



**Northern Ireland
Assembly**

**Committee for Education
Room 428
Parliament Buildings**

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To: Peter Hall, Clerk to the Committee for Finance

From: Aoibhinn Treanor, Clerk to the Committee for Education

Date: 12 March 2025

Subject: Briefing from DE on 2025-26 Budget

Peter,

Thank you for your consistent and helpful interest, on behalf of the Finance Committee, in collating and co-ordinating the level and nature of departmental budgetary information being supplied to statutory committees.

I attach the information that has been provided to the Education Committee to date regarding the 2025-26 Budget.

If you require further information or explanation regarding the above, please do not hesitate to contact me.

Aoibhinn Treanor
Clerk to the Committee for Education
Enc.

Rathgael House
43 Balloo Road
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Aoibhinn Treanor
Clerk to the Committee for Education
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24 February 2025

Dear Aoibhinn

BUDGET 2024-25 and DRAFT BUDGET 2025-26

Please find attached written update on the Department of Education's Budget 2024-25 and draft Budget 2025-26 for the attention of the Education Committee, as requested.

I would be grateful if these papers could be distributed to Committee members.

Yours sincerely

Departmental Assembly Liaison Officer

Department of Education Written Briefing for Budget at February 2025

BUDGET 2024-25

1. At January Monitoring, the Department firstly declared a reduced requirement of c£1.8m in respect of Executive earmarked Early Learning and Childcare funding. This related to c£2m of funding which was initially earmarked for the Department for Economy (DfE) in respect of a Targeted Business Support Scheme in the early learning and childcare sector. DfE subsequently confirmed that the full analysis and final report from a scoping exercise will not be available until March 2025. As such, c£1.8m of the earmarked funding would not be spent by DfE in 2024-25. Given that this funding was earmarked by the Executive it could not be retained for use against other pressures.
2. Against this reduced requirement, the Department also bid for the same amount to help address residual SEN pressures.
3. As it relates to Capital DEL, the Department declared reduced requirements, as follows:
 - £6.856m in respect of Executive earmarked Strule funding; and • £3.444m in respect of Executive earmarked Fresh Start funding.
4. In addition, the Department submitted further bids, as follows:
 - £20.0m for Resource DEL pressures;
 - £28.043m for Capital DEL pressures; and
 - £0.535m for Ringfenced Resource DEL pressures (i.e. depreciation / impairment).
5. The outcome of January monitoring was that the Department received £1.5m of Resource DEL funding to address SEN pressures, £12.5m of Capital DEL funding and the full £0.535m in respect of Ringfenced Resource DEL pressures.
6. Subsequent to January monitoring, the Department received a further allocation of £3m from additional Barnett funding available to the Executive. This allocation is to help address costs associated damage to the schools' estate from Storm Éowyn. The Department's initial estimate of these costs is c£5.8m.
7. The Department continues to forecast a Resource DEL shortfall of c£20m for 2024-25.
8. That said, the Department continues to work with the Education Authority to work through available options to constrain the Department's current year spend with a view to achieving a balanced budget.

DRAFT BUDGET 2025-26

9. The Executive agreed a draft 2025-26 Budget on 19 December 2024, which included the following allocations to the Department of Education:

Resource DEL Allocation: £3,219m
Executive Childcare Strategy: £50.0m
Capital DEL Allocation: £380m

10. Current indications are that the Department will have a Resource DEL funding gap of c£260m in 2025-26 as it relates to inescapable and pre-committed pressures and a Capital DEL funding gap of c£91.4m.

11. The c£260m Resource DEL shortfall will mean the Department will not be able to fund a number of pressures. For example and subject the Minister's decisions relating to the Department's 2025-26 Resource Budget Strategy:

- The residual EA Block Grant SEN non-pay pressure of c£66m (i.e. largely demand-led pressures);
- Maintenance pressures. This issue is increasingly a cause for significant concern (recent NIAO Value for Money report, Managing the Schools' Estate);
- Increasing schools' deficits (currently estimated at c£64m);
- EA Block Grant Non-SEN, non-pay pressures of c£84m (e.g. home-to-school transport, catering, ICT, etc);
- Any schools-based non-pay pressures; and
- Education's smaller NDPBs will potentially have no existing pressures funded, when the Council for the Curriculum, Exams and Assessment, the Council for Catholic Maintained Schools, Comhairle na Gaelscolaíochta, etc have either had flat cash or reduced budgets in recent years. Continuing with flat cash budgets is not sustainable for these organisations.

12. In addition, initial forecasts are that there will be a further c£64m of unfunded high priority pressures and c£29m in pressures linked to the Independent Review of Education and the Education Strategy Programme.

13. It should be noted that, in addition to these pressures, the estimated financial impact of upcoming changes to Employers' National Insurance with effect from 5 April 2025 is c£52m annually (Department and its ALBs, including schools). The Minister of Finance recently wrote to the Executive to advise that Department of Finance officials estimate that the anticipated Barnett consequential that Northern Ireland can expect to receive will only cover approximately two thirds of the total pressure. If only two thirds of Education's estimated pressure were met, this would leave an additional, inescapable pressure of c£17m, which is not reflected in the figures outlined above. The actual quantum of funding provided through the Barnett formula, and the changes which gave rise to the consequentials, will not be confirmed until the Westminster Main Estimates process concludes (i.e. usually around June).

14. The c£91.4m Capital DEL shortfall will mean that difficult decisions will again have to be made as to what can be brought forward within the context of this reduced allocation and could jeopardise key and critical initiatives.
15. An Equality Screening has been completed in respect of the 2025-26 Resource Budget and a Consultation will be initiated in due course.

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Tel No: Email:

30 January 2025

Your Ref: 2024-332

Dear Aoibhinn

Equality Impacts of the Draft Budget 2025-26

I am writing to confirm that the Department does intend to carry out an Equality Impact Assessment in respect of the draft budget for 2025-26.

An internal Equality Screening on the initial draft budget allocation has already been undertaken and responses are currently being collated and reviewed to determine whether a consultation is now required. If so, a consultation report will be published and a 12-week consultation period will follow.

Yours sincerely

Departmental Assembly Liaison Officer



**Northern Ireland
Assembly**

Departmental Assembly Liaison Officer
Department of Education
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Sent by email: _____

Date 23/01/2025

Our Ref: 2024- 332

Dear ,

Equality Impacts of the Draft Budget 2025-2026

At its meeting on 22 January, the Committee for Education discussed correspondence from the Department of Justice on the potential equality impacts of the Draft Budget 2025-2026.

The Committee agreed to write to the Department for Education to ask if it intended to carry out an equality impact assessment for the draft budget 2025-2026.

I would be grateful for a response by 31 January 2025.

Yours sincerely,

Aoibhinn Treanor

**Aoibhinn Treanor
Clerk
Committee for Education**