



**Northern Ireland  
Assembly**

**Committee for Justice**

Room 345  
Parliament Buildings  
Tel: +44 (028) 905 21033

Email: [Kathy.O'Hanlon@niassembly.gov.uk](mailto:Kathy.O'Hanlon@niassembly.gov.uk)

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**From: Kathy O'Hanlon, Clerk to the Committee for Justice**  
**Date: 27 February 2026**  
**To: Peter Hall, Clerk to the Committee for Finance**  
**Subject: Budget 2026-2029/30**

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Dear Peter

At its meeting of 26 February 2026, the Committee for Justice agreed its response to the Minister of Finance's proposed Draft Budget 2026-29/30. The Committee agreed to forward the response to the Committee for Finance as requested in your correspondence of 15 January 2026.

Please find the Committee response attached.

Regards

**Kathy O'Hanlon**  
**Clerk to the Committee for Justice**

**COMMITTEE FOR JUSTICE**  
**RESPONSE TO THE COMMITTEE FOR FINANCE**  
**DEPARTMENT OF JUSTICE 2026 to 2029/30 MULTI-YEAR BUDGET**

## Introduction

1. The Committee for Justice received oral evidence from Department of Justice officials on the Minister of Finance's proposed Draft 2026-27 to 2029-30 Multi-year Budget at its meeting on 19 February 2026. The Committee had previously heard evidence from officials on [9 October 2025](#) and [11 December 2025](#) on the Department's budget position and financial plans, and had received copies of returns to the Department of Finance, including those for future years budget planning.
2. The Committee sought the Minister of Justice's views on the Finance Minister's proposals for the multi-year budget and Members took the opportunity to discuss these during a Ministerial briefing on [5 February 2026](#). Details of the Minister's assessment and some of her concerns are reflected in this response.
3. To further inform its consideration of the multi-year budget, the Committee also invited the eight non-departmental public bodies (NDPBs) for Justice to outline the likely implications and pressures for their organisation arising from the indicative draft multi-year budget allocation for 2026-26 to 2029-30. The responses received were considered at the meeting on 19 February and the key messages are included below.

## Department of Justice Five Year Plan

4. The Committee noted the Department of Justice's draft Five Year Plan at its meeting on 6 November 2025, with Members expressing appreciation for the long-term strategic planning being conducted in view of the expectation of a multi-year budget.
5. The Department has advised that the plan will remain in draft until the multi-year budgets have been set and allocations updated accordingly. The Committee will therefore consider the revised plan in due course.

6. Several of the key findings of the draft plan have been highlighted in written and oral evidence to the Committee and are therefore captured in this response.

## Department of Justice Budget 2026-27 to 2029-30

### Resource DEL

7. The total Resource DEL allocation, both non-ringfenced and ringfenced, for the Department of Justice is:
  - 2026–27 - £1,584.4 million
  - 2027-28 - £1,503.7 million
  - 2028-29 - £1,525.7 million
8. Included in these figures are General Allocations of £10million for 2026-27, £43.3 million for 2027-28 and £59.4 million for 2028-29. The Department will also receive earmarked funding of £25.8 million, £48.1 million and £59.4 million for the PSNI workforce recovery plan and earmarked funding of £3.3 million, £3.7 million and £4.2 million for judicial salaries across successive budget years.
9. The 2026-27 allocation also includes £119 million of funding that the Executive has agreed to provide for the PSNI data breach settlement. Excluding this one-off funding and other ringfenced funding such as the Additional Security Funding from HM Treasury (£37.8 million per annum), NI Protocol/Windsor Framework funding (£4.1 – 4.6 million per annum), Tranche One Transformation Funding (£5.2 - £6.1 million per annum) and HM Treasury and Executive Match Funding for the Executive Programme for Tackling Paramilitary Activity and Organised Crime (£16 million in 2026-27), the Department has advised that the indicative allocations equate to year-on-year increases of 2.9%, 4.0% and 1.9% against the 2025-2026 opening budget baseline.
10. In a letter to the Committee on 4 February 2026, the Minister of Justice advised that she was unable to provide a definitive assessment of the impact of the Budget until such times as it was finalised. However, the Minister

advised that, based on the analysis carried out to date, she had a number of serious concerns regarding the proposed Resource DEL and Capital DEL allocations for the Department.

11. The Minister outlined that business areas across the Department will still be facing stabilisation pressures for day-to-day running costs amounting to £101 million in 2026-27, £141 million in 2027-28 and £215 million in 2028-29. The Minister advised that, to put the scale of the pressures into perspective, the £215 million is equivalent to the entire budget for the Prison Service, the Probation Board, the Youth Justice Agency and the Forensic Science Agency. It is therefore difficult to see how the Department would manage to live within its Resource budgets over the three years.
12. The £133 million funding earmarked for PSNI workforce recovery across the years covered by this multi-year budget was welcomed. However, the Minister stated that this would be “... *of limited value, as there would still be a significant shortfall in the essential funding needed by PSNI to meet the costs of its existing staff and overheads/running costs.*”
13. The Minister also pointed to the funding of the Department of Justice since its formation. As noted in the Committee’s response to the 2025-26 Budget, the Department’s analysis has shown that the block grant has increased by just under 67% since the devolution of policing and justice, but the Department has only seen around 25% growth in its allocation over the same period. The Department’s share of the budget has fallen from just under 11% in 2011-12 to just over 8% in the 2025-26 Final Budget. The Minister stated that “... *whilst there has been some modest increase in the DoJ budget over the last three years, it does not in any way address the historic levels of under-funding.*”
14. It should also be noted that, in addition to the stabilisation pressures, the Department faces what it calls ‘exceptional pressures’ in each of the budget years, which are not affordable from within its budget allocation ‘under any circumstances’. These pressures include Holiday Pay and McCloud cases, and the Minister has welcomed the proposal to set aside funding in a Strategic Reserve for such exceptional costs. She has, however, noted her

concern that the proposed reserve may not fully meet the anticipated costs across all departments.

15. An emerging pressure of £100 million per annum has also been reported by the Department in relation to PSNI settlement of Legacy Civil Cases. The Department has advised that the Patten Report did not foresee the PSNI carrying the burden or cost of such cases, and neither the Department nor the PSNI are therefore funded to do so.

#### Capital DEL

16. The Department of Finance has indicated that the Capital budgets would be set for a four year period, until March 2030. For the Department of Justice, the indicative Capital DEL allocations are:

- 2026-27 - £120.7 million
- 2027-28 - £121.5 million
- 2028-29 - £113.5 million
- 2028-29 - £122.5 million

17. The Minister has outlined that the average capital allocations over the next four years will leave an annual shortfall of £150 million and would severely limit the ability of the Department to transform, modernise and reduce operating costs across the justice estate.

18. In their evidence to the Committee, officials advised that the Capital budget equates to 6-7% of the available capital funding. The Committee heard that the allocation is insufficient to meet all the inescapable bids, and that priority would have to be given to contractually-committed expenditure. This would mean that no funding will be available for high priority and desirable bids, and the Department will have to choose to pause or stop a number of important, high-profile projects. This could include, for example, new prisoner accommodation, the redevelopment of the courts estate or the proposed new PSNI training college (Redburn) at the former Kinnegar Barracks.

## Transformation

19. The Department advised that the proposed draft budget sets aside Resource and Capital funding of £35 million, £50 million and £50 million in each of the three years of the budget for transformation. This is in addition to the £235 million of earmarked funding provided by HMT as part of the restoration package.
20. Two of the Department's bids under Tranche 1 were successful. Three further Departmental bids totalling £34.4m resource and £5.6m capital were submitted to the second tranche along with a cross-Executive bid for £6.2m for the establishment of a Trauma Informed Approach delivery team within the Northern Ireland Civil Service.
21. The Department has stated that it is important that final decisions on these bids are made as soon as possible to provide clarity for future planning.

## Non-Departmental Public Bodies

22. A number of the Department's NDPBs responded to the Committee before the indicative allocations had been received from the Department of Justice. However, the Department held a briefing for all Accounting Officers on 29 January and the Committee understands that it was indicated that the 2026-27 Resource baseline allocations would be similar to the 2025-26 baseline budget.
23. It was also noted in the responses from Criminal Justice Inspection Northern Ireland (CJINI) that "*... the prospect of additional funding being made available in-year was presented as unlikely with funding pressures expected to increase in Years Two and Three.*"
24. Key issues raised in the responses from the Department's NDPBs to their indicative budget allocations are summarised below.

## Police Service of Northern Ireland (PSNI)

25. At the time of its response to the Committee, the PSNI had not received its indicative budget allocation from the Department of Finance, but advised that the briefing on 29 January provided helpful context on the position facing the Department, and offered some high-level observations.
26. The PSNI welcomed the proposal for a draft multi-year budget for both resource and capital funds, advising they have advocated for it previously as it would allow for better planning. However, the PSNI indicated that, while the draft three year period shows an increase for the Department of Justice budget each year, those increases are marginal and fall considerably short of the budget required to cover anticipated pay increases and price inflation across the PSNI.
27. The PSNI indicated that, based on assumptions, it will face a projected funding gap of almost £50 million in 2026-27, which rises significantly over subsequent years. As the budget is largely down to staffing and workforce costs, it is difficult, if not impossible, to make savings to reduce the funding gap while maintaining numbers.
28. The PSNI welcomed the Executive earmarked allocation in 2026-27 for the data breach of £119 million and the allocations across the budget years for workforce recovery and to help lift officer numbers. However, the lack of specific funding for the holiday pay cases was a concern. The PSNI also stated that legacy costs, policing the past and servicing public inquiries places a significant burden on the PSNI budget and advised that separate funding needs to be provided to address these pressures, which have never been adequately recognised.
29. The PSNI also indicated that, based on the Departmental allocation, it was unlikely to receive the capital funding required to progress significant projects that would be required over the period, such as developing the site for the new college at Redburn (Kinnegar), its digital strategy and replacing the ageing fleet.

30. Overall, the PSNI welcomed earmarked funds to allow recruitment to continue, but stated that the structural funding necessary to maintain police and staff numbers together with the infrastructure to maintain an effective police service is insufficient and needs to be addressed.

#### Northern Ireland Policing Board (NIPB)

31. The Policing Board also welcomed the proposal for a draft multi-year budget for both resource and capital and stated this was something they had consistently advocated for to allow better planning of resources.

32. The 2026-27 indicative allocation for NIPB of £6.61 million provides a budget allocation equal to the opening 2025-26 opening budget, with no inflationary increase. NIPB state that with staffing costs being approximately 50% of their overall budget, meeting any pressures will be challenging.

33. In terms of the PSNI Budget, NIPB echoed the concerns outlined above in relation to the funding gap for the service, other pressures such as legacy costs, outstanding legal settlements and capital requirements. NIPB concluded by saying it seems inevitable that the overall policing budget will again enter a budgetary cycle with a significant opening deficit and limited scope to address the shortfall. It stated that “... *this is a cycle that has been a feature for the past number of years and Board Members would be concerned at the impact this will have on the service ability to transform and reap the benefits that could come from the welcome introduction of multi-year budgets.*”

#### Probation Board for Northern Ireland (PBNI)

34. The Probation Board also welcomed the move towards a multi-year budget which they stated aligns with their priorities in their Corporate Plan, but said the draft settlement presents significant challenges and would constrain its ability to deliver on their statutory responsibilities and to support the Programme for Government.

35. PBNI noted that it continues to operate in an increasingly complex environment, and the nature of caseloads has changed markedly in recent

years. Determinate Custodial Sentences, where part is served on licence, represent the largest proportion of cases, and increases in poor mental health, substance misuse and other complex vulnerabilities is being seen across the caseload. Requirements for effective risk assessment, risk management, multi-agency working and the delivery of evidence-based interventions are placing substantial demands on the organisation. PBNI also advised of increasing demands associated with the rising prison population and notable increases in domestic abuse cases.

36. The PBNI cited resource pressures of over £3.9 million over the three year period - £0.6m in 2026-27; £1.0m in 2027-28 and £2.3m in 2028-29) and advised that, if this was to be the case, it would be unable to deliver all their statutory functions.
37. PBNI also noted that the shortfall over three years was particularly acute, amounting to 16% of their budget and that achieving savings of that scale would not be possible without access to funding for staff reductions and that these reductions would significantly impact their ability to deliver services.
38. PBNI also highlighted that they currently receive funding from EPPOC which if not continued beyond March 2027, would increase pressures by a further £745k and £778k respectively for the remaining budget period.
39. PBNI highlighted that, as staff costs make up most of the budget, reductions to live within budget would require a significant decrease in headcount. The indicative allocation would necessitate an estimated 12% reduction in staffing, equating to 45 posts. As a consequence, public protection and service quality would be directly affected.
40. PBNI concluded its response by stating that reoffending in Northern Ireland costs approximately £374 million annually, and that any reduction in their ability to intervene early and rehabilitate effectively will increase these costs significantly while diminishing public safety.

## Criminal Justice Inspection Northern Ireland (CJINI)

41. CJINI advised that its opening Resource allocation for 2025-26 of £1,325 million represented a 3% decrease from the prior financial year and that as a result, CJINI opened the year with pressures of £134k. Following the addition of funds via monitoring rounds, this pressure stabilised with additional money received for pay and policy changes and for the implementation of the review of Part 1 of the Domestic Abuse and Civil Proceedings Act (NI) 2021.
42. CJINI indicated that if the indicative allocation carried over into 2026-27 they would still have an opening operating deficit of £80k or 6%. CJINI stated that, with the anticipated pay rise in April 2026, salaries will represent 77% of its expenditure. After other inescapable and contractually committed expenses, discretionary spend is extremely limited. CJINI noted that it is difficult to fund staff training and development, wellbeing and community engagement activities that it suggested other DoJ funded organisations appear able to resource. It also impacts on CJINI's ability to draw on specialist subject matter expertise from partner Inspectorates to support inspections when required.
43. CJINI's initial capital allocation in 2025-26 was just £1k to fund essential operating costs for business, though was increased in-year. Should a similar baseline be carried through, CJINI advises that it would need to part-fund software and licensing costs for essential IT services from the resource budget or lose access to them, which will create further resource budget pressures.
44. CJINI noted that an insufficient budget allocation in years two and three would significantly impact on the delivery of Inspections and Reviews, and may potentially impact the ability to fulfil statutory obligations. The Chief Inspector stated

*“It could drive the development and approval of an Inspection Programme that is affordable rather than one that is risk-based and will add the most value to the criminal justice system and public confidence. I believe this could be perceived as fettering my, and my Office's, independence, which would be unacceptable.”*

45. CJINI also pointed out that it would detrimentally impact the ability to undertake risk-based assessments aligned with the Programme for Government Priorities of Safer Communities, Ending Violence against Women and Girls and Transforming Public Services, along with the priorities in the Department's Corporate Plan 2025-25 to reduce offending and improve services to victims of crime, speed up and improve access to justice.

#### Office of the Police Ombudsman for Northern Ireland (OPONI)

46. OPONI advised that a budget for 2026-27, unchanged from the 2025-26 baseline, would equate to a real terms cut of 3.2%. Replicating this across the next four financial years, would equate to a £1.75 million deficit, based on pay pressures alone, which OPONI stated would equate to the loss of 10 investigators or 9% of the current workforce.

47. This comes against a backdrop of an anticipated increase in complaints due to PSNI recruitment, based on evidence that 50% of allegations arise from officers with less than five years experience. OPONI also advised that the volume of complex cases is rising, which require increased time and resources to deal with.

48. OPONI also indicated that they are not funded to meet disclosure demands associated with the Independent Commission for Reconciliation and Information Recovery (ICRIR) or legacy cases. The Office faces pressures of £1.8 million over the next 4 years to meet this work and a further £2 million associated with the Omagh Bomb Inquiry, which equates to 25% of their salary costs alone.

49. OPONI also stated that investment is required in digital forensics; failure to secure adequate funding for this could result in the need to further cut contemporary investigators numbers to cover the shortfall needed for necessary equipment and software, which would further impact their delivery of services.

50. OPONI concluded by saying that many of the pressures faced by their office are unavoidable and demand led. Without sufficient future resourcing, they

would be unable to achieve their statutory obligations and this would directly impact on Programme for Government outcomes.

#### RUC George Cross Foundation

51. The RUC George Cross Foundation had no concerns about their indicative budget, which is £185k yearly.

#### Police Rehabilitation and Retraining Trust (PRRT)

52. The PRRT advised that a flat-line budget allocation for each of the three budget years would mean that it would be unable to meet annual pay remit pressures and non-pay inflationary costs pressures. It points out that its baseline budget is similar to that of 2014, and that it has continued to make significant efficiencies over the last 7 years.

53. The PRRT indicates that, in order to maintain current service provision and to facilitate the anticipated demand as scoped in September 2024, it would require additional staff at a cost of £200k above the 2026-27 budget allocation.

#### Northern Ireland Police Fund (NIPF)

54. The NIPF advised that costs will rise over the budget period, as will the expected grant amounts required. However, there is no increase to the indicative budget allocation and limited scope for savings in core areas such as IT or salaries.

55. To close the gap, grants may not be awarded or it may be necessary to prioritise grant types, such as disability. The NIPF states that the impact could be that clients' physical or psychological needs could increase or their conditions worsen, due to limited access to grants.

## Conclusion

56. The Committee welcomes the proposal to bring forward a multi-year budget which will provide a degree of certainty and enable better planning by

departments. However, it is clear that widespread concerns remain about the quantum of the proposed allocation for the Department of Justice.

57. The Minister indicated to the Committee that extremely difficult decisions on prioritisation and service provision would be required to manage remaining pressures. This will inevitably involve consideration of issues such as the level of services that can be delivered, staffing numbers, pay awards and deferring major capital plans. In the Minister's view, the possible consequences of the proposed draft budget could be 'catastrophic' and would set back the transformative work that has been completed in the Justice system over the previous 10 years.

58. The Committee is conscious that demand is increasing across the justice sector. There are significant delays in cases progressing through the criminal justice system and the Committee has recently taken evidence from the Lady Chief Justice, the PSNI and the Public Prosecution Services on this issue. While work is taking place to try to address these delays, it is clear that additional investment will be required to make meaningful changes within reasonable timeframes. The Lady Chief Justice suggested, for example, that additional courts could help speed up the system. However, funding for that appears unlikely in the current budget context.

59. The prison population is increasing, though the proposed Capital allocation will impact plans to transform and modernise the prison estate, including through the provision of modular accommodation to accommodate the growing population and to modernise Magilligan and Hydebank prisons. The resource DEL allocation will also impact negatively on rehabilitation and the important services provided by the Probation Board and partners in the Community and Voluntary Sector.

60. These are only two examples, but similar pressures are evident across the system. The Committee has heard evidence throughout the year about the need for transformation and reform within the Justice system and welcomes the steps taken to try to achieve these aims. However, this will require significant investment in the coming years in order to achieve their aims and

objectives. The current indicative figures from the draft multi-year budget will not allow this to happen.

61. While positive moves have been made to provide funding for specific pressures, such as the PSNI workforce recovery plan and to address the PSNI data breach, there is significant concern that the budget as indicated is insufficient to meet demands and could affect service delivery across the sector. In some cases, there is a risk that justice partners will not be able to meet their statutory obligations.
62. The Department has indicated that it is not likely to be able to live within the indicated resource budget allocation and would likely have to overspend each year. The capital allocation is inadequate and would mean that priority and critical projects would not be able to be progressed.
63. The Committee recognises that this is a challenging proposed multi-year budget position for the Department of Justice. A common theme raised by justice organisations is that a significant proportion of their budgets are towards staffing costs, with little to no discretionary spend. Indeed, most have reported pressures that will increase over the budget period. The Committee shares the concerns expressed regarding the impact that the proposed budget would have on organisations across the justice system, the ability to deliver statutory functions and, more broadly, on access to justice and public confidence in the system.
64. The Committee will continue to monitor the Department's spending priorities and financial plans to ensure that key priorities are funded to deliver effective outcomes across the justice sector.



Northern Ireland  
Assembly

Committee for Finance  
Room 346  
Parliament Buildings

Tel: +44 (0)28 9052 1799

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**To: Statutory Committee Clerks**

**From: Peter Hall, Clerk to the Committee for Finance**

**Date: 15<sup>th</sup> January 2026**

**Subject: Scrutiny of the draft Multi-Year Budget for 2026-29/30**

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Dear colleagues,

It has been the custom over the years for the Finance Committee to commission a round robin written exercise to all statutory Committees and the Assembly's Audit Committee to seek their views on their respective department's Budget. At its meeting on 14<sup>th</sup> January 2026, the Committee agreed to repeat the exercise.

As you are aware, the Department for Finance published a draft Multi-Year Budget for 2026-29/30 on 6<sup>th</sup> January 2026. This draft Budget is out for public consultation until 3<sup>rd</sup> March 2026. The Committee has noted that **this draft Budget has not been agreed by the Executive** and is, therefore, subject to change.

The Committee for Finance anticipates that you will be in the process of scrutinising your department's 2026-29/30 Budget. The Committee is currently scheduled to meet with departmental officials on the Multi-Year Budget on 4<sup>th</sup> February 2026, with further relevant stakeholder briefings to follow during that month. These sessions will be recorded by Hansard and will be shared with your Committee when available. **The Committee hopes that your committee will be in a position to give a view on its department's 2026-29/30 Budget at the end of February. As per custom, it would be the Committee's intention to bring forward a motion for debate on the draft 2026-29/30 Budget prior to the Easter recess.**

You will be aware that, following the recent December Monitoring Round Exercise, the date for the Supply Resolutions for the Spring Supplementary Estimates and Vote on Account, as well as the introduction of the Budget Bill 2026, with regard to finalisation of the 2025-26 Budget, has been announced as **Monday 9<sup>th</sup> February**. The Finance Committee continues to regularly receive Outturn and Forecast Outturn (OFO) for the 2025-26 financial year. DoF has included a range of additional pieces of data and information in the OFO, such as tables of variances between forecast and actual spend

and details on departments' over commitments. The Committee's intention is to continue to make data and information on departments' spending more accessible for committees to scrutinise.

The Committee anticipates that you will have received written or oral briefing about your department's position following the December Monitoring Round. The OFO following the Monitoring Round will be distributed to your Committees as usual. **In addition to giving a view on your department's 2026-29/30 Budget, the Committee would welcome any issues that you wish to raise about your department's 2025-26 Budget position and management.**

I would also note that departments were supposed to have completed their 5-year departmental business plans by Autumn of last year, however, these have not yet been published. This may be a matter for your respective committees to review in your own scrutiny as DoF had previously indicated that there would be rough estimated budgets attached to these plans.

The Committee would be grateful if your committee could submit a return indicating its views on your department's 2026-29/30 Budget, in addition to any comments you wish to make on its Budget 2025-26 allocation/management, by **noon on Friday 27<sup>th</sup> February**.

You will wish to bring this to the attention of your committee.

Regards,

**Peter Hall**  
**Clerk to the Committee for Finance**