Dr Andrew Murrison MP  
Chair, Northern Ireland Affairs Committee  
House of Commons  
London  
SW1A 0AA  

24 April 2019

Dear Dr Murrison,

ADDITIONAL INFORMATION ON NORTHERN IRELAND SUPPLEMENTARY ESTIMATES FOR 2018-19

Thank you for your letter of 26 March regarding the publication of the Northern Ireland Spring Supplementary Estimates 2018-19. As you will be aware in the absence of an Executive in Northern Ireland, these were presented to Parliament by the Secretary of State for Northern Ireland by way of a Command Paper.

Agenda for Change Pay Award

The Northern Ireland Department of Finance has confirmed that the budget allocation for Department of Health in 2019-20 included the recurrent element of the Agenda for Change (AfC) 2018-19 pay award, and further flexibility to inform 2019-20 AfC pay negotiations. The additional funding provided to DoH far exceeded the £26.2 million Barnett consequential received as, unlike in England, this also covers social care in Northern Ireland.

Capital DEL to Resource DEL transfer

As part of Budget 2019-20 process, the UK Government agreed with the Department of Finance that £130 million of Capital Departmental Expenditure Limits (CDEL) would be transferred to Resource Departmental Expenditure Limits (RDEL) as one of the flexibilities to offset departmental resource pressures across a range of departments, particularly the Departments of Health and Education. This flexibility was provided in recognition of the lack of opportunity for more fundamental service reconfiguration over the last twelve months due to the lack of an Executive.

Stronger Towns Fund The £1.6 billion Stronger Towns Fund was announced by the Prime Minister on 04 March. Devolved administrations will benefit, through Barnett consequentials, in funding allocated for 2021-22 onwards in the Spending Review. The Treasury has confirmed that spending in earlier years will be met from within
existing DEL totals in 2019-20 and 2020-21, and would therefore not normally result in Barnett consequentials for those years.

I am copying this letter to the Permanent Secretaries at HM Treasury, the Ministry of Housing, Communities and Local Government, the Northern Ireland Department of Finance and the Northern Ireland Department of Health.

Yours,

[Signature]

Sir Jonathan Stephens KCB
Permanent Secretary
Northern Ireland Office