Office of the Clerk of Tynwald
Research and Scrutiny Support

Projected vs. actual: structural deficit, use of reserves and NHS allocation - Updated

Issued 04/09/2025

For: Economic Policy Review Committee

From: Naomi Corlett, Assistant Clerk

Request: An analysis of the projected vs. actual: use of reserves, structural deficit, and NHS allocation in Budgets from the last 10 years

Contents

1. Summary Position (Based on the estimated delivery of the Capital Programme)

1.1 Structural Surplus/Deficit

1.1.1 Budgeted vs. Actual vs. Initial Financial Plan

Structural Surplus/(Deficit) - £'000	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Budgeted		-79,400	-67,451	-58,829	-74,229	-128,529	-97,417	-152,870	-98,015	-86,798[1]
Probable/Actual	-87,507	-8,182	-35,423	13,749	-217,376	-95,551	-94,227	-103,120[2]	-91,368[3]	
Initial financial plan forecast*			-53,761	-47,913	-37,591	-23,394	-24,840	-15,660	14,231	-36,310

*I.e., as projected within the first financial plan that a figure for the year appeared in.

[1] There was a presentational change in the NI surplus/deficit in the 2025-26 Budget such that the NI surplus/deficit is no longer included in the structural deficit. This figure does not include the budgeted NI deficit of 23,807 – the total is 110,605 including this figure.
[2] This figure does not include the NI surplus of 17,132 – the total SD is 85,988 including this figure.
[3] This figure does not include the NI deficit of 7,011 – the total SD is 98,379 including this figure.

1.1.2 Changes in Planned Structural Deficit across Medium-Term Financial Plans (in £'000)

	Publication Year of Medium-Term Financial Plan								
Projected Year	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
2017-18	-79,400	-8,182							
2018-19	-53,761	-67,451	-35,423						
2019-20	-47,913	-62,287	-58,829	13,749					
2020-21	-37,591	-42,232	-58,440	-74,229	-217,376				
2021-22	-23,394	-35,449	-25,920	-49,393	-128,529	-95,551			
2022-23		-24,840	-13,190	-23,361	-46,136	-97,417	-94,227		
2023-24				-15,660	-12,501	-65,402	-152,370	-103,120	
2024-25					14,231	-47,181	-84,894	-98,015	-91,368
2025-26						-36,310	-51,816	-62,559	-86,798
2026-27						-32,366	-31,065	-46,568	-64,146
2027-28							-3,366	-35,803	-43,470
2028-29								-28,561	-38,395
2029-30									-31,572

Pink = Actual structural suplus (+)/deficit(-) for year on left

By following the rows from left to right, you can see how the projections for a particular year changed across financial plans and then (in pink) what the actual structural deficit for that year was. So, for example: the structural deficit for 2019-20 was planned to be (in £'000): -47,913 in 2017-18's Budget; -62,287 in 2018-19's Budget; -58,829 in 2019-20's Budget; and then it was published that the actual structural surplus for 2019-20 was 13,749.

1.2 Net Surplus/Deficit After Interest

Overall Net Suplus/Deficit After Interest - £'000	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Budgeted		-29,618	-16,648	-10,462	-10,931	-69,918	-31,066	-127,548	-25,578	-59,871
Probable/Actual	-36,882	69,100	32,083	80,858	-161,027	-35,685	-49,547	-20,693	-40,461	
Initial financial plan forecast			-3,039	1,560	15,372	32,417	28,488	47,296	70,950	28,032

1.2.1 Changes in Net Surplus (+)/Deficit (-) Projections across Medium-Term Financial Plans (in £'000)

Publication Year of Medium-Term Financial Plan

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
2017-18	-29,618	69,100							
2018-19	-3,039	-16,648	32,083						
2019-20	1,560	-13,856	-10,462	80,858					
2020-21	15,372	7,939	-12,746	-10,931	-161,027				
2021-22	32,417	16,183	20,681	12,149	-69,918	-35,685			
2022-23		28,488	37,701	38,320	9,871	-31,066	-49,547		
2023-24				47,291	41,831	-5,612	-127,548	-20,693	
2024-25					70,950	15,349	-60,029	-25,578	-40,461
2025-26						28,032	-27,031	14,055	-59,571
2026-27						33,842	-6,326	27,511	-24,046
2027-28							21,842	40,764	-3,123
2028-29								50,547	2,151
2029-30									9,821

Pink = Actual net surplus (+)/deficit (-) after interest for year on left

2. Reserves

2.1 Movement on the Operating Account: Transfers to Reserves

Movement on the Operating Account: Transfers to Reserves (£'000)	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Budgeted	2,000	20,000	9,650	14,000	6,750	17,700	55,250	94,943	80,816	21,650	27,750
Probable/Actual	2,000	22,000	14,650	12,000	46,750	45,700	131,404	126,398	89,465	16,650	
Initial Financial Plan Forecast			13,350[4]	13,960	14,000	14,000	10,000	10,000	12,000	12,000	27,250

[4] Figure received from the Treasury in correspondence

2.2 Total Transfer from Reserves

Total Transfer from Reserves as stated in Financial Plans - £'000	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Budgeted	93,575	68,886	70,175	47,316	48,516	84,046	35,594	77,507	43,295	70,292
Actual		47,927	59,601	41,840	147,793	49,093	50,707	14,549	48,896	
Initial Financial Plan Forecast			72,813	82,738	87,179	34,145	24,453	11,831	12,149	28,662

2.2.1 Changes in Transfer from Reserves Projections across Medium-Term Financial Plans (£'000)

Projected Year	Publication Year of Medium-Term Financial Plan								
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
2017-18	68,886	47,927							
2018-19	72,813	70,175	59,601						
2019-20	82,738	62,792	47,316	41,840					
2020-21	87,179	60,965	51,120	48,516	147,793				
2021-22	34,145	64,758	52,869	51,987	84,046	49,053			
2022-23		24,453	12,673	27,694	24,662	35,594	50,707		
2023-24				11,831	12,961	26,765	77,507	14,549	
2024-25					12,149	27,603	34,705	43,295	48,896
2025-26						28,662	15,973	32,658	70,292
2026-27						29,853	6,555	22,991	61,025
2027-28							-3,492	25,221	59,482
2028-29								27,559	57,029
2029-30									56,221

Pink = Actual total transfer from (+)/to (-) reserves for year on left

3. National Insurance Account Expenditure – NHS Allocation

3.1 NHS Allocation

NHS Allocation (£ million)	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Budgeted	37.3	38	38.5	39.7	40.9	38.9	40.3	41.1	45.1	52.7	71
Probable/Actual	36.5	37.9	38.5	39.7	40.9	38.9	41.4	43.3	45	52.7	
Initial financial plan forecast	37[5]	38[5]	38	39	40	41	42	44.6	43.6	44.4	45.6

[5] Figures received from the Treasury in correspondence

3.1.1 Changes in NHS Allocation Projections over Medium-Term Budgets (£ million)

Publication Year of Medium-Term Financial Plan

Projected Year	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
2017-18	38.5	38.5							
2018-19	39.7	39.7	39.7						
2019-20	40.8	40.9	40.9	40.9					
2020-21	42.1	42.1	42.1	38.9	38.9				
2021-22	43.3	43.3	43.3	40.3	40.3	41.4			
2022-23		44.6	44.6	41.9	41.9	41.1	43.3		
2023-24				43.6	43.6	42.5	45.1	45.0	
2024-25					44.4	44.0	45.6	52.7	52.7
2025-26						45.6	46.1	54.7	71.0
2026-27						46.6	46.6	56.9	73.4
2027-28							47.1	59.1	75.0
2028-29								61.5	76.4
2029-30									78.1

Pink = Actual total NHS allocation