

FIVE-YEAR EDUCATION BUDGET STRATEGY



**Delivering a Stable, Sustainable
and High-Quality Education
System**

Consultation Document
FEBRUARY 2026

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1. Introduction

This five-year education budget strategy has been brought forward in the context of an exceptionally challenging budget position, which requires the Department of Education to consider significant changes to ensure the long-term sustainability of education services. At this stage, these reforms are consultation proposals only pending final confirmation of the budget position. They will also require the agreement of the Executive before implementation.

A SYSTEM AT BREAKING POINT

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 education system that supports them is under sustained pressure. Years of 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 demands, limiting our ability to support schools, modernise infrastructure and invest in our workforce. This has weakened trust across the sector, strained industrial relations and stalled progress on tackling persistent educational challenges.

The legacy of COVID-19 remains profound. The pandemic reshaped attitudes to learning and altered the needs of pupils in ways that will persist for years. Social pressures on children and young people are also intensifying. Many arrive at school less ready to learn, influenced by factors beyond the school gate and outside the education system's control.

Concurrently, increasing requirements for Special Educational Needs (SEN) support are exerting significant and unsustainable pressure on existing support structures within the education system.

The school estate also requires urgent attention. Too many buildings are in poor condition and ill-equipped to deliver a modern curriculum. Significant investment and renewal are urgently needed. In addition, Northern Ireland has a large number of small schools, many of which face viability challenges that further compound financial pressures.

Educational research consistently demonstrates that high-quality teaching and learning are the most powerful drivers of educational improvement. The McKinsey and Company, Spark and Sustain Report (February 2024) notes that, 'Based on clear evidence into what influences outcomes, successful school systems ground changes in the classroom, focusing first and foremost on teachers and the content they deliver'.¹ Despite this compelling evidence, investment in these core areas has also been limited over much of the past decade.

In response to this longstanding underinvestment, the Department published its flagship TransformED strategy in March 2025 (TransformED NI: Transforming teaching and learning: a strategy for Educational Excellence in Northern Ireland). The strategy places teaching and learning at the centre of system improvement, setting out a renewed commitment to strengthening classroom practice and positioning Northern Ireland as a truly world leading education system.

The purpose of TransformED is to strengthen the very foundations of our education system by addressing its most critical components: curriculum, assessment, qualifications, school improvement, tackling educational disadvantage and teacher professional development.

These areas are essential to ensuring high-quality education and meeting statutory obligations. Going forward, TransformED underpins the statutory and structural integrity of our system. Without these actions the education system cannot and will not function effectively or sustainably in the longer-term.

However, Northern Ireland's education system must also confront its stark financial reality. For several years, the Department has relied on in-year allocations from the Executive and UK Government, emergency interventions and short term measures simply to keep classrooms open and staff paid. That approach is no longer viable. The education system now stands at a

financial crossroads and decisive action is required to ensure its stability.

The savings plan that follows sets out the steps the Department must take, given the proposed budget allocations for education, to stabilise the system for the future. While these decisions are challenging, they are necessary in the context of the proposed allocations to safeguard the long-term integrity and financial sustainability of education in Northern Ireland.

A STRUCTURAL FUNDING CRISIS

The education system faces a funding challenge of a scale and severity without precedent. The Minister of Education continues to make the case strongly for sustained and increased investment in education, however, the numbers tell a stark story.

Education's Resource Budget for 2025-26 is £3.36billion. Against that, we face an unavoidable shortfall of over £250million. Looking ahead, future years' pressures intensify.

Based on Education's projected budget allocations in the Department of Finance draft budget, the gap between funding available and spending forecasts widens dramatically to over £0.8billion by 2026-27 and over £1.15billion by 2028-29. This is a structural funding crisis.

Education is fundamentally a people-based service: 82% of the budget relates to staff costs. Over the seven years to 2024-25, those costs have risen by £1billion driven by necessary pay settlements, grading reviews and the sheer growth in demand for key services, notably SEN support.

SEN provision illustrates the challenge vividly. In 2017, SEN accounted for 13% of the education budget. This increased to 21% in 2025-26. The number of children with a Statement of SEN has gone up by 65%, with an increase in expenditure from £254million to £671 million in 2024-25. Without reform, SEN support costs alone could absorb a third of the entire education budget within five years.

There have already been repeated rounds of spending reductions, but the core structural pressures on the education budget have not been resolved. Over recent years, a wide range of non-statutory programmes, such as Holiday Hunger, Engage, Healthy Happy Minds, funding for Curriculum Support organisations

and Home-to-School Link, have been cancelled. All but essential maintenance has been deferred and school meal prices increased. Even after these difficult and unwelcome measures, the underlying funding crisis remains.

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

This reform 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.

PROPOSALS FOR REFORM

The Independent Review of Education (2023) provides a comprehensive, evidence-based consideration of the fundamental issues impacting education in Northern Ireland. The Review has made 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 work, the Department has identified a number of areas where structural reforms could both reduce the education cost base over the next five years whilst improving service delivery and protecting 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.

The scale and pace of change required are unprecedented but the three-year budget framework proposed by the Department of Finance would make such structural reform not just necessary, but unavoidable.

To address this structural funding crisis, the Executive must agree on a clear roadmap for change. Even then, these reforms alone will not deliver the full savings needed. Education will require additional investment.

This is not about managing decline. It is about building a system that works. A system that directs resources to teaching and learning, safeguards school budgets, supports children with SEN effectively and uses public money responsibly.

Delivering this vision will require cross-party consensus, collaboration across the wider education sector, and, in some cases, legislative change. It cannot be achieved in a matter of months or, indeed, within a single financial year.

Implementing these consultation proposals will take time and will require upfront investment.

The alternative is stark. The only way to achieve savings of this magnitude in one year would be through Executive-funded, unprecedented mass redundancies, an approach that would devastate the education system and leave it unrecognisable. That cannot be the way forward. Education is the foundation of opportunity, prosperity and social cohesion. Protecting it is not optional; it is the single most important investment we can make in our future.



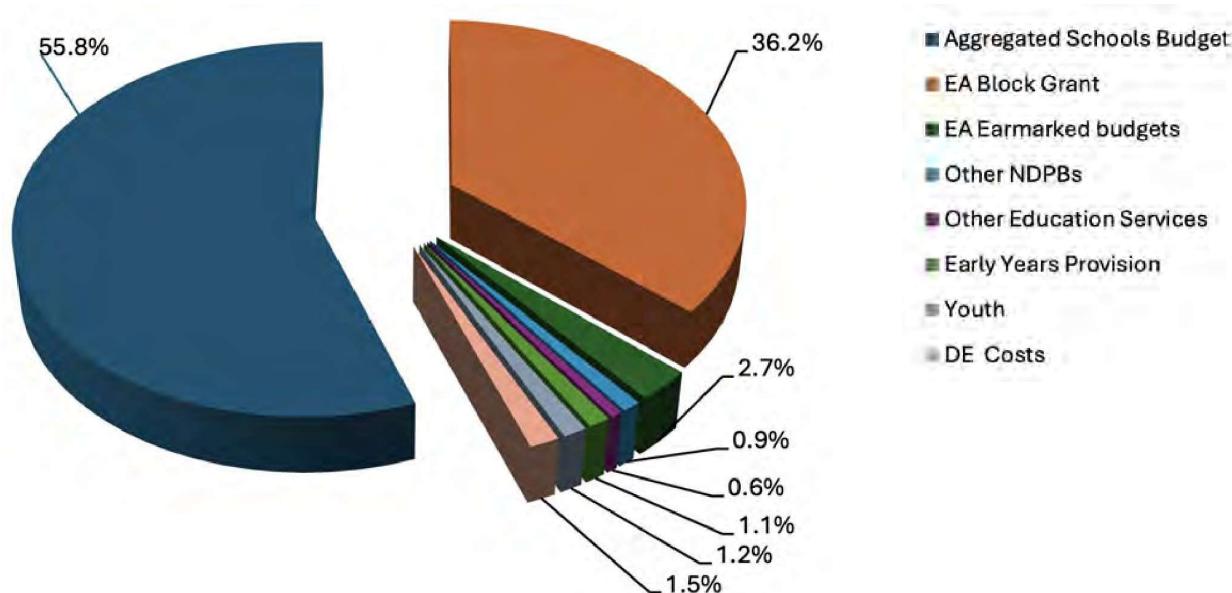
2. The structure of the Education Budget

The Education Resource Budget represents all annual education funding, excluding capital funding for improving school buildings. In 2025-26, this budget is approximately £3,362.5m. The key elements of this budget are broken down below.

TABLE 1: EDUCATION RESOURCE BUDGET 2025-26

	£m
Aggregated Schools Budget	1,780.0
EA Block Grant - SEN	714.9
EA Block Grant - Transport (Excluding SEN Transport)	66.0
EA Block Grant - School Meals	89.5
EA Block Grant - Other	322.3
Earmarked Funds - Maintenance	20.9
Earmarked Funds - Other	91.4
Other Non-Departmental Public Bodies	30.5
Other Education Services	36.4
Early Years provision	44.5
Youth and Community Relations	43.0
Departmental staffing costs	42.3
Pay Awards	35.8
In-year allocation from monitoring rounds	45.0
	3,362.5

FIGURE 1: OVERVIEW OF 2025-26 EDUCATION BUDGET



Over half of the Education Resource Budget (£1.78billion) is delegated to schools through the Aggregated Schools Budget. This funding is distributed using the Common Funding Formula and covers the everyday costs of running schools, including teachers' and support staff salaries, tenant maintenance, classroom resources, heating and lighting, exam fees and furniture.

The next largest share of the budget, about £1.19billion, goes to the Education Authority (EA) block grant. Most of this funding is also allocated to schools or supports pupils directly.

The biggest element within the block grant is Special Educational Needs (SEN) provision, which accounts for £714.9million. This funds special schools, specialist classes in mainstream schools, classroom assistants for Statemented pupils and transport for children with SEN.

Through funds held at centre, the EA Block Grant also meets a range of staffing costs in schools including costs for those on maternity, adoption and paternity leave; staff substitution costs for long term sickness absences; and other items such as reorganisation allowances, rates, and insurance for premises and equipment in maintained schools.

The Block Grant also funds a wide range of pupil facing services such as transport, school meals (including Free School Meals), uniform allowances, school crossing patrols, the school library services. Central administrative staffing costs are approximately £79million, of which £39million relates to administrative services delivered to schools.²

The Education Resource Budget also includes approximately £90million of earmarked funding, which is money set aside for specific programmes that cannot be used for anything else.

These earmarked funding lines include programmes such as Extended Schools, Entitlement Framework, Nurture Provision, TransformED projects, A Fair Start projects, Mainstreaming Shared Education, the Learning to Learn

Pre-School Programme, as well as a wide range of other education programmes delivered in schools and in communities.

In addition, around £20million of resource funding is ring-fenced for school maintenance, although actual costs are often higher because emergency and statutory repairs cannot be delayed.

Beyond schools, the Education Resource Budget funds non-statutory pre-school providers (around £45million) and youth services (around £43million). It also covers the costs of education bodies such as CCEA and CCMS (around £30million) and the Department's own staffing costs (just over £40million).

RESOURCE SPENDING TRENDS

From 2017 to 2025, annual education expenditure increased, in absolute terms, by c£1.17billion, or 59%, from £2billion in 2017-18 to £3.15billion in 2024-25 (Figure 2 refers). This equates to an increase of approximately 6.5% per annum. To place this in context, the increase in the retail price index over the same period, was around 47%. Expenditure increased further in 2025-26.

Education is distinctive in that approximately 82% of its total budget is attributable to staffing, with the growth in overall expenditure in recent years largely driven by increases in staff related costs

The following graph (Figure 3) illustrates that from 2017 to 2025 staff costs have increased by c£1billion, representing a cumulative rise of around 62%, or an average annual increase of 6.7%. This has been driven by necessary pay settlements, grading reviews and the sheer growth in demand for key services, particularly SEN services.

FIGURE 2. TOTAL EDUCATION RESOURCE EXPENDITURE

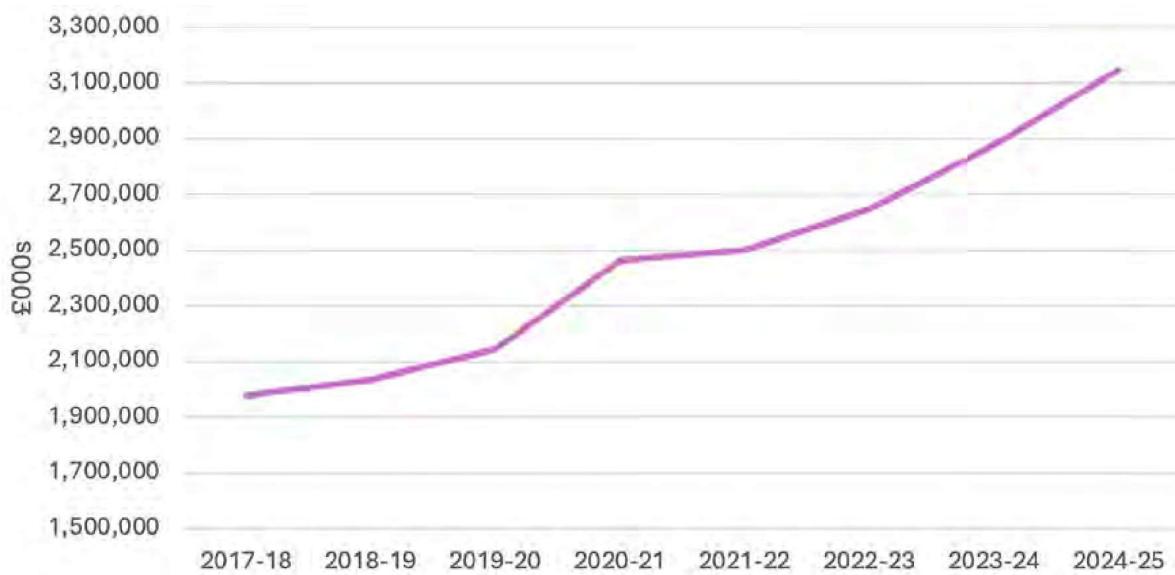
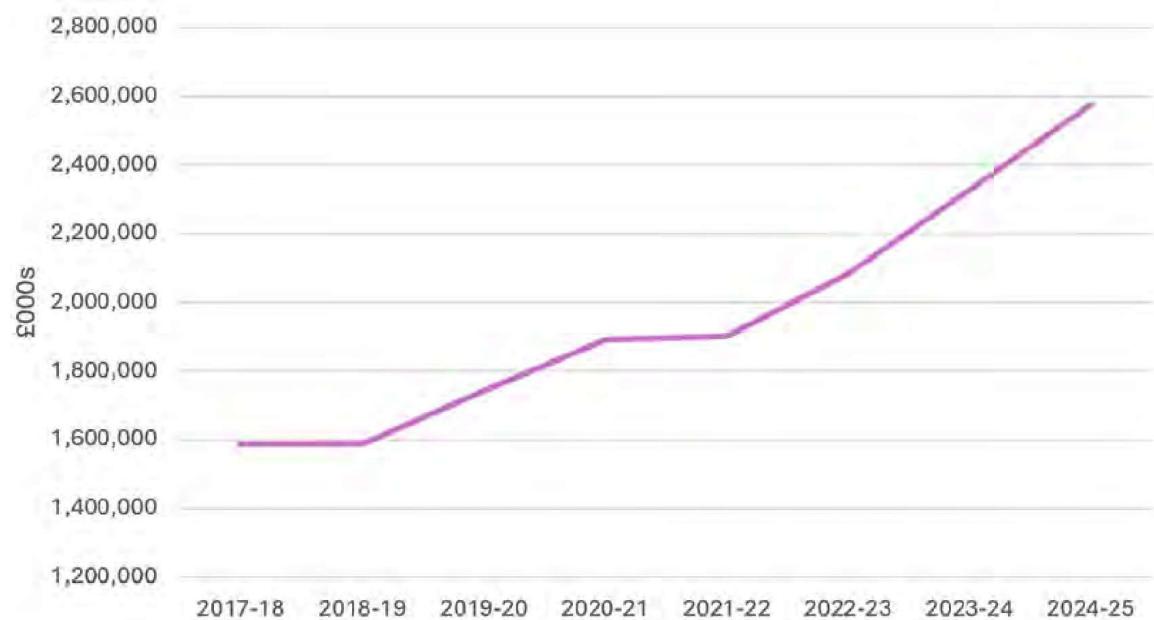


FIGURE 3. TOTAL EDUCATION STAFFING COSTS



SEN EXPENDITURE

A key factor in Education's rising costs is the increased demand for SEN services. In recent years, the system has experienced unprecedented growth in the number of children identified with SEN, particularly those who require a Statement of SEN. This reflects greater recognition of need and more children rightly receiving support, but it has placed significant strain on existing service models.

The Education Budget is now under substantial and unsustainable pressure as it seeks to keep pace with this level of demand. To ensure that children receive timely, high quality support, the current model for

supporting Statemented pupils in mainstream schools requires fundamental reform. Proposals to strengthen and modernise service delivery are outlined in more detail later in this document.

SEN expenditure has grown sharply as a share of the overall Education Budget, from around 13% in 2017-18 to approximately 21% in 2025-26. Over the same period, the number of children with a Statement of SEN has increased by around 65%, while placements in special schools have grown by approximately 30%, and enrolments in Specialist Provisions within mainstream schools have risen by 108%. These trends are illustrated in the following graphs.

FIGURE 4. TOTAL PUPILS WITH A STATEMENT OF SEN

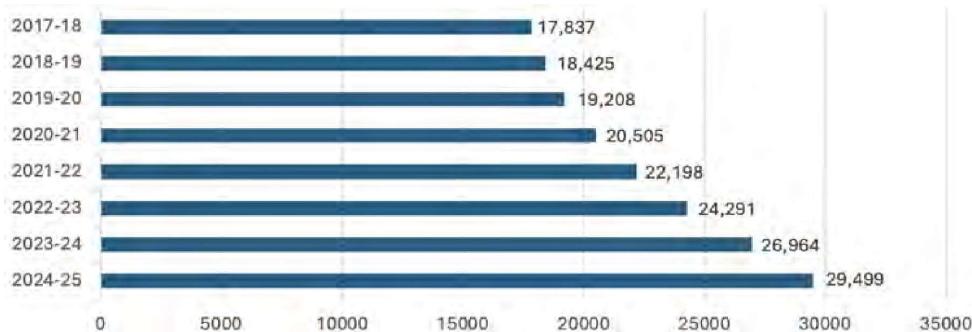
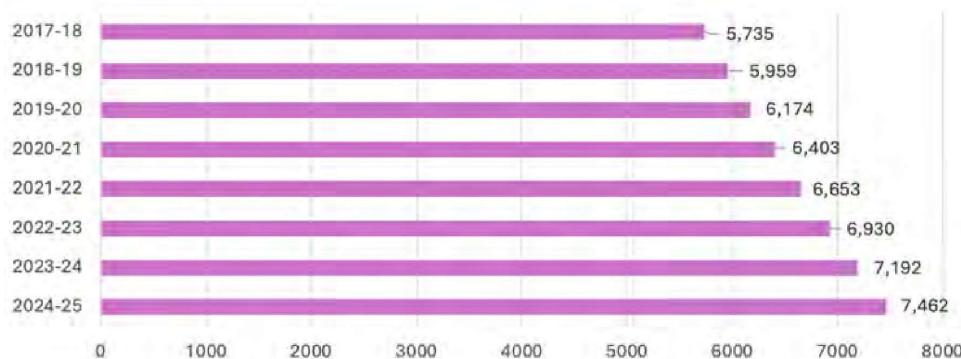


FIGURE 5. TOTAL PUPILS ATTENDING SPECIAL SCHOOLS



Projected Gap in Funding

The projected gap in the funding available to Education over the next number of years based on the draft budget allocation and current service delivery is set out in the table below.

TABLE 2: ESTIMATED EDUCATION FUNDING GAP

2025-2026 £m	2026-2027 £m	2027-2028 £m	2028-2029 £m
252	826	1,010	1,150



3. The approach to structural reform

Our guiding principle is clear: the classroom must come first. The Department's proposals for structural reform are guided by the overriding objective to protect the quality of education through safeguarding investment in teaching and learning, and the core funding that enables schools to deliver for pupils every day.

The Aggregated Schools Budget, the funding delegated directly to schools, is the cornerstone of educational delivery representing more than half of the Education Resource Budget in 2025-26. Safeguarding this funding in 2026-27 and beyond is a central 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 also creates the foundation for continued improvement in curriculum, assessment, school improvement and professional learning.

At the heart of this approach is a commitment to equity. We will continue to prioritise tackling educational disadvantage, maintaining targeted support through the Common Funding Scheme and initiatives such as the RAISE Programme. These measures ensure that resources flow to the pupils and communities who need them most.

Delivering this protection requires difficult choices. As set out in the next section, the Department will examine all earmarked funding lines to identify immediate proposals for savings, a painful but necessary step. These decisions alone, however, will not close the structural funding gap highlighted in Chapter 2. Deeper reform is required to reduce inefficiency and strengthen service delivery.

As highlighted in Chapter 1, five key service areas will require significant reform given the proposed education budget allocation:

- Home-to-school transport.
- School meals delivery.

- The model of 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.

Home-to-school transport is significantly more generous than in other parts of the UK and Ireland, with eligibility extending to around 27% of pupils compared to 6% in England. Costs have risen sharply and are no longer sustainable in their current form. Similarly, school meals provision can be streamlined by consolidating production and reducing duplication.

The current model of SEN support in mainstream schools, dominated by one-to-one classroom assistant support, is both educationally limited in its impact and financially unsustainable. We will move to a needs-led, team-based approach that delivers better outcomes and uses resources more effectively.

The school estate also requires urgent rationalisation. Northern Ireland has too many schools for its demographic reality, and with primary enrolments projected to fall by 20% over the next decade, maintaining the current footprint with proposed budget allocations is simply not possible. An independent commission will depoliticise area planning and ensure decisions are fair, transparent and evidence based.

Finally, we will reform the financial management model, introducing tighter controls for schools in deficit while rewarding sound financial stewardship with appropriate autonomy.

These reforms will understandably raise concerns and prompt debate, but they are unavoidable. The proposed budget allocations from the Department of Finance would make structural reform a necessity, not a choice. Without change, the system will become financially unsustainable and the classroom will suffer.

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.

4. The core areas of reform

Each of the proposed central pillars of reform are set out in more detail below.

I. REDUCTION OF EARMARKED BUDGETS

Earmarked funds are budget allocations that the Department of Education has set aside for a specific purpose. They include a range of projects delivered in schools and communities, and programmes such as Extended Schools, the Full Service School Programmes and budgets such as Youth and Sure Start funding.

The Department will undertake a review of all earmarked budgets to identify where reductions or cessation in funding can be implemented. There will be many unpalatable and difficult decisions but this will be a necessary and immediate step to deliver savings.

These steps will help, but they are quite simply nowhere near enough, with maximum savings anticipated to be well below £50million per annum.

II. HOME-TO-SCHOOL TRANSPORT

Expenditure on home-to-school transport has grown substantially in recent years, especially in relation to pupils with a Statement of SEN. The Independent Review of Education concluded that the current home-to-school transport policy is overly generous and, in the current financial climate, unaffordable.

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

The steepest growth is in SEN transport for pupils in mainstream schools, where costs have risen by 170% from £11million to £29million. In contrast, non SEN transport costs have grown more modestly, increasing 23% from £60million to £73million in this period against a 7% rise in pupils transported.

School transport can be broken down into two distinct categories - transport assistance for pupils who qualify under the regular criteria in DE's Home-to-School Transport Policy, and transport provision for pupils with a Statement of SEN who are identified as having additional transport requirements.

TRANSPORT PROVIDED UNDER DE'S HOME-TO-SCHOOL TRANSPORT POLICY

The Education Authority provides transport assistance for eligible pupils who live beyond statutory walking distances. While all UK nations offer free home-to-school transport to some pupils, Northern Ireland's transport policy is significantly more generous. Around 27% of pupils receive transport assistance compared with 6% in England and 10-15% in Scotland and Wales.

Like the rest of the UK, eligibility in Northern Ireland is based on distance and the concept of only providing transport assistance to a child's "nearest suitable school." Where Northern Ireland differs is that it recognises six different categories of "nearest suitable school" – controlled, catholic maintained, denominational grammar, non-denominational grammar, integrated and Irish-medium.

This reflects the structure of the education system and supports parental preference as well as statutory duties to encourage and facilitate integrated and Irish medium education. However, it also significantly increases eligibility for assistance. As their "nearest suitable school" is defined only within their preferred category, a pupil qualifying for free transport will often be bypassing other age-appropriate schools.

Over time, this broader definition has expanded the proportion of pupils entitled to transport assistance. When combined with sharp rises in labour, engineering, insurance and fuel costs across the transport sector and pay settlements increasing costs for EA transport staff, this growth in entitlement has placed significant financial pressure on the school transport service.

The approach to transport reform will, therefore, focus on two key changes:

- Revising the eligibility criteria, including narrowing the definition of “nearest suitable school” to align more closely with other parts of the UK, making the system fairer and more financially sustainable.
- Taking forward the introduction of transport charges for some pupils, as recommended by the Independent Review of Education.

TRANSPORT FOR PUPILS WITH A STATEMENT OF SEN AND ADDITIONAL TRANSPORT NEEDS

Transport is essential to ensuring that children with SEN can access education and many require highly specialised arrangements to travel safely to and from school. However, the combination of rising numbers of pupils with Statements of SEN and increased demand for specialist school places, often located further from pupils’ homes, has placed significant strain on the transport system. As a result, the current model of provision is no longer financially sustainable.

Every child with a Statement of SEN has their needs assessed by the EA as part of the statutory assessment and review process. Where additional transport requirements are identified, the DE Transport Policy allows the EA to provide transport outside the standard criteria, provided this remains compatible with the efficient use of resources.

However, there are growing concerns about the rising cost of such transport, particularly the rapid expansion in taxi provision. While some children require this level of support, there are some whose transport needs could be met in other ways.

In 2024-25, SEN taxi provision cost £40million to transport 4,700 children. Since 2019-20, costs have increased by around 54% (from £26 million), while the number of pupils supported has grown by 74% (from 2,700). Although taxis will continue to play an important role for some pupils, the average cost per child is almost twice that of EA bus transport, and alternative options must be prioritised wherever appropriate.

The reform of SEN transport will focus on three core changes designed to improve service quality and sustainability:

- Align SEN transport with wider SEN reforms in

mainstream schools, ensuring the right support is provided at a sustainable cost.

- Reduce reliance on taxis, ensuring they are used only where absolutely essential and ensuring good value for public money.
- Review how additional transport needs are assessed, to ensure decisions are fair, consistent, and based on genuine need rather than legacy arrangements.

III. SCHOOL MEALS PROVISION

School meals are a key element of the education system, supporting children and young people’s health, wellbeing and their ability to learn. Each day EA provides school meals to over 1,030 schools and nurseries, supported by over 4,700 catering service staff. In 2024-25, around 26 million meals were served by the EA, with around two thirds of all pupils choosing to take a meal in the school canteen.

Approximately 90,000 pupils are entitled to a free school meal each day across all schools, with around 80% of these pupils choosing to take a school meal. The EA also serve an average of over 140,000 meals to paying pupils each day.

It is essential that the school meals service remains affordable, high-quality and sustainable over the long-term. However, this cannot be done if the way we deliver school meals continues unchanged.

Overall, school meals costs are now around £88million per year. The costs of producing a school meal have risen significantly in recent years, driven by factors largely outside of the EA’s control. Nearly three quarters of the cost of producing a meal relates to staffing costs which have risen in line with necessary pay settlements, grading reviews and substantial increases in the UK National Living Wage. In addition, food price inflation

has risen by over 30% in the five years to 2024-25, and utility costs have also risen sharply.

These pressures have driven the cost of producing a school meal to more than 70% above its 2017-18 level. To help narrow the widening gap between the £4.28 it cost to produce a meal in 2024-25 and the amount paid by parents, the EA increased meal prices in January 2026. Prices for primary, nursery and special school pupils rose from £2.60 to £3.10, with post primary meal prices increasing by 19%. Despite this adjustment, the service continues to operate at a substantial loss.

Without reform, rising costs and systemic inefficiencies will result in the overall expenditure on school meals continuing to increase, putting the long-term sustainability of the service at risk.

The current model for providing school meals presents a number of challenges. Meals are prepared in hundreds of individual kitchens, resulting in duplication, higher infrastructure and maintenance costs, and logistical challenges. This is particularly evident in the primary sector where many schools have a production kitchen that provides a relatively small number of meals each day, limiting economies of scale. This fragmented approach also increases challenges in attracting and retaining staff, food safety and allergen management.

Modernisation is, therefore, essential to protect the long term viability of the school meals service. Building on arrangements already in place in some schools where meals are transported from a larger central kitchen, the EA will consolidate meal production at primary level utilising a smaller number of well-equipped production kitchens. This will reduce duplication, lower infrastructure and maintenance costs, and streamline operations while maintaining the provision of the appealing and healthy meal that families rightly expect.

Importantly, this approach will support investment in modern facilities and improve sustainability, ensuring that every child can continue to receive a healthy, balanced meal at school.

There is also potential to reduce the net cost of the service by increasing the number of paying pupils, given the lower marginal cost of producing additional meals. The EA has already increased pupil footfall through menu innovation, improved marketing and branding, promotions and measures to reduce queueing times.

These initiatives will continue.

Introducing a cashless catering system and associated parental payment app across all post primary schools served by the EA is likely to further increase meal uptake. Such systems are already operational in some schools and allow parents to upload money to top-up lunch accounts online and ensure that funds can only be spent on school meals. Schools using these systems have seen notable increases in canteen use, enabling more pupils to access affordable, nutritious meals.

However, the gap between the cost of producing a school meal and the price charged remains significant. Closing this gap will require a multi-year planned approach to price increases. A longer-term approach to pricing would provide greater certainty for families, avoid sudden price increases and support the transition to a more sustainable delivery model.

Finally, EA will also ensure a more standardised approach to its provision of catering services commissioned by schools such as breakfast clubs and school meals provision in some grant-maintained integrated schools and voluntary grammar schools. This will ensure greater consistency in services and pricing.

IV. SEN SUPPORT MODEL FOR STATEMENTED PUPILS IN MAINSTREAM SCHOOLS

The total number of pupils identified with SEN in Northern Ireland rose to over 70,230 in the 2024-25 academic year, up from approximately 68,200 the previous year. This is around 19.8% of the total school population reflecting a continued upward trend in identification and provision. Of this group, nearly 29,500 pupils, or 8.3% of the school population, have a formal Statement of SEN, which entitles them to specific, legally mandated support.

The growth in the number of pupils with Statements is particularly striking. Over the past decade, the figure has increased by 84.6%, rising from 15,978 in 2014-15 to nearly double that in 2024-25.

Projections from the Northern Ireland Statistics and Research Agency (NISRA) indicate that the number of pupils with SEN will rise by a further 12% by the 2028-29 academic year, an increase of approximately 8,401 pupils. More significantly, the number of children with a Statement of SEN is expected to grow by 46%,

adding 13,629 pupils to the current total. This projected growth suggests not only a continued rise in SEN, but also a marked increase in the proportion of pupils being formally Statemented.

This trend has major implications for the education system, particularly in terms of staffing, funding and the sustainability of current support model. In short, more children will be identified as having SEN, and a significantly larger share of those children will require formal, resource-intensive interventions. These projections underscore the urgent need to review and reform how SEN support is delivered across Northern Ireland.

More money than ever before is being invested in SEN. Resource expenditure has increased from £254 million in 2017-2018 to £671m in 2024-2025, representing a 164% increase. Continued growth in this level of spending is simply not affordable nor sustainable.

The most significant cost pressure over the past three years has been in support for children with a Statement attending mainstream schools, which increased by 44%. This sharp rise reflects both a growth in the number of specialist provision classes in mainstream schools and the widespread adoption of a one-to-one classroom assistant model for Statemented pupils in mainstream classes.

While well-intentioned, the latter model has become the default response, rather than a targeted, evidence-based intervention. The result is a system that is increasingly reliant on adult assistants, often without demonstrable improvements in educational outcomes.

There are of course some children for whom this is the appropriate response. However, the education system now has in excess of 12,500 FTE SEN classroom assistants at a cost of c£481 million per annum. While these are dedicated individuals who provide valuable support, it is becoming increasingly difficult to recruit appropriately qualified staff. Further, the employment conditions of Classroom Assistants mean that retention is poor. Finally, in some cases, the number of adults in a classroom is reaching a point which may impact negatively on the teaching of the class.

There is now a considerable body of research and evaluation of evidence which shows that one-to-one classroom assistance does not deliver the best outcomes for most children and can even be counterproductive to their social and educational development.³ They indicate that one-to-one support:

- is not beneficial for the majority of children and young people with SEN and may in fact hinder the very development which we are aiming to promote;
- can create a dependency that can impede a child's ability to navigate challenges and develop problem solving skills which are essential tools for succeeding in school and beyond;
- can unintentionally isolate children from their peers;
- can reduce opportunities to engage and interact with their teacher and classmates, participate in group activities and develop vital social skills;
- can risk creating a narrative that defines children based solely on their needs rather than their capabilities;
- can unintentionally hinder high-quality teaching; and
- can have a negative impact on educational outcomes.

Critically, Northern Ireland's approach contrasts with more progressive models seen elsewhere in the UK, Ireland and internationally, where inclusive education is supported through whole-school strategies, adaptive teaching and more flexible deployment of support staff.

³ Northern Ireland Commissioner for Children and Young People (NICCY) Too Little Too Late Report (2020); Public Accounts Committee (PAC) Report on Impact Review on Special Educational Needs (2017) <https://www.niassembly.gov.uk/globalassets/documents/committees/2017-2022/pac/reports/special-educational-needs/report-on-impact-review-on-special-educational-needs.pdf>; Ipsos Independent Review of SEN services and processes (2023) Ipsos report; Education Endowment Foundation guidance (2025) - Deployment of Teaching Assistants (TA) Deployment of Teaching Assistants | Education Endowment Foundation; Department for Education (2024) Use of teaching assistants (TA) in schools Use of teaching assistants in schools - research report; Deployment and Impact of Support Staff in Schools DISS Strand 2 report; Discussion paper by McCrea, Barker and Goodrich McCrea, Barker & Goodrich (2025) Inclusive Teaching—A Discussion Paper; A report by the ETI exploring the impact and effectiveness of alternative approaches in four schools; Ulster University and Centre for Effective Services "A Profile of Classroom Assistants in Northern Ireland" Ulster University CA in I Report.

In England, for example, well trained teaching assistants are increasingly used to support groups of learners or to deliver targeted interventions, rather than being tied to one pupil. This allows for greater adaptability and is more cost effective.

In the Republic of Ireland, the approach to SEN has been remodelled in the past two years, with increased special class and special school places. There has been a strong shift away from multiple individual diagnoses to an emphasis on whole school approaches, and on inter-agency cooperation (particularly between the health and education sectors) using an area-based approach. Special Education Teacher hours and Special Needs Assistants are allocated to schools, based on size and profile of the school population. The aims of the new model are to increase continuity and stability of staffing for SEN, and to allow schools more flexibility in how they deploy resources, improving outcomes not just for individual children but also for the school as a learning community.

Internationally, the use of one-to-one assistants varies widely, with many countries opting for inclusive practices that integrate support within the classroom environment rather than assigning individual assistants. Countries such as Canada, New Zealand and Finland have moved towards models that emphasise teacher capacity-building and inclusive pedagogy, with support staff used flexibly to enhance inclusive learning environments rather than being allocated to individual pupils.

It is proposed that a SEN budget for schools will be introduced. This new model will provide funding directly to schools, giving them the autonomy to develop flexible 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.

Alternative approaches utilised by schools are likely to involve small group-based provision alongside specialist therapeutic input from a range of professionals. Research consistently shows that small group teaching and support offers a more effective and inclusive approach for supporting children with SEN than one-to-one classroom assistant deployment.

Classroom Assistants play a vital role in our schools and this will continue to be the case with any new approach adopted by a school. It is important that they are suitably equipped for the changes ahead. We will, therefore, take forward the development of a new employment model, improvements to training and a framework of continuous professional development which allows for career progression.

The current system is no longer effective, sustainable or affordable, and the evidence shows that it is failing to meet the needs of many of the most vulnerable children in our schools. A fundamental shift is required.

We must move away from a model of support for pupils with Statements of SEN that relies heavily on one to one assistance, and instead transition to a needs led, team based approach that is better equipped to deliver high quality support.

This model will improve outcomes for children while ensuring resources are used more effectively and sustainably for the future.

V. RESTRUCTURING OF THE SCHOOL ESTATE

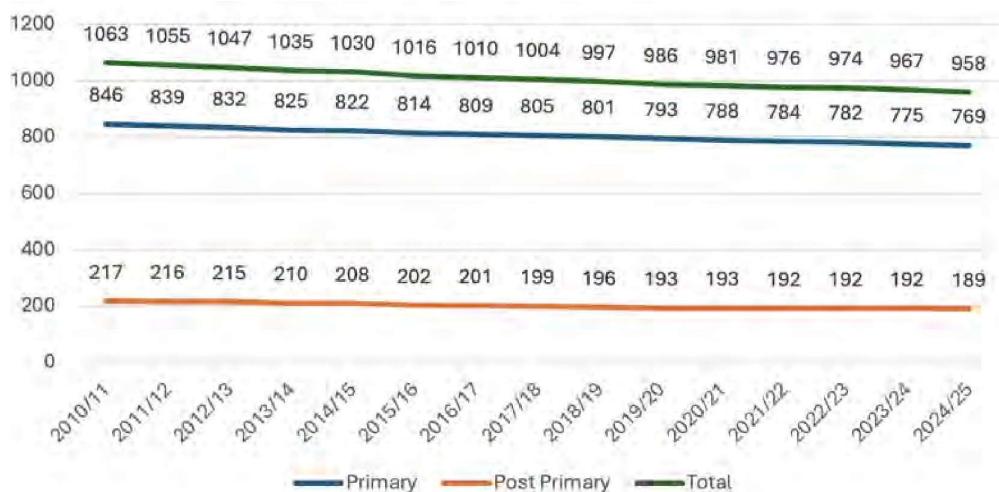
In the current financial situation, it is no longer feasible to maintain the present number of schools. Local communities rightly value their schools and many smaller schools demonstrate strong outcomes in several areas of the Sustainable Schools Policy. However, sustaining a large number of small schools comes at a high cost.

Maintaining schools with low enrolments requires additional teaching, administrative and support staff, as well as ongoing investment in buildings and grounds. It also means paying small school subsidies and higher per-pupil funding. In 2024-25 alone, £26million was allocated through the Small Schools' Support Factor, with a further £7million provided for

primary principal release time. There are also costs to maintain the school buildings. Collectively, these costs are substantial and reduce the resources available to support pupils across the wider system.

Since the introduction of Area Planning progress in restructuring the schools' estate has been slow. Since 2010-11, the total number of schools has reduced from 1,063 to 958, a reduction of 105 schools.

FIGURE 6. TOTAL NUMBER OF SCHOOLS (EXCL PREP)



Meanwhile, as set out in Figure 7 below, the number of schools falling below the minimum enrolment thresholds set out in the Sustainable Schools Policy remains high (105 pupils for rural primaries, 140 for urban primaries, 500 for Years 8-12, and 100 for sixth form). Worryingly, the number of primary schools below these thresholds has begun to rise again in recent years.

FIGURE 7. NUMBER OF SCHOOLS BELOW THE SUSTAINABLE SCHOOLS' POLICY MINIMUM ENROLMENT THRESHOLDS (EXCLUDING RECEPTION, SEN AND PREP DEPTS)



The data above reflects the position at schools excluding Statemented SEN pupils, who are currently admitted in addition to the school's normal enrolment limit and regarded as supernumerary. However, the policy position on this is changing.

In 2024-25 the number of schools with enrolments (including supernumerary pupils) below the recommended minimum enrolment were as follows:

- 215 primary schools (28%);
- 41 post-primary schools in years 8-12 (21.6%) had less than 500 pupils (pro-rata); and
- 35 sixth forms (22.2%) had less than 100 pupils.

SCHOOL AGED POPULATION PROJECTIONS

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 decline will not affect all sectors equally:

- Pre-school education: projected to fall by 18.8%
- Primary and preparatory schools (Years 1-7): projected to fall by 20.4%
- Post-primary schools: projected to fall by 9.5%

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 minimum enrolment thresholds, placing pressure on resources and limiting opportunities for pupils.

If the crude assumption were made that enrolment at all primary schools would reduce by 20.4% and post-primary schools, including post 16, by 9.5% that would lead to the following numbers of schools falling below the minimum enrolment thresholds.

AREA PLANNING COMMISSION

The Independent Review of Education concluded that a

new approach to the area planning process was necessary to create a school network that meets the needs of all learners and promotes social cohesion, while also providing a comprehensive curriculum in a cost-effective manner.

The panel 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. This Commission would prepare a plan for a revised network of schools with more efficient and sustainable admissions and enrolment numbers, capable of offering a complete curriculum experience to all learners. It calculated that the outcomes of such an approach would generate maximum annual savings of approximately £100m.

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.
- Make evidence-based recommendations for restructuring the school estate, ensuring resources are focused where they deliver the greatest benefit for pupils.
- Produce a detailed five-year implementation plan to guide change in a phased, manageable way.

TABLE 3. PROJECTED NUMBERS OF SCHOOLS BELOW SUSTAINABLE ENROLMENT THRESHOLDS

	2024-2025 (actual including SEN)		2033-2034 (projected)	
	Number	Percentage	Number	Percentage
Primary	215	28.0%	306	39.8%
Post-primary Y8-12	41	21.6%	56	29.5%
Post-primary Y13-14	35	22.2%	40	25.3%

To support the work of the Independent Planning Commission, the Department will:

- Review the Sustainable Schools Policy and develop a revised policy that reflects current and future needs.
- Review and, where necessary, streamline existing area planning legislation to enable school closures and amalgamations to proceed based on the Commission's recommendations, reducing unnecessary delays and bureaucracy.
- Develop bespoke protocols to fast track the capital funding required for approved rationalisation proposals.

This is a significant programme of work, but it is essential to secure a strong, sustainable education system for the future.

Our goal is to ensure that every child has access to high-quality education in well-resourced schools, supported by effective teaching and learning environments.

VI. REFORM OF THE MODEL OF FINANCIAL DELEGATION

Schools have been under significant pressure for a number of years and school deficits have grown sharply over the past decade. In 2011-12, 21% of schools were in deficit, amounting to a total value of £13.9million. As set out in Table 4, by 2024-25, 60% of schools were in deficit, with a combined shortfall of £179million. Projections suggest that 70% of schools will be in deficit by the end of 2025-26.

TABLE 4. NUMBER AND PERCENTAGE OF SCHOOLS IN DEFICIT AND TOTAL VALUE OF ACCUMULATED DEFICITS.

Financial Year	Number of schools in deficit	Total value of accumulated deficits £m	% of all Grant Aided Schools
2011-2012	228	13.9	21%
2012-2013	197	14.8	19%
2013-2014	217	16.8	21%
2014-2015	242	19.6	23%
2015-2016	248	22.0	24%
2016-2017	309	31.8	30%
2017-2018	390	47.0	38%
2018-2019	451	62.6	45%
2019-2020	555	88.0	55%
2020-2021	478	87.3	48%
2021-2022	378	80.8	38%
2022-2023	428	102.3	44%
2023-2024	489	130.2	50%
2024-2025	581	179.1	60%

Primary schools account for the largest share of these deficits, totalling £107.8million in 2024-25. While some schools hold significant surpluses, for example ten schools have reserves exceeding £1million, others face deficits of similar magnitude. It is also notable that surpluses often exist only on paper. Any net surplus drawdown by schools is ultimately funded by the Executive. Currently, the Executive is unable to provide this funding for schools, resulting in an additional, unfunded pressure for EA.

The year-on-year situation is worse still, with 78% of all schools reporting an operating deficit in 2024-25 (though some of those schools had enough prior years' surplus to avoid going into overall deficit). In short, the picture is clearly worsening with many more schools projecting they will be in deficit by the end of their latest three-year plans.

The causes are clear: static funding for non-Age Weighted Pupil Unit (AWPU) factors in the Common Funding Formula despite inflation, the absence of voluntary exit scheme for teachers to allow for reductions to staffing and a lack of penalties for overspending, with weak oversight and accountability. The latter reduces incentives for financial discipline. Staffing costs dominate school budgets, often exceeding 90%, leaving little room for flexibility and change given that there has been no early exit and voluntary severance scheme available for schools to access.

The EA has a small team of around 20 staff responsible for working with schools on their projected financial position. However, the volume of schools now operating in deficit means the team cannot engage in a substantive way with all those requiring support. As deficits have become increasingly common, the level of scrutiny associated with being in deficit has also diminished, partly because many schools see no realistic route to returning to financial balance under current conditions.

The scale and magnitude of the problem is stark and a complete overhaul of financial oversight arrangements for schools is now urgently required. Northern Ireland's school deficits are the highest across the British Isles, both in the proportion of schools affected and in the size of deficits as a share of total education funding.

In England, 17.8% of local authority-maintained schools ended 2024-25 in deficit. While this is an increase from 15.3% the previous year, the highest proportion in a decade, it remains far below the level

seen in Northern Ireland.

The collective shortfall across all schools in deficit in England rose from approximately £289million to £380million in 2024-25, a 32% increase. However, this is against a total education budget of around £134billion, compared to £179million in Northern Ireland against a total education budget of £3.3billion. In Wales, approximately one-third of schools are currently managing budget deficits.

Ireland operates a highly centralised model in which schools receive an allocated complement of teachers based on enrolment size and phase of education, adjusted for intake characteristics. Whilst schools retain responsibility for recruitment and staff management, this approach insulates school budgets from the financial impact of having a workforce largely at the top of the pay scale. While it limits schools' flexibility to determine teaching numbers, it reduces the time principals spend managing finances and helps avoid significant deficits linked to staffing levels and class sizes.

Schools in Northern Ireland 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 and should continue, 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 also 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.

There must also be a fair and practical approach to resolving historic deficits so schools can restart on a sustainable footing. Early severance and redeployment schemes will play a key role in managing staffing costs and must be available to all schools. Over time, schools that achieve financial stability will have the opportunity to return to earned autonomy, should they choose to do so.

This approach balances accountability with flexibility, ensuring that schools receive the support they need while safeguarding the long-term sustainability of the education system.

5. Next steps and implementation

Pending the outcome of the public consultation and the budget settlement, the Department will establish a Structural Reform Programme Board, chaired by the Permanent Secretary and supported by a dedicated Programme Team.

This Board will include representatives from the Department and the Education Authority and will oversee the delivery of reform at scale. Each of the core areas identified for structural change will need to be developed as a distinct reform project, with full programme and project governance in place.

Table 5 below summarises the high-level aim and objectives of each proposed reform project. Detailed proposals, including costings, timelines, and milestones will be produced for each strand to ensure clarity, accountability and pace.

TABLE 5. EDUCATION REFORM PROJECTS

	AIM	KEY OBJECTIVES
HOME-TO-SCHOOL TRANSPORT	Create an affordable and sustainable transport system	<ul style="list-style-type: none"> Revise eligibility criteria to more closely align with other UK nations. Examine how charges could be introduced for some pupils with exemptions for vulnerable groups. Align SEN transport with reforms to SEN support model. Reduce the use of taxis, ensuring affordability and value for money. Ensure transport assistance for pupils who require additional support is based on evidenced need, fairness and consistency of approach.
SCHOOL MEALS DELIVERY	Modernise school catering to deliver high-quality, cost-effective meals for all pupils.	<ul style="list-style-type: none"> Reduce the net expenditure on school meals provision by increasing income from school meals and consolidating the number of smaller kitchens.
SEN MODEL OF CLASSROOM SUPPORT	Develop a sustainable, inclusive, needs-led support model that improves education outcomes for pupils with SEN.	<ul style="list-style-type: none"> Transition from the current classroom support model for children with SEN Statements in mainstream schools, based predominantly on one-to-one assistance. Implementation of alternative models of SEN support that prioritise whole school strategies and small group teaching. Provide schools with flexible SEN budgets. Enhance staff training and professional development.
RESTRUCTURING OF THE SCHOOLS ESTATE	Create a sustainable school network that reflects demographic trends and delivers curriculum breadth.	<ul style="list-style-type: none"> Establish an Area Planning Commission. Viability audit of all schools. Develop a five-year plan for closures and amalgamations. Revise legislation to enable timely implementation.
REFORM OF THE MODEL OF FINANCIAL DELEGATION FOR SCHOOLS	Strengthen financial governance and accountability to restore stability	<ul style="list-style-type: none"> Introduce tighter financial oversight and traffic-light intervention system. Implement centralised staffing model for schools in significant deficit. Enable early severance and redeployment schemes Reward sound financial management with greater autonomy.

Managing the implementation of reform will require careful sequencing and thorough engagement with stakeholders. These reforms are complex and far-reaching, and their success depends on transparent planning and effective communication. We will prioritise stability for pupils and staff during transition, while driving the changes necessary to secure financial sustainability and educational improvement.

These are ambitious and far-reaching proposals. In due course they will require Executive support in terms of expenditure, legislation and certain significant or controversial decisions.

Pursuing options that have no realistic prospect of political support would result in unnecessary expenditure and divert valuable resources away from initiatives that can deliver genuine savings

COSTS

Redundancy costs are an unavoidable consequence of structural reform, particularly where school closures occur or staffing levels need to be adjusted over time. The approach will be to minimise compulsory redundancies wherever possible, relying instead on redeployment, retirements and voluntary redundancy.

The ability to offer voluntary redundancy will be absolutely necessary and this programme will require dedicated Executive funding to manage such costs.

These proposals mark the beginning of a transformation that is essential for financial stability given the proposed future budget allocations for education. They will not be easy, but they are necessary to protect classrooms, maintain high-quality teaching and learning, and create a system that is both sustainable and focused on delivering the best outcomes for every child.

