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The Rt Hon Sir Robert Buckland KBE KC MP
Chair of the Northern Ireland Affairs Committee

25 March 2024
Our ref: MC/24/75

Dear Robert,

Thank you for your correspondence on 15 March regarding Fresh Start funding for shared and integrated education.

I hope the Committee's recent visit to Northern Ireland was constructive and I welcome its inquiry into Integrated Education. I also welcome that the Committee was able to take evidence from Minister Givan on these devolved issues following the restoration of the Executive. Locally accountable and devolved local government is the best way to deliver for the people of Northern Ireland, and I warmly welcome the restoration of power-sharing and the Northern Ireland Executive so that progress can be made in areas such as education. However, I respectfully disagree with Minister Givan's view on the impact arising from the removal of the ring-fence from £150 million of Fresh Start funding.

As you will know, the UK Government is providing the Executive with a significant £3.3 billion spending settlement to stabilise public services, better manage public finance and pave the way for long promised and much needed transformation of public services. The UK Government has published further detail at gov.uk. Within this package we are providing £85 million new funding and removing the ring-fence on £623 million of existing Northern Ireland funding streams, including £150 million of Fresh Start funding. This gives the Northern Ireland Executive £708 million to support public services over five

years from 2024-25 to 2028-29. £473 million of this funding is non-ring fenced and the Executive will be able to decide how it is used.

The UK Government has removed the ring-fence from £150 million of the Fresh Start funding package as opposed to individual projects, but will continue to provide the full £500 million to the Northern Ireland Executive. It is now for the Executive to decide, however, how to deploy this non-ring-fenced £150 million, which had been due to run out in 2025 if we had not provided this financial package to the Northern Ireland Executive. The Executive is free to spend this money on integrated education projects if it wishes.

Your letter refers to ten projects having been moved into the Department of Education's major capital schemes as a result of the decision to remove the ring-fence. Therefore, before answering your specific questions, I think it is important to put Fresh Start funding for shared and integrated education projects identified by the NI Department of Education within the wider budgetary context of the programme.

The Fresh Start Agreement in 2015 set out a commitment by the UK Government to release up to £500m over ten years of new capital funding to support shared and integrated education and housing, subject to individual projects being agreed between the Executive and the UK Government. The period over which this funding was to be released ends at the end of March 2025, at which point unspent funding would have become unavailable to the Northern Ireland Executive in any case.

The UK Government understands that schemes in the programme would be progressed and timed to advance to site in line with the available funding. Removing the ring-fence from £150m of this funding package has therefore provided additional flexibility to the Northern Ireland Executive in respect of this funding stream. Funding is now available over a longer period of time, should the Executive decide to spend the funding on existing integrated and shared education projects. Further, the UK Government is providing the Executive with resource funding (RDEL) which they are free to switch to capital funding (CDEL) should they wish. Providing this flexibility has allowed the Executive to decide how to spend this £150m moving forward.

In relation to the specific questions in your letter:

Outline the timeline of the decision-making process which led to the re-packaging of Fresh Start funding

In my Written Ministerial Statement (WMS) on 27 April 2023, I stated that the acute state of Northern Ireland's public finances means that in order to repay the £297m Reserve claim it may be necessary to reallocate funding from previously announced funding packages. Within the context of my setting the Northern Ireland Budget for 2023-24, my

officials have worked on an ongoing basis with HM Treasury officials to assess all available UK Government funding streams in Northern Ireland including Fresh Start funding.

As a result of this approach, the Government outlined a financial package to the Northern Ireland political parties in December 2023, which will now assist the Executive to stabilise its finances and protect public services. Removing the ring-fence of existing funding and thus increasing the spending power of the Executive is just one method within the package that delivers this, and decisions on which funding streams were to be included took place in the run up to the financial package discussions pre-Christmas.

Set out who was consulted during the decision-making process and who made the relevant decisions

On removing the ring-fence from £150m of Fresh Start funding, consultation was undertaken within the UK Government and primarily between the NIO and HM Treasury, informed by financial information provided by the Northern Ireland Department of Finance.

While this process was ongoing, wider consultation was not felt to be appropriate given the complex work undertaken by the Government to secure stability and financial sustainability through a restored Executive, culminating in the financial talks held with the Northern Ireland political parties in December 2023.

The decision to remove the ring-fence on £623 million of Northern Ireland funding streams, including £150m of Fresh Start funding, was made by myself and the Chief Secretary to the Treasury on taking a coherent look across existing UK Government funding streams in Northern Ireland.

Explain why these decisions were taken

We came to a considered position in response to the challenging budgetary position faced by the Northern Ireland Executive and as part of a wider financial package to support Executive restoration.

Specifically on Fresh Start funding, the period over which this funding was released ends at the end of March next year. Removing the ringfence from £150m of this funding has provided additional flexibility to the Northern Ireland Executive in respect of this funding stream. The £500m still remains available to an Executive should they wish to spend it on integrated and shared education projects.

Outline how and when the decision to re-package Fresh Start funding was communicated to the relevant stakeholders including: the Department; the relevant schools' Boards of Governors; the relevant schools' Principals; and elected representatives for the affected communities

Formal communication was sent to the Department of Finance on 1st March by HM Treasury officials and the Government has published further detail online [here](#). This followed official level conversations as part of the financial package discussions pre-Christmas and in January. The Department of Education will have been made aware of the repurposing of funds.

As set out above, the UK Government has removed the ring-fence from £150 million of the Fresh Start funding package as opposed to individual projects, but will continue to provide the full £500 million to the Northern Ireland Executive. The Government therefore asserts that consultations with individual schools including Principals and Boards of Governors and elected local representatives continue to rest with the NI Department of Education.

The UK Government remains committed to the Fresh Start Agreement and we will continue to support educational integration in Northern Ireland as an essential aspect of reconciliation.

Thank you again for writing on this issue.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Chris', with a stylized flourish at the end.

**THE RT HON CHRIS HEATON-HARRIS MP
SECRETARY OF STATE FOR NORTHERN IRELAND**