

**From the Minister of Finance**



*Matthew O'Toole MLA*  
*Chair of Finance Committee*

*Diane Forsythe MLA*  
*Deputy Chair of Finance Committee*

Private Office  
2<sup>nd</sup> Floor  
Clare House  
303 Airport Road West  
BELFAST  
BT3 9ED

**Tel:** 028 9081 6236  
**Email:** [private.office@finance-ni.gov.uk](mailto:private.office@finance-ni.gov.uk)

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Matthew, Diane, a chairde

## **EXECUTIVE RESTORATION PACKAGE: BREAKDOWN OF £708 MILLION**

I am writing to provide further detail on the amounts contained in the financial package which accompanied the return of the Executive.

The original letter from the Chief Secretary to the Treasury on 13 February 2024, said that to support the delivery of public service transformation the Executive's spending power would be increased by up to £708 million through the prioritisation of existing and new British Government funding streams and the provision of some additional funding.

All of the funding is to be provided as Resource DEL and is to be released in equal annual tranches over the five years from 2024-25 to 2028-29.

Of this, £235 million (£47 million per annum) will be ring-fenced for public sector transformation and will be subject to approval by the new Public Sector Transformation Board.

It will be for the Executive to decide on the use of the remaining £473 million (£94.6 million per annum).

I sought confirmation from the Treasury of the funding streams that have been included in this amount. This was received from Treasury on 1 March 2024 and is attached at **Annex A**, with further detail provided below.

### Additional Funding

Of the £708 million, £85 million is new funding. This is accompanied by £623 million of existing and new funding streams which is being un-ringfenced.

### Previous Funding Packages

Of the £623 million, £417.5 million will be from previously announced funding packages. This includes the following funding streams:

- Stormont House/Fresh Start Agreement Shared and Integrated Education and Housing - £150.0 million
- New Decade, New Approach - £64.6 million
- New Deal for NI - £202.9 million

### Existing British Government Funding Streams

A further £52.6 million will be provided to the Executive from un-ringfencing previously announced British Government funding streams and. This consists of £30.0 million from Round 3 of the Levelling Up Fund and £22.6 million from the Shared Prosperity Fund. This ringfence removal only applies to these specific rounds. Any previous rounds or future expansions of these funding streams will not be considered for reprioritisation.

### Future British Government Funding Streams

An additional £152.9 million will be provided from funding earmarked for spending here from British Government funding streams announced at Autumn Statement 2023. This includes Made Smarter, Levelling Up Partnerships, the Investment Opportunities Fund and Autumn Statement 2023 Investment Zone announcements. As these programmes were subject to future ministerial decisions, the funding total is indicative. That notwithstanding, the Executive will receive the entire £152.9 million.

The above does not impact the Enhanced Investment Zone confirmed in the recent command paper.

### Allocation

As this funding has been included in the restoration package it is now for the Executive to determine its use.

This may include using it for the purposes originally intended. However, it is important that the Executive considers requests for funding to be provided for original purposes in the context of competing pressures.

Departments have been asked to identify where bids submitted in the current Budget 2024-25 exercises relate to projects which were previously funded from the funding

streams now contained in the £708.0 million included in the financial package. This will allow the Executive to consider whether, and how, these should be funded.

I trust this is helpful.

Is mise le meas,

A handwritten signature in black ink, reading "C. Archibald." with a period at the end. The signature is written in a cursive, flowing style.

**DR CAOIMHE ARCHIBALD MLA  
MINISTER OF FINANCE**

## **UK GOVERNMENT FUNDING STREAMS WITHIN SCOPE**

The UK Government is providing the Northern Ireland Executive with a significant £3.3 billion spending settlement to stabilise its finances and protect public services. Within this package we are providing £85 million new funding and un-ringfencing £623 million of existing Northern Ireland funding streams. This gives the Northern Ireland Executive £708 million to support public services over five years from 2024-25 to 2028-29.

Within the £708 million, £235 million is ring-fenced for the sole purpose of transformation and its release is subject to the establishment of a Public Service Transformation Board. The remaining £473 million is un-ringfenced. This means the Executive can choose how to reallocate the funding. It can of course choose to continue projects.

The full list of the UK Government funds which are being made available to the Northern Ireland Executive is as follows:

- New Decade, New Approach (Transformation Funding)
- New Decade, New Approach (Unique Circumstances)
- New Deal for Northern Ireland
- New Deal for Northern Ireland underspends (Defra)
- Fresh Start/Stormont House Funding
- Levelling Up Fund Round 3
- A portion of the UK Shared Prosperity Fund

The Northern Ireland Executive will also receive funding earmarked for Northern Ireland from UK Government funding streams announced at Autumn Statement 2023. This includes:

- The Investment Opportunity Fund and Investment Zone AS23 announcements
- Levelling Up Partnerships in Northern Ireland
- Made Smarter Programme

The above does not impact the Northern Ireland Enhanced Investment Zone confirmed in the recent command paper, which the UK Government remains committed to delivering.

