



Northern Ireland  
Assembly

Committee for The Executive Office

# OFFICIAL REPORT (Hansard)

Draft Budget and December monitoring:  
Executive Office

4 February 2026

# NORTHERN IRELAND ASSEMBLY

## Committee for The Executive Office

Draft Budget and December monitoring: Executive Office

4 February 2026

**Members present for all or part of the proceedings:**

Ms Paula Bradshaw (Chairperson)  
Mr Stewart Dickson (Deputy Chairperson)  
Mr Phillip Brett  
Mrs Pam Cameron  
Mr Timothy Gaston  
Ms Sinéad McLaughlin  
Miss Áine Murphy

**Witnesses:**

Mr Ronan Murtagh	The Executive Office
Ms Paula Shearer	The Executive Office

**The Chairperson (Ms Bradshaw):** We have got Ronan Murtagh and Paula Shearer. They are going to provide the briefing. Go ahead and make your presentation.

**Mr Ronan Murtagh (The Executive Office):** Thank you for the opportunity to come along to the Committee to provide an update on budget matters. Whilst the initial request was to cover October monitoring and budget plans to 2029-2030, things have moved on somewhat. I will cover that during today's briefing. Taking on board previous requests from members, we met the Clerk of the Committee during the summer to explore how we can improve on our presentation and inform the detail that we provide to the Committee. As a result, briefing papers have been provided on each exercise separately in advance of the meeting, and we will now deliver a presentation, but that will cover both sessions.

As usual, the Department has been involved in the December monitoring update. There are two separate budget exercises. The first is December monitoring, focusing on the immediate monitoring for the current financial year. This provides a further opportunity to review spending plans and priorities this financial year, in the light of the most up-to-date financial position. The second is the work to develop a proposed draft budget for 2026 to 2029-2030 plans, providing detail on bids submitted as part of the information-gathering exercise. As members will be aware, the Finance Minister has outlined his proposals for a draft budget for 2026-2030, which is currently out for public consultation, which closes on 3 March. Towards the end of the presentation, I will give an outline to help the Committee get a sense of what the impact will be, should that be agreed after public consultation.

I will briefly outline June monitoring. It is a while since we have been with the Committee, so to catch up on that it is worth setting out that we secured a number of important uplifts during the current financial year. On the resource side, that included an additional £2.2 million earmarked funding for ending violence against women and girls (EVAWG) in support of our Programme for Government

commitment; £975,000 for good relations; and £2.9 million for Communities in Transition (CIT), which comes through the Executive programme on paramilitarism and organised crime (EPPOC) and would usually come through in the June monitoring exercise. We also received additional capital support of £650,000 for EVAWG and £1 million for Urban Villages. Those allocations recognise the ongoing demand in these programmes and the need to maintain delivery momentum.

In December monitoring, as a result of pressures facing Departments, and in particular public pay pressures, the Executive agreed that, given the timing of the Chancellor's autumn statement, the October and January monitoring rounds would be replaced with one single exercise in December. The Finance Minister advised that this would allow certainty on any funding flowing from the Chancellor's Budget and, most importantly, would also allow time to ensure that all easements were surrendered in view of the pressures facing the wider Northern Ireland block. Therefore, no non-ring-fenced resource departmental expenditure limit (DEL) bids were permitted. It was all about identifying easements and underspends.

December monitoring was done in two stages. Stage 1 was Executive approval, and then stage 2 was a technical process for technical issues and exceptional late adjustments and an opportunity to identify any further reduced requirements. As always, it is critical to manage within our budget allocations, which we are currently forecasting to deliver and to live within our means. This has included providing the additional funding to meet the statutory obligations associated with the new language bodies. Through careful management, we identified easements to not only put proposals to Ministers to surrender funds to wider Northern Ireland Civil Service (NICS) pressures but identify opportunities to manage our resources within our means, including the bodies.

In December monitoring, reduced requirements were identified. Ministers approved the return of £56 million to the Department of Finance to contribute to the wider financial pressures across the Northern Ireland block, notably around public-sector pay. We should point out that things have been moving on since the paper that was provided to the Committee. In stage 2, we identified a further £4 million of an easement, which is reflected in the figures in the presentation. Within the last week, we have continued to monitor those costs, and we have offered up a further £2 million towards central pressures.

In the earmarked pool, which covers historical institutional abuse (HIA), victims and truth recovery, reduced requirements of £51.3 million were identified through stage 1 and a further £2 million through stage 2 December monitoring. The budget for truth recovery has been reprofiled into 2026-27, due to the revised timelines for the mother-and-baby institution inquiry and redress scheme, which is now expected in the summer of 2026. That has released £27.3 million in the current year. For victims' payments, updated forecasts from the Victims' Payments Board have identified net reduced requirements of £28 million after meeting HIA pressures of £6.5 million. That is based upon the payment profiles updated from the board, reflecting the up-to-date experience and improved forecasting in respect of payments made. However, as always with victims' payments, it is vital to stress that none of this has any bearing on the entitlement of victims. This is purely about the timing of payments and the throughput in the system. There is no impact on the statutory entitlement, the eligibility of individuals or our commitment to delivery on the truth recovery inquiry.

In non-earmarked resource DEL, the level of easements identified is much less. We identified net easements of £770,000, mainly arising from salary underspends due to vacancy management. With regard to capital, we were able to identify a reduced requirement in net terms of £1.2 million and received an allocation of £1.5 million in respect of financial transactions capital (FTC) capitalised loan interest, which is interest that is added to the loans in accounting terms, not actual additional loan funding out the door. Through stage 2, we were also able to process money into the Department, including net refugee and asylum support and integration earmarked funding of £9 million from the Home Office and the Ministry of Housing, Communities and Local Government for the Homes for Ukraine scheme and refugees and asylum seekers. Of that amount, £4.1 million was subsequently transferred to other Departments as they are responsible for delivery to those who are impacted under the schemes.

The next slide gives a representation of the breakdown of the budget for the current year. Our overall non-earmarked and earmarked budget after December monitoring was £193 million. Of that, 56%, or £108 million, is earmarked, and 44%, or £84 million, is non-earmarked. The slide you can see provides information on how the non-earmarked resource DEL has been allocated across TEO for 2025-26 following the monitoring round. The largest share is 38%, or £32 million, and relates to our arm's-length bodies (ALBs). That reflects the significant programme delivery and statutory functions that they carry out on our behalf. Good relations, including the Urban Villages scheme and the

regeneration of Ebrington Barracks, continues to be a significant area of focus and investment. It accounts for 15%, or £12.6 million, of the non-earmarked budget. International relations accounts for 7%; race relations, equality and CIT account for 6%; and Programme for Government and Executive support account for 9%. Funding for ending violence against women and girls is split across earmarked and non-earmarked budgets. Within the non-earmarked area, there is 3%. In total, those areas account for 24% of the total non-earmarked budget, and the balance covers other central support services as well as the Commissioner for Public Appointments for Northern Ireland (CPANI) and the Attorney General for Northern Ireland. The overall position for TEO is incredibly tight, as it is for all Departments. We are forecasting to deliver within our means, but it will require careful management.

Our earmarked budget is the greater portion of our budget. Of the £108 million after December monitoring, 84% relates to the earmarked pool. That covers the Victims and Survivors Service (VSS) and the Commissioner for Survivors of Institutional Childhood Abuse (COSICA), so HIA, truth recovery and victims' payments. The fact that we can vire between those amounts in budgetary terms is critical to the management of those budgets. Other than that, the earmarked areas include CIT and race relations, which has a total of £7.5 million; EVAWG, which has £4.2 million, of which £2 million was allocated at the start of the year and £2.2 million in June monitoring; Windsor framework, which has 2%, or £1.8 million; and PEACE PLUS, which has 3%, or £2.8 million. Overall, the earmarked budget is dominated by the statutory redress schemes and the victims' pool, which represent the core of TEO's earmarked responsibilities. Those funds cannot be applied for any other purpose. It is fair to say that it is worth highlighting the nature of being earmarked. All those areas, other than the pool, are individually earmarked, so underspends in any of those areas cannot be applied for any other purpose. Within the pool, they can be vired, but not outside the pool, so we cannot use them for any other means. Given the demand-led and volatile nature of the resource requirements — it is very demand-led — the pooling continues to be essential.

Of our capital budget, 57%, or £8.5 million, represents the investment in Urban Villages, reflecting the ongoing regeneration and public realm projects across the five Urban Villages areas. Ebrington and the maritime museum accounts for 18%, or £2.7 million, which reflects support for continued redevelopment of the site and infrastructure works. ALBs represent 9%, or £1.4 million, covering essential capital maintenance and upgrades. The remaining 16% sits across a range of smaller capital pressures and statutory requirements.

Those were the slides on the current year and December monitoring. Will I go on to the next section and do the whole lot?

**The Chairperson (Ms Bradshaw):** Yes, we will do it all. Thank you.

**Mr Murtagh:** OK. Moving on to the second aspect of the update, we have been involved in establishing our requirements for future-years Budget plans. This is the first time in more than 10 years that the Executive will be moving beyond single-year Budgets, which is very much to be welcomed. A multi-year Budget will provide greater clarity for planning and strategic investment. The period covered is in alignment with the Chancellor's spending review. For resource DEL, therefore, it covers until 2028-29 — that is day-to-day spending — and for capital DEL, it covers until 2029-2030, so that is for longer-term investment. Departments were asked to submit bids and identify priorities to inform planning.

The approach that we followed was set out by the Department of Finance, and the starting point was a rolled-forward baseline equivalent to the 2025-26 position for non-earmarked resource DEL. There are certain challenges with regard to that being the starting point for the Department, and I will cover that in the presentation. Departments were asked to identify bids for resources in excess of that amount, and we were asked to absorb pay and price inflation within those, factoring in a planning assumption for pay costs of 3% plus progression. Of course, that is for planning purposes only, and the actual out-turn would be subject to negotiations and a process. Both earmarked resource and capital DEL requirements will be built from a zero base, so we were asked to register our full requirements rather than an incremental amount.

Circling back to the issue of the starting point being the 2025-26 opening baseline, I will highlight the important points to remember. The opening baseline excludes the amounts that we are spending at the moment and that we rely on but were forthcoming during June monitoring. Therefore, it does not include the £2.2 million that was allocated in-year for EVAWG. Given that our preference is to see that baseline, it actually did not include the £2 million that was received at the start of the year on an earmarked basis, so we needed to bid for the activities that we rely on in delivery of the strategy.

Equally, the £975,000 that we received for good relations was not included in the baseline, and they have both been important for front-line delivery.

The baseline also excludes the additional funding that was received in June in respect of the employers' National Insurance increase, which I think we discussed last time I was before the Committee. That additional funding came via the Treasury, and it was important for the ALBs in-year in terms of the pressures that they were facing. That is not in the opening baseline. Going forward, it excludes other new areas of statutory responsibility as well, such as the language bodies and the Climate Commissioner, so all those featured in our bids. In developing our plans, we aimed to prioritise our work on existing Executive commitments through earmarked funding for victims. Our approach to developing bids sought to address commitments of the current business plans, known statutory commitments and actions to support the Programme for Government. We were conscious of the need to factor in efficiencies and savings, and our plans do not reflect any growth in staffing structures except around the new obligations.

Whilst there is detail in the paper in summary terms, the next slide provides an outline of, in total, what the Department's bids came to above the baseline. Our baseline is £85.6 million per year, and the total bids range from £16.5 million to £20.5 million to £24.1 million across the three-year period. As for what that involves, inescapables include the requirement to fund all statutory commitments, and those include the new language bodies and the Climate Commissioner. The resource need moves from planning to delivery over the period on the ground and the actual costs anticipated for the organisations, conscious of the need to be as efficient and proportionate as possible and practicable. High-priority requirements include the continuation of EVAWG, which is a Programme for Government priority. Other front-line delivery focus includes good relations and Communities in Transition. Bids in respect of our ALB colleagues are covered in both areas.

The next slide sets out our forecast requirement for our earmarked resource in support of victims and delivery under the PEACE PLUS programme. For victims, the total pool requirement rises from £154 million to £195 million across the period, and PEACE PLUS requirements move from £6.7 million to £3.7 million. It is important to note that the allocations are not discretionary for the earmarked area bids; they are statutory responsibilities that are legally binding and are political commitments. Ministers have given clear commitments that entitlements will be paid promptly, and we need to stand ready to deliver on that commitment. The HIA closed applications in April 2025, and the bid represents the outworkings of the payments. The victims' payments are the largest single earmarked allocation for TEO. The bids are informed by our work with the Victims' Payments Board and the Government Actuary's Department. Truth recovery funding supports inquiries and redress mechanisms, and the bids reflect the fact that there has been slippage from the current year from activities originally expected to take place in 2025-26 and the easements reported in December monitoring that I mentioned earlier. PEACE PLUS is essential to ensure EU match funding is secured, and it is critical for maintaining cross-border community projects.

On the capital spend, the next slide outlines the four years from 2026-27 until 2029-2030. The spend is expected to rise significantly in 2026-27 and then average around £12 million per year thereafter. The spike in 2026-27 is due to leases and the requirement to book the full cost of a lease at the beginning of the period, in line with accounting requirements and budgeting rules, rather than over the full lifespan of the lease. Urban Villages and Ebrington remain the key capital priorities, and they are categorised as inescapable bids. Urban Villages includes projects that started between 2021 and 2025-26 for which funding has already been committed by Ministers, and it includes the two largest Urban Villages transformational projects for Meenan Square and Donegall Pass good relations hub. It also includes projects starting from 2027-28 onwards for which funding has been committed by Ministers, and those are required to achieve a balance across the Urban Villages area and will deliver significant good relations outcomes.

For Ebrington, funding is required for a new Derry/Londonderry North Atlantic (DNA) Museum, which is due to open at Ebrington in 2027, and the public realm works at the Ebrington site. We also bid for set-up costs for the Climate Commissioner and the needs of our ALBs. High-priority bids included the funding to allow for appropriate capital works for World War II hangar roof repairs and minor health and safety capital works at Maze/Long Kesh. Desirable bids include funding requests for health and safety works at regional government headquarters, also known as the bunker, and other minor capital works and IT upgrades for our ALBs. Bids also included a marker bid to allow for exploring the potential of a capital scheme for victims, research relating to transformation, and the Office of AI and Digital.

Finally, I move to the Finance Minister's draft Budget proposals. As members will be aware, the Finance Minister has brought forward plans and proposals for the allocation of the funding available across the Budget period, and those have been published for consultation. Plans are subject to agreement by the Executive, but I have set out some summaries that might be helpful for the Committee in assessing the impact of the proposals if they are agreed in their current form after the consultation.

In totality, the baseline for resource, as for all Departments, is extremely challenging across both earmarked and non-earmarked funding. For non-earmarked areas, the proposals include baseline as well as additional general allocations in the paper. We also note that some of the non-earmarked bids submitted by the Department are in the paper and proposed as earmarked, and we have put that in the full assessment to assess the affordability. The bids relate to EVAWG, the language bodies and the Climate Commissioner. The allocation for EVAWG does not provide the full amount requested for 2026-27. All of this, taken in totality, highlights a shortfall across all years. These are not formed Budget plans, and it is not an agreed Executive position at the moment. It will require decisions to be made and proposals and discussions with Ministers as to how we live within our means, but ultimately the starting point will be the need for an executive agreed Budget position. Under the proposals for the earmarked framework allocations that are set out, we would be allocated amounts at a lower level than those requested. No proposed capital allocations are set out in the slide, because the proposed allocations are set out in line with what we had bid for, so there is no gap to highlight.

As for the next steps, the Executive's agreement of Budget plans is required. That will allow us to conduct the equality screening to assess the impact on section 75 groups and whether a consultation is required in relation to the impact. That will allow us to advise Ministers on the final spending plan proposals. Once that is finalised, we can provide an update to the Committee. Hopefully, that has been —

**Mr Brett:** Very fulsome.

**Mr Murtagh:** — fulsome. Hopefully, it covers all the areas, but I very much welcome feedback, especially if the presentation did not cover areas that you would like to see covered, or if you require further clarification.

**The Chairperson (Ms Bradshaw):** Thank you. I concur with what Phillip said. It was very fulsome, and it is easier for some of us to digest it in that format, so thank you.

I have a couple of quick questions. You mentioned the Urban Villages programme. I will be quite gratuitous here. You mentioned the Good Relations Hub in Donegall Pass, which is fabulous. Another one project that people are so excited for is the refurbishment of the former School of Music. You mentioned that some projects are not featured yet; is that one of them? Does it still require a degree of —?

**Mr Murtagh:** The only ones that were mentioned were the big transformational ones. The School of Music project was approved by Ministers in November 2024, so it features in the plans. I sought to draw out some of the larger ones. That is all.

**The Chairperson (Ms Bradshaw):** Yes. I appreciate that.

**Ms Paula Shearer (The Executive Office):** It features from 2027-28 onwards.

**The Chairperson (Ms Bradshaw):** OK. Thank you. The other bit that jumps out at me is the spend against the mother-and-baby homes inquiry and the redress scheme from summer 2026. We are literally a few months away from that, and we have just finished our deliberations on the Bill. How ambitious is that? Do you have any thoughts on the spend starting then?

**Mr Murtagh:** At the moment, we are working on the basis that the spend would start in summer 2026. Just to clarify, given that the legislation has not been cleared yet, the funding for the current year has been surrendered, but we bid for it for next year, so it pushes it out to next year.

**The Chairperson (Ms Bradshaw):** Yes, but I think that you indicated in your paper that the spend would start in summer 2026.

**Mr Murtagh:** 2026?

**The Chairperson (Ms Bradshaw):** Yes.

**Mr Murtagh:** Those are the indications that we have been given about its commencement. It is worth saying that, when we reflect on the current year, we see that we started it off by putting our best foot forward in our ambitions for delivery, so we have to aim for stretching targets. Ultimately, if something does not take place, any allocations for it in the earmarked pool that we get from the Department of Finance cannot be diverted to anything else, so anything that is not spent is surrendered back to the centre.

**The Chairperson (Ms Bradshaw):** I was about to come on to that. You said that some bids are inescapable and high priority. Your slide on those pretty much outlined most of TEO's functions and key programmes. Has there been any slight slippage during the year that would allow you to move money about? Are you saying that, if something has been allocated against a certain aspect of TEO's budget, it would be surrendered?

**Mr Murtagh:** If funding is non-earmarked and subject to Ministers' decisions, whether it can be reprioritised is subject to Ministers' approval. We have the ability to move money across budget lines, subject to Ministers' agreement. As we work through the remaining stages of 2025-26, our main focus has been more about the wider piece concerning the pressures facing all Departments across the block. Therefore, there has been more of a push to surrender money so that it goes towards the greater need.

**The Chairperson (Ms Bradshaw):** OK, thank you.

**Mr Dickson:** Thank you for the information. It has been very helpful. I have a number of questions about some of the information that you gave us. Which leases in which areas are covered by the revision of leases? Has there been a review to see whether those leases need to continue?

**Mr Murtagh:** I should say from the outset that any proposal to sign a lease requires a business case. Every case requires a justification to be brought forward and, where necessary, approvals from the Department of Finance. Certainly, leases are reviewed at every stage. Rather than signing leases, the opportunities from within the NICS estate are reviewed. For our Department, not all of the leases are local leases. The overseas offices play into that space. Yes, we review that requirement, but, equally, in association with our arm's-length bodies, particularly our new ones, we review opportunities for shared spaces and back-office functions. We also look for opportunities to reduce administration costs, and we seek out synergies and opportunities for operating in shared spaces. Equality House springs to mind as an accommodation that falls into that category.

**Mr Dickson:** I was there recently, which is one of the reasons that it came to mind. Is there an overall or overarching project to review leases, keeping in mind what you mentioned about shared spaces and delivering synergies between the various bodies that occupy those spaces?

**Mr Murtagh:** Typically, on the investment side of things in the Department, the casework committee reviews leases and encourages business areas to get ahead of any lease expiries that are on the horizon and seek out opportunities. There is no live project at the moment, if that is the question. We are certainly looking at that. We want to be able to look across the board holistically to see what the requirements are.

**Mr Dickson:** There is the potential of our having a three-year Budget. That should allow us to view the horizon and see what leases are coming up and what space might become available.

**Ms Shearer:** All business cases have to go through DOF. It looks at all of the options to make sure that the DOF estate is used.

**Mr Murtagh:** We are talking about leases here over that period, and, in fairness, the overseas offices cannot fall into that category. The Equality Commission for Northern Ireland (ECNI) falls into that category, so we have looked at it, wrapped up in Equality House. The language bodies fall into that category as well, and their budgets for their establishment have sought to make best use of accommodation and shared support services. Therefore, I suppose that the answer is yes, that has happened.

**Mr Dickson:** There has been recent comment or criticism around the high volume and cost of agency staff across your Department and, in fact, the whole public sector. What direct action is being taken to drive that down and ensure that there is direct recruitment, where practical and appropriate?

**Mr Murtagh:** At the centre, NICS HR and the Department of Finance are leading the progression of recruitment rounds in order to be able to fill posts substantively across the NICS. At the moment, we have 36 agency workers. Where possible, we seek to fill vacancies through the NICS HR initiatives at the centre. Over time, that will allow us to reduce the reliance on agency workers. That reliance has typically been driven by the need to deliver versus the availability and throughput of staff. You need people to be able to deliver. At times, agency colleagues have allowed us to be able to meet those needs. However, I appreciate completely that we need the recruitment rounds and people to come through to substantive roles for us to be able to reduce that need.

**Mr Dickson:** Where does the Executive Office sit with regard to consultation on workforce planning in the broader Civil Service context to try to avoid agency recruitment?

**Mr Murtagh:** NICS HR and the Department of Finance at the centre lead on that. We feed into that through the leadership groups, such as the permanent secretary group, that deal with HR. DOF has been the lead in coordinating Departments' work on workforce planning, and we are in the early stages of developing it further. We have breakdowns of our staffing requirements, but we will develop that further. That will link in with looking at our agency requirements, the recruitment that will be undertaken through NICS HR and our internal processes, because there is a need to drive efficiencies across the board. We constantly review our footprint as an organisation to make sure that any posts that we look to fill are actually required.

**Mr Dickson:** Is that an aspiration, or is it something that the leaders in the Department are prepared to deliver and drive their way through?

**Mr Murtagh:** I must confirm that we are doing that. All Departments are required to do that, as is any organisation. That forms part of the strategic, longer-term planning.

**Mr Dickson:** Looking backwards and forwards at the totality of the budget, what efforts are being made to assess the value for money of every project that has been delivered, that is currently in progress or that is planned to be delivered?

**Mr Murtagh:** We take value for money very seriously through our governance framework and control mechanisms. Everything that we do is open not only to public scrutiny but to internal and external audit across the board. Every proposal in the spending plans will be subject to business case requirements under the governance framework and will require approval from Ministers, the permanent secretary and the Department of Finance. How programmes are monitored and evaluated as they are delivered is being developed even further through the data that is gathered and reported.

When I was last at Committee, I mentioned our annual report and accounts, which, at that time, had been recently published. It gives dashboard outworkings in respect of CIT, the ending violence against women and girls work and Together: Building a United Community (T:BUC). It gives a read-out of how we are performing against the metrics. Post-project evaluations of delivery against business cases are conducted afterwards to ensure that best practice is delivered.

**Mr Dickson:** Can we be guaranteed that, when you look back on projects or continue to approve projects going forward, it is not the case that people are simply comfortable in how they deliver them, without there being real, detailed scrutiny of how things might change in order to deliver more effectively or of whether we even need to continue to do such projects?

**Mr Murtagh:** Given today's subject matter, we need to constantly review how we deliver and how to do things differently and transform. Availing ourselves of new opportunities is critical to how we will develop our plans. It is part and parcel of how the Department will move forward.

**Ms Shearer:** Every post-project evaluation will have a lessons-learned exercise, which is shared.

**Mr Brett:** Colleagues, thank you very much for that. I will declare a couple of interests because they were raised. My mother receives a victims' pension, and Lee Reynolds, who is the Commissioner for the Ulster Scots and the Ulster British tradition, was my election agent at the Assembly election.

Thank you for your work on Urban Villages and for allocating additional funds to it. Westland Community Centre in North Belfast was one of the new projects that was brought in. Thank you for that.

With regard to the budget, what work has been done on the next phase of Urban Villages? I know that the First Minister and deputy First Minister are considering the next phase. Has an additional profile been made for potential new areas of Urban Villages?

**Mr Murtagh:** Everything that is covered in the plan so far relates the current phase of Urban Villages. Urban Villages 2 is in the planning stage.

**Mr Brett:** Secondly, what considerations have been given to increased budget demands associated with the Inquiry (Mother and Baby Institutions, Magdalene Laundries and Workhouses) and Redress Scheme Bill? You will be aware of the Committee's position on changing the posthumous date, though the DUP took a different position. What impact will that have on the budget and projected services that the Executive Office could deliver, should that provision be passed by the Assembly?

**Mr Murtagh:** Those additional costs for posthumous claims that go back to 1922 are not reflected in our projections. If those were agreed, the cost would be in and around £27 million over three years, plus additional administration costs.

**Mr Brett:** To put that into perspective, were you to try to save £27 million in your current budget, what would that look like?

**Mr Murtagh:** Broadly speaking, it would not be possible. Given that we have non-earmarked funds, which is our discretionary amount, we would be looking to save £27 million out of £84 million, which would be a massive ask. As for the funding that might come, the current position is that it is unfunded by Treasury. Those discussions continue about contributions that may or may not be forthcoming when it comes to mother-and-baby institutions and victims' payments. Essentially, that is all earmarked funding, which is provided separately. All that will be wrapped up in the earmarked allocations and managed accordingly. My immediate reaction is that it would not be feasible. Of course, I could not possibly say that, because it will be subject to the decisions of Ministers, but it would be a large ask to find that amount of money out of the total pot.

**Mr Brett:** It is not technically the Ministers' decision, because they brought forward the Bill as drafted, so it is actually —.

**Mr Murtagh:** I was thinking about the actions that would be required to make it affordable.

**Mr Brett:** It will be the responsibility of the Assembly, when making decisions, to be cognisant of the fact that you, as the financial adviser, have stated that the proposals that the Committee put forward would currently be unaffordable. That is important *[Inaudible.]*

**Mr Murtagh:** Within our available non-earmarked resources.

**Mr Brett:** That is pretty powerful testimony and should be listened to by all members of this Committee and by the House. Thank you.

**Mr Gaston:** Thanks very much for the presentation. It was very in-depth and answered a lot of my queries. You talked about surrendering money for the greater good. Can you give us those figures again? You talked about an initial figure. You then talked about £4 million and said that, after looking again, you got another £2 million of efficiencies that were made. Am I right in saying that?

**Mr Murtagh:** The savings that have been offered up have primarily been as a result of the reduced requirements on the earmarked side of the house. There is a small amount of £770,000 that comes net of the non-earmarked area. The majority relates to the allocations for the truth recovery aspect of the mother-and-baby institutions work and the fact that there has been slippage when it comes to the legislation. The second part is the reassessment of the profiled need by the Victims' Payments Board for the victims' payments scheme.

**Mr Gaston:** What is the entire figure for what has been handed back this year?

**Ms Shearer:** Through stage 1 of December monitoring, we gave up £51.3 million of earmarked funding and £0.77 million of non-earmarked funding. That came to £52 million. Through stage 2 of December monitoring, we gave up a further £4 million for victims and then, last week, gave up another £2 million for victims, so the total is £58 million.

**Mr Gaston:** Are you sure about the breakdown of that? Was it all for victims' payments?

**Mr Murtagh:** Well, included within that was approximately —.

**Ms Shearer:** Sorry, it is split between truth recovery. Sorry, earmarked [*Inaudible.*] I should have said that.

**Mr Murtagh:** Of that amount, £27.3 million is for truth recovery.

**Mr Gaston:** How did we get the projected figures so wrong that we had to put so much money back into the central pot?

**Mr Murtagh:** Essentially, it has been about working with the Victims' Payments Board to focus on the projection of future requirements and the cash need for payments under the victims' payment scheme. Over time, information and data have been gathered on the outworkings of the cash need for us to be able to make payments to victims. That has changed over time. It is a demand-led, volatile area in which to try to forecast, and no two cases are the same.

At the start of the year, we need to be able to make sure that we have enough resources to meet all the requirements when it comes to victims' payments and the determinations that will be made. During the relevant period, experience has shown that the cash has reduced over time. If we look backwards to the early stages of the scheme, we see that the amounts of redress payments were at a higher level, which reflects the support, advice and assistance that was given to the larger areas of detriment. Over time, it appears that larger payments were paid out in the earlier stages, and, with increased scrutiny and more data available, the Victims' Payments Board is finding that the average settlement, in cash terms, has reduced over time. That has meant a reduction in the overall need forecast for the remainder of the year.

**Mr Gaston:** Might that theme roll forward into coming years, or will it tail off as we progress?

**Mr Murtagh:** I refer to my earlier comment that it might. It is, however, very difficult to work with averages in that scheme, because, at the end of the day, we need to make sure that we can meet the statutory entitlements of whatever claimants are out there. Their claims may be in the system, or they might not even have been made yet. I encourage anybody who has a claim to bring forward to apply to the scheme before it closes to applicants later in the year.

**Mr Gaston:** That shows that the projected baseline figure that is put into the Budget might not always reflect the actual figure that is needed. We talked about removing the posthumous date. The additional £27 million that would be needed for that is a ballpark figure that could well not be in excess of what is actually needed, because it is essentially guesswork at this time. Yes, there is a statutory responsibility —

**Mr Murtagh:** Yes. If you look at the earmarked pool of funding, you see that it probably depends on a lot of moving parts. My earlier comments referred, as I stressed, purely to the non-earmarked area. We could not find that amount within our non-earmarked area. Whether it is affordable within the overall earmarked pool very much depends on the requirements of the other recipients of the victims' payment scheme, for example. If that requirement were at a high level, it would not be affordable, and if it were at a lower level, it may be affordable. It is certainly not possible for me to sit here and give a definitive answer as to whether it was or not.

**Mr Gaston:** Is the £9 million received from the Home Office for refugee and asylum seeker funding on top of what the Executive Office spent through various interventions? Was it five point something million?

**Mr Murtagh:** No. We are responsible for the delivery of UK Government schemes at a local level, so the £9 million is the money coming in. A total of £4 million goes to other Departments, and we spend the remainder on the delivery of those schemes.

**Mr Gaston:** Run that past me again. We have earmarked five point something million for the Executive Office, and £9 million has come in.

**Mr Murtagh:** It is for the areas for which we are responsible, such as Homes for Ukraine and so forth. It is the money that remains within the Executive Office for the schemes that we administer on behalf of the Home Office etc.

**Ms Shearer:** It would not be included in our future year bids, because the money comes from the Home Office and the Ministry of Defence.

**Mr Gaston:** So, the £9 million that comes in is earmarked for those different projects to do with x, y and z?

**Ms Shearer:** Yes.

**Mr Gaston:** Ending violence against women and girls is a flagship policy, but the document that you provided to us and, indeed, your presentation suggest that some funding seems to be earmarked and some of it is not. It seems to fluctuate each year. Is that fair to say?

**Mr Murtagh:** There is a certain amount within the baseline. There is £1.4 million within the baseline, which was the allocation in the early stages. It was really for the establishment of the ending violence against women and girls programme and focused, I suppose, on the work in the Department. As for the delivery of the strategy once it was in place, any allocations that were made to the Department tended to be on an earmarked basis, but that is not unusual when it comes to how the Executive have allocated funding to Programme for Government priorities. The money is allocated as earmarked for that purpose and that purpose only.

**Mr Gaston:** At annex A to your briefing paper, we have £5.7 million for 2026-27, £5.8 million for 2027-28 and £5.8 million for 2028-29, with an additional £975,000 for councils. Those figures are, obviously, based on feedback on what we want to allocate to the pot for that policy in the multi-year Budget. Is that earmarked funding?

**Mr Murtagh:** We applied for non-earmarked funding, so those are our bids. What I have to go on at the moment are the Finance Minister's proposals. It is not yet an agreed Budget, but those are the figures that have been published.

**Mr Gaston:** Are those non-earmarked?

**Mr Murtagh:** Those came back as earmarked. The proposal is to allocate funding for ending violence against women and girls on an earmarked basis.

**Ms Shearer:** When we make bids to DOF, we often get a general allocation, which means that we can prioritise it ourselves. The bids for EVAWG and good relations etc have come back as earmarked funding, so we can use it only for ending violence against women and girls or good relations, depending on which one it was.

**Mr Gaston:** When the multi-year Budget is agreed, that will essentially lock in that figure, and that is all classed as earmarked going forward. Is that right?

**Ms Shearer:** We cannot talk about the draft Budget yet, because it has not been agreed, but, typically, if we get money that is earmarked for ending violence against women and girls, we have to spend it on that project. If there is an underspend, it cannot be reallocated to elsewhere. It has to be spent on that project. It is earmarked specifically for it.

**Mr Gaston:** Ronan said that that figure is, essentially, an estimate that has been put forward for ending violence against women and girls. The bids for £5.7 million, £5.8 million and £5.8 million were non-earmarked but have come back as earmarked. If that were agreed, that would be a stable baseline, essentially, for every year as to the commitment on the spend for ending violence against women and girls. Is that a fair enough comment?

**Mr Murtagh:** Yes.

**Mr Gaston:** The same applies to Communities in Transition. I note the figures in annex A: in 2026-27, there is £1.5 million for that programme, and then there is a massive jump up to £4.5 million in 2027-28 and 2028-29. One of my concerns about Communities in Transition relates to the question of when a community becomes transitioned. Since 2018, we have focused on the same areas, and there have been no new applications. If you are pumping millions into the same areas and it is showing no fruit, no progress and no development, you cannot keep throwing good money after bad. My concern is that it goes from £1.5 million in 2026-27 and jumps up to £4.5 million. Are we going to continue that? That will be 10 years into the programme. My understanding is that it commenced in 2018. Ten years later, we are talking about a £4.5 million earmarked allocation, if what is set out in Annex A is accepted. Is the funding for the same areas or new areas? What does that look like?

**Mr Murtagh:** The uplift in funding for Communities in Transition post-2026-27 is because of the ending of the money from EPOCC. In 2026-27, there is an agreed commitment of £2.9 million from EPOCC. The £1.5 million was to be able to expand delivery into other areas. That was our ambition, which was set out in the bids. Beyond that point, we have put in a marker bid for, essentially, the equivalent amount. The EPOCC money will stop, but we believe that there is more work to be done in those areas and in others. CIT officials are working to embed the work of CIT in other areas in our Department and, for example, the Department of Health and to take that forward so that we can see what it will look like and how to shape proposals after March 2027. That is not in place yet, but that is the direction of travel.

**The Chairperson (Ms Bradshaw):** Thank you very much. I am conscious that we have only five members in the room. We have about two minutes while Phillip is still in the room, and I want to move on. Thank you very much for your presentation and for taking our questions.