



# Northern Ireland Affairs Committee

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Rt Hon Karen Bradley MP,  
Secretary of State for Northern Ireland  
House of Commons  
SW1A 0AA

28 February 2018

*Dear Karen,*

The Committee has had an opportunity to consider the Supplementary Estimate and its accompanying Memorandum laid by the Department on 7 February 2018.

The Committee has a number of queries arising from its review and would appreciate a response from the Department on the matters listed below:

1. The Northern Ireland Executive received £20m from the Confidence and Supply arrangement between the DUP and the Conservative Party. What will these funds be spent on?
  - How much funds will be released in the Main Estimate 2018-19?
2. The Northern Ireland Executive received £20m for “Welfare penalty – return”. Please could you provide us with details of this item?
3. The Supplementary Estimate Memorandum noted that £9m of efficiency savings from 2018-19 and 2019-20 was reallocated into 2017-18. Does this mean that there will be no need for the Northern Ireland Government to make efficiency savings in its block grant in 2018-19 and 2019-20?
4. What repercussions does the lack of a functioning Executive have for implementation of the Northern Ireland Executive’s budget?
5. How will not having a functioning Assembly affect the devolution of corporation tax which was intended for 2018/19?

## **Inconsistency between cash grant and Departmental Expenditure Limits at Main Estimate**

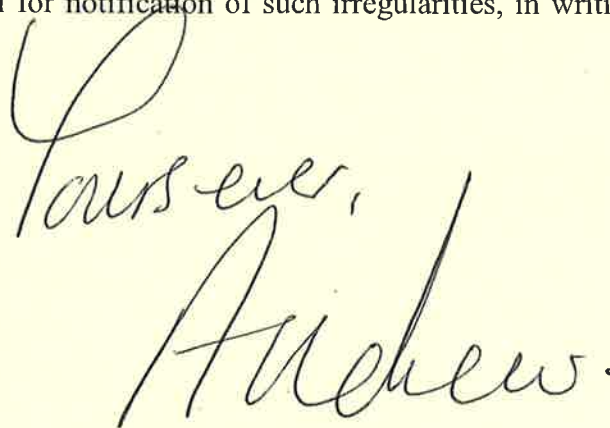
We also understand that there was an inconsistency between the cash grant authorised of £15,666 million at the Main Estimate stage and the Departmental Expenditure Limit £11,734 million (resource £10,524 million and capital £1,210 million) identified in Main Supply Estimates (p 36 and p39) and Sections 7 and 8 of the Main Estimate Memoranda. The Departmental Expenditure Limit should have been £11,810 million, as was presented correctly in Sections 4 of the Main Estimate Memorandum and Supplementary Estimate Memorandum.

We have been informed that £79m (mostly related to the Stormont House Agreement) was included in the cash grant in the Main Estimate of the Northern Ireland Office but not in the Departmental Expenditure Limits of the Northern Ireland Executive.

Please could the Department provide us with an explanation as to why the Departmental Expenditure Limits in the Main Estimate did not include the £79 million but the cash grant approved by Parliament to the Northern Ireland Office did? Why weren't the Departmental Expenditure Limits of the Northern Ireland Office reported at Main Estimate revised upwards to reflect the £79m and be consistent with the cash grant approved?

Although we understand that the £79 million may have been given to the Northern Ireland Executive under exceptional circumstances, it is important that both the Supply Estimates and Estimate Memorandum are accurate, consistent and not misleading.

The Committee should have been made aware of the exceptional circumstances which led to the inconsistency between the cash grant and the Departmental Expenditure Limits at Main Estimate stage. We request that you provide the Committee with those details as soon as possible. In the future, we would be grateful for notification of such irregularities, in writing, at the point they occur.

A handwritten signature in cursive script, appearing to read 'Andrew Murrison', written in dark ink.

**Dr Andrew Murrison MP**  
Chair, Northern Ireland Affairs Committee