

Written Ministerial Statement

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Department of Finance

PUBLIC EXPENDITURE: 2025-26 RESERVE CLAIM

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Mr O'Dowd (The Minister of Finance): I wish to provide an update to Members on the 2025-26 budget position.

In my oral statement to the Assembly on 12 January 2026 regarding my proposals for the draft multi-year Budget for 2026–2029/30, I advised Members I was pressing the Treasury to permit any overspend in 2025–26 to be managed over a longer period to minimise the detrimental impact that an immediate reduction would have on public services and our economy.

Access to Reserve Claim

Following negotiations, the Treasury has recognised the significant challenges facing the Executive, as well as the savings realised in 2025-26, and has agreed to provide the Executive with a reserve claim of £400 million Resource DEL in 2025–26. This will be repayable over three years: £80 million in 2026–27, £160 million in 2027–28, and £160 million in 2028–29.

Prior to the January In-Year Technical Exercise, the combined forecast overspend and overcommitment of the Department of Education and the Department of Health forecast was £481.8 million. The allocations agreed in that exercise reduced this to £456.7 million.

With any overspend in excess of the reserve claim being deducted from next year, I have made it clear to all Ministers every effort must be made to continue to reduce this overspend.

The Executive has agreed that the £400 million secured through the Reserve claim will be allocated to these departments on a pro-rata basis, reflecting their remaining pressures.

The Department of Education will receive a further £214.6 million.

The Department of Health will receive a further £185.4 million.

These will be reflected in the 2025-26 Spring Supplementary Estimates of each department. The revised 2025-26 Resource DEL position including the allocation of the Reserve claim, is set out in a table accompanying this statement.

Progressing multi-year budget

There is no doubt the ongoing under investment in public services by successive Westminster Governments means that both the Resource and Capital DEL funding position remain extremely constrained. Our public services are facing increased demand and increased pressures with increased costs to deliver the services people rely on.

This Executive is committed to substantive reform and meaningful transformation in how we design and deliver our public services. Achieving this will require a relentless focus on delivering efficient services and raising additional income in a fair and equitable way. However, it will also depend on adequate funding from Westminster to ensure that we can provide sustainable services and deliver better outcomes for the people we serve.

I am continuing to make the case to the British Government regarding the significant financial pressures facing the Executive in future years.

To strengthen our case for fairer funding for public services, the Executive will work with Treasury to review the Executive's spending and pressures. This will support a fuller understanding of the significant challenges we are facing. Each department will have a crucial role in this work, as they are best placed to articulate the challenges within their areas. This process will be firmly grounded in the principles of devolution and will respect the Executive's autonomy in making funding decisions.

I remain committed to working in partnership with my Ministerial colleagues to find a way forward on the multi-year budget.

It is important that we grasp the opportunity of a multi-year budget, to provide departments with certainty and the ability to make long term plans, and to enable strategic investment that delivers lasting benefits for workers, families and businesses.

Table: Departmental Outcome – Resource DEL
(£millions)

Department	January Position	Executive Allocations	Revised January Position
DAERA	657.1		657.1
DfC	930.2		930.2
DfE	842.4		842.4
DE	3,369.2	214.6	3,583.9
DoF	234.1		234.1
DoH	8,713.0	185.4	8,898.3
DfI	661.2		661.2
DOJ	1,436.7		1,436.7
TEO	189.4		189.4
FSA	17.3		17.3
NIA	57.4		57.4
NIAO	10.8		10.8
NIAUR	0.3		0.3
NIPSO	5.1		5.1
PPS	43.8		43.8
Total	17,168.0	400.0	17,568.0

Totals may not add due to rounding