

# Written Ministerial Statement

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## Department of Finance

### PUBLIC EXPENDITURE FINAL BUDGET 2025-26

*Published at 2.30pm on Thursday 3 April 2025*

**Mr O'Dowd (The Minister of Finance):** The purpose of this Statement is to inform the Assembly of the final Budget for 2025-26 as agreed by the Executive on 3 April 2025.

I wanted to advise members of the final Budget 2025-26 outcome as soon as possible which is why I am providing this update by Written Ministerial Statement.

I intend to make an Oral statement to the Assembly next week, which will provide the opportunity for questions. There will also be a full debate and vote in May.

This Budget reflects our Programme for Government commitment to 'Doing What Matters Most' and shows this Executive's determination to work together to deliver.

It provides funding to cut waiting lists, deliver affordable childcare, support Special Educational Needs, invest in skills, make our communities safer, funds actions towards ending violence against women and girls, provide more social housing, protect Lough Neagh and for public sector Transformation.

#### Funding Available

Due to the restrictions of Section 64 of the NI Act 1998, the funding envelope for the Final Budget 2025-26 remains unchanged from the Draft Budget.

However, the Executive has considered how it wishes to use the additional funding which has been confirmed following the Chancellor's Spring Statement. This has provided Barnett consequentials of £158.5 million Resource and £1.6 million Capital DEL, of which £146 million relates to employers National Insurance contributions.

This funding will be provided as indicative allocations to departments now, to be reflected in departmental budgets at the June Monitoring round.

#### Programme for Government Priorities

The draft Budget included earmarked allocations for Childcare, Social Housing, Skills, Violence Against Women and Girls and Transformation.

The final Budget builds on this by earmarking £85 million of the funding in the final Budget outcome for reducing waiting lists and £80 million for increasing elective care capacity.

Combined with an indicative June Monitoring allocation of £50 million for waiting lists this brings the total earmarked for the PfG priority of **'Cutting Health Waiting Times' to £215 million**

An indicative June Monitoring allocation of **£15 million** has been agreed to the Department of Education (DE) for **Special Educational Needs**.

Department for the Economy (DfE) will receive an indicative June Monitoring allocation of **£8 million** for Skills contributing to **'Grow a Globally Competitive and Sustainable Economy'**

An indicative allocation of **£5 million** for **‘Protecting Lough Neagh’** will be provided to the Department of Agriculture, Environment and Rural Affairs (DAERA).

Department of Justice (DoJ) will receive an indicative June Monitoring allocation of **£5 million** for **Safer Communities**.

**£21.3 million** will be allocated to the Education, Justice, Health and Infrastructure departments towards the transformation projects announced on 4 March contributing to **Transformation of Public Services**.

Combined with the Draft Budget allocation, this brings funding provided specifically for PfG Priorities to some £425 million, with a commitment for a further £5 million for Childcare in-year.

Earmarked funding for other programmes, such as City and Growth Deals, the Executive Programme on Paramilitarism and Organised Crime and Intergr8 will also contribute to PfG priorities.

While this funding has been identified as contributing to PfG outcomes, each Minister must also look to prioritise their general allocation to best deliver on Programme for Government outcomes.

### **Other Indicative Resource DEL Allocations**

DfE has identified increased costs of policing The Open, as this is a previous Executive commitment an indicative allocation of £0.9 million has been provided.

Similarly, DoJ will receive £0.6 million in respect of the inescapable cost of statutory salaries.

To provide further support to the health sector, it has been agreed that DoH will receive an indicative allocation of £3.5 million to contribute towards the increased national insurance costs being faced by GP practices, dentists, pharmacists and other family health services.

Departments will also each receive an indicative June Monitoring general allocation.

### **Centrally Held Funding**

Following the agreement of the NICS pay award, the £26 million held centrally for this purpose has been allocated to departments and is reflected in their final Budget 2025-26 outcome.

Departmental final Budget 2025-26 outcomes have also been increased to reflect the provision of £21.3 million from the Transformation Fund following Executive agreement of the first tranche of projects.

A small amount, £0.4 million of Transformation funding has been provided as an indicative allocation, as it has been requested as Capital rather than Resource. This will be confirmed in-year.

### **Capital DEL**

The Department for Infrastructure (DfI) has identified an easement of £15.7 million in Executive earmarked funding provided in the draft Budget. This can now be reallocated.

DfI will receive £0.3 million toward the A6 flagship project.

The remaining £15.4 million will be allocated, on an equal basis, as a general capital allocation to DE and DfI.

DfI has also identified a reduction of £8.1million in the amount required for the A5. As this is part funded by the Irish Government there will be a reduction in income, meaning this funding has not been reallocated.

### **Financial Transactions Capital**

The draft Budget concluded with £8.4 million of Financial Transactions Capital available.

This will now be fully allocated with £6.1 million to DfE for Invest NI Capital Grants to Business and £2.3 million provided to The Executive Office for interest payments.

As this falls short of the amount requested by DfE, an indicative allocation of £1.1 million has also been agreed, reflecting the amount which can be carried forward from 2024-25 under the Budget Exchange Scheme.

## **Conclusion**

Today sets out a direction of travel which shows this Executive is prepared to do things differently and use our limited resources to do what matters most.

While the financial position in 2025-26 remains challenging for all departments, the Budget agreed by the Executive today clearly prioritises its Programme for Government priorities and, excluding earmarked allocations and in-year transfers, provides every department with an uplift on its 2024-25 final budget position.

**Table 1: Departmental Budget Outcome 2025-26**

<b>£million</b>	<b>Non Ring-fenced Resource DEL</b>	<b>Capital DEL (Net)</b>	<b>FT Capital</b>
Agriculture, Environment and Rural Affairs	599.5	119.5	
Communities	938.1	270.0	48.1
Economy	801.1	205.4	7.2
Education	3,227.3	388.4	
Finance	241.7	32.5	
Health	8,409.7	391.0	
Infrastructure	637.1	917.0	
Justice	1,415.4	100.0	
The Executive Office	240.1	14.0	2.3
Food Standards Agency	12.4	0.2	
NI Assembly Commission	59.6	3.1	
NI Audit Office	10.9	0.0	
NI Authority for Utility Regulation	0.3	3.8	
NI Public Sector Ombudsman	5.0		
Public Prosecution Service	41.3	0.8	
<b>Total Departmental Planned Spend</b>	<b>16,639.4</b>	<b>2,445.6</b>	<b>57.6</b>

Totals may not add due to roundings

£0.0m represents amounts of less than £50k

**Table 2: Reconciliation of Departmental Planned Spend to the DEL Controls 2025-26**

£million	Non Ring-fenced Resource DEL	Capital DEL (Net)	FT Capital
<b>Total Departmental Planned Spend</b>	<b>16,639.4</b>	<b>2,445.6</b>	<b>57.6</b>
<b><i>Centrally Held Items:</i></b>			
RRI Interest Payments	63.0		
Transformation	26.0		
Childcare	50.0		
Unallocated	0.0		
<b><i>Total Centrally Held Items</i></b>	<b><i>139.0</i></b>		
Regional Rate Income	-732.3		
RRI Borrowing		-225.7	
Irish Govt. Funding (A5)		-78.9	
<b>NI DEL</b>	<b>16,046.1</b>	<b>2,141.0</b>	<b>57.6</b>
<b><i>of which Treasury earmarked :</i></b>			
<i>Security Funding</i>	37.8		
<i>Transformation</i>	47.0		
<i>Executive Programme for Paramilitarism and Organised Crime</i>	8.0		
<i>City Deals</i>		41.1	
<i>IFF</i>		0.5	
<i>NDNA (An Ciste)</i>		0.5	
<i>NDNA (Medical Schools at Magee)</i>		1.1	
<i>Fresh Start Shared Education and Housing</i>		48.3	

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**Table 3: Indicative June Monitoring Allocations (£millions)**

Department	Description	Non Ring Fenced Resource	Capital	FTC
DAERA	General Allocation	1.4		
	Lough Neagh - earmarked	5.0		
<b>Total DAERA</b>		<b>6.4</b>		
DfC	General Allocation	<b>2.8</b>		
DfE	General Allocation	2.9		
	Skills - earmarked	8.0		
	The Open – earmarked	0.9		
	Invest NI Grants to Business			<b>1.1</b>
<b>Total DfE</b>		<b>11.8</b>		<b>1.1</b>
DE	General allocation	17.9		
	Special Educational Needs (SEN) - earmarked	15.0		
	General Capital Allocation		1.0	
<b>Total DE</b>		<b>32.9</b>	<b>1.0</b>	
DoF	General Allocation	<b>1.2</b>		
DoH	General Allocation	33.8		
	Waiting List Initiatives - earmarked	50.0		
	GP practices, dentists, pharmacists and family health services - earmarked	3.5		
<b>Total DoH</b>		<b>87.3</b>		
DfI	General Allocation	4.3		
	Transformation - earmarked		0.4	
	General Capital Allocation		1.0	
<b>Total DfI</b>		<b>4.3</b>	<b>1.4</b>	

Department	Description	Non Ring Fenced Resource	Capital	FTC
DOJ	General Allocation	4.7		
	Safer Communities - earmarked	5.0		
	Statutory Salaries - earmarked	0.6		
<b>Total DoJ</b>		<b>10.4</b>		
TEO	General Allocation	<b>0.3</b>		
FSA	General Allocation	<b>0.3</b>		
NIAO	General Allocation	<b>0.1</b>		
NIAUR	General Allocation	<b>0.0</b>		
NIPSO	General Allocation	<b>0.1</b>		
PPS	General Allocation	<b>0.5</b>		
<b>Total Allocations</b>		<b>158.5</b>	<b>2.5</b>	<b>1.1</b>

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