

**FROM:**

**FEBRUARY 2025**

**DATE:**

**PETER HALL**

**TO:**

**COMMITTEE CLERK**

**REFERENCE NUMBER GM-0118-2025**

## **DEPARTMENT OF FINANCE 2025-26 DRAFT BUDGET POSITION**

### **Summary**

**Business Area:** Department of Finance

**Issue:** 2025-26 Draft Budget Position

**Restrictions:** N/A

**Action Required:** Briefing paper for Committee meeting on 19<sup>th</sup> February

**Officials Attending:** Gavin Patrick, Cathy Murtagh and Clair Hampton

### **BACKGROUND**

The 2025-26 Draft Budget provides the Department of Finance with a non-ringfenced budget of £158.7m, earmarked allocations of £79.9m and a capital allocation of £32.5m.

### **KEY ISSUES**

A briefing paper has been attached at Annex A setting out the Departments draft 2025-26 budget position to be discussed at the Committee meeting on 19<sup>th</sup> February 2025.

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**Annex A - DEPARTMENT OF FINANCE DEPARTMENTAL FINANCIAL  
PLANNING 2025-25 – DRAFT BUDGET POSITION**

## Annex A

### DEPARTMENT OF FINANCE DEPARTMENTAL FINANCIAL PLANNING 2025-25 – DRAFT BUDGET POSITION

The 2025-26 Draft Budget provides the Department of Finance with a non-earmarked budget of £158.7m, earmarked allocations of £79.9m and a capital allocation of £32.5m.

#### Non-earmarked Resource DEL baseline for 2025-26

The Department has continued to review its forecast, considering where savings can be made by reducing or stopping non-essential work and delaying filling lower priority vacancies. The non-earmarked resource DEL forecast is now c£163.4m (net of savings). This forecast, including all requirements from Business Areas, when set against the opening baseline of £158.7m, results in a pressure of around £4.7m.

Forecasts do not include the changes to the National Insurance Employers Contributions rate estimated at £3.4m, or the proposed increased pay award announced on 20 January 2025, which is estimated to cost around £4.2m. It is anticipated that there will be some additional funding allocated by the Executive to cover these increased costs, but this will not be known for a number of weeks and may not cover the full cost.

#### Executive Earmarked

The draft budget allocation provided the following earmarked funding in 2025-26, which meets the forecasted requirements in these areas.

| Earmarked area   | £k            |
|------------------|---------------|
| Housing Benefit  | 50,923        |
| Integr8          | 25,370        |
| EU Match Funding | 2,400         |
| Cyber Security   | 1,236         |
| <b>Total</b>     | <b>79,929</b> |

It is anticipated that there will be an HMT Earmarked allocation of around £0.6m for activities associated with Windsor Framework made at a later stage.

#### Capital DEL

The draft budget has allocated the Department a capital budget of £32.5m. Forecasts are currently around £57.8m resulting in a pressure of £25.3m.

In 2025-26 the Department's main capital spend is in relation to the LPS NOVA programme, maintenance and refurbishment of existing properties and IT hardware and software.

Work is ongoing in order to produce a 2025-26 budget plan for both Resource and Capital.