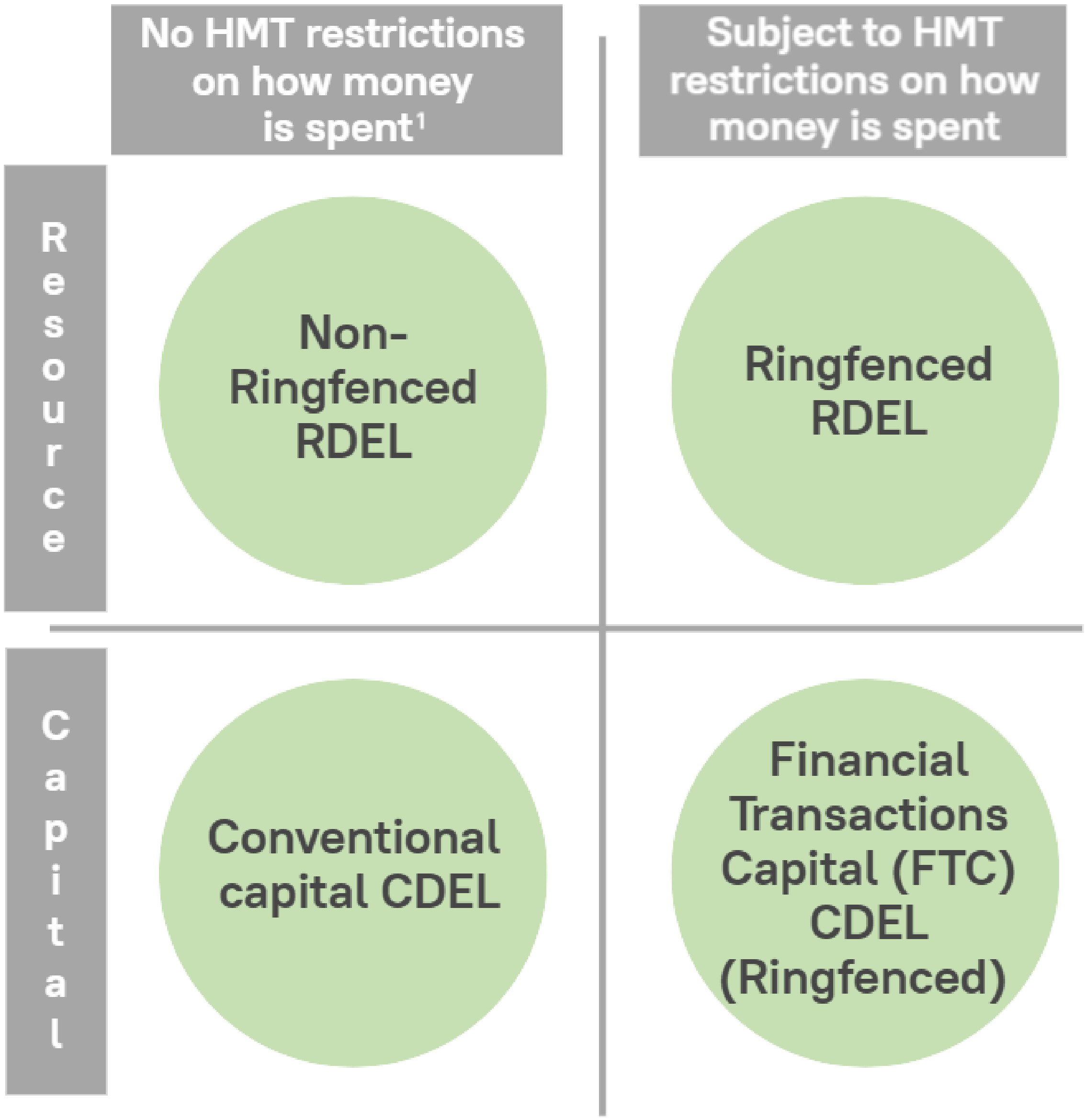
- **Resource DEL** or current spending is the day-to-day costs of running public services. This includes the costs of paying staff, buying services, and current grants and subsidies, as well as the costs of depreciation and impairments on student loans.

- **Capital DEL** or investment spending includes the purchasing of public buildings and other assets, as well as grants and loans to support capital spending.

Money cannot be moved from CDEL to RDEL without Treasury approval, although the NI Executive can change DEL plans to move money in the other direction, from resource to capital.

Within RDEL and CDEL there are also some spending areas which are ringfenced or earmarked for specific policies or programmes – which money cannot be moved out from without prior agreement. The main Treasury ringfence restrictions mean that RDEL and CDEL are each further subdivided into ringfenced and non-ringfenced DELs, as shown in Figure 1 below.

Figure 1 - Divisions of resource and capital DEL budgets



[1] Generally non-ringfenced DELs have no HMT restrictions. Occasionally, HMT may earmark some specific elements of non-ringfenced block grant for particular purposes

Source: NI Fiscal Council

Ringfenced RDEL can only be spent on depreciation and student loan impairment. Financial Transactions Capital (FTC) CDEL is ringfenced so that it can only be spent on loans to or net equity in private sector entities.

The tables in the databank show DEL spending split into the four separate DEL limits for ringfenced RDEL, non-ringfenced RDEL, ringfenced (FTC) CDEL, and non-ringfenced (conventional capital) CDEL spending as shown in Figure 1.

Problems with the split of CDEL shown in the databank

The databank shows how CDEL capital spending is split between the two different types of CDEL - conventional or general capital CDEL spending, which is shown separately from Financial Transactions Capital (FTC) CDEL spending (see Figure 1). This is the same split of these CDEL numbers as published in PESA 2024.

We are aware that there is an issue with how the outturn data is split between these two separate types of CDEL in PESA 2024, and therefore in our databank. Table 1 illustrates this issue.

Table 1 – Differences in how NI CDEL is split in plan and outturn in PESA 2024

	Financial Transactions Capital (FTC) CDEL	Conventional or general capital CDEL
Plan	FTC CDEL can only be used on loans to or equity investments in the private sector.	This can be spent on any other capital spending, including **net lending to other bodies**.
Outturn	FTC CDEL contains loans and equity investments in the private sector, **and net lending to some other bodies, including some public corporations**.	This contains all other CDEL capital spending.

Source: NI Fiscal Council

The difficulty is that CDEL is split differently in plan and published outturn. This is because FTC CDEL plans reflect the ringfenced FTC CDEL budget provided by the Treasury, which may only be used for loans to, or equity investment in, a private sector entity. Whereas FTC outturn reflects all transactions that are classified as financial transactions, which includes net lending bodies classified to the public sector. This is not ideal because it makes it difficult to compare outturn data with plans for FTC CDEL and conventional CDEL. There is no difficulty at the total CDEL level.

NIFC have discussed possible improvements in the outturn split of CDEL with DoF. We appreciate that the existing data are the best that can be achieved in the current situation and that DoF and HM Treasury also want to improve these CDEL outturns. We have included a note in the CDEL tables in the databank to explain the basis of the CDEL split, and to make it clear that this basis of the CDEL split differs between plan and outturn.

Final and provisional outturn figures

The databank uses final outturn figures for each year (i.e. the total spent in the financial year) except for the most recent year, which shows provisional outturn,[1] as published in PESA 2024.

The slightly more up-to-date final outturn data may be published elsewhere after the financial year, for example final outturn for 2023-24 was published in the spring of 2025.

However, the databank won't be updated to show the final outturn for 2023-24 until we receive the data that we need, consistent with PESA 2025, which will be in October 2025 at the earliest. These revisions are usually very small for DEL spending. For more information on the timing of various financial positions see Annex A.

[1] Provisional outturn is a department's earlier measure of how much they have spent during a financial year. This can change slightly when their accounts for the year are finalised and become final outturn.

Differences between the DEL totals published by DoF and Treasury

The main DEL spending tables in the databank show the DoF numbers for departments' DELs. These are the main spending numbers that are used to record departments' spending in NI. These show the outturns for DoF budgets, and how the spending was distributed across departments.

However we have also included further tables that show the additional items included in the Treasury's DELs for the NI Executive, which also equal the Block Grant outturns, which we explain below. We have included these extra tables so that users can understand why and how the Treasury's published outturn figures for NI Executive DELs are different.

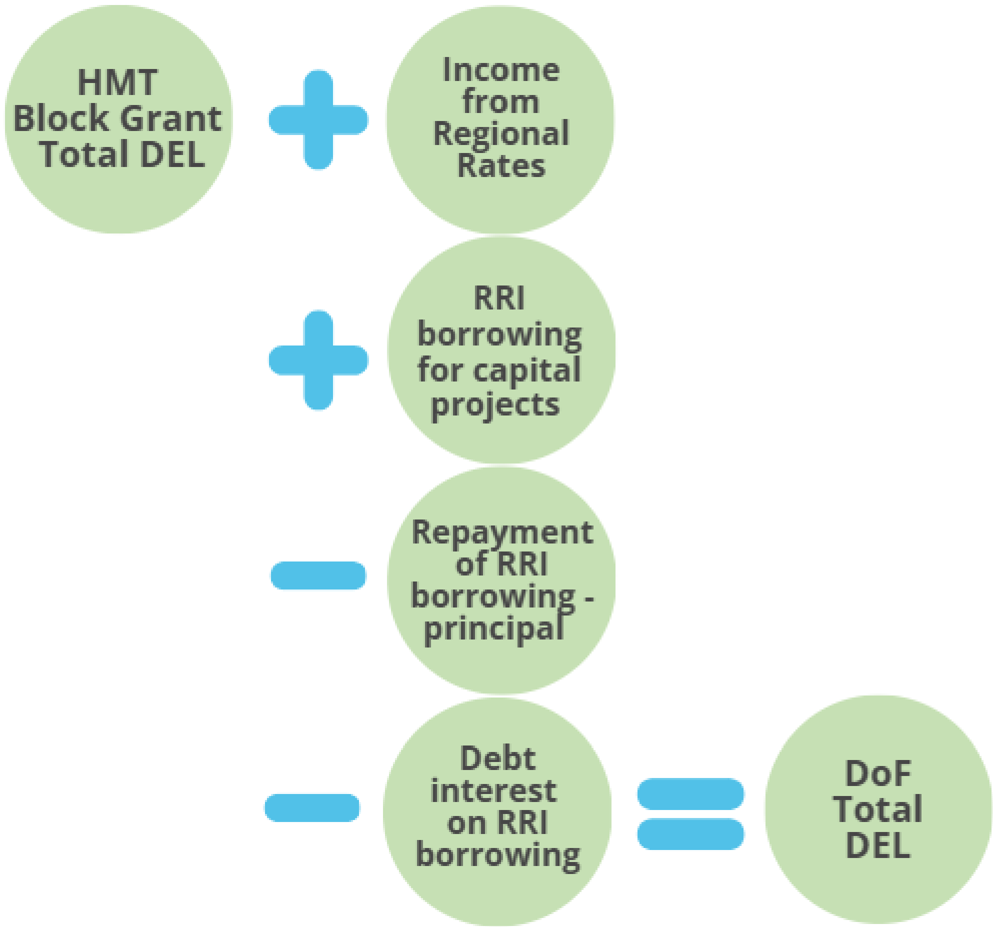
When HM Treasury (HMT) publish their spending numbers for NI Executive DELs – for instance in PESA and in the Chancellor's Budget documents – those Executive DEL numbers are lower than the numbers that DoF publish for total departmental DELs. This is because the Executive DELs include the receipts from the NI Executive's additional sources of local income, which are mainly Regional Rates and borrowing under the Reform and Reinvestment Initiative (RRI borrowing). [2]

Treasury DELs for the NI Executive act as a limit on the Executive's *net* DEL spending, net of these receipts. This allows the NI Executive to set the level of these receipts, which can then be used to finance additional spending by departments.[3]

Figure 2 shows all the items that are included in the Treasury (HMT) DELs for the NI Executive, compared with the DoF departmental DEL totals. The Treasury RDEL also includes the debt interest payments and repayments for RRI borrowing. These two spending items are paid out of the NI Executive's central funds,[4] separately from departments' DEL spending. But they are included in the Treasury RDEL, so that this wider spending limit covers all the costs that occur as a result of RRI borrowing.

[2] RRI borrowing can only be used to fund capital infrastructure projects and is generally repaid over a 25-year period, with interest applied to the principal sums at standard rates set by HM Treasury (HMT). The RRI principal repayments are paid from the Regional Rates income, which reduces the amount of finance available for departmental Resource DEL. However the RRI debt interest is paid as part of the wider overall Resource DEL spending, as explained further below.
[3] The receipts and the additional departmental spending are exactly balanced and net to zero within the net HMT DEL limits.
[4] The interest payments and the repayments for the RRI borrowing are paid directly out of the NI Consolidated Fund.

Figure 2 - Differences between DoF total departmental DELs and HMT Block Grant



Source: NI Fiscal Council

NI Block Grant

The NI Block Grant is equal to HM Treasury's total DEL for the NI Executive, in plans and outturn. When Treasury sets the level of DEL for the NI Executive, then this also sets the plans for the level of Block Grant.

Block Grant is split between resource and capital DEL, and ringfenced and non-ringfenced spending, so that the split of block grant matches the split of DELs as shown in Figure 1 above.[5]

The financing and spending tables for DELs

We have included financing and spending tables for DELs in our databank to show how the spending associated with DELs is financed. The spending associated with DELs includes debt interest on RRI borrowing, as well as departments' DEL spending.

[5] HM Treasury publish more detail about the Block Grant outturns in the Block Grant Transparency releases. The outturns in these releases match the outturns for HMT NIE DELs published in PESA except for differences in timing – the PESA figures are usually more up to date.

This wider NI DEL spending is financed via four main sources of funds:

- the **Block Grant** from HM Treasury;
- **Regional Rates income**, where Regional Rates are collected and retained locally and used to finance additional RDEL spending[6];
- **RRI borrowing** for capital projects; and
- **repayments of RRI borrowing**[6] (where this is paid out of the regional rates).

The financing and spending tables in the databank show that the total of these financing items matches the total of the spending related to DELs.

For more information on how Regional Rates differs from other taxes see Annex B.

Using the databank

The databank contains an index that lists all the tables, with links to each of the tables.

It also contains a tab called 'read me', which contains a brief guide that helps with navigating around the spreadsheet. This explains that the spreadsheet contains two main sections:

- The first section, which is coloured green, contains tables which show **DEL spending by NI department**. These tables are supplemented by further tables that show the other items included in HMT NI Executive DELs, such as Regional Rates and RRI borrowing as well as the interest payments and repayments for RRI borrowing.
- The second section, which is yellow, shows **how NI DEL budgets are financed**. This includes HM Treasury Block Grant as well as locally raised sources of finance.

Each section has a summary sheet at the beginning with all the data contained within it. This is followed by 4 individual sheets containing the 4 areas of DEL spending shown in Figure 1 above.

Feedback and future changes to this databank

The NI Fiscal Council would welcome your feedback on the databank – what have you found useful, how could it be improved and what areas could be added for future development? We intend to expand the databank over time to include AME spending.

Please get in touch using the email overleaf.

[6] The regional rates income is used to finance the repayment of RRI borrowing, where the repayment of RRI borrowing reduces the total income that is available to finance spending.

Contact Information

The NI Fiscal Council can be contacted by emailing: info@nifiscalcouncil.org

Annex A – Timing of different budget positions

There are various financial positions published for each year of spending. Figure 3 shows an example for 2023-24.

Figure 3 - Financial Positions for 2023-24 and when these change

Source: NI Fiscal Council

The Executive usually publishes its first plans in the Draft Budget well before the financial year begins. When the Budget is agreed, the final Budget is normally published in March just before the financial year begins in April. And then departments' detailed plans are published in the Main Estimates, usually around June, reflecting the final Budget.

During the financial year, the Finance Minister will make statements to the NI Assembly about changes to the budget plans because of In-Year Monitoring Rounds.[7] These can announce additional funding and spending, or cuts to spending, or the moving of spending between departments. The final monitoring round of the year will set the final plans, which are then published in the Spring Supplementary Estimates towards the end of the financial year – usually in February.

After the financial year has ended, the outturn figures show what was actually spent. Some of these figures can take a while to become final. The near-final outturn figures are published as provisional outturn in PESA in July. But the final outturn figures are published in PESA a year later, after all the accounts have been finalised and published.[8]

The differences between provisional outturn and final outturn for DELs should be minimal. However, it is important when comparing the NIFC databank with other sources to be aware of whether the figures are showing the same financial position.

[7] The In-Year Monitoring Rounds typically happen in June, October and January.
[8] The final outturns are usually published first in HM Treasury's Public Spending Statistics in May of the following year. These final outturns are published again, 2 months later, in PESA in July. The revisions to DELs between provisional outturns and final outturns tend to be very small. These revisions can be larger for NI AME.

Annex B –Regional Rates and other taxes

Regional Rates are collected and retained locally. Other taxes paid in NI (e.g. VAT and Income Tax) go to HM Treasury to form part of the UK Government's general revenues. The NI Executive receives a Block Grant from HM Treasury based on:

- the **previous year's Block Grant**[9], and,
- a **population share of changes to spending in England** on services that are devolved in NI, such as schools and hospitals.

The formula that calculates NI's share of changes to spending in England is known as the Barnett formula. An uplift factor has recently been added to this formula to take account of higher needs and demands on public services in NI. This uplift factor currently provides NI with 124 per cent of the changes in spending per head in England, rather than 100 per cent as in the past. This uplift factor applies while NI's funding per head overall is below 124 of that in England. Should NI's funding rise to over 124 per cent of England's, then a 105 per cent factor would apply instead.

The total Block Grant received by the NI Executive is of a higher value than the taxes paid from NI into the UK Government.

There are also some other sources of income raised by the Executive, for example through charging for services. Whilst the total of these other income sources is greater than the income received from the Regional Rates, most of the other local income is retained by the department that incurs the cost. Therefore, the main local income that is additionally available to finance all departments' spending in NI is from Regional Rates.

[9] The baseline that is used as the starting point for the next year's Block Grant may also remove some specific elements of the previous year's Block Grant ('time-bound allocations') that are not planned to be rolled forward. And for a three year Spending Review (SR), the baseline for all three years is based on the year preceding the first year of the SR, adjusted to remove time-bound allocations.

Annex C – Other sources of information

There are many sources which can help to provide further information or additional data if needed. We have included a link to various sources in the table below.

Table 2 – Sources of additional information

Source	Link
Department of Finance (DoF) - budget plans	Budget plans | Department of Finance
DoF – public expenditure terminology (May 2016)	DoF - public expenditure terminology | Department of Finance
NISRA for data at a Northern Ireland level	Home | Northern Ireland Statistics and Research Agency
HM Treasury - Public Expenditure Statistical Analyses (PESA)	HMT Public Expenditure Statistical Analyses (PESA) - GOV.UK
HM Treasury - Public Spending Statistics	HM Treasury - Public Spending Statistics
HM Treasury - Country and Regional Analysis (CRA)	Country and regional analysis - GOV.UK
ONS - Country and regional public sector finances, UK	Country and regional public sector finances, UK
NI Fiscal Council – Public Finances in Northern Ireland: A comprehensive guide (under review for revision)	The public finances in Northern Ireland: a comprehensive guide | NI Fiscal Council
NI Fiscal Council – Budget Assessments	Budget Assessments | NI Fiscal Council
Office for Budget Responsibility (OBR) – brief guide to public finances	A brief guide to the public finances - Office for Budget Responsibility
OBR – public finances databank	Public finances databank 2024-25 - Office for Budget Responsibility

Source: NI Fiscal Council