

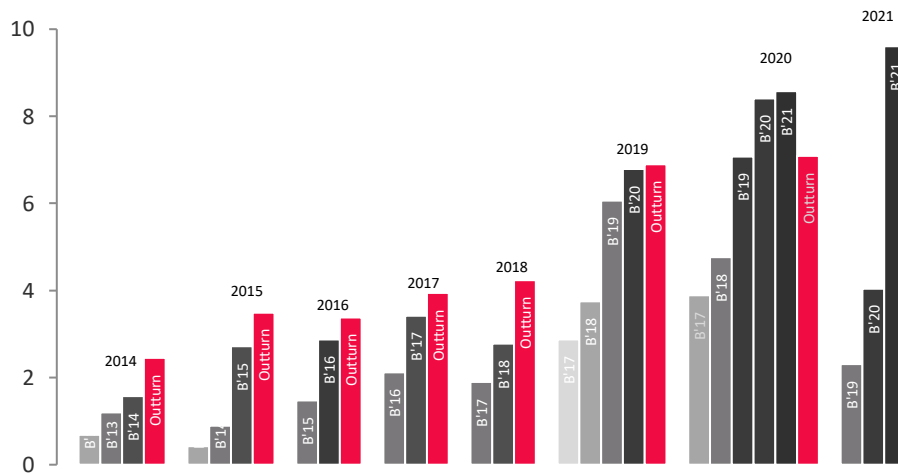
S14. Medium-term spending ceilings

This section analyses the governments medium-term expenditure ceilings. Every year, the Government is required by law to set expenditure ceilings for the following three financial years for overall expenditure and for each Department.⁷⁸ These ceilings are set in order to provide a better mechanism for controlling spending over the medium-term and to ensure the Expenditure Benchmark is complied with.

Figure S14.1 shows the change in total gross voted expenditure ceiling relative to the initial ceiling. Prior to the pandemic, there had been a period of procyclical increases in the ceilings, with the outturn in 2019 €6.9 billion higher than originally planned.

Figure S14.1: Change in gross expenditure ceiling relative to initial ceiling

€ billion



Sources: CSO; Department of Finance; and Fiscal Council workings.

Note: Bars show the change in forecasts from various budgets followed by outturns, versus the earliest budget forecast for that year (e.g., B'15 = expenditure forecasts in Budget 2015 minus the earliest forecast for the specified year). Red bars relate to the change in outturn expenditure versus the earliest forecast for expenditure for the year specified above. Note figures for Budget 2021, and the outturn for 2020 are Covid-19 adjusted.

The Council has asked the Department, on three separate occasions, for the three-year current expenditure ceilings for each government department that were set in 2020. At the time of writing, these were still not provided to the Council.

⁷⁸ These Expenditure ceilings are set under the Medium-term Expenditure Framework (MTEF), which was introduced in the Ministers and Secretaries (Amendment) Act 2013.