

Written Ministerial Statement

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Department of Education

Five-Year Education Budget Strategy: Delivering a stable, sustainable and high-quality education system

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Mr Givan (The Minister of Education):

Mr Speaker, today I have published a high-level, five-year education budget strategy designed to address the structural funding crisis facing education in Northern Ireland. These proposals will be subject to full public consultation for the next eight weeks and will require the agreement of the Executive before implementation.

A structural funding crisis

Northern Ireland's education system has long been a source of pride. Our young people consistently achieve strong results at GCSE and A-level, outperforming many of their peers across the UK. We also benefit from one of the most highly qualified teaching workforces in the world, with many exceptional teachers and school leaders driving success.

However, the reality is that the system supporting them is under severe and sustained strain. Years of chronic underfunding and limited structural reform in service delivery have combined to create a financial crisis in education. Investment has failed to keep pace with growing needs, limiting our ability to support schools, modernise infrastructure and invest in our workforce.

I will continue to make the strongest possible case within the Executive for sustained and increased investment in our education system, but the numbers tell a stark story.

The Education Budget in 2025-26 stands at £3.36 billion. Against that, we face an unavoidable shortfall of over £250 million. Looking ahead, the pressures intensify. Based on the projected Department of Finance budget allocations, the gap between funding available and spending forecasts widens dramatically to over £0.8 billion by 2026-27 and over £1.15 billion by 2028-29. This is a structural crisis.

In the absence of significantly increased funding from the Executive, financial sustainability will require significant structural reform of the education system.

The scale of change required is unprecedented but the three-year budget framework proposed by the Department of Finance makes such structural reform unavoidable.

The approach to reform

Financial sustainability cannot be achieved through mass redundancies or disinvestment in teachers. Removing a third of our teaching workforce would devastate educational outcomes and irreparably damage the system we are seeking to protect.

Our starting point is clear: the classroom must come first. The Department's reform programme will, therefore, be guided by the clear principle of protecting teaching and learning while we put education on a sustainable financial footing.

The Department will seek to protect core school funding and teacher pay. The Aggregated Schools Budget, the funding delegated directly to schools, remains the cornerstone of educational delivery. In

2025-26, it represents more than half of the Education Resource Budget and safeguarding this allocation into 2026–27 and beyond is a key commitment.

Alongside this, the Department reaffirms its commitment to investing in teachers. This is not simply a financial decision; it is a statement of principle. No education system can exceed the quality of its teachers. Attractive pay and investment in professional development are essential to sustaining excellence across the system.

Protecting core school funding provides the foundation for the necessary and continued improvement in curriculum and assessment, school improvement and professional learning through the TransformED Programme.

At the heart of this approach is equity. We will continue to prioritise disadvantage by maintaining targeted support through the Common Funding Scheme and advancing the RAISE programme at both local and cross cutting levels. These measures ensure that resources flow to the pupils and communities who need them most.

Delivering this protection requires difficult choices.

The [Independent Review of Education \(2023\)](#) sets out a thorough, evidence-based consideration of the fundamental issues impacting education in Northern Ireland. The Review made a range of proposals for progressive reform of the education system over the next two decades. They have set out a vision for a well-designed, efficient, system of education that continues to provide choice, is inclusive and encourages collaboration ahead of competition.

Drawing on this detailed work, my Department has identified a number of areas where reforms could reduce the education cost base over the next five years, while seeking to protect the overall quality of educational provision. These include:

- Home to school transport.
- School meals delivery.
- The model of Special Educational Needs (SEN) support for Statemented pupils in mainstream settings.
- Restructuring of the schools' estate, including a reduction in the number of schools
- The model of financial management for schools.

These are not easy decisions. These proposed reforms will understandably raise concerns and prompt debate, but they are unavoidable if the proposed budget allocation is implemented.

Our guiding principles are simple: protect learning, protect teachers and protect school funding. Through this programme of reform, we will aim to stabilise the system, end the cycle of emergency cuts, continue to raise attainment and build a sustainable education service for the decade ahead.

Key Reform Priorities

Home to School Transport

Since 2019-20, the total cost of providing home-to-school transport has risen 54% from £90 million to £139 million whilst pupil numbers have grown by only 10%. Within this, SEN transport costs have increased by 115% from £31 million to £66 million alongside a 39% rise in pupil numbers from 8,500 to 12,000.

Northern Ireland's home-to-school transport eligibility criteria is more generous than elsewhere in the UK, with around 27% of pupils receiving transport assistance compared with only 6% in England and 10–15% in Scotland and Wales

We will review eligibility criteria for transport assistance to align more closely with elsewhere in the UK, consider introduction of a charging model for some pupils and reliance on taxis, ensuring they are used only when essential.

This work will help ensure the school transport system remains sustainable, delivers value for money and continues to support the pupils who need it most.

School Meals Service

Rising food, staffing and utility costs have placed significant pressure on the school meals service, making the current model increasingly unsustainable and unaffordable.

My Department in conjunction with the Education Authority, will take forward a range of measures to secure a sustainable, modern school meals system. This will include transforming the production model, such as consolidating smaller kitchens to improve efficiency and increasing school meals income by expanding cashless payment systems and boosting pupil uptake. These changes aim to protect quality whilst strengthening long term viability and ensuring that every child can continue to access a nutritious school meal.

Special Educational Needs in Mainstream Schools

The scale and complexity of need within the education system has increased significantly in recent years. The number of children with a Statement of SEN has risen sharply, increasing by 65% since 2017-18. Over this period SEN expenditure has increased from £254 million in 2017-18 to £714 million in 2024-25.

School leaders and a range of research have consistently highlighted that the current model for mainstream support, which relies heavily on one to one classroom assistant support, is not always the most effective or inclusive way to meet pupils' needs. While one to one support has benefited many children, a broader, more flexible range of interventions is required to deliver the best outcomes.

It is proposed to establish a SEN budget for schools. This new model will provide funding directly to schools, giving them the autonomy to develop flexible, evidence-based approaches tailored to the needs of their pupils. A team-based flexible support model will replace rigid, one-to-one classroom assistant assignments and instead build a coordinated support structure within the school.

A Sustainable School Estate

Since the introduction of Area Planning progress in restructuring the schools' estate has been slow. A significant proportion of schools are operating below the recommended sustainability levels. In 2024-25, 215 (28%) of primary schools were below the Sustainable Schools Policy minimum enrolment thresholds, alongside 41 post primary schools (21.6% of Years 8–12) and 35 sixth forms (22.2%).

Across all school phases, pupil numbers are projected to decline significantly over the next decade. By the 2033/34 academic year, overall enrolment is expected to fall by 12.7%.

This trend highlights the urgent need to plan for a smaller, more sustainable school estate. Without action, increasing numbers of schools will struggle to meet these thresholds, placing pressure on resources and limiting opportunities for pupils.

The Independent Review of Education suggested that as a short-term measure a single, independent, fixed-term planning commission with a remit of carrying out a complete review of the network of schools was needed.

The Department recognises that the current pace of change has been too slow and that decisive action is now required. Over the coming months, we will move forward to appoint an Independent Commission to lead this work with urgency and transparency. The Commission will have a clear

mandate to carry out a comprehensive viability audit of all schools to assess sustainability against agreed criteria and make evidence-based recommendations for restructuring the school estate.

Improving Financial Management

Schools have been under significant pressure for a number of years and school deficits have grown sharply over the past decade, with 60% of schools reporting an accumulated deficit totalling £179 million in 2024-25, and projections indicating that this may increase to around 70% by the end of 2025-26.

Schools face deficits for a range of reasons, and it is important to acknowledge the real challenges many are experiencing. While financial autonomy works well for some, schools in significant deficit require stronger oversight to support recovery and long-term sustainability.

To address this, a traffic-light system will be introduced, enabling the Education Authority to prioritise intervention where it is most needed. In addition, a centralised staffing model, similar to that used in the Republic of Ireland, will be implemented for schools in significant deficit and offered as an option to any school that wishes to adopt it. Under this model, schools will work to an agreed teacher complement over a defined period, supported by clear management plans.

Delivering the Programme

Reform will be overseen by a dedicated board at departmental level, ensuring clear accountability and transparent progress. Each workstream will have defined milestones and will be developed through engagement with school leaders, teachers, sectoral bodies, parents and communities. Those who understand the system best will help shape the solutions.

Conclusion

Northern Ireland's education system is now at a critical turning point. The proposed reform programme offers a credible and necessary roadmap to stabilise budgets, protect learning and build a sustainable, high quality system for the long term.

This is an ambitious and far-reaching programme. In due course it will require Executive support in terms of expenditure, legislation and certain significant or controversial decisions.

Redundancy costs are an unavoidable part of structural reform, particularly where school rationalisation or staffing adjustments are required. Our commitment is to minimise compulsory redundancies by prioritising redeployment and voluntary exit. However, the ability to offer voluntary redundancy will be essential and dedicated Executive funding will be required to support this responsibly.

These actions represent the first steps in a transformation that is vital for the sustainability of education. They will be challenging, but they are necessary given the financial position to protect classrooms, support teacher excellence and ensure that resources are directed where they make the greatest difference.

This reform programme is not about temporary fixes or short term savings. It is about reshaping the system so it is stronger, more resilient and better equipped to deliver excellent outcomes for every child now and for generations to come.