



Northern Ireland Office

The Rt Hon Hilary Benn MP

**Secretary of State for
Northern Ireland**

1 Horse Guards Road
London
SW1A 2HQ

Erskine House
20-32 Chichester St
Belfast
BT1 4GF

E: correspondence@nio.gov.uk
www.gov.uk/nio

Follow us on X @NIOgov

Tonia Antoniazzi MP
Chair of the Northern Ireland Affairs Committee
House of Commons
Palace of Westminster
Westminster
SW1A 0AA

By email: northircom@parliament.uk

27 February 2026

Our reference:

Dear Tonia,

As you will have seen, due to an overspend by the Northern Ireland Executive in the current financial year, the UK Government recently agreed a reserve claim of £400 million to help manage immediate pressures. The granting of this was conditional on the Executive agreeing to the proposed repayment profile and to an open book exercise with all Executive departments.

Northern Ireland has received a record funding settlement and been funded at above 124% of comparable UK Government spending in all years of the Spending Review. It is the responsibility of the Executive to balance its own budget, and to take the decisions needed to live within its means.

The granting of this reserve claim is an exceptional step to ensure Northern Ireland's public services are protected. We will continue to work with the Executive to ensure that it can be financially sustainable from 2026-/27 onwards.

The reserve claim will be repayable over the Spending Review 2025 period. Repayments will be profiled over three years: £80 million in 2026–27, £160 million in 2027–28, and £160 million in 2028–29.

The Executive and UK Government will now proceed to conduct the open book exercise on the Northern Ireland Executive's budget with a view to determining the best way forward to ensure long-term financial stability and sustainability. The outcome of this exercise should support the Executive's efforts to agree a multi-year budget. It will also inform wider discussions between the UK Government and the Executive on budget sustainability in future years as part of the Fiscal Framework negotiations.

I look forward to attending the Committee on 4th March where I will be happy to discuss this issue further.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'H. Benn', with a stylized 'H' and a cursive 'Benn'.

**THE RT HON HILARY BENN MP
SECRETARY OF STATE FOR NORTHERN IRELAND**