



NIWBG Statement on the Autumn Budget

December 2025

On the 26th of November, the Chancellor presented the 2025 Autumn Budget Statement. While it is positive that the two-child limit has been scrapped, the Chancellor missed an opportunity to put working people at the core of the tax system. The NIWBG has highlighted specific aspects of the Budget that are predicted to have positive and negative impacts on women in Northern Ireland, as well as missed opportunities for improving gender and wider equality. The decisions announced by the Chancellor determine the Barnett consequentials that directly feed into the Northern Ireland Block Grant. Therefore, we have also provided our hopes for the upcoming, multi-annual Northern Ireland Budget.

Social Security

The biggest positive headline coming out of the Budget for the NIWBG was the decision to scrap the two-child limit, a punitive welfare reform measure that has contributed to women's and children's poverty. The current child poverty rate in Northern Ireland stands at 24%, an increase from 19% in 2021. We know that children's poverty is women's poverty, as mothers are often the first to go without basic essentials before their children do. This decision will be transformative for so many families – the UKWBG estimates that 9,791 children in Northern Ireland could be lifted out of poverty by 2029/2030. It is also a significant success for anti-poverty campaigners across the UK, as many within the women's sector and the wider equality sector have been calling for this decision since its inception. Scrapping the two-child limit has cross-party support in Northern Ireland, but we still call on Stormont to make the decision to scrap the two-child limit without delay.

While this is a positive commitment to reducing poverty from this government, the work cannot stop here. It is crucial that further welfare reforms brought in during the austerity period are scrapped, such as the benefit cap and the bedroom tax. Relieving these pressures on some of the most vulnerable families will actually allow them to feel the benefits of the two-child limit scrap. These policies are currently mitigated against by

the Executive, which must be sustained, but if the UK government removed them at a national level, then the Executive could use the mitigation funds for other anti-poverty and progressive initiatives. Eliminating the five-week wait for Universal Credit is also key to tackling poverty and gender inequality. It is just as unnecessarily punishing as the two-child limit and has shown to be a driver for illegal lending from loan sharks and paramilitaries in Northern Ireland.

It should be noted that the language the Chancellor used when talking about reforms to disability benefits echoed the language used by the UK government over the summer period when detrimental cuts and changes to disability benefits were proposed. It is crucial that the UK government does not return to these proposals as there are more people living with a limiting long-term health problem or disability (24.3% or 463,000 people) and more women reported having long-term health problems or disabilities than men.

Tax

Government failed to make decisions on tax that had working people at its core; the freezing of income tax thresholds will disproportionately impact lower earners. As wages increase with inflation, workers will enter new tax thresholds or will earn over the personal allowance tax band and pay income tax for the first time. Costs for goods and services will increase with inflation as well, so those on lower incomes who move through tax thresholds over the course of the freeze (until 2031) will feel even more squeezed while those on the highest incomes remain in the same threshold.

While the Chancellor should not be disincentivising savings, we do recognise that men are more likely to have greater wealth through pensions or have the ability to contribute to pensions at all compared to women. Capping the National Insurance Contributions relief on salary sacrifices for private pension savings is a measure that will help fund basic services and not at the cost of further increasing the gender pension gap.

It was disappointing to hear that the Chancellor would not equalise capital gains tax with income tax, which would ensure that those who accumulate their wealth through the sale of property, shares, and other assets are taxed the same as someone who works for a living. We support the calls from Tax Justice UK for reform of capital gains tax, National Insurance Contributions on income from assets, and a 2% annual wealth tax on net assets over £10 million.

National Minimum Wage and National Living Wage

Raising the national minimum and national living wage is welcome, as many working women are in low-paid roles that are often paid the national minimum or national living wage. However, it is well-documented that the national living wage does not provide workers with an income that allows them to meet their basic needs. The increase to the national living wage will be 74p less than the real living wage, which stands at £13.45. We will continue to advocate for the adoption of the real living wage at a national level, as this is key to ensuring that every worker receives a wage that they can live on.

Funds to the NI Executive

It was announced that the NI Executive would receive an additional £370 million, however the money announced today is a re-announcement of money allocated as part of the Spending Review. The Department of Finance has allocated £240 million of this to day-to-day spending and £130 million for capital spending. However, the Department has stated that even with this additional money, the fiscal situation in Northern Ireland remains tight.

The Chancellor also announced £17 million to ‘strengthen the UK internal market’ and to back’ advanced manufacturing through the Northern Ireland enhanced investment zone’. The ‘enhanced investment zone’ focuses on the following priority sectors:

- Agri-tech
- Life and health sciences
- Advanced manufacturing, materials, and engineering
- Fintech/financial services
- Software
- Screen industries
- Low carbon (including green hydrogen)

For the most part, these sectors have a majority male workforce. While funds were announced for a ‘local growth programme’ in the devolved nations, it is unclear if this will replicate or replace the funding provided by the UK Shared Prosperity Fund (UKSPF). If not, and if UKSPF is not continued in the next financial year, there will be a significant funding cliff-edge for the community/voluntary sector, which as a high female workforce and high level of women that engage with the services provided by the sector. The £17 million going to the ‘enhanced investment zone’ will have little impact on the lives of women in Northern Ireland, particularly the most vulnerable women, yet sustained investment in the community/voluntary sector would be transformative for women and wider society.

The Northern Ireland Budget

Despite positive elements to this budget, such as the removal of the two-child limit, we found that, like last year, the Autumn Budget Statement could have been much more innovative and ambitious in tackling poverty and inequality. Further tax reforms to ensure that those with the broadest shoulders take on greater tax burdens could have been introduced. We echo our call from last year for the Chancellor to include social infrastructure within her fiscal rule around borrowing for investment in capital projects, which currently only applies to physical infrastructure. Additionally, we are disappointed that there was not a greater commitment to provide sustainable, multi-year investment in the community/voluntary sector; single-year increases to the UK Shared Prosperity Fund (UKSPF) and the unclear upcoming ‘local growth programme’ leaves sectors across the four nations, and particularly in Northern Ireland, in limbo in terms of whether they can continue to provide services after the end of the financial year.

While these issues rest with Westminster, we expect our budget to reflect the particular needs of Northern Ireland, and to use funds with an aim of progressing equality. In response to the Budget, the Finance Minister has stated that there is already a £400 million funding shortfall for this current financial year. We understand that the Department and the wider Executive are fiscally constrained, but our public services continue to crumble and inequalities continue to rise. Northern Ireland needs a budget that is creative, smart, and detail oriented. We understand that this budget cannot be a never-ending wish list, but there needs to be a recognition that if we do not start tackling the root causes of inequality now, our funding situation will become exponentially worse.

We welcome the Finance Minister’s announcement that the upcoming budget will be a multi-year budget. The NIWBG has called for multi-year budgeting for many years as it allows for better future planning. It is crucial that, while we have an opportunity to organise long-term spending priorities, spend in the Budget is matched to priorities from the Programme for Government (PfG). The Department of Finance published a document, [*Aligning Spending with Priorities: A Comparison of Programme for Government with 2025-2026 Budget Allocations*](#), this year. In it, the Department recognises the difficulties the Executive departments have had connecting departmental spend to the 2025-26 Budget and acknowledges that this document is a first step in recording and measuring the linkage between the Budget and the PfG.

Matching the priorities of the Budget to the PfG is crucial to provide an overarching structure and focus to cross-departmental working. Therefore, we need to see targeted funding for the forthcoming childcare strategy in the next budget, as this issue is a major barrier to labour equality, income equality, balance of care for women. This impacts both on women using childcare services and women working in the sector, as many

care careers are low-paid and precarious. While we do not know the content of the strategy as of yet, we are hopeful that it will tackle key issues raised by the NIWBG and the wider sector. However, no strategy can be implemented nor successful without adequate resourcing.

Similar to last year, Ending Violence Against Women and Girls (EVAWG) and climate justice did not feature in the Chancellor's budget statement. These are key priorities in the PfG that will help target pervasive inequalities in our society. Therefore, we need the Budget to focus on funding for the EVAWG strategy and commitments in the Climate Change Act despite it's absence from the Autumn Budget Statement.

The Autumn Budget Statement is always an important marker in the fiscal year, but it is the Northern Ireland Budget that will have the most impact on the everyday lives of people here. We look forward to engaging with the draft Budget once it is published, and will we continue to highlight the role that budgets and fiscal tools play in achieving gender equality in Northern Ireland.

The Northern Ireland Women's Budget Group (NIWBG) is made up of organisations and individuals from the women's sector, trade union movement, academia and wider civil society in Northern Ireland, with the aim of implementing a gender equal economy. The NIWBG works with a range of organisations in Northern Ireland on devolved issues and with sister organisations in Wales, Scotland, England and Ireland on East-West and North-South issues.

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