

Department of Health

Annual Report and Accounts
2025-26

For the year ended 31 March
2026

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PERFORMANCE REPORT

PERFORMANCE OVERVIEW

Purpose

The purpose of this Performance Overview is to provide sufficient information at a summary level to understand the Department of Health (DoH or the Department), its purpose, the key risks to the achievement of its objectives and how it has performed during the year.

Introduction and Background

The Department presents its Annual Report and Accounts for the financial year ended 31 March 2026.

DoH has a statutory responsibility to promote an integrated system of Health and Social Care (HSC) designed to secure improvement in:

- The physical and mental health of people in Northern Ireland;
- The prevention, diagnosis and treatment of illness; and
- The social wellbeing of people in Northern Ireland.

The Department is also responsible for establishing arrangements for the efficient and effective management of the Northern Ireland Fire and Rescue Service (NIFRS). The Department discharges its duties both by direct Departmental action and through its 16 Arm's Length Bodies (ALBs). A list of ALBs is included at Note 22.

These accounts consolidate financial information for those bodies within the Departmental accounting boundary, namely:

- DoH Core Department; and
- its 16 ALBs.

The Department's strategic objectives reflect Ministerial priorities, those developed by the Executive as part of the New Decade New Approach (NDNA) and the Executives Priorities and Missions set out in the Programme for Government (PfG). The Department has responsibility for the PfG Priority 'Cut Health Waiting Times' and a key role to play in the PfG People Mission.

By 31 March 2026, £141m was invested on addressing waiting lists and 385,182 additional outpatient assessments, diagnostic tests and inpatient day case procedures were delivered..

The Departments contribution to wider PfG commitments are detailed [here](#).

The Department and its ALBs are primarily focused on transforming and improving HSC services, within available resources.

The momentum for transformation of service delivery has continued in areas such as digital transformation with the roll-out of Encompass and Equip. The Department continues to drive improvements in population health and to address health inequalities. The focus on a neighbourhood model

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of care aims to better address the overall population health needs by locating resources closer to home to best meet patient needs and to maximise patient outcomes.

Strategic Priorities for Health

The Minister's overall aim and vision for the Department and wider HSC is outlined in the Three-Year Plan (December 2024). The three-year plan then provided the platform which supported the production of the HSC Reset Plan (July 2025). Reset provides a broad and ambitious framework for the transformation of the Health and Social Care system in Northern Ireland under 7 strategic areas as follows:

- Prevention and seeing the citizen as an asset in that task;
- Investing in Primary Care, Community Care and Social Care; delivering mental, physical and social healthcare in a joined up way;
- Being as effective and efficient as we can with the resources we have;
- Adopting a whole systems approach; to optimise the whole of NI's health and care workforce and estate, and to reduce the level of unwarranted clinical variation;
- Maximising digital investment and the strategic use of data;
- Exploiting opportunities for research, supporting early adoption of new medical procedures and treatments; with the opportunity to attract the inward investment this brings; and
- Creating the system and structure that supports collaborative working and decision making.

Three Year Plan for Health and Social Care

On 10 December 2024, the Minister published the Health and Social Care Three Year-Plan setting out his ambitions for the rest of this Assembly Mandate. The three-year plan provided the platform for the publication of the HSC Reset Plan in July 2025, across three themes: Stabilisation, Reform and Delivery. Key ambitions are to reduce health inequalities, improve mental health and tackle the long waiting lists. This means prioritising primary care, social care and mental health services, as well as working collaboratively with delivery partners including the voluntary and community sector. Monitoring of the commitments within the Department's three-year plan has taken place across the year, with positive progress made. Many commitments however are subject to additional funding that is unlikely to be made available during the lifetime of the plan. The governance arrangements for the HSC Reset Plan for 2026-27 will extend to ensuring any remaining outstanding commitments that can be delivered within the three-year plan, are completed, subject to necessary funding.

HSC NI-Reset Plan

On 09 July 2025, the Minister launched the Health and Social Care NI Reset Plan, which was shortly thereafter adopted by the Departmental Board as the Business Plan for the remainder of the 2025-26 year. The Reset plan lays out an ambitious vision for the reform and recalibration of our HSC and can be summarised under 4 broad themes: treatment to prevention, analogue to digital, hospital to community and people to partners. Shortly after the publication of the plan, the HSC Reset Programme was established within the Department to provide leadership to the HSC, and a delivery focus to the objectives and components of the Reset.

The Reset's flagship initiative is the creation of a Neighbourhood model of health and wellbeing across Northern Ireland which supports the shift of care into communities, and out of acute settings where appropriate. In the 2025-26 year, notable milestones included the publication of the Vision for Neighbourhood Health and Wellbeing in NI in March 2026, which was the culmination of a process of intensive engagement and consultations with stakeholder including through a Call for Evidence. The Neighbourhood model represents a fundamental shift in how services are delivered.

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It focuses strongly on proactive care, prevention, earlier intervention and coordinated support closer to where people live. The focus for 2026-27 is to establish and enable the 17 Integrated Neighbourhood Teams across Northern Ireland to begin to consider how the Neighbourhood Model will be embedded in their local communities for the benefit of older people initially.

System Financial Management Group

A new approach to Systems Financial Management was introduced in May 2025. The SFMG oversee an ambitious financial management and cost improvement agenda with the key objective being to drive down the current considerable financial deficit by exploring system level opportunities for reform and reconfiguration in how we deliver care. The group comprises of the Department, SPPG and trusts working collaboratively with relevant other colleagues within the wider HSC system.

As a result of the work being carried out by SFMG and wider cost saving work, savings of some £325 million had been identified from trusts, the Department, SPPG and wider system in the financial year 2025-26. This incorporated trust savings plans which have resulted in savings of some £130 million being returned against the deficit.

The SFMG has been successful in promoting an environment where the system can challenge itself regularly and is supported to explore new ideas for cost improvement at the regional level. SFMG meets on a weekly basis and has contributed to a culture of strong and regular accountability for those leading the workstreams. The SFMG is expanding to include a wider Reset focus for 26/27, promoting longer term thinking and further system thinking around financial sustainability including by harnessing innovation and technology and using the opportunities presented by the Neighbourhood model of health and wellbeing. This work will assist Trusts in responding to the recently published operational planning guidance which outlines the operational priorities for the HSC for 2026-27, including the need to drive down spend to respond to the current financial challenge.

The Department's Responsibilities

Under the Health and Social Care (Reform) Act (Northern Ireland) 2009, the Department is required to:

- Develop policies;
- Determine priorities;
- Secure and allocate resources;
- Set standards and guidelines;
- Secure the commissioning of relevant programmes and initiatives;
- Monitor and hold to account its ALBs; and
- Promote a whole system approach.

Further information on the governance structures of the Department, including the Board, the Departmental Audit and Risk Assurance Committee (DARAC), the oversight of ALBs and the role and responsibilities of Board and DARAC members is provided in the Governance Statement section of this annual report and accounts document.

Risks

The Department's approach is informed by the principles set out in [The Orange Book: Management of Risk- Principles and Concepts \(His Majesty's \(HM\) Treasury: 2023\)](#). The Framework outlines the Department's approach to risk management and the processes through which

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potential risks to the achievement of Departmental objectives are identified and evaluated.

The Department maintains a Departmental Risk Register to record, monitor and report on the management of risk. This focuses on the principal risks to the Department's delivery of its statutory responsibilities and strategic objectives, including the work of its ALBs. The Department strives for an 'eager' risk appetite (that is, it is eager to be innovative and to choose options offering potentially higher business rewards, despite greater inherent risk) but recognises the need for an 'open' risk appetite (a willingness to consider all potential delivery options and choose the one that is most likely to result in successful delivery while also providing an acceptable level of reward and value for money) in those areas where the Department cannot afford to fail. Corporate responsibility is assumed where an 'eager' risk appetite has been agreed.

Further detail on risks is provided in the Governance Statement section of the report.

DoH Organisational Structure

The following table sets out the organisation structure of the Department:

Permanent Secretary	Group	Group Head
Mike Farrar (Interim)	Social Care & Public Health Policy Group	Peter Toogood
	Chief Digital Information Officer Group	Tom Simpson (Acting) to May 2025 Paul Rice from 2 June 2025
	Healthcare Policy Group	Jim Wilkinson
	Chief Medical Officer Group	Prof Sir Michael McBride
	Resources & Corporate Management Group	Chris Matthews
	Strategic Planning & Performance Group	Tracey McCaig (Acting)
	Chief Nursing Officer Group	Maria McIlgorm
	Chief Social Work Officer	Aine Morrison

Non-Executive Directors

The Department's Non-Executive Directors (NEDs), appointed on the basis of their extensive professional experience and subject-matter expertise, play a key role in supporting the Departmental Board. They provide independent strategic advice and guidance, while also discharging critical oversight functions in the areas of risk management, financial planning, performance monitoring, and the achievement of corporate objectives.

As in previous years, the 2025–26 reporting period has continued to be characterised by an extremely challenging financial and operational landscape. The Department has faced ongoing pressures, as a result of constrained budgets and staffing levels and a sustained growth in demand for health and social care services, along with the continued demands associated with resourcing and supporting major public inquiries, such as the COVID-19 Inquiry. These pressures have created significant capacity challenges across the Department. Notwithstanding these difficulties, the Department has made significant progress in delivering against its statutory duties and advancing key

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strategic priorities, including the extensive work progressed on financial sustainability and HSC Reset, whilst also delivering in-year savings at an unprecedented scale.

The NEDs recognise the scale of the challenges faced and commend the commitment, adaptability and delivery focus demonstrated by staff across the Department and wider health and social care system. During the year, the NEDs have remained actively engaged, offering scrutiny, constructive challenge and support to help ensure the Department maintains high standards of governance and continues to respond effectively to its multifaceted and evolving responsibilities. The NEDs particularly welcome confirmation of the Head of Internal Audit's 'satisfactory' audit opinion on the Department's governance, risk management, and internal control system for 2025-26, and recognise the collective efforts and contributions of staff in securing this outcome.

Recognising that financial pressures will continue into 2026-27, alongside an increasing focus on embracing new technologies such as AI, the NEDs will continue to provide robust support and appropriate challenge to the Department on both fronts.

Business Objectives and Performance

Given the wide scope of the work of the Department and its ALBs, a synopsis of all objectives, achievements and performance measures is not practicable.

Progress against the Department's Business Plan (HSC Reset Plan) has been reported to the Departmental Board and the Departmental Audit and Risk Assurance Committee (DARAC) by way of quarterly updates, with key risks or issues to delivery being monitored through the reporting. The quarter four update against the Department's 2025-26 Business Plan (Reset Plan) can be accessed via this [link](#).

Progress and key achievements in 2025-26 include:

Treating more people

- Invested £141m to treat an additional 385,000 patients
- Within this, £85m has delivered 314,000 additional outpatient assessments, diagnostic tests and inpatient/day case procedures. £50m has assessed/treated over 59,000 long waits. Finally, £6m has built some elective core capacity, including £2.7m to treat over 12,000 patients in primary care elective services.
- Total outpatients waiting over four years down by 54% from April 2025 to March 2026
- Total inpatients/day cases waiting over four years down by 67% from April 2025 to March 2026

Multi-Disciplinary Teams

- MDT Implementation Plan published 24 July 2025
- Phase 1 supported by allocation of £61m of Transformation funding
- 1,127,233 citizens now have access to physiotherapy, social work or mental health services in their local GP Practice

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- Over 412 whole time equivalent front-line staff working across 165 GP practices in 12 GP Federation areas in the Primary Care MDT programme

Neighbourhood Model of Health and Wellbeing

- Phase 1 - Design and Engagement to January 2026
 - Extensive programme of stakeholder engagement to support development of vision and design principles
 - Call for Evidence sought examples of existing neighbourhood initiatives – 183 responses received
- Phase 2 - Build to April 2026
 - High level operating and funding model developed, built around Integrated Neighbourhood Teams operating as provider alliances of key delivery partners
 - Neighbourhood Development Programme Board established to drive implementation
 - A Vision for Neighbourhood Health and Wellbeing in NI Policy Framework and Call for Evidence findings published.

Adult Social Care

- 10-year Reforming Adult Social Care and Support Strategic Plan and 3 Year Delivery Plan published on 23 March 2026.
- Governance and delivery structures in place and actions from the Delivery Plan assigned to each of the six Implementation Groups.
- A series of round table meetings have taken place to inform the new approach to homecare and to enhance self-directed support options. Guidance relating to Direct Payments streamlined and a Managed Budgets Pilot is at the planning stage.
- Planning to undertake pilot of a number of preventative measures complete. Preventative visits will be trialled in a number of HSC Trust areas.
- Work on the development of a preventative model of care and support has commenced, supported by IMPACT UK
- Work to review key policy documents has commenced, including Care Management guidance and standards relating to care homes.

Service Reform and Reconfiguration

- The Elective Care Framework sets out a detailed efficiency programme
- Theatre utilisation - the regional run time year to date for 2025-26 is 85% (target 90%), as at the end of March 2026.
- Regional Day Procedure Centres delivering an average of 89% of weekly commissioned theatre sessions between April 2025 and March 2026.
- The rate of DNA/cancellations on the day at new outpatient appointments was 7.46% across the region from April 2025 to March 2026, while the rate of DNA/cancellations on the day at review outpatient appointments was 8.2% over the same period.

Department Sponsored Public Inquiries and the COVID-19 Public Inquiry

Public Inquiries and Public Safety (PIPS) Directorate was created in February 2022 to provide the sponsorship role for the Department established Public Inquiries (Muckamore Abbey Hospital Inquiry (MAHI) and Urology Services Inquiry (USI)) and to co-ordinate the Department's response

to the Covid-19 Public Inquiry.

The Covid Inquiry's investigations are organised into Modules. DoH was integral in Northern Ireland's response to the Pandemic and therefore, has been granted Core Participant (CP) status in eight of the ten live modules.

During 2025-26, the Inquiry concluded public hearings across all Modules, with the final hearings completed on 5 March 2026 and published two further reports: Module 2 on 20 November 2025 and Module 3 on 19 March 2026.

As a result, activity within the Department during 2025-26 shifted from responding to Rule 9 information requests, 46 received in total, to a combination of hearing preparation and attendance, report consideration and contribution to Executive responses, as follows:

- Module 1 – Resilience and Preparedness: Contributed to Executive Office-led supplementary responses published on 18 July 2025 and 16 January 2026 and worked with Northern Ireland Civil Service departments to implement accepted recommendations.
- Module 2 – Core UK Decision-Making and Political Governance: Contributed to the Executive Office-led response published on 18 March 2026, alongside ongoing cross-departmental work to implement accepted recommendations.
- Module 3 – Impact of the COVID-19 Pandemic on Healthcare Systems in the Four Nations: The Module 3 report was published on 19 March 2026 and remains under consideration, with initial Executive responses due in September 2026 which will incorporate the Department of Health's position.
- Module 7 – Test, Trace and Isolate: Departmental witnesses prepared for and attended public hearings held between 12 and 20 May 2025.
- Module 6 – Care Sector: Departmental witnesses prepared for and attended public hearings held between 30 June and 31 July 2025.

The Healthcare Inquiries Oversight Directorate (HIOD)

The Healthcare Inquiries Oversight Directorate (HIOD) was established in October 2024. HIOD's mandate encompasses a variety of functions that support the Department in fulfilling its obligations regarding healthcare inquiries.

The HIOD is responsible for overseeing the implementation of recommendations from relevant public Inquiries and associated Reports. This includes the Independent Neurology Inquiry, the Cumberlege and Hughes Reports and the NI elements of the UK wide Infected Blood Inquiry, as well as several legacy workstreams. To ensure effective delivery, the Directorate established governance structures to oversee and assure the implementation process, which includes interpreting and accepting inquiry recommendations while aligning actions with agreed objectives. Another key aspect of HIOD's remit is the creation of a Programme Management Office (PMO), which coordinates the implementation of relevant inquiry programmes and provides direct support to the Inquiries Implementation Programme Management Board (IIPMB).

The final report from the Urology Services Inquiry (USI) and , the Muckamore Abbey Hospital Inquiry have now been published. It is anticipated that the findings from both inquiries will be incorporated within the IIPMB's remit for implementation and oversight.

Muckamore Abbey Hospital Inquiry

The Muckamore Abbey Hospital Inquiry commenced on 6 June 2022 and the final day of evidence was 10 March 2025. Further informal information sessions on recent experiences of resettlement were held by the Inquiry over the period 3 – 6 June 2025. As these dealt with resettlements outside the Inquiry’s Terms of Reference, they were intended to help inform any recommendations the panel may make in relation to resettlement in their final report.

The Department identified to the Inquiry more than 60,000 documents of potential relevance to the Inquiry in its initial scoping exercise and provided on request at various times more than 9,000 documents to the Inquiry. Over the course of the Inquiry, the Department also provided 13 witness statements running to 28,744 pages with exhibits.

In support of these statements, evidence was provided to the relevant Inquiry modules by two previous Permanent Secretaries, the current Chief Medical Officer, the previous Chief Social Work Officer, the previous Chief Nursing Officer and one current, and one previous, Director of the Department.

The Inquiry solicitor issued a Rule 13 Warning Letter to the Minister on behalf of the Department on 15 December 2025. The Departmental response to this was submitted to the Inquiry on 29 January, in advance of the 30 January deadline.

Following an update by the Chair on 2 March 2026, the final report was expected to be published in June 2026, with a further update on the specific date to be provided nearer the time.

The Inquiry published their final report on 18 June 2026.

Urology Services Inquiry

The establishment of the independent public Urology Services Inquiry (USI) was announced by the then Health Minister, Robin Swann, MLA on 24 November 2020. Chaired by Christine Smith, KC the USI commenced work on 06 September 2021, and on 01 October the Department was designated as a core participant. The Inquiry has a governance focus and excludes issues of clinical practice under the remit of the GMC. Since September 2021, the Department has received five Section 21 Notices; one request for discoverable documentation and four requests for departmental witness statements. As a consequence, a total of over 5,500 discoverable documents have been submitted to the USI.

The USI concluded hearings on 13 June 2024, and published its report on 24 June 2026.

Inquiry into Hyponatraemia Related Deaths

The public Inquiry into Hyponatraemia-related Deaths (IHRD) was established in November 2004. The report published in January 2018, included 96 recommendations, which comprise 120 actions - the vast majority of which fall to the Department and HSC Bodies. As of March 2026, of the 120 actions in the IHRD report, 70 have been actioned and there has been strong progress across the majority of the remaining 50 actions.

Work continues on the remaining outstanding actions from the Inquiry including work to redesign the current Serious Adverse Incident Procedure, to develop and implement a Being Open Framework, and to bring forward legislation in relation to Duty of Candour.

Being Open Framework

A public consultation exercise in relation to a draft Being Open Framework ran for 15 weeks ending on 28 March 2025. The consultation responses were analysed by the Department and revisions made to the draft Being Open Framework taking account of the consultation feedback. The Minister subsequently approved and launched the Being Open Framework on 19 February 2026.

The Framework aims to ensure that individuals within our health and social care system are fully empowered to exercise candour and openness, and that HSC organisations have in place the necessary support and systems required to enable and to nurture a truly open culture. The Framework is viewed by the Department as a key component to assist in further enabling and supporting an open, just and learning culture in our HSC.

The Department and the HSC recognise that to fully realise the intended improvements and benefits to openness culture required by the Being Open Framework is a journey and will not be immediate. The Department is committed to supporting the HSC throughout 2026 and beyond to achieve full implementation of the Framework, recognising also the importance of local ownership to ensure successful organisational implementation.

Serious Adverse Incident Procedure

A programme to redesign the current Serious Adverse Incident (SAI) Procedure is progressing. This work is continuing at pace and is a Departmental priority.

This programme of work will seek to address relevant recommendations arising from the RQIA Review of Systems and Processes for Learning from SAIs, the Inquiry into Hyponatraemia-related Deaths (IHRD), and the Independent Neurology Inquiry (INI). Together these reports have provided a clear and strong evidence base underpinning the need to refresh and redesign the current approach to learning following SAIs.

The Department collaborated and extensively engaged with a number of key stakeholders to appropriately inform draft policy proposals and develop a draft Strategic Patient Safety Incident Framework and supporting documentation. A public consultation seeking views on the draft Framework and supporting documentation launched on 10 March 2025 and closed on 6 June 2025.

As at March 2026, officials are now at an advanced stage in completing detailed analysis of the feedback following the public consultation, and refining and finalising updates to the Strategic Framework and supporting documentation.

It is anticipated that the new Strategic Framework will see a fundamental change in how the HSC will deliver learning and continuous improvement following patient safety incidents. The new approach will seek to support an open, just and learning culture, recognising that the healthcare system is complex and that when things do go wrong there can be many contributing factors and that systems-based learning is key to service improvement and to better patient outcomes.

Once the final proposals are agreed for the new Strategic Framework and supporting documentation, an implementation and managed transition phase will commence in 2026.

Duty of Candour

The IHRD report made eight recommendations related to duty of candour including the introduction of both a statutory organisational duty of candour and a statutory individual duty of candour.

Officials are currently taking forward two major strands of work in relation to Duty of Candour in Northern Ireland: (i) an Organisational Duty of Candour Bill, and (ii) participation in the UK wide Public Office (Accountability) Bill, often referred to as the Hillsborough Law. Delivery of both pieces of legislation above will align Northern Ireland with the other UK nations in relation to provision for statutory Duty of Candour. Maintaining broad alignment with the rest of the UK in relation to statutory duty of candour provisions will help ensure consistency and clarity for staff and patients, supports public confidence, and helps avoid unintended consequences such as recruitment or retention challenges should Northern Ireland adopt a different regime.

Inquiries Implementation Programme Management Board

The Inquiries Implementation Programme Management Board is the Department's overarching governance structure to oversee the implementation of recommendations arising from relevant healthcare-related public Inquiries and associated Reports. It is chaired by the Permanent Secretary and has a membership consisting of both senior internal Departmental and external representatives.

The IIPMB provides a dedicated mechanism to monitor the implementation of recommendations from these public inquiries, and a framework promoting a consistent approach to identifying common themes across Inquiry recommendations, while ensuring that actions are tailored to address the specific findings of each inquiry. This approach is to support broader strategic alignment and improved collaboration across relevant health and social care organisations.

The IIPMB has an Assurance Sub-Group, chaired by Dr. Patricia Donnelly, and Inquiry-specific Liaison Groups co-Chaired by Brian O'Hagan (HSC Leadership Centre Associate). The IIPMB currently oversees implementation of the outstanding recommendations arising from the Inquiry into Hyponatremia Related Deaths and the Independent Neurology Inquiry. In addition to this, the Northern Ireland aspects of the Infected Blood Inquiry and the Cumberledge and Hughes Reports also fall under these governance arrangements. It is anticipated that the Muckamore Abbey Hospital Inquiry Report and the Report of the Urology Services Inquiry will also fall under these arrangements following their publication.

PERFORMANCE ANALYSIS

Further detail on the performance of the Department is included in the performance analysis below.

ALB Performance

Details of the 2025-26 individual performance of the Department's ALBs are detailed in full within their own Annual report and Accounts. These are all published and can be accessed on the ALB websites.

HSC Performance

Within the Department, HSC performance is overseen by the Strategic Planning and Performance Group (SPPG). The Strategic Priorities document, issued in July 2024, set out the short-term Ministerial and Departmental priorities for the HSC system for 2025-26, known as the System Oversight Measures (SOMs).

Progress against the SOMs was monitored monthly, with performance (including variance from expected levels) reported by HSC providers. Quarterly performance updates were presented to the Department's Senior Leadership Team (SLT), supported by highlight reports in intervening months.

By the end of 2025-26, performance data was available for 49 SOMs (68%). Data for the remaining metrics was unavailable due to the ongoing development and validation of Encompass reports and agreed reporting time lags. Where data was available, performance was either in line with or exceeded targets across five priority areas. Areas of underperformance were subject to active monitoring by SPPG and PHA service leads, with targeted improvement programmes in place and escalation, where necessary, through the HSC Support and Intervention Framework (SIF).

The SIF, introduced in October 2024, strengthens performance management by setting out clear arrangements for assurance, support and intervention in relation to Ministerial priorities and key deliverables. It enables early identification of emerging issues and provides five levels of escalation, from Level 1 (Area of Concern Identified) to Level 5 (HSC Board-level Intervention).

Since its introduction, 41 areas of concern have been addressed and closed, with 35 de-escalated and eight escalated, reflecting ongoing engagement, targeted support and proportionate intervention.

The planning and delivery of HSC services continued to be significantly impacted by pressures right across the region in 2025-26. In particular, demand across the system and unacceptable waiting times for emergency and unplanned care proved extremely challenging.

While it is acknowledged that waiting times for outpatient assessment, diagnostics, inpatient and day case treatment remain far from satisfactory, significant efforts have continued to ensure that the most urgent and time critical patients received the care they needed and also to improve services for patients.

A number of the key challenges and also some examples of the key achievements, in terms of making a positive impact on the care, health and wellbeing of service users are highlighted below.

Elective Care

The extant Ministerial waiting time targets for elective care are as follows:

- 50% of patients should be waiting no longer than 9 weeks for an outpatient appointment and no patient waits longer than 52 weeks;
- 75% of patients should wait no longer than 9 weeks for a diagnostic test and no patient waits

- longer than 26 weeks; and,
- 55% of patients should wait no longer than 13 weeks for inpatient/day case treatment and no patient waits longer than 52 weeks.

Regionally, at 31 March 2026 ¹:

- Outpatients:
 - 510,680 patients were waiting for a first consultant-led outpatient appointment, compared to 527,062 at 31 March 2025. Of these, 443,657 (85.1%) patients were waiting longer than nine weeks compared to 459,020 (87.1%) at December 2025; and 276,312 (54.1%) were waiting more than 52 weeks, compared to 291,387 (55.3%) at 31 December 2025.
- Inpatient/Day Case Treatment:
 - 82,568 patients were waiting for inpatient or day case admission to hospitals in Northern Ireland, compared to 87,156 at December 2025. Of these, 52,883 (64%) of patients were waiting longer than 13 weeks compared to 57,261 (65.7%) at the end of December 2025; and 29,314 (35.5%) were waiting more than 52 weeks compared to 33,903 (38.9%) at the end of December 2025.
- Diagnostics:
 - 219,917 patients were waiting for a diagnostic test compared to 229,369 at December 2025. 129,394 (58.8%) were waiting longer than 9 weeks compared to 140,910 (63.2%) at the end of December 2025; and 78,533 (35.7%) were waiting more than 26 weeks compared to 85,996 (38.6%) at the end of December 2025.

Further information on waiting time statistics is published on the DoH website at <https://www.health-ni.gov.uk/topics/hospital-waiting-times-statistics>

Some of the efforts made to address the many challenges are detailed below:

- The HSC received £85 m non-recurrent funding in 2025-26 for red flag/time critical elective waiting lists. Supporting the traditional approach of securing additional capacity from within the HSC and from a range of Independent Sector (IS) providers, a number of private healthcare providers provided services using available HSC infrastructure to see and treat HSC patients. At the end of 2025-26 (1 April 2025-31 March 2026), approximately 314,000 outpatient/allied health profession assessments, diagnostic tests and inpatient/day case procedures have been delivered within this £85m.
- As part of the Elective Care Implementation and Funding Plan, there is a broad focus on reducing the number of patients waiting across all specialties. Despite the current financial

¹

¹ On 9 November 2023 the South Eastern Health and Social Care (HSC) Trust launched 'encompass' - a new electronic patient record system. The system also went live in Belfast HSC Trust on 6 June 2024, in Northern HSC Trust on 7 November 2024, and in Southern and Western HSC Trusts on 8 May 2025.

¹ Figures sourced from encompass are considered to be 'official statistics in development', which are a subset of Official Statistics in line with the Code of Practice for Statistics. While caution must be exercised when using these figures and they are not directly comparable with legacy (pre-encompass) data, they are a meaningful representation of what they measure and are of sufficient quality for publication and use.

¹ Pure Tone Audiometry data sourced from encompass are currently under review with HSC Trust services and are therefore subject to change.

¹ Please note that diagnostic waiting times figures for quarter ending 31 December 2025 have been revised in this publication.

¹ Data for Belfast, Western and Southern Trusts may include duplicate records that could not be validated by the Trusts in time for publication, which could affect up to c. 0.4%, 1.1% and c. 0.8%, respectively, of the total figures for these Trusts. Data for Southern Trust may also include specialties that could not be fully validated in time for publication.

¹ Community Paediatrics data sourced from encompass are currently under review and are higher than in previous quarters.

¹ Due to system issues, a small number of outpatient Ophthalmology waits have been captured as day case waits.

constraints, there has been significant progress in relation to the number of patients who were projected to be waiting four years by the end of March 2026. Between April 2025 and March 2026, there was a reduction of 54% for outpatients, 67% for inpatient and day-case, and 99% overall for the named procedures in the Elective Care Framework.

- The *Regional Outpatient Modernisation Group* has supported the transformation of outpatient services across the region with a focus on two key workstreams:
 1. Improved efficiency of triage pathways – enhanced triage ensures patients are triaged to the most appropriate pathway, rather than being directly added to an outpatient waiting list. This will streamline patient pathways, reduce waiting times for outpatient appointments and improve communication with patients and primary care.
 2. Improved efficiency of review processes – through the introduction of Patient Initiated Follow-Up (PIFU) pathways, patients can access support when they need it rather than attending routine follow-up appointments. This frees up clinic capacity to ensure clinicians can see those patients most in need in a timely manner. 12,000 patients are currently on a PIFU pathway.
- The Waiting List Management Unit (WLMU) continued to work with HSC Trusts to ensure elective waiting lists are accurate and include only patients requiring assessment or treatment. Through routine administrative and clinical validation undertaken as part of normal business, approximately 62,100 outpatient records were removed between April 2025 and March 2026.
- To modernise and target validation more effectively, QR code-based patient validations have been introduced for long waiters. Since introduction, over 10,500 surveys have been issued, with over 7,650 responses received and almost 2,100 patients removed from waiting lists, representing a 27% removal rate across multiple specialities and procedures. The WLMU continues to work with Trusts to identify further procedures for inclusion in the QR validation programme.
- Progress has also been made in improving patient communication. SPPG, working with Trusts, has implemented a regional text-messaging service to reduce DNA rates and support waiting list management. This covers appointment acknowledgements, reminders, waiting list validation texts and >52-week waits validation texts, with standardised templates aligned to the Integrated Elective Access Protocol (IEAP). Compliance and activity are monitored monthly.
- Access to waiting time information has also improved. The My Waiting Times NI webpage provides average waiting times for assessment, treatment and diagnostics and has seen significant growth in usage, with approximately 415,000 page views in 2023/24, 634,000 in 2024-25, and over 1.2 million page views in 2025-26, demonstrating increased public demand for transparency.
- During 2025-26, the Regional Endoscopy Reform and Modernisation Group (RERMG) continued to deliver the priorities set out in the Elective Care Framework (ECF), with a core focus on reducing and equalising endoscopy waiting times across Trusts. The endoscopy waiting list peaked in June 2022 at 39,693 patients across all urgency categories. By March 2026, this had reduced to 12,707 patients, representing a reduction of 26,986 patients (68%).
- Work has continued to implement regional endoscopy capacity at Lagan Valley and Omagh Hospitals. Across both sites, 30 weekly sessions were funded, delivering capacity for approximately 9,000 cases per year (dependent on case mix). By the end of March 2026, the centres had delivered a combined total of 19,679 endoscopy procedures, including 6,034 procedures in 2025-26.

- The Regional Medical Imaging Board continues to oversee implementation of the recommendations within the Strategic Framework for Imaging Services. Key deliverables during 2025-26 include:
 - The provision of recurrent funding to both Rapid Diagnosis Centres (RDCs) at Southern and Northern Trusts to acquire two new CT and MRI scanners and associated staffing resources. The RDCs implemented four weekly (funded) clinics for patients with vague but concerning symptoms that may be indicative of cancer. All four scanners became fully operational in 2025-26. Additional pathways have been under discussion by SPPG, with the Cancer Programme ultimately determining the pathways. The utilisation of four sessions in each RDC scanner for red-flag prostate MRI was agreed in February 2026 for full implementation in April 2026. The remaining capacity on RDC scanners continues to be used to improve access for regional cancer patients;
 - All five HSC Trusts transitioned from United Kingdom Accreditation Service (UKAS) accreditation to the Royal College of Radiologists (RCR) Quality Standard for Imaging (QSI) Quality Mark award. Northern Ireland remains the only region in the UK to fully achieve this standard. All Trusts successfully undertook their first assessments under the new RCR scheme;
 - The AI sub-group has continued to oversee and co-ordinate proposals for the introduction of AI into imaging (radiology and pathology) services. An AI algorithm for fracture detection in Emergency and Minor Injury Departments was expanded across all five HSC Trusts. The Southern Health and Social Care Trust undertook discovery work to implement a chest X-ray algorithm pilot;
 - The interventional radiology hub-and-spoke model was further expanded to include Craigavon Hospital within the Southern Health and Social Care Trust, building on the previous successful implementation at Altnagelvin Hospital in the Western Health and Social Care Trust; and,
 - The NIPACS+ programme completed Phase 1, with ongoing migrations under Phase 2. The programme has been extended to July 2026, and the remaining NIPACS+ requirements are under review for delivery assurance;
 - The Capital Subgroup of the Imaging Board meets quarterly and oversees regional equipment replacement projects. In 2025-26, these projects totalled £10.9m. Replacing aged equipment is essential to help improve patient safety, diagnostic quality, reliability, and staff experience. In addition, the Imaging Board submitted a 10-year capital investment plan to the Department of Health for new additional equipment.

Unscheduled Care

During 2025-26, urgent and emergency care services operated under sustained pressure with performance falling significantly short of Ministerial targets. This reflected a persistent imbalance between demand and system capacity, particularly in relation to hospital flow and ambulance handover performance.

Attendances at unscheduled care services remained high across Emergency Departments (ED) Minor Injury Units (MIU) and Urgent Care Centres (UCC). In 2025-26 the total number of attendances at EDs, MIUs and UCCs was 817,307, compared to 800,878 in 2024-25. This included an increase in ED attendances, 656,297 in 2025-26 compared to 640,923 in 2024-25.

Investment under the No More Silos (NMS) Programme has continued to support the reform of urgent care, enabling more effective use of existing capacity and improved accessibility for patients. Urgent Care Centres/Streams, Phone First services, and a range of Rapid Access and Treatment Services are now embedded across all Trust areas.

During 2025-26, 178,846* patients utilised Phone First services across Northern Ireland. Of those:

- 61,843 (34.6%) were given advice or referred to their own GP or an alternative pathway;
- 67,642 (37.8%) were directed to an Urgent Care Centre/Stream or a Minor Injuries Unit, with the majority allocated a scheduled appointment slot; and,
- 49,361 (27.6%) were referred directly to a Type 1 Emergency Department.

** Due to the switchover to the Digital Encompass system, 2025-26 data for South Eastern Health and Social Care Trust's Downe and Lagan Valley Phone First services is not currently available and is not included in the figures above.*

While Phone First and Urgent Care pathways continued to divert significant activity in 2025-26, ED attendances and system pressure remained high due to sustained underlying demand and limited downstream capacity. Demand intensified through winter, with over 1,700 more unscheduled care attendances between October–December than the previous year and a further sharp rise in January 2026. January ED attendances reached 60,962, around 6,000 higher than January 2025.

The influenza season began earlier than in 2024-25, increasing pressure in early winter through higher admissions and staff sickness, although overall incidence was similar. ED performance deteriorated, with four-hour performance falling to 33% for the year (30% in January 2026). Over 136,000 patients waited more than 12 hours, driven mainly by exit block and constrained inpatient flow.

Ambulance services were significantly affected by prolonged ED handovers, reducing ambulance availability and worsening response times. Category 1 responses averaged over 12 minutes against an 8-minute target, while Category 2 responses averaged 1 hour 23 minutes, peaking at over two hours in January 2026. To address this, a two-hour handover backstop was introduced from December 2025, alongside the Release to Rescue protocol from April 2026.

Ahead of winter, £12m was allocated to support Unscheduled Care Improvement Plans, funding short-stay and escalation capacity, Hospital at Home expansion, enhanced frailty assessment, and improved discharge coordination. SDEC services continued to reduce avoidable admissions, supported by a regional Task and Finish Group focused on standardisation and Acute Medicine SDEC.

Despite ongoing mitigations and system oversight, performance continued to reflect the imbalance between demand and capacity, reinforcing the need for sustained system-wide action to improve flow, discharge capacity and ambulance handovers.

Cancer Services

The Ministerial targets for cancer services are:

- All urgent breast referrals should be seen within 14 days
- At least 98% of patients diagnosed with cancer will receive their first definitive treatment within 31 days of a decision to treat;

- At least 95% of patients urgently referred with a suspected cancer should begin their first definitive treatment within 62 days

In 2025-26, regional performance against the above targets was below the required level. 14-day performance in breast cancer was 10% against a target of 100%; 31-day performance was 88% against a target of 98%; and, 62-day performance was 31% against a target of 95%.

Performance against the urgent breast referral target remains unacceptably low, driven by sustained consultant vacancies in surgery and radiology and wider demand–capacity gaps.

In May 2025, a single regional breast assessment waiting list was introduced to address longstanding inequalities in access. This ensures patients are offered the earliest available appointment anywhere in Northern Ireland rather than being constrained by Trust boundaries. While necessary to eliminate postcode variation, this resulted in a temporary deterioration in reported performance as a shared backlog entered the system.

Recovery actions include £5 million through the Elective Care Framework (ECF) to expand core capacity, alongside a payment-by-results pilot to increase evening and weekend clinics. Work continues with Trusts to establish a sustainable, consultant-led service model, supported by expanded multidisciplinary teams and enhanced skill mix.

The Ministerial requirement is that 98% of patients commence treatment within 31 days of diagnosis. Regional performance across all tumour sites was 88% in 2025-26. While below target, performance has remained relatively stable year-on-year, indicating system resilience despite workforce and capacity pressures. Further improvement remains a key priority.

Delivery of the 62-day standard continues to present significant challenge. Regional performance fell slightly to 31% in 2025-26, compared with 33% in 2024-25. The pathway is particularly affected by workforce shortages, limited access to diagnostics, endoscopy and scopes, and pathology reporting delays.

Trusts continue to pursue recruitment, including international campaigns, and to develop alternative skill mix models. Independent sector capacity is being used where available to mitigate pressures.

The ECF Implementation and Funding Plan is the Department’s primary mechanism for addressing cancer waiting times. It is supported by a ring-fenced £85 million allocation in 2025-26 for red-flag, cancer and other time-critical services.

This funding is being used to expand core capacity across diagnostics, endoscopy and elective specialities, with particular focus on urology, breast, dermatology, ENT, plastics and gynaecology—all of which are critical contributors to performance against the 62-day cancer standard.

Through the ECF, significant investment is also being directed towards endoscopy services, alongside multi-year expansion of CT, MRI and non-obstetric ultrasound (NOUS) capacity. These interventions are aimed at addressing early pathway bottlenecks that most significantly delay diagnosis. In parallel, short-term stabilisation measures, including additional in-house clinics and the use of independent sector capacity, are being deployed to ensure patients are seen as early as possible.

Commencement of Allied Health Professional (AHP) Treatment Standard

The extant maximum waiting time target is that no patient should wait longer than 13 weeks from referral to commencement of treatment by an AHP.

At the end of March 2026, 51,602 patients were waiting longer than 13 weeks from referral to commencement of AHP treatment. While this represents a 5.2% increase compared with March 2025, numbers have reduced from a peak of 61,568 in September 2025, indicating recent improvement.

AHP services continue to work with Trust and Department of Health colleagues as part of the performance management process. This includes validation exercises and applying service improvement approaches.

Patient Discharges

Due to the implementation of the Encompass system, there are currently challenges in providing data from all HSC Trusts on delayed discharges. The Regional Control Centre (RCC) meets regularly with all Trusts to review delays in medically fit patients awaiting discharge into the community using locally held operational Trust data.

All Trusts have been instructed to review staffing levels and weekend discharge arrangements to enhance the rates of discharges during weekends, aiming to improve patient flow through the hospital. This is intended to help reduce the number of patients requiring admission from the ED at the beginning of each week. Moving to 7-day working across unscheduled care services within Trusts is constrained due to financial pressures.

Mental Health Services

Extant waiting time targets require that no patient waits longer than nine weeks to access child and adolescent mental health services (CAMHS); nine weeks to access adult mental health services; nine weeks to access dementia services; and 13 weeks to access psychological therapies.

At the end of March 2026 (*excludes data for Belfast Trust for adult mental health, dementia and psychological therapies*):

- 395 patients were waiting more than nine weeks to access CAMHS, compared to 779 waiting in March 2025;
- 1,357 patients were waiting more than nine weeks to access adult mental health services compared to 2,720 in March 2025 (excludes Belfast Trust);
- 842 patients were waiting longer than nine weeks for dementia services compared to 1,102 in March 2025 (excludes Belfast Trust); and
- 4,221 patients were waiting longer than 13 weeks for psychological therapies compared to 4,636 in March 2025 (excludes Belfast Trust).

While the maximum waiting time standard for CAMHS has not yet been achieved regionally, performance has improved markedly, reflecting sustained recovery efforts following earlier periods of high demand and system pressure. Services have largely returned to face-to-face delivery, with non-face-to-face options retained where appropriate.

The Mental Health Strategy continues to guide improvement, with progress made across key enabling actions, including the Mental Health Outcomes Framework, workforce priorities, and the Early Intervention and Prevention (EI&P) Plan. Key CAMHS-related achievements include strengthened early intervention arrangements, establishment of multi-agency EI&P governance, investment in specialist CAMHS services, rollout of Emotional Wellbeing Teams in Schools, progress on digital mental health

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discovery, and publication of a refreshed Infant Mental Health Framework (2026). Workforce capacity and regional crisis services for young people remain priority areas.

Progress continues to be constrained by ongoing funding pressures, with full Strategy investment not yet realised, which may limit the pace of further improvement.

The Mental Health Strategy (2021-31) continues to be implemented, despite funding not being fully realised. During 2025-26 progress was made on improving data quality, particularly with the development of KPIs for delayed discharges and the refinement of data subsets to be captured across key interfaces with mental health services. These include:

- substance use and co-occurring conditions;
- eating disorders;
- personality disorders; and,
- trauma and forensic services through established Care Networks.

Key achievements for Regional Mental Health Services (RMHS) during 2025-26 included the establishment of regional governance through the RMHS Collaborative Board. This provided a system-wide forum for shared decision-making, alignment and oversight across sectors. Lived and living experience was embedded across all priorities and workstreams, led by the RMHS Regional Service User Consultant.

Further progress was made in driving regional consistency through early implementation of shared approaches, including development of a regionally consistent Community Mental Health Model. Integration across primary care, community and voluntary sectors, and secondary care progressed from engagement to active partnership. More joined-up, neighbourhood-based approaches were tested through the establishment of Area and Local Mental Health Collaboratives.

SPPG oversight and delivery of this work will continue in 2026-27.

Future Performance

Key targets for ALB future performance and the Department's 2026-27 business plan will be a matter for agreement with the Health Minister. They will remain centred on advancing the patient safety agenda through a focus on a just, open and learning culture within available resources and movement to a Neighbourhood model of health and wellbeing.

FINANCIAL PERFORMANCE

2025-26 Financial Performance

Budgeting Framework

The Department of Finance (DoF) is responsible for management of the Northern Ireland Budget process in line with a budgetary framework set by Treasury.

The total amount a department spends is referred to as the Total Managed Expenditure (TME); which is split into:

- Annually Managed Expenditure (AME); *and*
- Departmental Expenditure Limit (DEL).

The Treasury, and in turn the Executive, do not set firm AME budgets. They are volatile or demanded in a way that departments cannot control. The Department monitors AME forecasts closely and this facilitates reporting to DoF, who in turn report to the Treasury.

As DEL budgets are controllable, the Treasury sets firm limits for DEL budgets for Whitehall departments and Devolved Administrations at each Spending Review. The NI Executive, based on advice from the Finance Minister, will in turn agree a local Budget that will set DEL controls for Executive Departments. The Treasury DEL limits may change at fiscal events during the financial year, and any resulting adjustments to departments' DEL controls are agreed by the Executive at In-Year Monitoring rounds.

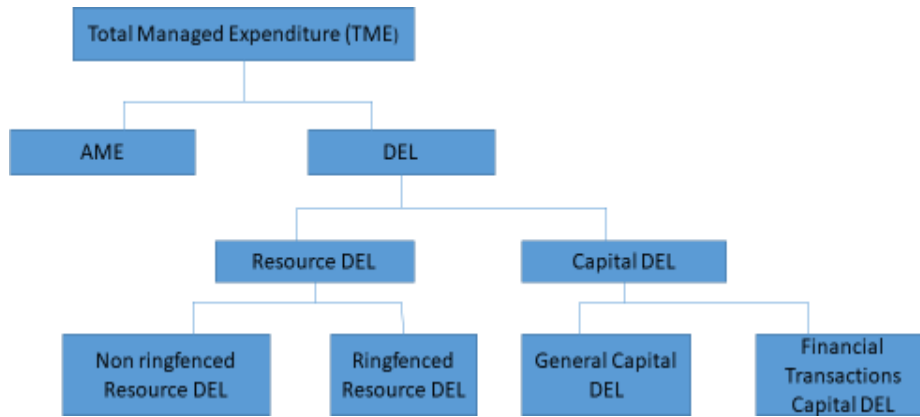
DEL budgets are classified into resource and capital.

- Resource budgets are further split into non-ringfenced resource that pays for programme delivery and departmental running costs and ringfenced resource that covers non-cash charges for depreciation and impairment of assets.
- Capital DEL is split into 'Financial Transactions Capital (FTC)' which can only be used for loans or equity investments in private sector organisations; and 'general' Capital for spending on the purchase and/or acquisition of assets.

Further detail on the Budgeting Framework can be found in the Consolidated Budgeting Guidance published by Treasury.

[Consolidated budgeting guidance 2025 to 2026 - GOV UK](#)

Budget Structure*



*In line with the Treasury direction, from 2026-27, the depreciation, impairment and student loan ringfence budget will form part of Resource AME, instead of forming part of Resource DEL.

Budgetary Performance

Details of the Department's performance against Budgetary Control totals is set out in the table below.

	Final Plan 2025-26	Updated Provisional Outturn* 2025-26	Under- spend / (Over- spend)
	£'000	£'000	£'000
Resource DEL	9,163,515	9,153,240	10,275
<i>Including</i>			
<i>Non-ringfenced</i>	8,898,329	8,897,022	1,307
<i>Ringfenced D/I</i>	265,186	256,218	8,968
Capital DEL	377,651	377,371	280
<i>Including</i>			
<i>General Capital</i>	377,689	377,408	281
<i>FTC</i>	(38)	(37)	(1)
Total DEL	9,541,166	9,530,611	10,555
AME	709,957	215,330	494,627
<i>Including</i>			
<i>AME Resource</i>	692,787	203,433	489,354
<i>AME Capital</i>	17,170	11,897	5,273
Total Managed Ex- penditure	10,251,123	9,745,941	505,182

* figures differ from published provisional outturn due to adjustments from previously reported figures on finalisation of DoH group consolidated accounts

Explanation of Variances

Resource DEL Budget underspend:

The Department reported an overall resource underspend against the final budget of £10.3m (0.11%). This reflects an underspend of £1.3m (0.01%) against the cash resource budget, made up of a range of small underspends across a variety of programmes of work. There is also £9.0m of a non-cash underspend (3.38%) due to the uncertainty around depreciation forecasts.

Capital DEL Budget underspend:

In respect of capital the Department reported an overall underspend against final budget of £0.3m (0.07%), this is mainly due to the reallocation of funds at end year across several ALBs.

Annually managed expenditure (AME) underspend:

Expenditure that HM Treasury has deemed demand-led and volatile is treated as AME. The Department's AME is additionally subject to many variables outside its direct control, such as changes to the discount rates in measuring the value of long-term provisions liabilities.

The total AME Resource Budget underspend is £494.6m. The key components of this underspend are as follows:

- Significant contingency had been built into the budget in relation to potential issues that may have required provisions which did not fully crystallise in year;
- Underspend in relation to legal cases which are inherently volatile. A contingency was built into these provisions to guard against any unexpected increases in these areas after the budget had been set. By year end the full estimate for new cases had not materialised;
- The Depreciation and Impairment underspend primarily relates to the overall reduction of depreciation costs reported by the ALBs;
- The Capital AME underspend is primarily a result of fewer people submitting applications than was anticipated, following a commitment by the UK Government to make interim infected blood compensation payments to the estates of infected people who died.

A detailed analysis of Outturn detail by Estimate line can be found within note 1 of the Statement of Outturn against Assembly Supply (SOAS).

HSC Capital Investment

The Capital Departmental Expenditure Limit (DEL) budget available for 2025-26 amounted to £377,651k, against a provisional expenditure of £377,371k. In line with Departmental policy, the current investment programme focuses on the enhancement of the estate to support the Department's service delivery and reform objectives by:

- Major upgrading of acute services to facilitate more effective hospital services;
- Investment in mental health and learning disability facilities;
- Providing more treatment and care closer to where people live and work;
- Investment in emergency services, ICT and technology;
- Estate upgrading to address key infrastructural and backlog maintenance risks; and
- Investment in Research and Development.

The following projects remain ongoing as at 31 March 2026:

- RVH Maternity New Build;
- RVH Children's Hospital;
- Glenmona Replacement Intensive Support Unit ;
- Lisnaskea Health and Care Centre;
- Investment in electrical infrastructure at Daisy Hill Hospital;
- Midwifery Led Unit at Antrim Area Hospital;
- Strabane Health and Care Centre;
- Encompass; and
- Equip.

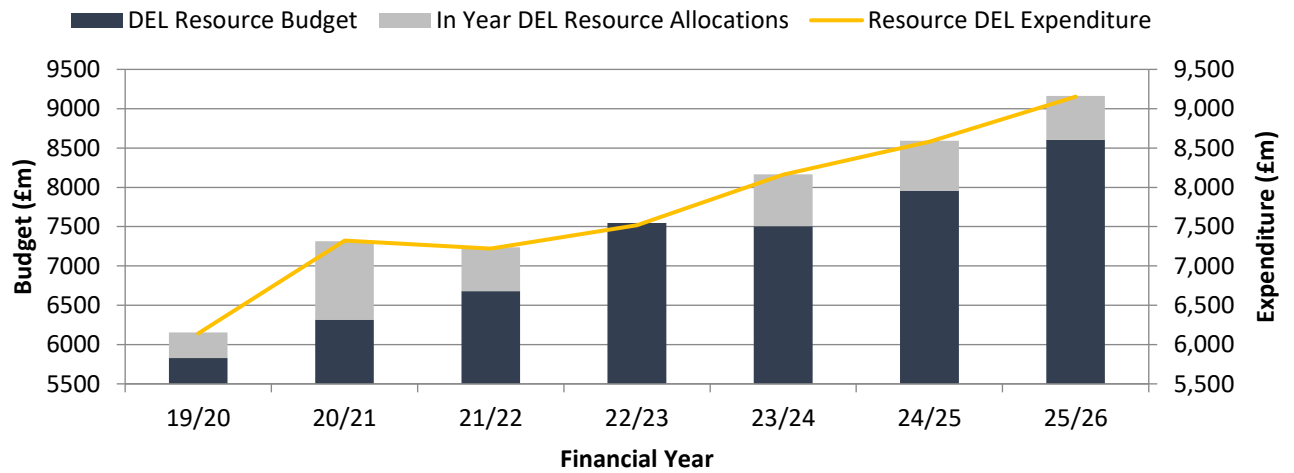
In addition, investment was provided for the following key areas:

- £15.1m in the Northern Ireland Fire and Rescue Service for fleet, equipment and estate;
- £7.7m in the Northern Ireland Ambulance Service for fleet, estate, equipment;
- £80.0m in information technology (excluding Encompass and Equip);
- £19.3m in research and development;
- £6.3m in GP Practices.

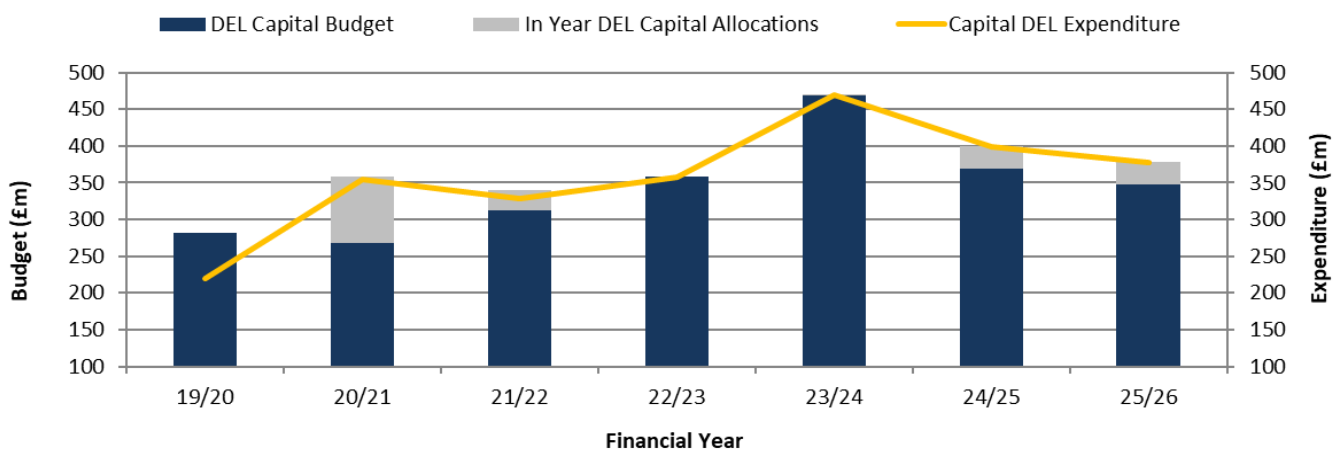
The level of financial risks to capital expenditure plans will be kept under continuing review in order to ensure that plans are amended as necessary to best manage these risks. Where financial guarantees, indemnities or letters of comfort are in existence in relation to HSC capital investment, these are disclosed within note 15.1 to the accounts.

Long-term Expenditure Trend Analysis

Resource Analysis



Capital Analysis



Whilst the Department's resource allocation has increased annually, these uplifts have not kept pace with inflationary pressures on pay and non-pay costs, rising demand driven by an ageing and growing population, or the additional financial pressures associated with new treatments and evolving patient expectations.

Across the budget period 2019-20 to date, it is of note that the Health Sector has been heavily reliant on securing additional non-recurrent resource funding via in-year monitoring rounds and specific financial packages such as Confidence and Supply and Covid-19 funding in order to live within budget. 2025-26 has proved no different. Operating against a backdrop of this uncertainty, from both the Health Sector and the Department's perspective, hinders the effectiveness and ability to plan ahead and operate in a more strategic and less reactive manner. In order to maximise health outcomes for the population of Northern Ireland it is strategically important that there is not an over reliance on non-recurrent funding sources but recurrent stability.

There is also a need for further and sustained capital investment to rebuild our health service. Many of our hospitals are 50 to 60 years old and some mental health facilities are almost 200 years old. The key issue of any capital investment programme is the affordability of schemes in future years and without this additional investment the Department will not be able to commit to any significant new health investment projects, for example in mental health, emergency departments and theatre capacity, emergency services, diagnostic equipment, and primary and community care facilities.

Looking ahead to the 2026-27 financial year:

In the absence of an agreed budget the Department of Finance has issued contingency envelopes as a necessary interim measure to maintain the delivery of essential public services while ensuring spending remains within legal and financial control limits. In the meantime, the Budget Act (NI) 2026 provides legal authority for expenditure on a "vote on account" basis, initially permitting departments to access approximately 45% of their prior year allocations. In the continued absence of a Budget, further statutory contingency provisions may be invoked, enabling the DoF Permanent Secretary to authorise expenditure of up to 95% of the previous year's provision, subject to significant practical constraints.

The contingency planning envelope issued to the Department of Health is some £8.4 billion which is in line with the opening allocation Health received the previous year.

In this context, we are having to make significant savings and cuts to services to fund fundamental cost increases, such as pay and price inflation.

Looking ahead we will continue to need significant recurrent investment to enable us to continue to implement longer term plans to rebuild services within the funding envelope provided, to sustain services going forward and address key issues such as tackling Northern Ireland's waiting lists and funding the cancer and mental health strategies.

The Department will continue to challenge its ALBs in relation to the robustness of its assessed forecast pressures. The Department fully expects that the current, constrained budgetary environment will continue to present a significant challenge for the Health Sector. The Department continues to make the case each year for additional funding based on an analysis of the financial pressures facing the sector. However, the Department does not determine what the final outcome will be each year as Health pressures are considered alongside other competing pressures across all Departments.

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The Department's Legislative Programme

Any Departmental programme of legislation is subject to the agreement of its Minister, to agreement by the Executive and, where necessary, prioritisation by the Executive. The Department legislative programme of work for 2025-26 and proposed programme for the rest of the 2022-27 mandate is detailed below:

Overview of Bills – Remainder of Mandate 2022-27

Year	Title
2025-26 Introduced	Hospital Parking Charges Bill
2025-26 Legislation Programme	Control of Data Processing Act
2026-27 –Legislation Programme	Safe and Effective Staffing Bill Organisational Duty of Candour
Deferral to next mandate	The Minimum Unit Price of Alcohol Bill did not receive full Executive support and will therefore not be introduced this mandate. Pharmacy Profession Regulation Bill - Deferred until next mandate Mental Health and Capacity - Deferred until next mandate Public Health Bill - Deferred until next mandate

Equality and Human Rights

The Department complied with its statutory equality and human rights duties under Section 75 of the Northern Ireland Act 1998 and the Human Rights Act 1998 throughout 2025-26. Equality and human rights considerations were integrated into policy development and service delivery through routine screening and, where appropriate, full impact assessments. All completed screenings and assessments were published in line with statutory requirements.

Rural Needs Act (NI) 2016 screening requirement

The Department of Health in Northern Ireland complied with its duties under section 3 of the Rural Needs Act (NI) 2016, compiling and submitting the required information on how it has had due regard to rural needs in the exercise of its functions throughout 2025-26. This information is provided annually to DAERA for inclusion in the Rural Needs Annual Monitoring Report, ensuring transparency and accountability through publication and laying before the Assembly. All relevant impact assessments and screenings are published on the Department's website:

<https://www.health-ni.gov.uk/articles/doh-equality>

Sustainability Report

This sustainability report has been prepared in accordance with NI's Sustainability Reporting Guidance 2025-26, which is aligned with HMT sustainability reporting guidance and the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

All information included in this sustainability report conforms to the normal public sector financial year of 1 April to 31 March. As NI's Sustainability Reporting Guidance 2025-26 was issued to NICS departments mid-year, departments were unaware of the information they were expected to collect at the start of the 2025-26 financial year. This has led to omissions in data reporting that will be explained in the report.

The organisational boundary used in this sustainability report is the core department. This included staff working in Strategic Performance and Planning Group. The information disclosed in this report relates to the estate that the department occupies. It also includes the environmental impact from a building that is rented by the department. In cases where a building is shared by two or more departments, the data is proportioned by the floor space utilised by the tenant. For example, if a department rents 50% of the floor space of a building, the department will report 50% of the emissions associated with that building.

The Department acts as its own policy administrator, coordinating data collection, assurance and preparation of this report.

Governance

The Department Board has overall responsibility for the oversight of the department's climate related issues. Resource and Corporate Management Group (RCMG) is responsible for setting the strategic direction and ensuring that the department carries out its duty under the Climate Change Act (NI) 2022²

²The Climate Change Act (Northern Ireland) 2022 places duties on all Departments to contribute to climate action plans and emission reduction targets.

namely.

(a) to exercise its own functions, so far as is possible to do so, in a manner that is consistent with the achievement of the objective of the net zero by 2050 for the Northern Ireland emissions account;

(b) so far as is consistent with the proper exercise of its own functions, to co-operate with each of the other departments in the performance by the other department of the other department's duty under paragraph (a); and

(c) to draw up and implement such plans, policies and strategies as may be appropriate for the purpose of performing its duties under paragraphs (a) and (b).

Sustainability, Engineering and Estates Safety Branch (SEES) within Health Estates Directorate leads on the climate engagement across the department and its Arms-length bodies. SEES reports to Resource and Corporate Management Group on all climate related matters and liaises across the Department to collate climate related actions.

Climate Change Action Disclosure

During 2025-26 the Department continued to demonstrate due regard to its statutory duty under the Climate Change Act (NI) 2022, both in the carrying out of its functions and in maintaining a policy environment that is working to transform the delivery of health services.

- The Department's continued compliance with NICS contracted waste disposal and recycling services and the promotion of waste minimization and management through encouraging staff to "Reduce, Reuse, Recycle" as well as the implementation of the NICS *Single-Use Plastic* policy.
- The Department's continued engagement with the Department of Agriculture, Environment and Rural Affairs (DAERA), the lead department for climate change policy, to contribute to the NI Adaptation Programme³, to ensure the health service is resilient against identified risks of climate change, and in the development of cross-departmental actions to adapt to the impacts of climate change;
- The Department's continued engagement with DAERA to assist in the development of the first Climate Action Plan (CAP) for NI for the carbon budget period 2023 – 2027 to mitigate climate change through emission reduction. The Department is represented on the Strategic Oversight Group for Green Growth and also on the Technical Advisory Group for the CAP.
- The continued support for a Departmental and Arms-length Body (ALB) Sustainability Action Group to take forward sustainability priority actions on energy and resource management,

³ The UK Climate Change Act 2008 requires Northern Ireland Government Departments to prepare an Adaptation Programme which responds to the climate change risks and opportunities for Northern Ireland (NI) as identified in the most recent UK Climate Change Risk Assessment (UKCCRA).

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transport, waste management, use of the natural environment, education and training and adaptation. The actions are in line with the Department's strategic priorities and are aimed at supporting the Climate Action Plan by delivering on direct carbon emission savings via efficient use of assets, resources and reducing resource demand. Areas where work has been undertaken this year includes:

- The promotion of the NICS Fleet Decarbonisation framework and guidance to the Health and Social Care Sector.
 - The support of health and social care adaptation planning and reporting with the development and issue of a health and social care risk assessment template for completion by relevant bodies in line with their public reporting responsibilities.
 - The undertaking of a department Climate Change survey to Departmental staff to ascertain attitudes and awareness of Climate change across the department.
 - The establishment of a Health Estates Asset Review Team (HEART) to take forward work on the optimisation of the health estate with the objectives to develop plans for the unoccupied or under used estate through disposal, refurbishment/repurpose or reuse of the estate.
 - Engagement with waste managers within the Health and Social Care Estate for the development of a draft HSC Waste Strategy.
 - The undertaking of an analysis of the health estate to establish the potential for vacant land within the health estate to support solar PV.
- Departmental engagement with Public Health Agency (PHA) to develop a climate change and health protection health needs assessment for Northern Ireland.
This will be used to inform priority areas for a PHA climate action plan (detailed in the PHA corporate plan 2025-2030) setting out actions relating to population health.
 - The launch of Northern Ireland's first strategy focused on the sustainable use of medicines. Valuing Medicines: A Strategy for the Sustainable Use of Medicines in Northern Ireland aims to support improvements in the use of medicines across the Health and Social Care (HSC) system, ensuring they add value to health, are cost-effective, and environmentally sustainable.

Directorates leading in these areas are responsible for reporting on their climate related work through their established group reporting procedures.

Emissions

The Department of Health maintains a policy environment for the delivery of the health services which are delivered by its Arms-Length Bodies.

Direct carbon emissions from policy development for the delivery of health and social care arise from the use of its office estate and the department's vehicle use. Indirect carbon emissions arise from staff business travel, paper printed, waste generated and water consumption.

Scope 1 and 2 Emissions

This section reports on the direct emissions resulting from fuel combustion e.g. gas or oil burnt in boilers (Scope 1) and reporting of indirect emissions (Scope 2) from purchased electricity for office estate occupied by the department. Scope 1 emissions are also reported for fuel burnt from department owned transport.

Emissions reporting scope 1 and 2 has been collated for the following two buildings occupied by the department, Castle Buildings and Linenhall Street, Belfast.

Some departmental staff within the Strategic Performance and Planning Group work out of public buildings owned and reported on by other public organisations. Emissions relating to SPPG staff in these buildings are not able to be collated for departmental reporting however the public buildings they share are reported on in other public sector organisation reports.

The data for Castle Buildings has been provided by the Department of Finance (DoF) and adjusted on a pro rata basis for the floor area of the building occupied by the department.

Due to availability of data from the DoF the 2024/25 financial year has been taken as the first year for sustainability reporting purposes. Emissions reporting the office estate shall continue one year in arrears until further notice.

The data for Linenhall street has been collated by the Strategic Planning and Performance Management Group from invoices from their energy suppliers.

Table 1a: Energy emissions, consumption and cost for fuel burned and purchased electricity in 2024/25 Castle Buildings

Castle Buildings 2024/25	Scope 1 (fuel burned)	Scope 2 (purchased electricity)
Emissions (kg CO_{2e})	320,951 kg CO_{2e}	99,144 kg CO_{2e}
Consumption (kWh Gross CV)	1,586,825 kWh	483,724 kWh
Net Cost (£)	£110,000	£90,000

Table 1b: Energy emissions, consumption and cost for fuel burned and purchased electricity in 2024/25 Linenhall Street.

Linenhall Street Belfast. 2024/25	Scope 1 (fuel burned)	Scope 2 (purchased electricity)
Emissions (kg CO_{2e})	117,924 kg CO_{2e}	46,753 kg CO_{2e}
Consumption (kWh Gross CV)	644746.62 kWh	225803 kWh
Net Cost (£)	£52,349.05	£85,084.00

Conversion factors have been taken from the Government conversion factors for company reporting of greenhouse gas emissions.

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Table 2 provides the calculated emissions from the Departments owned vehicle. This vehicle is the Ministerial car. For 2025-26 reporting the reported figure is estimated based on car age and total miles as recording was not initiated in April 25.

Table 2: Mileage and emissions by department owned vehicle type in 2025-26

Vehicle size/ type	Fuel type	Mileage 2025-26	Kg CO2e 2025-26
1400 cc passenger car	Hybrid Electric	13,000 (est)	312

Source of data: Private Office

The CO2 emissions for this vehicle have been obtained from the DVLA website for this class of car based on registration number.

Scope 3 emissions include fuel burned due to business travel via staff owned transport, business travel using public transport that is claimed back and business travel that is booked via the travel desk.⁴ (Please note this sustainability report does not include data on staff commuting to and from their normal place of work. Vehicle size and vehicle fuel type are unknown for the data below).

Table 3a: Mileage and emissions from vehicles not owned by department in 2025-26. (excluding SPPG as system does not collate)

Year	Mileage	Kg CO2e
2025-26	98,591	26,536 Kg CO2e

Source of data: Account NI

The conversion factor has been obtained from the Government conversion factors for company reporting of greenhouse gas emissions using an average sized car and unknown fuel type.

Costs for business travel that has been claimed back by departmental staff is provided in table 4a and 4b. Staff in SPPG have a different accounting system and data is provided for all business miles travelled public transport costs and Taxi fares.

Table 4a: Expenses claimed for public transport used for official business travel (excludes staff commuting to their regular place of work).

Year	Bus (Cost, £)	Rail (Cost, £)	Taxi (Cost, £)
2025-26	328.37	1,079.45	1,443.95

Source of data: Account NI

⁴ This data is sourced from a system that processes travel claims for departmental staff. The system is administered by the Department of Finance.

SPPG staff utilise a Health and Social Care System for their business expenses. This system cannot report on category of public transport used only costs on public transport overall.

Table 4b: Expenses claimed for private care use and public transport used for official business travel (excludes staff commuting to their regular place of work) for staff in Strategic Performance and Planning Group who claim expenses through a Health and Social care System.

Year	Public Transport (Cost, £)	Taxi (Cost, £)	Private Car (Cost £)
2025-26	4,806.97	491.78	116,907

Scope 3 Departmental Business travel Emissions

The following table has been completed by Selective Travel who undertake all business travel arrangements for the Department. UK Government GHG conversion factors have been used to calculate and report emissions.

Table 5: Air and rail travel booked by Travel Desk for Department of Health incl SPPG

Mode of transport	Category	Class	Year 2025-26	
			Distance (km)	Emissions (kg CO2e)
Domestic flight		Economy	<i>153,989</i>	<i>38,959</i>
		Premium economy	-	-
		Business	-	-
		First	-	-
International flight	Short haul	Economy	<i>14,302</i>	<i>2,236</i>
		Premium economy	-	-
		Business	-	-
		First	-	-
	Long haul	Economy	<i>80,726</i>	<i>9,136</i>
		Premium economy	-	-
		Business	<i>23,926</i>	<i>9,342</i>
		First	-	-
Rail travel		Standard	<i>6,328</i>	<i>144</i>
		First	-	-

Source of data: Selective Travel

Table 6: Hotel stay booked by Travel Desk or equivalent for Department of Health

Country	No. of nights stayed	Emissions (kg CO ₂ e)
UK	133	1,383
Austria	3	42
Ireland	29	725
United States	28	451
Jersey	2	13.4
Norway	1	12.61

Source of data: Selective Travel using DESNZ publication. Data for Norway and Jersey not provided by Selective Travel and this data has therefore been obtained from www.hotelfootprints.org (DESNZ has not published data for Norway or Jersey). Country-specific factors are unavailable for Jersey and a nearest proxy (France) has been used.

Emissions in the above table are for an average class of hotel and are based on each room that is occupied during the stay. The emissions do not differentiate for number of travellers staying in a room.

Table 7: Car hire booked by Travel Desk or equivalent for Department of Health

Year	Mileage	Emissions (kg CO ₂ e)
2025-26	167	167 (miles) x 0.26860 = 44.9

Source of data: Selective Travel

Please note that the car size and fuel type of hired cars is unknown, therefore the emissions are based on average car size and fuel type.

Travel by colleagues in SPPG for flights is accounted for in the above figures. Hotel stays are not yet available.

Scope 3 Paper Printed Records

Paper printed records for 2025-26 are provided below. This data covers all paper sizes, colour and monochrome prints.

Table 8: Paper printed by year: Source of data: IT Assist and SPPG

Year	Paper printed (pages)
2025-26 for core department including SPPG	2,379,640

Responsible disposal of ICT waste

In the specification of the “Framework for disposal services for IT equipment, electronic and electrical equipment”, suppliers must have BS EN ISO 14001; 2015 - Environmental Management System accreditation (or equivalent) before being appointed to the framework.

The framework specification also requires the following from suppliers.

“All equipment that is not resold must be dismantled and recycled/disposed in accordance with the relevant legislation including, but not limited to:

- the Waste Electrical and Electronic Equipment Directive.
- BS EN ISO 14001: 2015.
- the Environmental Protection Act 1990; and
- the Hazardous Waste Regulations.

The Department including SPPG meet these requirements through relevant contracts.

Sustainable procurement

The Department of Health is following the relevant DoF policy for public sector procurement.

The Scoring Social Value policy approved by the Executive, mandated that from June 2022, tenders must include a minimum of 10 percent of the total award criteria to social value. On 5 December 2024 DoF secured Executive approval for a revised PPN (Procurement Policy Note) 01/21 - Social Value in Procurement. This came into effect on 24 February 2025 and strengthened and broadened the theme ‘Delivering Net Zero’ to ‘Delivering Climate Action’.

For information on the meaning of Social Value: the Public Procurement Policy Statement which was approved by the NI Executive on the 5th of June 2025 states “Social Value means economic, environmental and social benefits in support of the Programme for Government”. The DoF Social Value Strategy document 2025-2027 states, “Social Value refers to wider financial and nonfinancial impacts on the well-being of individuals, communities and the environment. It incorporates ethical and sustainable supply chains, community benefits and wealth building, job and skills creation and efforts to combat climate change”.

The Procurement Policy Note (PPN) 01/21 – Scoring Social Value has been revised to Procurement Policy Note (PPN) 01/21 - Social Value in Procurement and came into effect on 24 February 2025.

Single use plastics

DAERA, in partnership with DoF, has removed all unnecessary single-use plastic (SUP) from the Government estate and a ban on the use of unnecessary SUP across the Northern Ireland Civil Service (NICS) estate, is now in place.

The Department of Health is compliant with this policy and areas where SUP may still be used is for necessary purposes and alternatives are not yet available.

Waste and Water

The Department is unable to report on relevant data for waste generated and water consumption for Castle Buildings due to the shared use of the building. Water use for Linenhall Street is provided in the table below.

Table 9: Water Consumed

Year	Water used (cubic metres)	Emissions (kg CO2e)
2025-26	1,877	359 (kg CO2e)

Waste reporting is currently not available, and it is hoped that this data will be available for future reports.

The Department occupies an office estate. Castle Buildings is owned by DoF who have responsibility for maintaining, mitigating and adapting the building to the impacts from climate change. Linenhall Street is a department owned city-based office.

The office estate provides limited opportunity for nature recovery and biodiversity action planning.

The department during 2025-26 undertook the replacement of the flat roof associated with Linenhall Street. This construction project has brought this section of the roofing structure in line with current building regulations improving the thermal performance of the structure that will minimise heat loss in winter as well as adapting to higher summer temperatures through minimising heat gains.

Asset Management

The strategic focus shifted in 2025-26 towards Refurbish, Repurpose and Reuse following a limited capital budget and the anticipation that no capital funding will be available to allow new or emerging projects to proceed within the four-year Budget period. Any new estate investment proposals that will result in an increase in floor area must undergo a thorough review of all existing vacant, underused and surplus estate to evidence that there is no suitable retro-fit solution that can be applied to deliver the required outcome. To support this change a Health Estates Asset Review Team (HEART) has been established made up of Health Estates and Property Management Branch personnel.

This approach is also reflected in the changes to the Executive approved Asset Management Strategy (AMS) implementation. The lead organisation for the Executive approved AMS has changed from the Strategic Investment Board to the Strategic Asset Management Unit (SAMU). SAMU is a multi-disciplinary team of Valuers, Mapping & Charting Officers and experienced personnel that provides leadership, expertise, and support to departments and their Arm's Length Bodies to enable them to use land and property effectively, ensuring an enhanced delivery of their services and policy objectives. By overseeing the Government Land & Property Register (GLPR), SAMU ensures a consistent, coordinated and data-backed approach to asset management, enabling the maximum use of assets in delivering efficient, cost-effective public services. DoH continues to be represented on the Asset Management Forum (AMF) which is tasked with agreeing the implementation programmes, policies and processes to deliver the objectives of the Executive's AMS. Representatives are working alongside the SAMU team to develop a revised Asset Management Framework.

The objectives for the Departmental Retained Estate portfolio continues to be to :

- 1) transfer of operational assets to health ALBs for the purpose of enabling them to carry out their functions (subject first to resolving any inhibiting matters currently preventing transfer); and
- 2) disposal of non-operational assets declared surplus to health requirements via the Land & Property Services D1 disposal process (subject first to resolving any inhibiting matters currently preventing disposal).

Property initiatives in Asset Management included:

1. Application of DoH property policy and guidance producing reform in property management and reducing costs and risk;
2. Effective management of DoH owned property assets ensuring assets not required for health related services are identified and rationalised;
3. Delivering DoH annual disposal target producing capital receipts;
4. Monitoring bench marked office occupation and reporting to DoF;
5. Population and maintenance of the central Government Land and Property Register to enable collaboration with public sector bodies;
6. Continued collaborating with DoF and health ALBs rationalization of the N.I. benchmarked office estate;
7. Identification and release of surplus health lands to be considered for public housing projects and other Programme for Government services;
8. Completion and publication of the State of the Estate Report providing information on the condition and performance of health property assets;
9. Develop and implement SAMUs new Strategic Asset Management Plans (SAMPs) alongside ALBs and include in an overarching Department SAMP;
10. Targeting high risk backlog maintenance liability in the health estate with allocation of ring-fenced capital funding to health Trusts & NIFRS and monitoring expenditure; and
11. Establishment of the Health Estates Asset Review Team (HEART).

The following achievements were identified:

- 14 leases terminated saving approximately £0.5m per annum;
- Bench Marked Office Estate cost per Full Time Equivalent fell by £314 to £2,288;
- Progress made on several large disposal projects including Gransha, Knockbracken, Cairnshill, Whiteabbey, Tyrone & Fermanagh Hospital site and Downpatrick, working in collaboration and partnership with several public sector bodies to try to achieve cross-cutting Programme for Government priorities (e.g. social and affordable housing provision and special educational needs provision);
- Ongoing “meanwhile use” agreements put in place for Department-owned lands in Downpatrick and Gransha to generate income for the Department/Trusts and mitigate risk until such a time as the lands are transferred/disposed; and
- Progress made on pre-disposal activity associated with several other retained estate assets to try to resolve long-standing legal title issues and de-risk assets for the purpose of enabling transfer of disposal of same.

Health and Safety

The Department discharges its responsibilities under the Health and Safety at Work (NI) Order 1978, the Management of Health and Safety at Work Regulations (NI) 2000 and other relevant legislation, to ensure measures are in place for the health, safety and welfare of all its employees.

All staff are kept up to date with the latest developments in health and safety standards, and compliance with all health and safety standards in the workplace is assessed through an ongoing audit programme, with an overall health and safety inspection of all DoH areas in Castle Buildings carried out each year. The focus primarily is on scrutinising current Health and Safety guidance (risk assessments, fire safety provision and accident policy); inspection of the office environment and safety measures in place; and

the provision of H&S training.

Up to date health and safety and workplace advice and guidance is permanently on display on the DoH Intranet.

Due to the impact of hybrid working, to achieve sufficient fire warden cover for the building, daily emails are issued to all staff and a nominated fire wardens identified. In addition, the annual NICS online Fire Awareness training was rolled out to all staff in April 2025.

During 2025-26 53 staff (including secondees) completed the Department's Health and Safety Induction Training for new entrants.

There was one accident / near miss during 2025-26, which was not serious in nature and 31 specialist assessments were carried out, including: ergonomic assessments, environmental issues and DSE follow-up investigations.

Learning and Development

During 2025–26, the Department focused learning and development activity on mandatory compliance, core professional capability, and leadership development. Staff also had access to a range of e-learning packages, and mandatory training was provided in the following areas:

- Display Screen Equipment (All Staff);
- Fire Safety Awareness (All Staff);
- Health & Safety (AA/AO);
- Health & Safety (EO2 & Above);
- Anti-fraud Awareness;
- Data Protection Essentials (All Staff);
- Freedom of Information and Environmental Information Regulations Essentials (All Staff);
- Equality & Diversity Essentials;
- Introduction to Diversity & Inclusion;
- Cyber Security;
- Records Management; and
- See, Check and Notify (SCAN).

Equal Opportunities and Disability

The Department of Health is committed to promoting equality of opportunity and supporting good relations in line with Section 75 of the Northern Ireland Act 1998. During 2025–26, equality considerations were embedded across policy development and service delivery, with particular focus on improving outcomes and experiences for disabled people.

The Department engaged with disabled people and representative organisations through established forums and cross-departmental groups to inform policy development, service reform and implementation planning. This engagement supported the inclusion of lived experience in the development of health and social care policy and helped to identify barriers to access and opportunities for improvement.

The Department continued to support disability inclusion in employment through participation in relevant networks and initiatives, and by promoting reasonable adjustments and appropriate workplace support. Equality impact assessments and screenings were undertaken as required, and actions were taken to address identified impacts where appropriate.

Equality and disability considerations were embedded in delivery through the Department's Equality and Disability Action Plans 2025-2030, which are reported on annually in the ECNI Annual Report.

Employee Engagement

The DoH strives to deliver high quality public services that improve health and wellbeing across our communities, while fostering a workplace in which our people feel supported and enabled to perform effectively.

The Department's 2025-26 People Plan sets out clear actions to support this objective, including actions to support learning, development and organisational capability. The Plan aligns with the NICS People Strategy 2025-30. Actions are implemented locally within business areas, reflecting operational priorities and business needs.

Activities during 2025-26 included: the refresh of the Staff Engagement Forum; delivery of an induction programme for new and existing staff; engagement through the Senior Leadership Forum - the forum created and chaired by the Permanent Secretary to provide strategic updates and discussion of departmental challenges; regular all-staff webinars, led by the Permanent Secretary to support communication and engagement; introduction of online masterclasses for all staff covering issues such as change management, effective leadership and the future of healthcare; establishment of a Policy Excellence Group; and development of a DoH Learning and Development Plan.

The Staff Engagement Forum meets bi-monthly and includes representation from all directorates. The Forum supports engagement on the implementation and ongoing development of the DoH People Plan. All staff have access to a range of wellbeing and support provision, including the Welfare Support Service, the Inspire wellbeing service and NICS Well. The Department also engages regularly with recognised Trade Unions through established consultation arrangements. Formal consultation mechanisms continue to operate throughout the year.

Staff Engagement Scores

The NICS People Survey was conducted by NISRA in Spring 2025 across the nine NICS ministerial Departments as well as the Public Prosecution Service and the Health & Safety Executive for NI. All staff working in these organisations were invited to take part in the survey from 29th April to 23rd May 2025. For DoH there were 688 (2023: 647) staff invited to complete the survey, of which 334 (2023:372) participated, a response rate of 48.5% (2023: 57%). The Employee Engagement Index (EEI) is the weighted average of the responses to the five employee engagement questions, it ranges from 0% to 100%. DoH responses indicated an Employee Engagement Index of 55% (2023: 57%), compared to the NICS average of 56% (2023: 54%). The full survey can be accessed at <https://www.finance-ni.gov.uk/publications/nics-people-survey-results>. The next NICS People Survey is due to take place in 2027.

Staff

The Department employs around 555.4 civil servant staff (FTE). There are currently around 458.74 staff (FTE) hosted by the Business Services Organisation (BSO) who work within the department's Strategic Planning and Performance Group (SPPG) and 50 e-health staff who are directed in their responsibilities by the Chief Digital Information Officer.

The Department is committed to supporting the development and management of its staff so that they can effectively contribute to the achievement of Departmental and personal objectives. With the exception of health and safety at work, responsibility for HR policies is a centralised function for the NI Civil Service, delivered by the Department of Finance's NICS HR and People and Organisational Development functions – further information on NICS-wide policies in relation to HR-related matters are as contained within the Remuneration Report.

Across the Department's ALBs, The Northern Ireland Fire and Rescue Service employs some 2,000 people and around 78,900 people (headcount) are employed by Health and Social Care organisations in permanent or temporary posts (excluding bank contracts).

Performance Management

The Department continues to work towards improving performance management compliance in order to meet the NICS target of 90% of all End of Year Reviews to be completed by 31 May each year. Department of Finance have been unable to provide the Department with performance figures at 30 April 2026. These figures will be available in due course.

Senior Leadership monitored completion rates during the year and reinforced accountability for the timely completion of End of Year Reviews. The End of Year Review is an opportunity for managers to provide meaningful feedback to their direct reports to help improve their performance, identify areas for development and recognise their contribution to the organisation throughout the year.

Fraud and Error Analysis

The Department takes a zero tolerance approach to fraud in order to protect and support our key public services. We have put in place an Anti-Fraud Policy and Fraud Response Plan to outline our approach to tackling fraud, define staff responsibilities and the actions to be taken in the event of suspected or perpetrated fraud, whether originating internally or externally to the organisation. The Department promotes fraud awareness, co-ordinates investigations (through dedicated Fraud Liaison Officers) in conjunction with the Business Services Organisation (BSO) Counter Fraud Services (CFS) team and provides advice to personnel on fraud reporting arrangements. All NICS staff and BSO hosted staff working within the Department's Strategic Planning and Performance and Chief Digital Information Officer Groups are provided with mandatory fraud awareness training in support of the Anti-Fraud Policy and Fraud Response Plan, which are kept under review and updated as appropriate. Department officials attend and participate in the NICS Fraud Forum, which is a best practice advisory group consisting of representatives from all NICS Departments.

Fraud is not considered to be a key risk within the Department of Health. Strategic Planning and Performance Group (SPPG) fraud centres upon primary care areas which are overseen by an internal counter fraud oversight and probity group which BSO Counter Fraud Services attend. No material fraud or errors have been identified in the current period and no material fraud or error has been included in the Annual Report and Accounts (2024-25: nil). The estimate of patient exemption error/potential fraud for 2025-26 is included in the Assembly Accountability Disclosures section.

Complaints

The Department is committed to providing the highest standard of service to all its customers and aims to get things right first time. The Department received seven formal complaints during 2025-26 (5 Stage 1, 2 Stage 2). One complaint remained under investigation at 31 March 2026, with none still under

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consideration at date of report. When a complaint against the Department is received, any lessons learned will be shared with staff to increase awareness and improve the standard of service.

If members of the public are not satisfied with any aspect of the Department's service, they are advised to inform the Department and the matter will be addressed as quickly as possible. The Department operates an informal and formal process as follows:

- Informal Procedure – The Department's aim is to resolve any complaint quickly and any matter of concern should be brought to the attention of the Departmental official with whom members of the public have been interacting with at the earliest opportunity. However, if they are still dissatisfied after this approach, a formal complaint in writing should be submitted.
- Formal Procedure: Stage 1 – A complaint should be submitted in writing to the Departmental Complaints Unit. The Complaints Unit will arrange for the complaint to be investigated by the relevant business area under stage 1 of the Complaints Procedure and aim to provide a full written reply within 20 working days of receipt. If a reply cannot be given within this timescale, the complainant will be advised as appropriate.

If the complainant feels that this step does not provide a suitable response to the initial complaint stage 2 of the Complaints Procedure can be invoked.


- Formal Procedures: Stage 2 – Any request from a complainant to use Stage 2 of the Complaints Procedure should be in writing to the Department's Complaints Unit, providing reasons for continuing dissatisfaction of Stage 1 investigation and/or response. The Complaints Unit will ask the Deputy Secretary, Resources and Corporate Management Group or an alternative Senior Officer (if appropriate) to review the matter and respond within 20 working days of receiving the complaint. If a reply cannot be given within this timescale the complainant will be advised as appropriate.
- Alternative Actions – Members of the public also have the right to complain to the NI Public Services Ombudsman, with the internal procedures not representing a substitute for their right to complain to the Ombudsman's Office.

The NICS Top Management Complaints procedure details the process to be followed by external stakeholders and members of the general public (external complainants) who wish to raise a complaint against a member of top management in the NICS. Top management is defined as the Head of the Civil Service, Permanent Secretary and Grade 3 or equivalent levels. No complaints relating to Top Management in the Department were accepted by the Head of the Civil Service in 2025-26.

Raising Concerns

The Department is committed to openness, probity and accountability and there are procedures in place to ensure that concerns about serious wrong-doing can be raised. The purpose of the Raising a Concern Policy is to reassure staff that they can raise genuine concerns about potential wrong-doing or malpractice, in confidence, through a clear internal reporting process. The policy also provides arrangements for anyone who is not a member of staff to raise concerns about the proper conduct of the Department or any of its ALBs. The policy is available on the Department's website at: www.health-ni.gov.uk/articles/raising-concern

There were four concerns raised with the Department in 2025-26. All cases, progress and outcomes were reported to the Departmental Audit Risk and Assurance Committee. Learning from all cases is considered and actioned as necessary. Two cases remain on-going at 31 March 2026.

A handwritten signature in blue ink, appearing to read 'Mike Farrar', is written on a light blue grid background.

Mike Farrar
Accounting Officer
2 July 2026

ACCOUNTABILITY REPORT

CORPORATE GOVERNANCE REPORT DIRECTORS' REPORT

The Department of Health (DoH or the Department) presents its consolidated Departmental Annual Report and Accounts for the financial year ended 31 March 2026.

Management

The Department is headed by the Permanent Secretary who is supported by senior officials. A Departmental Management Board, comprising the senior official in charge of each executive area, manages the Department.

Minister

Mike Nesbitt MLA, served as Minister of Health in the 2025-26 financial year.

Permanent Head of the Department

Mike Farrar was Permanent Secretary of the Department for the 2025-26 financial year. Mike Farrar joined the Department on 1 April 2025 and took up the role as Interim Permanent Secretary. He is the current Departmental Accounting Officer, and the most senior civil servant in the department.

Management Board

The membership of the Departmental Management Board during 2025-26 is set out in the Departmental Board section of the Governance Statement.

Departmental Accounting Boundary

These accounts consolidate financial information for those bodies within the Departmental accounting boundary. Note 22, contains a full list of DoH bodies consolidated within the accounts.

Budget Position and Authority

The Budget Position and Authority for 2025-26 is set out in the Governance Statement.

Additional detail on the planned use of resources in 2025-26 is set out in the Department's Estimate which is included in the Main and Supplementary Estimates published by the Department of Finance at:

<https://www.finance-ni.gov.uk/topics/finance/main-and-supplementary-estimates> .

Financial Review

Overall total expenditure by the Department on all services amounted to £9,153m (£8,581m in 2024-25) against Estimate cover of £9,164m (£8,616m in 2024-25). A detailed review is contained within the Performance Report. The financial results of the Department are set out within the financial statements herein.

The financial statements are presented in £ sterling and are rounded in thousands.

Post-Balance Sheet Events

There are no post-balance sheet events that have a material effect on the 2025-26 accounts.

Payments to Suppliers

The Department is committed to the prompt payment of bills for goods and services and pays its non-HSC trade creditors in accordance with agreed terms and appropriate government accounting guidance, as set out in Managing Public Money NI. Updated late payment legislation (the Late Payment of Commercial Debts Regulations 2013) came into force on 16 March 2013 whereby the effect of the legislation is that a payment is normally regarded as late unless it is made within 30 days after receipt of an undisputed invoice. Contracts agreed before 16 March 2013 are however excluded from the amended provisions and will retain the payment terms agreed at the time the contract was signed.

Unless otherwise stated in the contract, payment is due within 30 days of the receipt of goods or services or within 30 days of the presentation of a valid invoice, whichever is later. Monthly reviews are conducted to measure how promptly the Core Department pays its bills. During 2025-26, on average 96.3% of invoices were paid on time (2024-25 96.2%).

In November 2008, in response to the economic position at the time, the Minister for Finance and Personnel announced that Northern Ireland Departments would aim to ensure that valid invoices were paid within 10 days. In 2025-26, on average of 79.1% invoices were paid within 10 days (2024-25 79.9%). Performance is regularly reviewed by the Departmental Board, and steps have been taken to increase staff awareness of the importance of prompt payment. Moving into 2026-27, the Department will strive to both maintain and build upon the performance achieved in 2025-26.

The Department's performance (excluding SPPG) on the Prompt payment table in terms of paying invoices within both 10 days and 30 days can be viewed on the Account NI website, NICS Prompt Payment table, at:

<https://www.finance-ni.gov.uk/sites/default/files/2026-04/NICS%20Prompt%20Payment%20Dashboard%202025-2026.pdf>

SPPG prompt payment performance can be viewed on the HSC BSO website

[HSCNI Prompt Payment Performance - Business Services Organisation \(BSO\) Website](#)

Pension Liabilities

Past and present employees of the Department are covered by the Principal Civil Service Pension Scheme (PCSPS) (NI). Further details of the scheme can be found within the accounting policy note (Note 1) to the financial statements and within the Remuneration Report.

Related Party Transactions

The Department is the parent of its agencies and other designated bodies listed at Note 22. Further details can be found at Note 20 of the financial statements.

Register of Interests

The Department maintains and publishes a DoH Register of Interests at: <https://www.health-ni.gov.uk/publications/departmental-board-scs-and-darac-register-interests> This register details any interests which the individual considers may conflict with their management or oversight responsibilities as Board members. Members are required to declare any conflicts of interest that might arise at each Board meeting, or in the course of their work. Any conflicts arising are reflected in the minutes of the meeting and managed to ensure full transparency and appropriate action.

Audit

The accounts and supporting notes relating to the Department's activities for the year ended 31 March 2026 have been audited by the Comptroller and Auditor General. The Certificate and Report of the Comptroller and Auditor General is included within the Audit and Accountability Report. The notional cost of the audit for the year ended 31 March 2026, which pertained solely to audit services, was £186k; this includes the audit fee for the Superannuation Scheme Resource Account.

Statement on disclosure of audit information

I can confirm that so far as I am aware there is no relevant audit information of which the auditors are unaware and that I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the auditors are aware of that information.

Authorised for Issue

The accounts were authorised for issue as noted after Note 23 by the Departmental Accounting Officer, Mike Farrar

STATEMENT OF PRINCIPAL ACCOUNTING OFFICER'S RESPONSIBILITIES

Under the Government Resources and Accounts (Northern Ireland) Act 2001 (GRAANI), the Department of Finance has directed, the Department of Health to prepare, for each financial year, consolidated resource accounts detailing the resources acquired, held or disposed of, and the use of resources, during the year by the Department, the Public Health Agency and its arm's length public bodies, designated by order made under the GRAANI by Statutory Instrument 2023 No. 53, as amended by Statutory Instrument 2024 No.7, (together known as the 'Departmental Group', consisting of the department and sponsored bodies listed at note 22 to the accounts).

The Accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the department and the Departmental Group and of the income and expenditure, Statement of Financial Position and cash flows of the departmental group for the financial year.

In preparing the accounts, the Accounting Officer of the Department is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by the Department of Finance, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- ensure that the department has in place appropriate and reliable systems and procedures to carry out the consolidation process;
- make judgements and estimates on a reasonable basis, including those judgements involved in consolidating the accounting information provided by non-departmental [and other arm's length] public bodies;
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts;
- prepare the accounts on a going concern basis; and
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Department of Finance has appointed the Permanent Head of the department as Accounting Officer of the Department of Health.

The Accounting Officer of the department has also appointed the Chief Executives [or equivalents] of its sponsored non-departmental [and other arm's length] public bodies as Accounting Officers of those bodies. The Accounting Officer of the department is responsible for ensuring that appropriate systems and controls are in place to ensure that any grants that the department makes to its sponsored bodies are applied for the purposes intended and that such expenditure and the other income and expenditure of the sponsored bodies are properly accounted for, for

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the purposes of consolidation within the resource accounts. Under their terms of appointment, the Accounting Officers of the sponsored bodies are accountable for the use, including the regularity and propriety, of the grants received and the other income and expenditure of the sponsored bodies.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the assets of the department or non-departmental [or other arm's length] public body for which the Accounting Officer is responsible, are set out in Managing Public Money Northern Ireland published by Department of Finance.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that DoH's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

The Department is responsible for ensuring that appropriate systems and controls are in place to ensure that any grants that the Department makes to its sponsored bodies are applied for the purposes intended and that such expenditure and the other income and expenditure of the sponsored bodies are properly accounted for, for the purposes of consolidation within the resource accounts. Under their terms of appointment, the Accounting Officers of the sponsored bodies are accountable for the use, including the regularity and propriety, of the grants received and the other income and expenditure of the sponsored bodies.

GOVERNANCE STATEMENT

Introduction

This statement is given in respect of the Departmental Resource Accounts for 2025-26. It outlines the Department's governance framework for directing and controlling its functions and how assurance is provided to support me in my role as Accounting Officer for Department of Health (DoH). The Board of the Department is accountable for internal control. As Accounting Officer, I have responsibility for maintaining a sound system of internal governance that supports the achievement of the Department's policies, aims and objectives. I also have responsibility for safeguarding public funds and Departmental assets in accordance with the responsibilities assigned to me in Managing Public Money Northern Ireland (MPMNI).

The Department's strategic objectives for 2025-26 were set out in the HSC Reset Plan, which the Board adopted as the Department's Business plan which is available [here](#).

The following statement, whilst primarily focusing on the Department, incorporates issues within its ALBs which deliver services directly to the public. The ALBs use their own governance structures developed in line with MPMNI, Departmental and other requirements and guidance. Each ALB publishes its own individual Governance Statement within their published annual report and accounts. ALB Boards have corporate responsibility for ensuring that their respective organisations fulfil their statutory responsibilities and the aims and objectives set by the Minister, including promoting the efficient, economic, and effective use of staff and other resources.

As Principal Accounting Officer, I have a duty to satisfy myself that all ALBs have adequate governance systems and procedures in place to promote the effective, efficient conduct of their business and to safeguard financial propriety and regularity.

Corporate Governance in Central Government Departments: Code of Good Practice NI 2025

The Department applies the principles of good practice outlined in the Code. As required, the Department maintains and publishes an annual [Register of Interests](#), complying with DAO (DoF) 07/21 (amended in line with DAO (DoF) 03/23). This register details any interests which the individual considers may conflict with their management or oversight responsibilities as Board members. Members are required to declare any conflicts of interest that might arise at each Board meeting, or in the course of their work. Any conflicts arising are reflected in the minutes of the meeting and managed to ensure full transparency and appropriate action. There have been no instances of reportable non-compliance for the period.

The Department complies with the Northern Ireland Civil Service HR Policy 6.01 Standards of Conduct in terms of declaration and management of interests for all staff.

Application of Business Appointments Rules (BARs)

The NICS Standards of Conduct Policy 6.01, sets out the rules on the acceptance of outside business appointments, employment or self-employment by Civil Servants after leaving the NI Civil Service, including procedures to make staff aware of these rules and provides that the Permanent Secretary of the Department is responsible for the effective operation of the Business Appointment Rules

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within their Department. Further detail is available in the [NICS Standards of Conduct Policy](#).

In compliance with Business Appointment Rules, the Department is transparent in the advice given to individual applications for senior staff, including special advisers.

Advice regarding specific business appointments has been published on the Department's website <https://www.health-ni.gov.uk/doh-senior-staff-and-special-advisors-applications>

	SCS	All other Grades	Total
Number of exits from the Civil Service			24
Number of BARs applications submitted to the Department over the year (by grade)	1	0	1
Number of BARs applications approved by the Department over the year (by grade)	1	0	1
Number of BARs applications where conditions were set (by grade)	1	0	1
Number of applications that were found to be unsuitable for the applicant to take up (grade)	0	0	0
Number of breaches of the Rules in the preceding year	0	0	0

Governance Framework

In my role as Accounting Officer, I function with the support of the Departmental Board (the Board). This includes highlighting to the Board specific business implications or risks and, where appropriate, the measures that could be employed to manage these risks or implications. I am also required to combine my Accounting Officer role with my responsibilities to the Minister, which include providing advice on the allocation of Departmental resources and the setting of appropriate financial and non-financial performance targets for ALBs.

The Departmental Board

The Board represents the collective and strategic leadership within the Department, in conjunction with the experience and contribution of two Non-Executive Directors (NEDs).

The Board supports me, as Accounting Officer, in establishing the necessary governance and assurance mechanisms and in directing the business of the Department as effectively as possible. The Board has a key role in overseeing the sound financial management and corporate governance of the Department and closely monitors the Department's progress in the achievement of key objectives and priorities set out in the Departmental Business Plan (HSC Reset Plan).

The membership of the Board and attendance for the meetings held are set out in the table below.

Executive Board Members (EBM) 2025-26		No. of meetings Attended
M Farrar	Interim Permanent Secretary and Chair	5/6
M McBride	Chief Medical Officer	5/6
P Toogood	Deputy Secretary, Social Care and Public Health Policy Group	5/6
Chris Matthews	Deputy Secretary, Resource and Corporate Management Group	6/6
J Wilkinson	Deputy Secretary, Healthcare Policy Group	5/6
Tracey McCaig	Chief Operating Officer, Strategic Planning and Performance Group	5/6
B Worth	Director of Finance	1/1
D Keenan	Interim Director of Finance	5/5
Tom Simpson	Acting Chief Digital Information Officer	2/2
Dr Paul Rice	Chief Digital Information Officer	4/5
Maria McIlgorm	Chief Nursing Officer	5/6
Aine Morrison	Chief Social Work Officer	2/6
Non-Executive Directors (NED) 2025-26		
J McCoole	Non-Executive Director	6/6
A Magowan	Non-Executive Director	6/6

Management Information

The Board reviews regular reports and updates to enable performance against Departmental objectives to be scrutinised and challenged where necessary. These reports and formats are kept under review to enable them to identify and respond to emerging issues. The requirements of ALB Governance within the Department have evolved to ensure that the accountability review process is appropriately balanced in terms of governance and performance.

Quality of Information

The Board receives a range of management information about matters such as Finance, Human Resources, the Departmental Business Plan, the Departmental Risk Register and the governance and performance of ALBs, to assist in discharging its role. Formal reviews of the operation of the Board include the quality of information provided. In addition, Board members, collectively and individually, keep the range and quality of reported information under continuous review and seek enhancements as necessary to support the Board and its committees.

Departmental Audit and Risk Assurance Committee (DARAC)

The DARAC is a Committee of the Board and meets a minimum of four times per year, with additional topic-focused meetings held as necessary.

DARAC comprises four members, each of whom is independent of Departmental management. In line with their terms of appointment, each member's function is to provide external advice, expertise and scrutiny. Officials invited to attend DARAC meetings include the Departmental Accounting Officer, the Deputy Secretary, Resource and Corporate Management Group, the Interim Director of Finance, Resource and Corporate Management Group, the Head of Internal Audit (HIA) and officials from the Northern Ireland Audit Office (NIAO).

DARAC membership and attendance for the meetings held are set out in the table below.

DARAC Members 2025-26		No. of Meetings Attended
J McCooe	NED and Chair of DARAC	5/5
A Magowan	NED and DARAC Member	5/5
L McGuinness	Director, Department for Economy: External Member	4/5
L Watson	Director, Department for Economy: External Member	2/5

The DARAC gives detailed attention to internal governance issues, including the quality of risk management and corporate governance within the Department. DARAC also considers any HSC-wide issues or any other issues with the Department that affect my role as the Department's Accounting Officer. Systems for responding to recommendations made by authoritative external bodies are also examined. The DARAC advises the Board and me as Accounting Officer on its conclusions and recommendations with regard to identified governance weaknesses.

DARAC – Responsibilities and Performance

In line with best practice set out in the HM Treasury Audit and Risk Assurance Committee Handbook and the Department of Finance (DoF) Audit and Risk Assurance Committee Handbook (NI), the Chair of DARAC sets an agreed core programme of work for each of its meetings, which includes:

- the quality of strategic processes for risk management, governance and internal control and how these are reflected in the Governance Statement;
- the planned activity and results of both Internal and External Audit;
- the quality of the process for preparation of the annual accounts and annual report;
- the adequacy of management response to internal and external audit recommendations; and
- anti-fraud policies and whistleblowing processes, including arrangements for special investigations.

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The Department provides regular reports to DARAC on risk management and assurance in the Department and issues arising in its ALBs. In addition, DARAC considers and comments on individual issues of internal governance and their implications for wider governance arrangements. DARAC also plays a key role in providing advice on the quality of risk management and assurance within the Department.

The DARAC conducts a self-assessment according to guidelines issued by the National Audit Office on an annual basis. The findings of the self-assessment are presented to the Chair of DARAC for action as appropriate. In addition, the Chair of the DARAC delivers an annual report to both the Board and the DARAC and also reports to the Board on any significant governance or internal control issue.

The DARAC has also considered the Departmental Resource Accounts (DRA) for 2025-26 and on the basis of the evidence presented, has recommended them to me, as Departmental Accounting Officer, for approval.

Senior Leadership Team

As Accounting Officer, I am supported by my Senior Leadership Team (SLT), which is drawn from the Executive Board Members, with other officials in attendance as required. It provides a weekly forum for the consideration and endorsement of corporate business and the handling of emerging issues.

NICS People & Organisational Development (POD) committee (Sub Committee of SLT)

The NICS People & Organisational Development (POD) committee provides advice and makes decisions in respect of NICS People, OD and Workforce matters. The Committee is chaired by the Deputy Secretary for Resources and Corporate Management Group and its membership comprises Deputy Secretary members from the Department's Senior Leadership Team, a Non-Executive Director member of the DoH Departmental Board, the Director of Finance, Head of People & Organisational Development and the NICS HR Strategic HR Business Partner.

Departmental Framework for Business Planning, Risk Management and Assurance

Business planning and risk management is at the heart of governance arrangements to ensure that statutory obligations and Ministerial priorities are properly reflected in the management of business at all levels within the Department. The Framework for Business Planning, Risk Management and Assurance provides a clear and common understanding of business planning, risk management and assurance processes in the Department, along with associated guidance.

I require formal written assurances from Directors, signed off by Executive Board Members, about the proper operation of business planning, risk management and controls within their business areas. I have been provided with those written assurances at both the six month and 12-month stage for the period ending 31 March 2026 and I am content that effective arrangements and controls have been in place.

Business Planning

For 2025-26 the Board adopted the HSC Reset plan as the Department Business Plan.

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In establishing its strategic objectives, the Department takes its lead from the statutory framework governing the functions of the Department and the specific priorities set by the Minister and the Executive, including those outlined in the Programme for Government (PfG) and New Decade New Approach (NDNA). The Departmental Business Plan (HSC Reset Plan) also takes account of the governance arrangements that the Department must put in place for the proper discharge of its responsibilities as a Government Department and public authority e.g. financial probity, equality, human rights etc.

The Board is the custodian of the Departmental Business Plan's affordability and deliverability. Progress against the Departmental Business Plan is addressed at Board meetings and includes updates against each of the targets in the fiscal year.

Executive Board Members ensure that the Directorates under their control have appropriate business plans and associated risk registers in place. Linkages between plans at Departmental and Directorate level are clearly identified. Similarly, there is a clear connection at all levels between objectives and associated risks. This is evidenced through the risk management, business planning and assurance processes operated within the Department.

Risk Management

Risk management is an organisation-wide responsibility. In the Department, there are two key levels at which the risk management process is formally documented:

- The Departmental Risk Register focuses on the principal risks to the Department's delivery of its statutory responsibilities and strategic objectives; and
- Directorate risk registers focus primarily on the risks to the achievement of Directorate objectives.

The Corporate Risks contained within the Corporate Risk Register actively monitored and managed by the Departmental Board throughout 2025-26 include the following:

Risk No	Risk Description
1	Available resources are not targeted towards appropriate service delivery and delivery of strategic objectives and/or adequate plans to achieve system breakeven are not in place.
2	Insufficient levels of staffing and/or lack of appropriately skilled staff across the Department will reduce the Department's ability to effectively perform key functions.
3	Due to inadequate planning and preparedness, the Department may be unable to respond to the health and social care consequences of any emergency.
4	The Department's confidence in the provision of safe/quality services is compromised because of insufficient assurances from providers.
5	The Department fails to develop and deliver an effective Workforce Strategy.
6	Appropriate standards of probity and governance are not maintained across the Department or HSC due to ineffectual internal control and sponsorship of Arm's Length Bodies.
7	Business continuity and/or data integrity and security across Northern Ireland's Health and Social Care (HSC) system is

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	impacted as a result of lack of availability of supporting IT systems or a cyber-attack.
8	Failure to proactively communicate progress and success and to correct inaccuracies will undermine public confidence and damage staff morale.

Directorate business plans must be directly linked to the delivery of the Departmental Business Plan. Similarly, there must be a clear connection at all levels between objectives and associated risks. Formal processes exist to escalate objectives and associated risks from Directorate to Departmental level. Additionally, risk monitoring and management processes within the ALBs are monitored by the Department through separate processes, as highlighted in the “Governance and Accountability within DoH ALBs” section below.

The overall system of internal governance is designed to help manage risk rather than to eliminate it and controls must be commensurate and proportionate with the nature of the risk.

The system of internal governance is based on an ongoing process to identify and prioritise the risks to the discharge of the Department’s statutory responsibilities, including the delivery of its strategic objectives. The system also determines the controls and analyses the risks in terms of their impact and likelihood of realisation in conjunction with the controls.

The system of internal governance has been in place in the Department for the year ending 31 March 2026 and continues up to the date of approval of the Annual Report and Accounts. This accords with DoF guidance.

Information Risk

Safeguarding the Department’s information is a critical aspect of supporting the Department in the delivery of its objectives. Central to achieving this is the effective management of information risk. The arrangements in place to manage this risk include:

- Information Management Branch staff regularly review Departmental information to ensure that it is appropriately protected;
- A Senior Information Risk Owner (SIRO) and Information Asset Owners (IAOs) are in place to reduce the risk to personal information within the Department;
- A Data Protection Officer (DPO) provides independent advice and guidance regarding the processing and protection of personal information in line with the UK General Data Protection Regulation (UK GDPR) and Data Protection Act 2018 (DPA);
- The Departmental Information Asset Register, first deployed in 2019, is maintained Information Asset Owners (IAOs) have responsibility to ensure information is securely stored, access controlled and disposed of appropriately; and
- Established data incident, breach management procedures and reporting are in place.

The Information Management Assurance checklist (IMAC) process, simplified during the response to the pandemic, has resumed to provide the required HSC Information Governance (IG) Assurances.

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Restrictions exist to protect access to, and disposal of electronic and paper records and the Department has an Information and Records Management Policy Statement underpinning its records management arrangements. Appropriate training, guidance, central controls and a disposal schedule process all govern the retention and disposal of Departmental Records.

Information Management Branch regularly remind staff, including the Senior Leadership Team, of the need to make arrangements to capture the Official Record and discharge legislative obligations.

Seven data mishandling events, of which six were deemed Data Breaches and investigated, occurred between January 2024 and December 2024. The six data breaches did not meet the criteria for reporting to the ICO. In each case mitigations were put in place and each occurrence was handled in accordance with the Department's data breach management procedure. The DPO provided updates and final reports on personal data breaches to the SIRO.

Cyber Security

IT Assist, within DoF Digital, Security and Finance Shared Services, is responsible for the provision of IT services, including Cyber security environments, to all NICS Core Departments. To provide assurance to Departmental organisations using the services provided by IT Assist, and the other DoF bodies (RecordsNI, HR Connect, Account NI & NI Direct), have been accredited by the NICS Risk and Information Assurance Council as meeting NICS security policy and suitable for secure controlled access to external organisations. IT Assist services also has annual compliance certification to the Public Service Network for interconnectivity to GB Public Sector Organisations.

The Department has ongoing engagement with the NICS Cyber Security specialists for assurance on NICS preventative actions and to ensure HSC alignment with Public Sector best practice on cyber response.

The HSC Cyber Security Programme (2017-2023) was mandated in response to elevated cyber security risks to HSC information systems, and an increasing sophistication in cyber-attacks. To manage this Programme of work, funding was secured for the HSC Cyber Security Programme Team until the end of the 2027/28 financial year. The Programme has developed recommendations and investment plans for cyber security, using a consistent and standardised approach for all HSC organisations. This has resulted in the HSC Cyber Security Strategy 2022-26, developed for all HSC organisations and is under review.

To reach the next level of cyber security maturity and deliver the outcomes of the HSC Cyber Security Strategy 2022/26, the Cyber Security Programme 2024-28 will build on the previous programmes success and deliver cyber security recommendations and investment plans. Key priorities in response to cyber risks from non-compliance to NIS Directive, the areas of deficiencies, and business needs across the HSC have been identified by the Cyber Programme and prioritised, with deliverables broken down into key projects that will each progress with individual business cases over the next 4 years.

Fraud

The Department takes a zero tolerance approach to fraud in order to protect and support our key public services. Fraud is not considered to be a key risk within the Department of Health. Further detail is provided in the performance report section of the Annual report.

Governance and Accountability within DoH ALBs

Governance and Accountability can be considered under the following headings:

1. ALB Assurance and Accountability;
2. Departmental Assurance; and
3. Statutory Duty of Quality.

ALB Assurance and Accountability

The Department achieves its corporate objectives through direct Departmental action and through its 16 ALBs. The Chief Executives of ALBs (as ALB Accounting Officers) are directly accountable to me (Permanent Secretary of the Department) as Principal Accounting Officer. ALBs, through their Boards, are held to account for the delivery of their prescribed functions and Ministerial priorities and ensuring compliance with other statutory responsibilities.

The Sponsorship Handbook sets out the Department's approach to sponsorship of its ALBs and ensures, as far as possible, that there is consistency of approach and proportionality of application. The guidance and arrangements described within the handbook reflect the responsibilities placed on the Department, under MPMNI, for the sponsorship of ALBs operating under its control.

The handbook details the roles and responsibilities of all Departmental staff, including EBMs and Sponsor Branches, in addition to describing the format and structure of the biannual accountability process. Through its Sponsor Branches, the Department engages directly with each ALB, commensurate with the level of assessed risk. ALB risks can either be escalated in the Department, through the ALB accountability review process, or highlighted to the Department through the other formal and informal interactions that the Sponsor Branches, EBMs and professional staff maintain with ALBs.

Departmental Assurance on ALBs

The Department receives much of its assurance through an ongoing process of monitoring each ALB's corporate governance, use of resources and the delivery and quality of services. BSO's provision of shared service functions across DoH ALBs provides a level of assurance in respect of these corporate services. In addition to regular monitoring information derived primarily from management information systems, the Department periodically tests the assurance provided by ALBs by initiating external reviews, audits, inquiries, ad-hoc and self-assessment exercises which are designed to sample aspects of the governance arrangements and performance of each ALB. This monitoring is based on assessing the operation and performance of ALBs against standards, guidance and targets, statutory and licensing requirements and Departmental policy and strategy.

Statutory Duty of Quality

The HPSS (Quality, Improvement and Regulation) (NI) Order 2003 places a statutory duty of quality on those HSC organisations which are responsible for the delivery of health and social care such as HSC Trusts and PHA. The statutory duty of quality requires HSC Trusts and PHA to have in place arrangements for the purpose of monitoring and improving the quality of care they provide or commission.

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The RQIA provides independent assurance to the Minister on compliance with this Statutory Duty, via the Department. This is achieved by conducting a rolling programme of planned clinical and social care governance and thematic reviews across a range of subject areas in HSC organisations. There are also unannounced inspections of services as part of this review programme. The reviews are conducted as part of the RQIA's ongoing independent assessment of quality, safety and availability of HSC services or may be commissioned by the Department.

The Department has developed a set of 'Quality Standards for Health and Social Care' which are used as a benchmark by the RQIA in its role in inspecting, assessing and publicly reporting on the quality and accessibility of health and social services in Northern Ireland and in making recommendations for improvements to ensure that services are up to standard.

Care standards for regulated services across the statutory, voluntary and private sectors have also been developed by the Department, for example within children's/childcare services and residential homes. These standards focus on the safety, dignity, wellbeing and quality of life of service users. They are designed to address unacceptable service variations in the standards of treatment, care, service provision and to raise the quality of services within the HSC. They are used by the RQIA, alongside the requirements stipulated within regulations in making decisions on the regulation of establishments and agencies.

Regularity, Propriety and Value for Money of Expenditure

The Department has a well-established process to ensure the regularity, propriety and value for money of expenditure including obtaining the necessary approvals from the DoF when required by delegated authority arrangements. The Department has extended these delegated authority arrangements to its ALBs. The Department requires that the principles of appraisal should be applied with proportionate effort to every proposal for spending or saving public money, or proportionate changes in the use of public sector resources.

The Department carries out a regular test drilling exercise for expenditure below delegated limits and post project evaluations annually, the results of which are reported to the DARAC, the Accounting Officer and to the DoF. When an ALB delegated authority is exceeded Departmental approval for the expenditure proposal is required.

There are a number of standard conditions of Departmental approval, including:-

- Approval is always given on the basis that projects will be implemented as described and costed in the business case upon which the approval is based;
- Tolerance levels on cost are +/- 10%;
- The tolerance limit on the key project milestones is 12 months.

The spending authority is responsible for tracking progress against these conditions and must inform the Department as soon as a breach is identified to allow the Department to assess the continued value for money of the proposal and take appropriate action should a revised approval be required. This is essential to eliminate the risk of incurring irregular spend.

Sources of Independent Assurance

The Department obtains independent assurance from the following sources:

- Departmental Internal Audit;

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- Northern Ireland Audit Office (NIAO); and
- Business Services Organisation (BSO) Internal Audit (via ALBs and in respect of ALB's governance, risk management, and control framework).

Departmental Internal Audit

The Departmental Internal Audit function operates to Global Internal Audit Standards. The Department's Head of Internal Audit (HIA) reports directly to the Departmental Accounting Officer and attends and provides reports to the DARAC.

The HIA is required by the standards to provide an annual opinion on the overall effectiveness of the Department's framework of governance, risk management and control processes. This incorporates the outcome of the SPPG internal audit programme which, from 1 April 2022, is delivered on a sub-contracting basis by BSO Internal Audit on behalf of the Departmental Internal Audit. The HIA has provided an overall 'satisfactory' opinion for 2025-26. This is based on the internal audit activity carried out during 2025-26 and cumulative assurances derived from 1 April 2022. The opinion has also taken into account the wider governance, control and assurance framework in place throughout the Department which is well established and the improvement by Management to implement internal audit recommendations.

During 2025-26, a total of 26 assignments were completed. 'Satisfactory' audit opinions were provided within 16 assignments; 'limited' opinions were provided within six assignments Managed Entry of Medicines; GP Out of Hours; Animal Scientific Procedures Act (ASPA) Inspections; Cancer Strategy, Recovery and Reform; Nursing and Midwifery Task Group (NMTG, cleared by year end) and SPPG Prison Healthcare (cleared by year end). , one assignment received 'no assurance' (Prison Healthcare) and opinions were not provided/relevant to three assignments. In addition, previous issues remain outstanding with E-health Cyber Security and GP Federations.

Despite the overall 'satisfactory' opinion, Internal Audit highlighted that while follow-up reviews identified some progress had been made in implementing previous internal audit recommendations prior to 2025-26, several significant areas remained in relation to Prison Healthcare, Cancer Strategy, E-health Cyber Security, ASPA Inspections and General Practitioner (GP) Federations. A summary of the outstanding issues is detailed below:

1. Prison Healthcare.

No assurance could be provided in the follow-up review as it was identified that the control framework at a strategic level was no longer operating. The commissioning of services from SPPG was however, operating effectively. Since the review, management have developed a Partnership Agreement outlining the strategic roles and responsibilities.

2. Cancer Strategy, Recovery and Reform.

The initial reviews identified issues with governance arrangements which were not operating effectively and reporting processes which were not adequate. Since these reviews the Cancer Programme Board has reconfigured to a Strategic Advisory Board (SAB) and Terms of References are in place for governance groups. Progress has been made in relation to strengthening operational arrangements however, reporting, assurance over quality of data and reporting needs strengthened further and the role of the SAB embedded.

3. E-health Cyber Security.

The follow-up review identified that a Governance Framework has developed and a Cyber

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Security Programme Board established. The Board is a key enabler to progress audit recommendations relating to governance, policy and standards and the introduction of a Chief Information Security Officer.

4. ASPA Inspections.

Management are now progressing issues around the resourcing of the Inspector role and following a recruitment campaign, it is planned for two full time equivalent inspectors to take up post in July/August. Issues still remain in relation to the backlog of inspection investigations for non-compliance with ASPA. An Inspector currently in post is dealing with business as usual duties.

5. GP Federations.

The follow-up review identified that progress had been made in relation to setting smarter targets, measurement of targets, reporting and the review of annual assurance statements. The arrangements for the validation of service delivery need strengthened further.

6. GP Out of Hours.

The review identified that the future delivery model has not been determined. In addition, issues were identified in relation to outdated Key Performance Indicators; insufficient control over pay for GPs providing out of hours services and strengthening Performance and Governance meetings with providers. The review also found issues around the operation of the Regional Emergency Social Work Service (RESWS), where there are often delays in completing assessments due to the small number of social workers on the on-call rota. Work is however, ongoing in relation to a strategic review of the RESWS.

7. Managed Entry of Medicines.

Responsibilities for this area is profiled across DoH policy leads and SPPG holds the remit for policy implementation. The review identified that while SPPG are broadly achieving its' system objectives, the formal processes to be followed that support these arrangements are not sufficiently robust or aligned. The review also identified a lack of formality in arrangements with the Public Health Agency; delays in SPPG issuing service notifications to Trusts; sufficient accurate financial information was not available and there was a perceived lack of consolidated guidance to support clinicians.

Formal follow-up reviews will be completed within the 2026-27 Audit Plan of the above areas to ensure that recommendations have been progressed and implemented effectively.

During the period follow-up reviews were completed and recommendations implemented of previously reported 'limited' opinions relating to the Nursing and Midwifery Task Group; Mental Health Beds; Pharmacy and Medicines Management; Children's Services – Unallocated Cases; Prison Healthcare (SPPG commissioning). The previous audit report relating to the Family Fund was also closed off as the previous recommendations are no longer relevant.

The Head of Internal Audit for DoF provides an inter-departmental report on all shared services provided by DoF to other Departments. The end year report was provided to the Accounting Officer via paper to the NICS Board on 04 June 2026 .

NIAO

The NIAO provides an opinion on whether an organisation's financial statements give a true and fair view, have been prepared in accordance with the relevant accounting standards and are in

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accordance with the guidance issued by relevant authorities. The results of the NIAO's financial audit work continue to be reported to the Northern Ireland Assembly.

The NIAO also seeks to promote better value for money through highlighting and demonstrating ways in which improvements could be made to realise financial savings or reduce costs; safeguard against the risk of fraud, irregularity and impropriety; attain improvements in service provision and support and enhance management, administrative and organisational processes.

In October 2025, the NIAO published its '**Performance of Restricted Procedures by Health Trusts**' report which made 3 recommendations designed to improve the implementation by Trusts of the Department's Effective Use of Resources Policy). DoH responded in January 2026, accepting all of the recommendations. Work to implement the recommendations is ongoing and their achievement will be monitored by the DARAC.

The C&AG published her report on the Use of Temporary Nursing Staff in NI on 27 May 2026. The report included six recommendations.

The PAC report on access to GPs was published on 27 November 2025. The Department's Memorandum of Reply was published on 3 February 2026.

A representative of the NIAO attends the DARAC meetings at which corporate governance and risk management matters are considered.

BSO Internal Audit

BSO Internal Audit is a centralised service which provides internal audits and specialist advice and guidance to Boards within HSC organisations and the Northern Ireland Fire and Rescue Service (NIFRS). The Department reviews the BSO HIA's mid and end-year independent opinions, on the adequacy and effectiveness of each of the ALB's system of internal control, together with any recommendations for improvement. The Department notes that the Belfast Health and Social Care Trust (BHSCT), Northern Health and Social Care Trust (NHSCT), South Eastern Health and Social Care Trust (SEHSCT), Northern Ireland Ambulance Service (NIAS), Northern Ireland Fire and Rescue Service (NIFRS), and Northern Ireland Medical and Dental Training Agency (NIMDTA) received an overall 'limited' audit opinion for 2025-26 and will continue to monitor the steps being taken to address the areas of weakness identified.

BSO PPE Stock

Throughout the pandemic, the provision of health services to protect the population to ensure patient and health staff safety was a key priority across the HSC. On behalf of the DoH, BSO Procurement and Logistics took a lead role in the emergency response to the pandemic through procurement and distribution of PPE across health care settings.

In 2020, extensive PPE demand modelling was undertaken by PHA in conjunction with the DoH to predict future demand needs during the pandemic. This ensured that the volumes of PPE to be procured and distributed across HSC including provision to primary, secondary, independent sector and social care settings would meet the modelling recommendations. There was a natural reduction in demand post-pandemic, further impacted by the PHA guidance issued in March 2023 on revised infection prevention and control measures for Covid-19 in health and social care settings and DoH revised direction on supply to the independent sector, which represented circa 35% of BSO's supply.

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BSO maintain close control over stock levels and appropriate action has been taken to adjust stock supply to reflect reduced demand.

Presently, higher than pre-pandemic levels of PPE stock continue to be held within BSO's inventory balances as disclosed within Note 10 of the financial statements within these Annual Report and Accounts. Following prior years' accounts qualification due to uncertainty around the valuation of PPE stock held and its future use, a significant amount of work has been conducted to seek to provide additional certainty based on anticipated future demand through identification of any PPE which is considered to be at risk of expiring prior to issue to HSC customers. Development and ongoing monitoring of a robust sales forecasting model has led to the in-year write off of £28m within the Losses Statement and inclusion of a potential £12m future loss in relation to expiring PPE to include respirator masks, gloves, scrubs and hand sanitiser where expiry dates exist or there is a clear indication of obsolescence for BSO. In addition, BSO has worked closely with the DoH to contribute to future four nations emergency stockpile planning, facilitating the sale of PPE stocks to DoH during 2025-26.

Whilst usage may continue to fluctuate over time based on the latest and any future changes in PPE guidance and the occurrence of future disease outbreaks, to counter the current overstock position and to seek to prevent landfill disposal of any excess PPE items, a task and finish group has continued to meet throughout the course of the year to progress exploration of various mitigation measures such as product re-lifing, mutual aid, repurposing and charitable donations.

Issues significantly impacting on the Department

Budget Position and Authority

The Budget Act (Northern Ireland) 2026, which received Royal Assent on 20 March 2026, together with the Northern Ireland Spring Supplementary Estimates 2025-26 which were agreed by the Assembly on 23 February 2026, provide the statutory authority for the Executive's final 2025-26 expenditure plans. The Budget Act (Northern Ireland) 2026 also provides a Vote on Account to authorise expenditure by departments and other bodies into the early months of the 2026-27 financial year. The Department is currently operating under the authority provided by the Vote on Account which provides 45% of the 2025-26 financial year's cash and resources. The cash and resource balance to complete for the remainder of 2026-27 will be authorised by the 2026-27 Main Estimates and the associated Budget Bill based on an agreed 2026-27 Budget.

In the event that this is delayed, then the powers available to the Permanent Secretary of the Department of Finance under Section 59 of the Northern Ireland Act 1998 and Section 7 of the Government Resources and Accounts Act (Northern Ireland) 2001 will be used to authorise the cash, and the use of resources during the intervening period.

COVID-19 Inquiry

The Covid-19 Public Inquiry has launched 4 of its expected 10 reports. The Department is actively engaged with NICS colleagues and across the Four Nations in the implementation of the Inquiry recommendations.

HSC Workforce

The Department continues to work closely with HSC colleagues to address ongoing and emerging workforce challenges through implementation of a broad range of actions under the auspices of the Health and Social Care Workforce Strategy.

In 25-26, this work has focused on workstreams to reduce use of and expenditure on agency staffing; provision of effective health and wellbeing services to support staff with a focus on reducing absence, promoting workforce stabilisation and improving patient safety; significant investment in the commissioning of pre-registration undergraduate education and post-registration training including some additional investment leveraged from DfE, Transformation Funding and an agreement with Republic of Ireland Government; actions to improve the attractiveness of HSC as an employer and improve recruitment of staff; work developing initiatives to improve staff retention; beginning work to improve system wide approach to workforce planning; developing alternative training pathways into a career in health and social care such as apprenticeships and work to improve the availability and usefulness of HSC workforce data. This collaborative approach has successfully supported a 17.2% (+9,786) increase in whole time equivalent staff directly employed across the HSC since the Strategy was published in 2018.

Of note, following the excellent progress made in reducing the use of ‘off-framework’ agency nursing and the elimination of the use of agency staffing in social work, the next stage of the Department/HSC’s work on reducing agency spend has now commenced – this is aimed at reducing the use of and expenditure on medical locum staffing. A range of workstreams are underway focused on risk assessment and transition planning; better Medical & Dental workforce planning and implementation of HSC Trust Locum Reduction Plans.

During 25-26 there has been a shared commitment with Trade Union colleagues reflecting a willingness of all parties to work collaboratively to find fair and sustainable solutions within the challenging financial landscape. The Department, HSC Employers and Trade Unions have, in general, a shared commitment to constructive industrial relations, supporting workforce stability and continuity of service delivery.

Transformation

The “Health and Wellbeing 2026: Delivering Together” report sets out the Department’s response to the recommendations included in the Bengoa Report, with the aim to stabilise, reconfigure and to transform Health and Social Care services. The overarching objective of transformation is to improve the lives of our citizens, young and old.

During the 2024-25 year the Department hosted Professor Bengoa for a successful one-day conference with the aim to revitalise the health and social care reform agenda. The Minister subsequently published a Three Year Plan setting out his ambitions for the rest of this Mandate across three domains: Stabilisation, Reform and Delivery. Key ambitions are to reduce health inequalities, improve mental health and tackle the long waiting lists. This means prioritising primary care, social care and mental health services, as well as working collaboratively with delivery partners including the voluntary and community sector. Two notable developments include the launch and successful evaluation of the ‘Live Better’ approach and confirmation that the Multidisciplinary Team Model in primary care is to be expanded using £61m funding secured from the Executive’s Transformation Fund. The Department also held a public consultation on the creation of a hospital network to drive better

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outcomes for all. In addition, the 10 Year Strategic Plan for Reforming Adult Social Care and Support has now been published, along with an initial 3-year Delivery Plan. A bid to support the introduction of a new Family Support Model was also submitted to the Public Service Transformation Fund, which, when implemented, will transform how services are provided to families along a continuum of social care need.

In recognition of the need to drive the Transformation agenda, the Department set up in 2022 a Health and Social Care Performance and Transformation Executive Board (PTEB); supported by two Advisory Boards: Health and Social Care Improvement and Transformation Advisory Board (ITAB) and Expert/Clinical Panel (ECP). PTEB acts in a strategic leadership capacity to oversee the overall direction of HSC performance, safety, quality and transformation. PTEB and ITAB are chaired by the Permanent Secretary and ECP is co-chaired by Chief Medical Officer and Chief Nursing Officer. All three Boards ultimately report, via PTEB, to the Minister who has overall responsibility for taking policy decisions regarding transformation of our health and social care system. PTEB membership consists of the Chief Executives of the Trusts, Business Services Organisation, and the Public Health Agency, as well as Senior Officials from the Department. ITAB brings together members of the wider HSC system, Trade Union and Service User input and plays a key role in supporting and advising the Minister on the strategic approach to HSC Improvement and Transformation. ECP group is comprised of clinicians from a range of specialties and provides clinical input and guidance to PTEB and ITAB, as required to support decision making on the wider Transformation agenda. ITAB and ECP members provide this support and advice based on the knowledge and experience they bring from their respective fields in line with the principles set out within Delivering Together and co-production.

Review of Effectiveness of the System of Internal Governance

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal governance. My review is informed by our internal assurance processes and reporting, the annual report from DARAC and reporting by internal and external auditors. I have been advised on the effectiveness of the system of internal control and the plans to address any identified weaknesses.

Internal Governance Divergences Prior Year issues

Two internal control divergences reported in previous years are now considered closed.

The SHSCT Urology Lookback review concluded in September 2024 as detailed in last years report.

All prior year and current year approvals are in place in respect of Safefood (Food Safety Promotion Board) North South Body.

The 2026 Business Plan for Safefood was agreed at the North South Ministerial Council (NSMC) on 14th January 2026. It is a legislative requirement under the North/South Co-operation (Implementation Bodies) (Northern Ireland) Order 1999 that any grants paid to bodies by a Northern Ireland Sponsor Department must be approved by DoF. Where such an approval is absent, any expenditure is illegal and retrospective consent cannot confer legality. No grant payments were made in the 2025-26 (2024-25: £0) financial year without DoF approval.

A number of the governance matters arising in prior years are still considered to represent internal governance divergences for 2025-26. These include:

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1. Learning Disability – Muckamore Abbey Hospital

The Muckamore Departmental Assurance Group (MDAG) continues to meet on a bi-monthly basis to provide oversight in relation to the Hospital and met on five occasions in 2025/26.

The police investigation into alleged abuse of patients in MAH is continuing. Court proceedings in relation to 25 staff are continuing. The Belfast Trust is continuing to co-operate with the police investigation and progressing its own adult safeguarding and disciplinary investigations into the abuse allegations.

Further to the Minister's announcement on 5 June 2024, by way of a Written Ministerial Statement to the Assembly, of a short extension to the proposed closure date for the hospital to facilitate the planning and implementation of resettlement arrangements, work has continued throughout 2025-26 to resettle the remaining patients .

This work is overseen by the Regional Resettlement Oversight Board, chaired by Dr Patricia Donnelly, which continued to meet on a fortnightly basis through 2025-26. Nine patients were resettled in 2025-26, and following two further resettlements in early April 2026, plans are either in place or being developed for the four patients remaining.

Given current resettlement planning and the RQIA recommendations in their Muckamore inspection report published on 10 February 2026, concerning the continued ability of the Trust to provide safe and effective care at the hospital once the number of remaining patients reduces to five or fewer, it is expected that Muckamore will close early in the 2026-27 financial year.

Arrangements for the closure of the Muckamore site are being led by the Belfast Trust. The Department continues to work with the Trust on the progression of these arrangements and is developing options for the future use of the site. Depending on the outcome of this, the Department may need to enact amending legislation in relation to the site to enable a change of owner or use.

Work has been continuing on finalising a new service model for adult learning disability services. Following a 14-week consultation on the draft model in summer/autumn 2025, an initial quantitative summary of responses was published on the Departmental website in January 2026. Work is progressing to produce a full analysis of feedback to further refine and finalise the service model early in 2026-27. Once finalised, the model, and associated service delivery plan, will inform decisions on how services need to be reconfigured and any additional investment required. Delivery of the ambitions outlined within the model will be subject to funding available to the Department.

The Muckamore Abbey Hospital Inquiry's final day of evidence was 10 March 2025. The Inquiry held further informal information sessions on recent experiences of resettlement between 3 – 6 June 2025. As these dealt with resettlements outside the Inquiry's Terms of Reference, they were intended to help inform any recommendations the panel may make in relation to resettlement in their final report.

The Minister met with the Inquiry Chair in September 2025 for an update on the likely timing of the final report, at which the Chair advised he expected that the final report would be provided by the end of March 2026.

As part of the work to finalise its final report, the Inquiry solicitor issued a Rule 13 Warning Letter to the Minister on behalf of the Department on 15 December 2025. The Department response was

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submitted to the Inquiry on 29 January 2026, in advance of the 30 January deadline.

The Chair issued a further update on 2 March 2026 to advise that the final report would now be published in June 2026, with detail on the specific date to be provided nearer the time.

Updates from the Chair on progress are published on the Inquiry's website which can be accessed via the following link: [Muckamore Abbey Hospital Inquiry \(mahinquiry.org.uk\)](https://mahinquiry.org.uk).

2. Northern Ireland Fire and Rescue Service (NIFRS) Internal Control System

NIFRS utilises an internal audit function provided by the Business Services Organisation (BSO). BSO provided an overall 'Limited' audit opinion for the 2025-26 financial year. This opinion follows a 'Limited' audit opinion given for the 2024-25 and 2023-24 years.

During 2025-26, NIFRS had 2 satisfactory assurances; 2 split assurances (satisfactory/limited); and 6 limited assurance internal audit opinions across a total of 10 assurance audits conducted in year.

Limited assurance has been provided by the Head of Internal Audit in the majority (60%) of 2025-26 audits and 80% of the audits, (including those with split assurance), contained at least an element of Limited assurance.

Notwithstanding her overall limited assurance, in the Year End Follow-up Report, the Head of Internal Audit continues to recognise Management's sustained focus and progress made on the implementation of outstanding Internal Audit recommendations. Throughout 2025-26 NIFRS made progress on addressing control issues raised in previous years.

At year end, 177 (79%) out of the outstanding 223 recommendations examined were fully implemented, 42 (19%) were partially implemented and 4 (2%) were not implemented. Furthermore, it was noted that of the recommendations reviewed in the year end follow up, 37 were significant recommendations (contributing to Limited/Unacceptable assurance in previous individual audits). Of these 37 significant recommendations 13 (35%) were implemented.

The Department has both supported and challenged NIFRS in its progression of recommendations through its formal sponsorship function and business as usual activities, such as oversight of capital and revenue business cases.

Two years after the publication of the original report in September 2023, His Majesty's Fire Services Inspectorate (HMFSI) Scotland was invited by the Department of Health (DoH) to return to NIFRS and review progress against the 11 recommendations contained in the original report.

The Inspection Review provided an independent assessment of the progress made since 2023. The Chief Inspector confirmed progress against all 11 recommendations. However, he emphasised the need for continued financial and political support to fully implement them.

In terms of the HMFSI Action Plan, NIFRS is showing that 72 of the 145 actions (49.7%) had either been closed or were deemed no longer relevant, with action on-going with respect to the remaining 73 (50.3%).

3. Infected Blood Inquiry

The UK-wide Infected Blood Inquiry (IBI) was announced on 11 July 2017 to examine the circumstances in which men, women and children treated by the NHS in the UK were given contaminated blood and blood products, particularly from 1970 onwards.

The Inquiry's May 2024 Report made 12 overarching recommendations, which included a number of sub-recommendations (58 in total) that cut across a range of policy areas, as well as the culture and working practices of the wider Executive, Civil Service and the Health and Social Care system. In July 2025, the Inquiry published an additional report on the "timeliness and adequacy" of the UK Government's response on compensation, and made a number of recommendations to enable faster and fairer compensation.

Infected Blood Inquiry Compensation

The IBI's principal recommendation called for the immediate establishment of a UK-wide comprehensive compensation scheme for victims, families and those affected by the Infected blood scandal. Department of Health officials from the Population Health Directorate (PHD) have been progressing a programme of work to oversee the development of the UK-wide Infected Blood Compensation Scheme.

Following the introduction of two sets of regulations to establish the Infected Blood Compensation Scheme, and the Infected Blood Compensation Authority (IBCA), and to provide for the transfer of regular support payments from the devolved Infected Blood Support Schemes (IBSS) to IBCA, a third set of regulations were enacted in December 2025 to make changes to the design and structure of the Compensation Scheme. A 12-week consultation was launched with the Infected Blood Community to inform the potential need for further changes to the compensation scheme.

IBCA has now invited the majority of infected beneficiaries to begin their compensation claims and in December 2025 opened its service to the first claims for living infected people who have never received financial support, those representing a deceased infected person and to other affected persons, as part of its 'test and learn' process to keep improving the compensation service as it is scaled up. Officials continue to work on a four nations basis during the transition period to ensure the smooth transition of beneficiaries to IBCA, to whom legal responsibility for making regular support payments will transfer with effect from 1 February 2027.

Wider Infected Blood Inquiry Recommendations

As IBI is a UK-wide Inquiry, some recommendations are being taken forward at UK level under the co-ordination of the Cabinet Office, although NI officials and regional partners have remained involved through various four-nation working groups. This has contributed to the publication of a 12-month update statement on 14 May 2025, co-signed by Minister Nesbitt, which conveyed the UK and Northern Ireland positions on each recommendation as well as any progress made towards their implementation

Locally, under the umbrella of the Inquiries Implementation Programme Management Board (IIPMB), chaired by the Permanent Secretary, HIOD officials have since been progressing the necessary independent assurance work around each recommendation through the existing independent Assurance Sub-Group and a newly established Independent Infected Blood Liaison Group.

An Infected Blood Memorial Committee was fully appointed ahead of the first commemorative event in Church House in Westminster on 19 November 2025. The Committee has been meeting

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monthly since then and been working on developing a clear vision for memorials, including in NI, and organising the next commemorative event to be held in London on 19 May 2026.

The introduction of a statutory Duty of Candour for HSC in Northern Ireland has been driven as part of the implementation of the IHRD recommendations and will contribute to meet the requirements of Recommendation 4 (*Preventing future harm to patients: achieving a safety culture*), whilst the work on the Public Office (Accountability) Bill is ongoing under the leadership of the Cabinet Office. The Bill is currently following its course in Westminster, and the Department of Finance is co-ordinating the NI aspects – this will contribute to address elements of Recommendation 5 (*Ending a defensive culture in the Civil Service and government*).

Notable progress on other non-compensation recommendations includes the production of draft assurance frameworks for Recommendations 6 (*Monitoring liver damage for people who were infected with Hepatitis C*), 8 (*Finding the undiagnosed*) and 9 (*Protecting the safety of haemophilia care*), whilst interim funding has been provided to Haemophilia NI to allow them to provide advocacy services for the local community in respect of Recommendation 10 (*Giving patients a voice*).

4. Urology Services Inquiry (USI) Public Inquiry

The Urology Services Inquiry (USI) was officially set up on 6 September 2021, under the Inquiries Act 2005. The Inquiry is chaired by Ms Christine Smith KC and relates to concerns raised within urology services in the Southern Health and Social Care Trust (SHSCT). The Inquiry conducted private and public hearings throughout 2022, with evidence continuing to be heard until the middle of April 2024 and public hearings concluding in June 2024.

The Inquiry has since placed all Section 21 responses and exhibits in the public domain on its website, along with supporting discoverable documentation, whilst reporting work is still ongoing. The Inquiry's Chair has provided regular updates on progress on the Inquiry's website which can be accessed at www.urologyservicesinquiry.org.uk. It is expected that the USI Report may be published in the course of 2026.

5. Deceased Patients Review (DPR)

In May 2018, the Department directed the RQIA to commission an Expert Review of the clinical case notes of the patients of Dr Michael Watt who had died in the 10 years prior to the neurology recall (i.e. the "Deceased Patients Review").

Given the potential scale and complexity of the work, a phased approach was agreed. Significant work was involved in the completion of Phase One, which was a preparatory phase. This work concluded in November 2020 with the formal adoption of operational protocols and a legal framework to ensure access to the relevant records and the appropriate infrastructure to enable the robust, ethical and sensitive delivery of the review.

Phase Two of the DPR, which commenced in April 2021, pertains to the expert review of clinical records involving 44 deceased patient records. RQIA's report published in November 2022 can be found [here](#).

Following a family engagement process and consideration of advice from the Regional Ethics Committee, a third phase ("Phase Three") of the DPR was announced by Written Ministerial Statement

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on 03 July 2024. Phase Three comprised of 18 families who had indicated that they wished to proceed with a review of their deceased family member's records. A six month period was provided for any further neurology families to come forward to express interest in participation. A total of eight further families will participate in the final strand of the DPR. This process is expected to conclude in 2026.

6. Southern HSC Trust (SHSCT) – Cervical Cytology Review

As a result of concerns raised in July 2022, the Southern Health and Social Care Trust (SHSCT) commissioned the Royal College of Pathologists to undertake an independent assessment of its cervical screening services from 1 January 2008 to October 2021. The RC Path report was published in October 2023. As a consequence of the RC Path report, a precautionary review of 17,425 women, known as the Cervical Cytology Review (CCR), was undertaken and two factual reports were published in December 2024.

An independent expert opinion on the findings of the Cervical Cytology Review was then commissioned to assess if the intended objectives of the CCR were met. The SHSCT also undertook a Serious Adverse Incident (SAI) learning review of the cases of twelve women, who developed cervical cancer and where the audit of their cases found significant issues or areas for further review or investigation. To help support learning and additional analysis of the wider cervical screening system, the Public Health Agency commissioned NHS England to undertake a Peer Review of their Quality Assurance arrangements and activities relating to laboratories within the NI Cervical Screening Programme.

The above reports were published in November 2025 and the Health Minister agreed to the appointment of an independent expert, Professor Sir Frank Atherton, to conduct a review of all the work completed to date and advise if there are any gaps or areas that need to be explored further. Professor Sir Frank's Independent Expert Opinion was completed by April 2026.

7. Belfast Health and Social Care Trust (BHSCT) Cardiac Surgery, level 5 Escalation of Trust Culture and Governance

Concerns relating to Northern Ireland Cardiac Surgery Services were added to the SIF in June 2025 at the highest level on the framework, level 5 (intervention at HSC Board Level).

Following the appointment of a new Chief Executive (Jennifer Welsh) in October 2025, a comprehensive action plan has been developed. Delivery of this plan is being overseen by a Culture and Governance Oversight Group (CGOG) within the Trust, which reports directly to Trust Board. Departmental accountability and oversight arrangements have been adapted to oversee the full CGOG process and associated actions. This includes a monthly meeting co-chaired by the Belfast Trust Departmental Sponsor, Mr Chris Matthews, and the SPPG Chief Operating Officer, Mrs Tracey McCaig. Attendance includes Mr Aidan Dawson, Chief Executive of the Public Health Agency, alongside the Trust Chair and Chief Executive, with other executives attending as appropriate.

At the most recent review in March 2026, a significant number of actions to implement the recommendations were either complete or on track for delivery. The Trust has been transparent in the development of its plan to address both the recommendations and the underlying issues. However, it is recognised that improvements to Organisational culture will take time to fully embed and evidence.

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Taking into account the strengthened governance arrangements implemented by the new Trust Chief Executive, the support and assessment undertaken by external advisors and the oversight by the Departmental Sponsor, SPPG Chief Operating Officer and the PHA Chief Executive, it was concluded that sufficient progress and commitment to driving improvements has been evidenced by the Belfast Trust Board.

Following this assessment, the Minister agreed that SIF level 5 would be de-escalated to level 4 (targeted intervention/senior external support for provider) and be reframed and aligned with the Trust's wider Culture and Governance Programme. It was also agreed that cardiac surgery service performance should be separated and managed at SIF level 3 (enhanced monitoring and support for provider) based on clinical performance.

The Health Minister informed the Health Committee of these changes to the level 5 escalation at its meeting on 26 March 2026.

Internal Control Divergencies arising in 2025-26

Cellpath Contract Irregular Expenditure

During the year £0.648m of irregular expenditure was incurred in relation to the costs associated with the HSC contract for cellular pathology.

It is estimated that between 70 to 80% of clinical diagnoses and around 95% of all clinical pathways depend on a pathology result right through from the GP surgery to the operating theatre and this service is therefore critical to the operation of the HSC.

In order to ensure continuity of critical service delivery in February 2026 the Accounting Officer authorised the award of a contract for the delivery of cellular pathology services in the absence of a DoF-approved business case. Vital equipment supporting this service had reached, or was close to reaching end of life and this posed a significant risk to service continuity.

The two options available were to either award the contract based on 2023 tender prices that expired at the end of March or to recommence a lengthy procurement process, requiring the use of an estimated 70 plus Direct Award Contracts in the interim, likely at a higher cost and continuing to expose the service to an unacceptable level of risk.

Whilst falling short of the evidence normally required to support an expenditure decision, evidence was assembled that strongly supports the decision to award the tender to protect this critical service delivery.

DoF were also advised of the situation prior to award of the contract and an attempt made to secure their approval. However, in the absence of a compliant business case this was not possible.

A number of lessons have already been learned from this process, not least the benefits of the development of a robust business case to support future expenditure decisions and the need to have appropriate project management structures in place. A comprehensive review of lessons learned is underway.

Ministerial Directions

There was one Ministerial Direction issued in 2025-26, Implementation of the 2025-26 HSC Pay Awards.

This Direction did not receive DoF approval and was referred to the Executive due the budget implications and cross-cutting nature, with Executive approval obtained 6 November 2025. The estimated cost of uplifting pay for the HSC in line with the recommendations was some £209 million which was in addition to the existing funding gap of some £415 million.

Irregular Payments

Irregular expenditure of £0.648m arose in 2025-26 relating to the Cellpath Contract. Further details are provided within the divergence disclosure above.

Conclusion

The Department has established governance and assurance mechanisms which includes the provision of Assurance Statements from Deputy Secretaries on their risk management processes and internal control arrangements.

Deputy Secretaries use their Assurance Statements to identify exceptions/material concerns within their Groups or the ALBs for which they are responsible. Sponsorship arrangements are in place for each of the Department's ALBs. I have been provided with those written assurances by the Deputy Secretaries for the twelve-month period ending 31 March 2026 and I am content that effective arrangements and controls have been in place.

The Head of Internal Audit has provided an overall satisfactory opinion for 2025-26.

Where significant issues have arisen, I am satisfied as Accounting Officer that appropriate action is being taken to address the issues concerned.

MIKE FARRAR
ACCOUNTING OFFICER

REMUNERATION AND STAFF REPORT

Remuneration Report

The purpose of this remuneration and staff report is to set out the Department of Health's remuneration policy for directors, report on how that policy has been implemented and set out the amounts awarded to directors. In addition, this report provides details on remuneration and staff which is key to accountability.

Remuneration Policy

The pay remit for the Northern Ireland Civil Service, including senior civil servants (SCS), is normally approved by the Minister of Finance. Following approval of the 2025-26 Budget in the Assembly, on 19th May 2025, in which the Finance Minister outlined the overarching approach to public sector pay, the NI public sector pay policy guidance was published on 27 May 2025 in FD (DoF) 04/25.

Annual NICS pay awards are made in the context of the wider public sector pay policy. The 2024 pay award, due from 1 August 2024, was paid in April 2025 for weekly paid staff and May 2025 for monthly paid staff. The 2025 pay award, due from 1 August 2025, was paid in August for weekly paid staff and September 2025 for monthly paid staff.

The pay of NICS staff is based on a system of pay scales for each grade, including SCS, containing a number of pay points from minimum to maximum, allowing progression towards the maximum based on performance and other eligibility criteria.

Service Contracts

The Civil Service Commissioners (NI) Order 1999 requires Civil Service appointments to be made on merit on the basis of fair and open competition. The [Recruitment Code](#) published by the Civil Service Commissioners for Northern Ireland specifies the circumstances when appointments may be made by exception to merit.

Unless otherwise stated, the officials covered by this report hold appointments that are open-ended. Early termination, other than for misconduct, would result in consideration of the individual receiving compensation as set out in the Civil Service Compensation Scheme⁵.

Remuneration (including salary) and pension entitlements

The following sections provide details of the remuneration and pension interests of the Minister and most senior management (i.e., Board Members) of the department.

⁵ [Civil Service Commissioners for Northern Ireland \(nicscommissioners.org\)](https://www.nicscommissioners.org)

Remuneration and pension entitlements – Ministers (Audited) Single total figure of remuneration

Ministers	Salary (£)		Benefits in kind (to nearest £100)		Pension Benefits* (to nearest £1,000)		Total (to nearest £1,000)	
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
R Swann	-	6,000	-	-	-	1,000	-	7,000
M Nesbitt	38,000	32,000	-	-	6,000	5,000	44,000	37,000

**The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation and any increase or decrease due to a transfer of pension rights.*

Remuneration and pension entitlements – Officials (Audited)

Officials	Salary (£'000)		Benefits in kind (to nearest £100)		Pension Benefits* (to nearest £1000)		Total (£'000)	
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
P May (until 31 March 2025)	-	155-160	-	-	-	77	-	230-235
M Farrar (from 1 April 2025) (Note 1)	190-195	-	-	-	-	-	190-195	-
Dr M McBride	255-260	255-260	-	-	73	-	330-335	255-260
M McIlgorm (from 12 December 2024)	105-110	40-45 (FYE 140-145)	-	-	24	8	130-135	50-55 (FYE 145-150)
J Wilkinson	120-125	110-115	-	-	118	96	235-240	205-210
B Worth (until 30 April 2025)	5-10 (FYE 90- 95)	90-95	-	-	4	58	10-15 (FYE 90- 95)	145-150
S Gallagher (until 16 September 2024)	-	50-55 (FYE 105-110)	-	-	-	64	-	110-115 (FYE 175-180)
D West (until 6 September 2024)	-	80-85 (FYE 110-115)	-	-	-	32	-	110-115 (FYE 145-150)
C Matthews	115-120	105-110	-	-	87	73	200-205	180-185
P Toogood	115-120	105-110	-	-	87	73	200-205	180-185
T McCaig (from 31 October 2024)	140-145	40-45 (FYE 100- 105)	2,200	-	61	73	205-210	115-120 (FYE 175-180)
Tom Simpson (until 1 June 2025)	15-20 (FYE 110-115)	40-45 (FYE 100-105)	-	-	179	9	195-200 (FYE 290-295)	50-55 (FYE 110-115)
A Morrison (from 12 December 2024)	90-95	25-30 (FYE 80- 85)	-	-	90	11	180-185	35-40 (FYE 90-95)
Dr P Rice (from 2 June 2025) (Note 3)	130-135 (FYE 155-160)	-	-	-	51	-	180-185 (FYE 210-215)	-
D Keenan (from 1 May 2025) (Note 2)	80-85 (FYE 85-90)	-	-	-	189	-	265-270 (FYE 275-280)	-
A Dawson PHA	180-185	160-165	-	-	105	31	285-290	190-195

Remuneration and pension entitlements – Officials (Audited) continued

Officials	Salary (£'000)		Benefits in kind (to nearest £100)		Pension Benefits* (to nearest £1000)		Total (£'000)	
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
Dr A Keaney <i>PHA (until 30 September 2024)</i>	-	60-65 (FYE 120-125)	-	-	-	58	-	115-120 (FYE 175-180)
L Scott <i>PHA (from 19 March 2024)</i>	110-115	100-105	-	-	58	22	170-175	120-125
Dr J McClean <i>PHA</i>	170-175	160-165	-	-	150	90	320-325	255-260
H Reid <i>PHA (until 30 November 2025)</i>	85-90 (FYE 135-140)	120-125	-	-	51	32	135-140 (FYE 185-190)	150-155
E Roberts <i>(from 1 December 2025)</i>	40-45 (FYE 125-130)	-	-	-	134	-	175-180 (FYE 270-275)	-

FYE – Full Year Equivalent

**The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation and any increase or decrease due to a transfer of pension rights.*

Notes to the table of senior management remuneration

1. M Farrar replaced P May with effect from 1 April 2025.
2. D Keenan replaced B Worth with effect from 1 May 2025.
3. P Rice replaced T Simpson with effect from 2 June 2025.

Single total figure of remuneration Non-Executive Members

Officials	Salary (£'000)		Benefits in kind to nearest £100)		Pension Benefits* (to nearest £1,000)		Total (£'000)	
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
J McCooe (Note 1)	10-15	5-10	900	600	-	-	10-15	10-15
A Magowan (Note 2)	5-10	5-10	1,000	900	-	-	5-10	5-10
C Coffey (Chair) PHA	40-45	40-45	-	-	-	-	40-45	40-45
Professor N Rooney PHA (until 28 February 2025)	0-5	10-15	-	-	-	-	0-5	10-15
J P Clayton PHA	10-15	10-15	-	-	-	-	10-15	10-15
J Stewart PHA (until 31 December 2025)	5-10	10-15	-	-	-	-	5-10	10-15
Councilor R Irvine PHA	10-15	10-15	-	-	-	-	10-15	10-15
A Henderson PHA	10-15	10-15	-	-	-	-	10-15	10-15
C Blaney PHA	10-15	10-15	-	-	-	-	10-15	10-15

**The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation and any increase or decrease due to a transfer of pension rights.*

Non-Executive Directors are remunerated based on the number of Board meetings they attend, and related work carried out. Details of the Independent Non-Executive Director members of the Board employment contracts are as follows:

- 1) J McCooe was appointed as an Independent Non-Executive Director on 1 October 2022 for a three year period, this appointment has been extended for 3 years to 30 September 2028.
- 2) A Magowan was appointed as an Independent Non-Executive Director on 1 October 2022 for a three year period, this appointment has been extended for 3 years to 30 September 2028.

PHA Non-Executive Members

Non-Executive Members may have received benefits in kind below £50 which would have been rounded down to nil as specified in the second column of the table above.

Payments to Non-Executive Members are based on DoH Circular HSC(F) 23-2024, with the most recent payments made being effective from 26 November 2024.

Salary

'Salary' includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation and any severance or ex gratia payments. This report is based on accrued payments made by Department of Health or PHA and thus recorded in these accounts.

The Department of Health was under the direction and control of Mr Mike Nesbitt during the financial year. Their salaries and allowances were paid by the department and have been included in these accounts. These amounts do not include costs relating to the Minister's role as MLA which are disclosed in the Northern Ireland Assembly Commission accounts.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument.

Fair Pay Disclosures

Pay Ratios (Audited)

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce.

The banded remuneration of the highest-paid director in the Department of Health in the financial year 2025-26 was £255,000 - £260,000 (2024-25 £255,000 - £260,000). The relationship between the mid-point of this band and the remuneration of the organisation's workforce is disclosed below.

2025-26	25 th percentile	Median	75 th percentile
Total remuneration (£)	38,682	49,515	64,468
Pay ratio	6.66:1	5.20:1	3.99:1

2024-25	25 th percentile	Median	75 th percentile
Total remuneration (£)	36,483	45,838	60,261
Pay ratio	7.06:1	5.62:1	4.27:1

Total remuneration includes salary, non-consolidated performance-related pay, and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

For 2025-26, the 25th percentile, median and 75th percentile remuneration values consisted solely of salary payments.

In 2025-26, one (2024-25, nil) employee received remuneration in excess of the highest-paid director.

Remuneration ranged from £14k to £271k (2024-25, £7k to £258k).

Percentage Change in Remuneration

Reporting bodies are also required to disclose the percentage change from the previous financial year in the

- a) salary and allowances, and
- b) performance pay and bonuses

of the highest paid director and of their employees as a whole.

The percentage changes in respect of the Department of Health and agencies are shown in the following table. It should be noted that the calculation for the highest paid director is based on the mid-point of the band within which their remuneration fell in each year.

Percentage change for:	2025-26 v 2024-25	2024-25 v 2023-24
Average employee salary and allowances	7.59%	9.19%
Highest paid director's salary and allowances	0.00.%	8.42%

Pension Benefits – Ministers (Audited)

	Accrued pension at pension age as at 31/3/26	Real increase in pension at pension age	CETV at 31/3/26	CETV at 31/3/25	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
M Nesbitt	0-5	0-2.5	54	41	9

Ministerial pensions

Pension benefits for Ministers are provided by the Assembly Members’ Pension Scheme (Northern Ireland) 2016 (AMPS). This is a Career Average Revalued Earnings (CARE) scheme which was introduced for new and existing members by the Assembly Members (Pensions) Determination (Northern Ireland) 2016.

In 2011, the Assembly passed the Assembly Members (Independent Financial Review and Standards) Act (Northern Ireland) 2011 (2011 Act) establishing a panel to make determinations in relation to the salaries, allowances and pensions payable to members of the Northern Ireland Assembly. The tenure of the first panel ended in July 2016. As a consequence of the Assembly Commission’s desire to consider a reform of the Panel and the political situation between March 2017 and January 2020, a new Panel was not appointed. Legislation to reform and rename the panel, although started, was not completed before the dissolution of the Assembly on 28 March 2022. However, the Assembly Members (Independent Remuneration Board) Act (Northern Ireland) 2025, enacted in late 2025, replaced the former panel with an Independent Remuneration Board (the Board) responsible for determining Members’ pay and pensions. The AMPS continues to operate under the 2016 Determination until a new Determination is issued by the Board.

Members of the Legislative Assembly (“MLA” or “Member”) aged 55 or over on 1 April 2015 and in continuous service between 1 April 2015 and 6 May 2016 retained their Final Salary pension arrangements under transitional protection until 6 May 2021. In December 2018, the Court of Appeal ruled that the transitional protection offered to members of the Judiciary and Firefighters Schemes, when their schemes were reformed, was discriminatory on grounds of age. This is known as the McCloud Judgement. As a result of this decision, the government agreed to provide remedy to eligible members across the main public sector schemes. This judgement could have an impact on MLAs who missed out on the transitional protection policy in the AMPS because of their age. The applicability of, and approach to, the McCloud judgement in relation to this scheme is a matter for the Independent Remuneration Board.

As Ministers are MLAs, they also accrue an MLA’s pension under the AMPS (details of which are not included in this report). Pension benefits for Ministers under transitional protection arrangements accrued on a “contribution factor” basis, taking account of service as a Minister, up to 5 May 2021, when all members of the scheme moved to CARE. The contribution factor was the relationship between salary as a Minister and salary as an MLA for each year of service as a Minister. These pension benefits are based on the accrual rate (1/50th or 1/40th) multiplied by the cumulative contribution factors and the relevant final salary as an MLA. Up to 5 May 2021 those Ministers under

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the transitional protection arrangements paid contributions of either 9% or 12.5% of their Ministerial salary, depending on the accrual rate.

Pension benefits for all other Ministers accrue on a career average (CARE) basis and are payable at the same time as MLAs' pension benefits become payable under the AMPS. Pensions are increased annually in line with changes in the Consumer Prices Index. The contribution paid in the CARE Scheme is 9% of the Ministerial salary. There is also an employer contribution paid by the Consolidated Fund, out of money appropriated by Act of Assembly for that purpose, representing the balance of cost. Following the publication of the 2023 triennial valuation of the AMPS by the Government Actuary's Department, the employer contribution rate remained unchanged and continues to be paid at 17.1%. The accrued pension quoted is the pension the Minister is entitled to receive when they reach normal retirement age for their section of the Scheme. Under the CARE element of the AMPS, Normal Retirement Age is linked to State Pension Age. Any Final Salary pension accrued before 6 May 2021 will continue to be payable at a Normal Retirement Age of 65.

The Cash Equivalent Transfer Value (CETV)

This is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. It is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the pension benefits they have accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total service, not just their current appointment as a Minister. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) Regulations 1996 (as amended).

The real increase in the value of the CETV

This is the increase in accrued pension due to the Assembly Commission's contributions to the AMPS and excludes increases due to inflation and contributions paid by the Minister and is calculated using valuation factors for the start and end of the period.

Pension Benefits – Officials (Audited)

	Accrued pension at pension age as at 31/3/26 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/3/26	CETV at 31/3/25	Real increase in CETV	Employer contribution to partnership pension/SPPA account
	£'000	£'000	£'000	£'000	£'000	£'000
Dr M McBride <i>Chief Medical Officer</i>	100-105 plus lump sum 0-5	2.5-5	2,159	2,133	26	
M McIlGorm* <i>Chief Nursing Officer</i>						24
J Wilkinson <i>Deputy Secretary, Health Care Policy Group</i>	60-65 plus lump sum 150-155	5-7.5 plus lump sum 7.5-10	1,430	1,265	112	
B Worth <i>Director of Finance,</i>	40-45	2.5-5	710	696	0	
C Matthews <i>Deputy Secretary, Resource and Corporate Management Group</i>	35-40 plus lump sum 85-90	2.5-5 plus lump sum 5-7.5	737	634	62	
P Toogood <i>Deputy Secretary Social Services Policy Group</i>	40-45	2.5-5	818	702	72	
T McCaig <i>Deputy Secretary Strategic Planning and Performance</i>	55-60 plus lump sum 140-145	2.5-5 plus lump sum 2.5-5	1,283	976	89	
T Simpson <i>Deputy Secretary Chief Digital Information</i>	10-15	7.5-10	125	8	115	
A Morrison <i>Chief Social Work Officer</i>	50-55	2.5-5	846	746	71	
D Keenan <i>Director of Finance,</i>	25-30	7.5-10	564	349	191	
Dr P Rice <i>Chief Digital Information Officer</i>	0-5	2.5-5	46	-	36	

Pension Benefits – Officials (continued)

	Accrued pension at pension age as at 31/3/26 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/3/26	CETV at 31/3/25	Real increase in CETV	Employer contribution to partnership pension/ SPPA account
	£'000	£'000	£'000	£'000	£'000	£'000
A Dawson <i>Chief Executive PHA</i>	70-75 plus a lump sum of 180-185	5-7.5 plus a lump sum of 7.5-10	1,762	1,270	149	
E Roberts <i>Interim Director of Nursing & Allied Health Professionals PHA</i>	40-45 plus a lump sum of 100-105	5-7.5 plus a lump sum of 12.5-15	1,086	-	181	
Dr J McClean <i>Director of Public Health PHA</i>	55-60 plus a lump sum of 130-135	7.5-10 plus a lump sum of 12.5-15	1,176	955	171	
L Scott <i>Director of Finance & Corporate Services PHA</i>	40-45 Nil lump sum	2.5-5 Nil lump sum	670	24	63	
Ms Heather Reid <i>Director of Nursing & Allied Health Professionals PHA</i>	55-60 Nil lump sum	2.5-5 Nil lump sum	1,293	1,125	15	

Non-Executive members pension details

Non-Executive members who served during the year as non-executive members of the Board are not employees of the Department or PHA and their remuneration is non-pensionable.

**This Board member was on secondment from NHS Lothian for part of the financial year and for this period the contribution to Scottish Public Pensions Agency account was arranged through NHS Lothian and not through the NICS Pension Scheme.
The Department have been recharged for the in-year amount for the duration of the secondment.*

Northern Ireland Civil Service (NICS) Pension Schemes

Pension benefits are provided through the Northern Ireland Civil Service pension schemes which are administered by Civil Service Pensions (CSP).

The alpha pension scheme was initially introduced for new entrants from 1 April 2015. The alpha scheme and all previous scheme arrangements are unfunded with the cost of benefits met by monies voted each year. The majority of members of the Classic, Premium, Classic Plus and Nuvos pension arrangements (collectively known as the Principal Civil Service Pension Scheme (Northern Ireland) [PCSPS(NI)]) also moved to alpha from that date. Transitional protection measures introduced alongside these reforms meant any members who on 1 April 2012 were within 10 years of their normal pension age remained in their previous scheme arrangement (full protection) and those who were between 13.5 years and 10 years of their normal pension age were given a choice between moving to alpha on 1 April 2015 or at a later date determined by their age (tapered protection).

McCloud Judgment and 2015 Remedy

In 2018, the Court of Appeal found that the transitional protections put in place back in 2015 that allowed older workers to remain in their original scheme, were discriminatory on the basis of age. As a result, steps have been taken by the Department of Finance to remedy this discrimination.

The Department has now made regulations which remedy the discrimination by:

- ensuring all active members are treated equally for future service as members of the reformed alpha scheme only from 1 April 2022, and
- providing each eligible member with options to have their pension entitlements for the period when the discrimination existed between 1 April 2015 and 31 March 2022 (the Remedy Period) retrospectively calculated under either the current (reformed) scheme rules, or the older (pre-reform) legacy rules which existed before 2015.

This means that all active NICS Pension Scheme members are in the same pension scheme, alpha, from 1 April 2022 onwards, regardless of age. This removes the discrimination going forwards in providing equal pension provision for all scheme members.

The Department is now implementing the second part of the remedy, which addresses the discrimination which was incurred by affected members between 1 April 2015 and 31 March 2022.

Eligible members with relevant service between 1 April 2015 and 31 March 2022 (the Remedy Period) will now be entitled to a choice of alternative pension benefits in relation to that period. i.e. calculated under the pre reformed PCSPS(NI) 'Classic', 'Premium' or 'Nuvos' rules or alternatively calculated under the reformed alpha rules. As part of this 'retrospective' remedy most active members will now receive a choice about their Remedy Period benefits at the point of retirement. This is known as the Deferred Choice Underpin (DCU). For those members who already have pension benefits in payment in relation to the Remedy Period, they will receive an Immediate Choice. There are a significant number of Immediate Choice Remediable Service Statement (RSS) packs to issue. This process involves complex calculations to provide members with individually tailored statements. Due to the complexity of the

calculations and some prolonged work to finalise policy elements of the remedy, not all Immediate Choice packs have been able to be issued by the original regulatory timeline of 31 March 2025. The Scheme Manager has invoked the discretion allowed by the remedy legislation and has extended the timeline for issuing Immediate Choice RSS packs to 31 March 2027. The Pensions Regulator has been notified of this extension. Our priority remains to provide members with all the accurate information they need to make a choice. It can be noted that other Public Service Pension Schemes are also in a similar position. Further information on the remedy will be included in the NICS pension scheme accounts which, once published, are available at [DoF Annual Reports and Accounts](#).

As part of the remedy involved rolling back all remediable service into the relevant legacy PCSPS(NI) arrangement for the 7-Year Remedy Period, the value of pension benefits for the 2025-26 pension disclosures for affected members continue to be based on the rolled back position.

Alpha

Alpha is a 'Career Average Revalued Earnings' (CARE) arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The current accrual rate is 2.32%.

From 1 April 2015, all new entrants joining the NICS can choose between membership of alpha or joining a 'money purchase' stakeholder arrangement with a significant employer contribution (Partnership Pension Account).

Information on the PCSPS(NI) – Closed Scheme

Staff in post prior to 30 July 2007 were eligible to be in one of three statutory based 'final salary' legacy defined benefit arrangements (Classic, Premium and Classic Plus). From April 2011, pensions payable under these arrangements have been reviewed annually in line with changes in the cost of living. New entrants who joined on or after 1 October 2002 and before 30 July 2007 will have chosen between membership of Premium or joining the Partnership Pension Account.

New entrants who joined on or after 30 July 2007 were eligible for membership of the legacy PCSPS(NI) Nuvos arrangement or they could have opted for a Partnership Pension Account. Nuvos was also a CARE arrangement in which members accrued pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The rate of accrual was 2.3%.

Benefits in Classic accrued at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For Premium, benefits accrued at the rate of 1/60th of final pensionable earnings for each year of service. Unlike Classic, there is no automatic lump sum (but members may give up (commute) some of their pension to provide a lump sum). Classic Plus is essentially a variation of Premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per Classic.

Partnership Pension Account

The Partnership Pension Account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee. The employee does not have to

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contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

Annual Benefit Statements

Active members of the pension scheme will receive an Annual Benefit Statement. The accrued pension quoted is the pension the member is entitled to receive when they reach their scheme pension age, or immediately on ceasing to be an active member of the scheme if they are at or over pension age. The normal scheme pension age in alpha is linked to the member's State Pension Age but cannot be before age 65. The Scheme Pension age is 60 for any pension accrued in the legacy **Classic, Premium, and Classic Plus** arrangements and 65 for any benefits accrued in **Nuvos**. Further details about the NICS pension schemes can be found at the website [Civil Service Pensions \(NI\)](#).

Pension Increases

All pension benefits are reviewed annually in line with changes in the cost of living. Any applicable increases are applied from April and are determined by the Consumer Prices Index (CPI) figure for the preceding September. The CPI in September 2025 was 3.8% and HM Treasury has announced that public service pensions will be increased accordingly from April 2026.

Employee Contribution Rates Percentage rates for employee contributions were revised for all members from **1 July 2025** as a result of the [Northern Ireland Civil Service Pension Scheme: Consultation on Scheme Yield / Member Contributions](#) as shown below:

Annualised Rate of Pensionable Earnings (Salary Bands) 1 April 2025 to 31 August 2025		Contribution rates – All members from 1 April 2025 to 30 June 2025	*Contribution rates – All members from 1 July 2025
From	To		
£0	£27,091.99	4.6%	4.65%
£27,092.00	£61,645.99	5.45%	5.65%
£61,646.00	£165,793.99	7.35%	7.55%
£165,794.00 and above		8.05%	8.25%

Salary bands were also updated from 1 September 2025 as follows:

Annualised Rate of Pensionable Earnings (Salary Bands) 1 September 2025 onwards		Contribution rates – All members
From	To	
£0	£28,716.99	4.65%
£28,717.00	£65,343.99	5.65%
£65,344.00	£175,740.99	7.55%
£175,741.00 and above		8.25%

HSC Pension Scheme

The CETV figures, and from 2003-04 the other pension details, include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the HSC pension scheme. They also include any additional pension benefits accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) Regulations 1996 (as amended).

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2026. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2025-26 CETV figures.

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the NICS pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost.

CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) Regulations 1996 (as amended).

HM Treasury provides the assumptions for discount rates for calculating CETVs payable from the public service pension schemes. On 27 April 2023, HM Treasury published guidance on the basis for setting the discount rates for calculating cash equivalent transfer values payable by public service pension schemes. In their guidance of 27 April 2023, HM Treasury advised that, with immediate effect, the discount rate adopted for calculating CETVs should be in line with the new SCAPE discount rate of 1.7% above CPI inflation, superseding the previous SCAPE discount rate of 2.4% above CPI inflation. All else being the same, a lower SCAPE discount rate leads to higher CETVs. The HM Treasury Guidance of 27 April 2023; can be found at [Basis for setting the discount rates for calculating cash equivalent transfer values payable by public service pension schemes - GOV.UK](#). **As at the year-end there** have been no further changes to the SCAPE discount rate of 1.7% above CPI inflation since the HM Treasury guidance was published.

Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period (which therefore disregards the effect of any changes in factors).

Compensation for loss of office

No compensation was paid for loss of office in 2025-26.

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Staff Report

Number of senior civil service staff (or equivalent) by band

The number of staff serving in the grades 1 to 5 or equivalent representing the senior civil servants as at 31 March 2026 is shown below. These include senior civil service staff who are Departmental Board members.

Core and Agencies		
Pay Band*	Number of SCS staff (or equivalent) 2025-26	Number of SCS staff (or equivalent) 2024-25
£0 - £5,000	1	-
£5,000 - £10,000	1	-
£10,000 - £15,000	4	6
£15,000 - £20,000	-	-
£20,000 - £25,000	-	-
£25,000 - £30,000	-	-
£30,000 - £35,000	-	-
£35,000 - £40,000	-	-
£40,000 - £45,000	2	1
£45,000 - £50,000	-	-
£50,000 - £55,000	-	-
£55,000 - £60,000	-	-
£60,000 - £65,000	-	1
£65,000 - £70,000	-	-
£70,000 - £75,000	-	-
£75,000 - £80,000	-	3
£80,000 - £85,000	-	15
£85,000 - £90,000	5	9
£90,000 - £95,000	8	-
£95,000 - £100,000	11	-
£100,000 - £105,000	-	3
£105,000 - £110,000	-	1
£110,000 - £115,000	1	-
£115,000 - £120,000	3	-
£120,000 - £125,000	1	1
£125,000 - £130,000	-	-
£130,000 - £135,000	-	-
£135,000 - £140,000	-	-
£140,000 - £145,000	-	-
£145,000 - £150,000	-	1
£150,000 - £155,000	-	-
£155,000 - £160,000	-	-
£160,000 - £165,000	1	2
£165,000 - £170,000	-	-
£170,000 - £175,000	1	-
£175,000 - £180,000	-	-
£180,000 - £185,000	1	-
Total	40	43

Staff Costs (Audited):

	2025-26				2024-25
	Permanently employed staff*	Others	Ministers	Total	Total
	£'000	£'000	£'000	£'000	£'000
Wages and salaries	3,085,103	668,556	38	3,753,697	3,793,001
Social security costs	403,116	44,891	5	448,012	346,030
Other pension costs	637,356	47,362	6	684,724	660,119
Subtotal	4,125,575	760,809	49	4,886,433	4,799,150
Less recoveries in respect of outward secondments	(238,982)			(238,982)	(184,393)
Total net costs**	3,886,593	760,809	49	4,647,451	4,614,757

Of which:

	Charged to Administration £'000	Charged to Programme £'000	Total £'000
Core Department	45,873	-	45,873
Agencies	31,860	-	31,860
Other bodies	-	4,569,718	4,569,718
Total net costs	77,733	4,569,718	4,647,451

*The 2025-26 figures include the cost of the Department's Special Adviser who was paid in the pay band £65k to £70k (2024-25, £60-£65k).

**£6,592k staff costs have been charged to capital.

The Northern Ireland Civil Service main pension schemes are unfunded multi-employer defined benefit schemes but the Department of Health is unable to identify its share of the underlying assets and liabilities.

The Public Service Pensions Act (NI) 2014 provides the legal framework for regular actuarial valuations of the public service pension schemes to measure the costs of the benefits being provided. These valuations inform the future contribution rates to be paid into the schemes by employers every four years following the scheme valuation. The Act also provides for the establishment of an employer cost cap mechanism to ensure that the costs of the pension schemes remain sustainable in future.

The Government Actuary's Department (GAD) is responsible for carrying out scheme valuations. The Actuary reviews employer contributions every four years following the scheme valuation. The 2020 scheme valuation was completed by GAD in October 2023. The outcome of this valuation was used to set the level of contributions for employers from 1 April 2024 to 31 March 2027.

The Cost Cap Mechanism (CCM) is a measure of scheme costs and determines whether member costs or scheme benefits require adjustment to maintain costs within a set corridor. Reforms were made to the CCM which was applied to the 2020 scheme valuations and included the introduction of a reformed-scheme-only cost control mechanism which assesses just the costs relating to reformed schemes (alpha for the NICS) and introduced an economic check. Prior to the cost control mechanism reforms, legacy scheme (PCSPS(NI)) costs associated with active members were also captured in the mechanism. The reformed-scheme-only design and the economic check were applied to the 2020 scheme valuations for the devolved public sector pension schemes, including the NICS pension scheme. The 2020 scheme valuation outcome was that the core cost cap cost of the scheme lies within the 3% cost cap corridor. As there is no breach of the cost control mechanism, there is no requirement for the Department of Finance to consult on changes to the scheme. Further information can be found on the Department of Finance website <https://www.finance-ni.gov.uk/articles/northern-ireland-civil-service-pension-scheme-valuations>.

For 2025-26, employers' contributions of £9.4m were payable to the NICS pension arrangements at a flat rate of 34.25% of pensionable pay, for all salaries (2024-25 £9.5m at 34.25%).

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £12k (2024-25 £14k) were paid to one or more of the panel of two appointed stakeholder pension providers. Employer contributions are age-related and range from 8% to 14.75% (2024-25, 8% to 14.75%) of pensionable pay.

The partnership pension account offers the member the opportunity of having a 'free' pension. The employer will pay the age-related contribution and if the member does contribute, the employer will pay an additional amount to match member contributions up to 3% of pensionable earnings.

Employer contributions of £0.5k, 0.5% (2024-25 £0.5k, 0.5%) of pensionable pay, were payable to the NICS Pension schemes to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees. Contributions due to the partnership pension providers at the reporting period date were £nil. Contributions prepaid at that date were £nil.

The PHA participates in the HSC Pension Scheme. Under this multi-employer defined benefit

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scheme both the PHA and employees pay specified percentages of pay into the scheme and the liability to pay benefit falls to the DoH. The PHA is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reliable basis.

As per the requirements of IAS 19, full actuarial valuations by a professionally qualified actuary are required with sufficient regularity that the amounts recognised in the financial statements do not differ materially from those determined at the reporting period date. This has been interpreted in the FReM to mean that the period between formal actuarial valuations shall be four years.

The actuary reviews the most recent actuarial valuation at the statement of financial position date and updates it to reflect current conditions. The 2020 scheme valuation was completed by GAD in October 2023. The outcome of this valuation was used to set the level of contributions for employers from 1 April 2024 to 31 March 2027.

Pension benefits are administered by BSO HSC Pension Service. Two schemes are in operation, HSC Pension Scheme and the HSC Pension Scheme 2015. There are two sections to the HSC Pension Scheme (1995 and 2008) which was closed with effect from 1 April 2015 except for some members entitled to continue in this Scheme through 'Protection' arrangements. On 1 April 2015 a new HSC Pension Scheme was introduced.

This new scheme covers all former members of the 1995-2008 Scheme not eligible to continue in that Scheme as well as new HSC employees on or after 1 April 2015. The 2015 Scheme is a Career Average Revalued Earnings (CARE) scheme.

On 1 April 2015, the government made changes to public service pension schemes which treated members differently based on their age. The public service pensions remedy, known as the 'McCloud Remedy' puts this right and removes the age discrimination for the remedy period, between 1 April 2015 and 31 March 2022. Stage 1 of the remedy closed the 1995/2008 Scheme on 31 March 2022, with active members becoming members of the 2015 Scheme on 1 April 2022. For Stage 2 of the remedy, eligible members had their membership during the remedy period in the 2015 Scheme moved back into the 1995/2008 Scheme on 1 October 2023. This is called 'rollback'.

In complying with FReM, for 2025/26 pensions are being calculated using the rolled back opening balance, the rolled back closing balance, calculation of CETV by BSO HSC Pension Service on the rolled back basis and no restatement of prior year figures, where disclosed. All benefits accrued from 1 April 2022 onwards are calculated under the 2015 CARE Scheme. BSO HSC Pension Service will contact retirees with personalised information to assist in making their retrospective choice regarding the remedy period.

Following a public consultation, the DoH introduced changes to the amount members pay towards their HSC pension. The changes include the pensionable pay ranges used to decide how much members contribute to their pension and the percentage of members' pay to be a member of the scheme. The latter change means the amount payable will be based on a member's actual annual rate of pay, rather than their whole-time equivalent. For part-time staff, their contribution rate will now be based on how they are paid, instead of how much they would earn if they worked full-time.

The table below sets out the member contribution rates that apply in both the HSC Pension Scheme and the HSC Pension Scheme 2015 from 1 November 2022.

Annualised Rate of Pensionable Earnings (Salary Bands)		Contribution rates - All members
From	To	
£0	£13,259	5.2%
£13,260	£27,288	6.7%
£27,289	£33,247	8.5%
£33,248	£49,913	10.0%
£49,914	£63,994	10.9%
£63,995 and above		12.7%

One person (2024-25: one person) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £32k (2024-25: £7k). During 2025-26, there were two early retirements from the PHA on the grounds of ill-health (2024-25: nil). The estimated additional pension liabilities of these ill-health retirements will be £3.8k. These costs are borne by the HSC Pension Scheme.

Average number of persons employed (Audited)

The average number of whole-time equivalent persons employed during the year was as follows. These figures include those working in the department as well as in agencies and other bodies included within the consolidated departmental accounts.

Activity	2025-26 Number					2024-25 Number
	Permanently employed staff	Others	Ministers	Special Advisers	Total	Total
Medical and dental	3,584	4,605			8,189	5,601
Nursing and midwifery	23,153	2,020			25,173	25,096
Professions allied to medicine	6,273	168			6,441	6,311
Ancillaries	4,937	558			5,495	5,549
Administrative & clerical	11,603	663		1	12,267	12,473
Ambulance staff	1,277	2			1,279	1,232
Firefighters	1,727	-			1,727	1,698
Works	829	5			834	813
Other professional and technical	3,968	80			4,048	3,906
Social services	10,873	355			11,228	11,021
Other	951	416	1		1,368	1,948
Less average staff number relating to capitalised staff costs	(58)	5			(53)	(91)
Less average staff number in respect of outward secondments	(248)	(6)			(254)	(292)
Total	68,869	8,871	1	1	77,742	75,265

Of which:

Core Department	573	81	1	1	656	669
Agencies	-	410			410	403
Other Bodies	68,296	8,380			76,676	74,193
Total	68,869	8,871	1	1	77,742	75,265

Reporting of Civil Service and other compensation schemes - exit packages (Audited)

Comparative data is shown (in brackets) for previous year

Exit package cost band	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band	
	Core	Core and Agencies	Core	Core and Agencies	Core	Core and Agencies
<£10,000	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
£10,000- £25,000	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
£25,001-£50,000	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
£50,001- £100,000	- (-)	- (-)	1(1)	1(1)	1(1)	1(1)
£100,001- £150,000	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
£150,001- £200,000	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
£200,001-£250,000	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Total number of exit packages	- (-)	- (-)	1(1)	1(1)	1(1)	1(1)
Total resource cost/£'000	- (-)	- (-)	-(75)	-(75)	-(75)	-(75)

Core Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme (Northern Ireland) (CSCS(NI)), a statutory scheme made under the Superannuation (Northern Ireland) Order 1972. Similarly, PHA costs have been paid in accordance with the provisions of the HSC Pension Scheme Regulations.

The table above shows the total cost of exit packages agreed and accounted for in 2025-26 and 2024-25. No exit costs were paid in 2025-26, the year of departure, one exit package has been agreed, but paid in 2026-27 (2024-25: £75k). Where the department has agreed early retirements, the additional costs are met by the department and not by the Civil Service pension scheme, ill health retirement costs are met by the pension scheme and are not included in the table.

Staff Composition

The following table details the breakdown of staff gender on a headcount basis within Core and Agencies as at 31 March 2026:

	Male	Female	Total
Board Members	16	8	24
Senior Civil Service (Grade 5+, excluding Board members)	25	56	81
All other DoH	306	618	924
Total	347	682	1,029

Sickness Absence

The Department/Agency had an overall sickness absence rate of 9.9 days lost per employee in 2024-25. Annual sickness absence figures can be found in the “Sickness Absence in the Northern Ireland Civil Service 2024-25” report at <https://www.nisra.gov.uk/publications/sickness-absence-northern-ireland-civil-service-202425>

The 2025-26 sickness absence data is not currently available and will be published later this year.

Staff Turnover Percentage

The Department of Health Staff Turnover percentage (the number of people that have left the Department but have moved within the NICS) for 2025-26 is 9.7% (2024-25 is 9.2%), and the general turnover percentage (the people who have left the Department and have not gone elsewhere in the NICS) is 4.0% (2024-25 4.2%). This has been calculated by NICS HR based on the Cabinet Office Guidance on calculations for Turnover in the Civil Service.

In PHA for a given period, the total turnover figure is calculated as the number of leavers within that period divided by the average employee headcount over the period.

Voluntary turnover includes leavers classified under the categories of resignation, retirement or ill-health retirement. Involuntary turnover includes leavers classified under the categories of dismissal, end of fixed term contract or ill-health termination.

PHA Staff Turnover %	2026	2025
Total Staff Turnover	6.96%	9.13%
Split between		
Voluntary Turnover	5.04%	6.17%
Involuntary Turnover	1.92%	2.96%

Employment, training and advancement of disabled persons

The NICS is a lead partner of Employers for Disability NI (EFDNI) and is an accredited [Disability Positive](#) employer.

The NICS delivers an annual programme of communications and training on disability awareness and has policies in place to support inclusive workplaces. A review of the NICS reasonable adjustment policy and processes for in-work support, and for its recruitment selection and onboarding processes to deliver improvements was progressed in 2025 and will conclude in 2026-27. Colleagues with lived experience and external independent advocates have been stakeholders in the reasonable adjustment policy review.

The NICS is committed to the employment of Disabled people and offers work experience through its [Work Experience Scheme for Disabled People](#), it has also participated in the previous two phases of the Department for Communities JobStart Scheme which aims to improve the employability and long-term employment prospects of those who face additional barriers to employment. The Civil Service will participate in phase three of the scheme during 2026-27 offering paid work placements to eligible benefit claimants aged 16-65 to address barriers to economic participation.

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In order to encourage job applications from Disabled people, positive action advertising and targeted advertising alongside a programme of outreach are used. The NICS operates a Guaranteed Interview Scheme (GIS) which ensures a guaranteed number of Disabled applicants who meet the minimum essential eligibility criteria for the role they have applied for, are offered an interview. Further information can be found on the “Information for Disabled applicants” section of the [NICS recruit website](#).

All selection panel members complete mandatory recruitment and selection training, and appointments to the NICS are made on merit on the basis of fair and open competition, adhering to the [Recruitment Code](#).

Other Employee Matters

Equality, Diversity and Inclusion

The NICS values and welcomes diversity and is committed to creating a truly inclusive workplace for all. As part of this commitment, leadership and inclusion is a key pillar within the new five-year NICS People Strategy 2025-30 which launched in April 2025. The strategy was developed with a range of stakeholders including NICS staff networks and through its delivery the NICS aims to foster a culture of leadership, inclusivity and diversity that will help drive better outcomes for its workforce and the public it serves.

The NICS Diversity Champions Network comprises senior colleagues as designated Diversity Champions for each of the nine NICS departments, as well as four thematic leads for gender, race and ethnicity, disability and LGBTQ+. The network works in partnership with the NICS corporate HR function, People and Organisational Development and the seven NICS staff networks (LGBTQ+, Women, Disability, Race & Ethnicity, Cancer Support, Carers and Students), to develop and deliver actions to help promote and embed equality, diversity and inclusion across the Service.

Equality is a cornerstone consideration in the development and review of all HR policies which determine how staff are recruited and appointed, their terms and conditions, how they are managed and developed, assessed, recognised and rewarded. Further information is available in the [Equality, Diversity and Inclusion Policy](#). A strategic HR policy renewal programme is underway as part of the new People Strategy to modernise NICS people policies, ensuring they are user-centric and have a positive impact on employee experience.

As part of the NICS' efforts to ensure equality of opportunity, the NICS continually conducts comprehensive reviews into the composition of its workforce and recruitment activity, publishing a wide range of data. The statistics are available on the [Northern Ireland Statistics and Research Agency \(NISRA\)'s website](#).

The NICS continues to meet its statutory obligations under the Fair Employment & Treatment (NI) Order 1998, which includes submission of an annual Fair Employment Monitoring Return and a tri-annual Article 55 Review to the Equality Commission for NI (ECNI), both of which assess the composition of the NICS workforce and the composition of applicants and appointees. Although not a statutory requirement, the NICS also conducts a similar formal review of the gender profile of its workforce. The findings from both tri-annual reviews are published in the NICS [Workforce Review](#). The next review was submitted to the Equality Commission for Northern Ireland in 2025 and will be published in 2026.

The NICS uses the findings of all the equality monitoring and analysis to inform its programme of targeted outreach activity to address any areas of under-representation.

As a public authority, the NICS has due regard to the need to promote equality of opportunity and regard to the desirability of promoting good relations across a range of categories outlined in the Section 75 of the Northern Ireland Act 1998 in carrying out its functions. Further information on the department's equality scheme is available on its website [Department of Health](#).

Staff Engagement

The NICS People Survey was conducted by NISRA in Spring 2025 across the nine NICS ministerial Departments as well as the Public Prosecution Service and the Health & Safety Executive for NI. All staff working in these organisations were invited to take part in the survey from 29th April to 23rd May 2025. For the Department of Health there were 688 (2023: 647) staff invited to complete the survey, of which 334 (2023: 372) participated, a response rate of 49% (2023: 57.0%). The Employee Engagement Index (EEI) is the weighted average of the responses to the five employee engagement questions, and it ranges from 0% to 100%. The Department of Health responses indicated an Employee Engagement Index of 55% (2023: 57%), compared to the NICS average of 56% (2023: 54%). The full survey can be accessed at <https://www.finance-ni.gov.uk/publications/nics-people-survey-results>. The next NICS People Survey is due to take place in 2027.

Staff Redeployment relating to Specific Events

There are no staff redeployed relating to specific events.

The average duration of staff redeployed out of the Department due to specific events was nil. The cost of staff redeployed out of the Department in 2025/26 was £nil (2024/25 £nil) and redeployed in was £nil (2024/25 £nil).

Learning & Development

The NICS recognises the importance of having skilled and engaged employees and continues to invest in learning and development.

Development and delivery of generic staff training is centralised in NICSHR^[1]. Training is delivered using a variety of learning delivery channels (including classroom delivery, on-line, and virtual classrooms), providing flexible access to learning. Coherent learning pathways are aligned to both corporate need and the NICS People Strategy 2025-30.

NICSHR L&D contributes to the delivery of the Strategy's three priorities:

- Skills and Capacity – Building capability and future-ready skills
- Experience and Environment – Creating inclusive, high-quality working environments
- Leadership and Inclusion – Developing leaders who collaborate and innovate

A portfolio of learning products is developed in consultation with customers and subject experts internally and externally, accessible by staff through the LnKS learning management system icon on all NICS desktops. The themes covered in our portfolio of training are:

- Policy and Government
- Leadership & Management
- Collaborative & Collective Working
- Innovation, Improvement & Transformation
- Health & Wellbeing
- Digital Skills Development

^[1] NICSHR is the NICS' centralised human resources operational delivery function, falling under the responsibility of the Department of Finance

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Application of Business Appointment Rules (BARs)

The NICS Standards of Conduct Policy, (Section 8 and Annexes 4) sets out the rules on the acceptance of outside business appointments, employment or self-employment for staff after they leave the NI Civil Service, including procedures to make staff aware of these rules and provides that the Permanent Secretary of the Department is responsible for the effective operation of the Business Appointment Rules within their Department. Further detail is available in the [NICS Standards of Conduct Policy](#).

The Department must include a summary statement on their compliance with business appointment rules. Example statement (where the reporting entity is compliant):

“In compliance with Business Appointment rules, the Department is transparent in the advice given to individual applications for senior staff, including special advisers. Advice regarding specific business appointments has been published on [Department of Health](#) .

Employee Consultation and Trade Union Relationships

The Department of Finance (DOF) is responsible for the NICS Trade Union Arrangements Policy. People & Organisational Development within DOF consults and/or negotiates with the NICS recognised trade unions on matters such as pay, promotion, and annual leave which are relevant across the NICS. Local issues relevant only to a particular office or area of work is handled by local managers, and branch trade union representatives, through agreed Local Whitley procedures/constitutions. Each department will have their own Departmental Whitley structure, to consider matters unique to individual departments and their agencies across business areas. Business areas may also have a Whitley arrangement in place dealing with issues specific to that business area.

Off-Payroll Engagements

Table 1: Temporary off-payroll worker engagements as at 31 March 2026.

	Core and agencies	Consolidated
Number of existing engagements as of 31 March 2026	4	5
<i>Of which have:</i>		
Existed for less than one year at time of reporting	-	-
Existed for between one and two years at time of reporting	1	1
Existed for between two and three years at time of reporting	-	1
Existed for between three and four years at time of reporting	2	2
Existed for between four and five years at time of reporting	1	1
Existed for more than five years at time of reporting	-	-

Table 2: All temporary off-payroll workers engaged at any point during the year ended 31 March 2026.

	Core and agencies	Consolidated
Number of off-payroll workers engaged during the year ended 31 March 2026	5	10
<i>Of which:</i>		
Number determined as out-of-scope of IR35	5	10
Number determined as in-scope of IR35	-	-
Number of engagements reassessed for compliance or assurance purposes during the year	-	8
<i>Of which:</i>		
Number of engagements that saw a change to IR35 status following review	-	-

External Consultancy Expenditure

	2025-26		2024-25	
	Core and Agencies £'000	Consolidated £'000	Core and Agencies £'000	Consolidated £'000
External consultancy expenditure	5.7	5.7	-	-

ASSEMBLY ACCOUNTABILITY AND AUDIT REPORT

STATEMENT OF OUTTURN AGAINST ASSEMBLY SUPPLY (SOAS)

In addition to the primary statements prepared under IFRS, the Government Financial Reporting Manual (FRoM) requires the Department of Health to prepare a Statement of Outturn against Assembly Supply (SOAS) and supporting notes.

The SOAS and related notes are subject to audit, as detailed in the Certificate and Report of the Comptroller and Auditor General to the Northern Ireland Assembly.

The SOAS is a key accountability statement that shows, in detail, how an entity has spent against their Supply Estimate. Supply is the monetary provision (for resource and capital purposes) and cash (drawn primarily from the Consolidated Fund), that the Assembly gives statutory authority for entities to utilise. The Estimate details Supply and is voted on by the Assembly at the start of the financial year and is then normally revised by a Supplementary Estimate at the end of the financial year. It is the final Estimate, normally the Spring Supplementary Estimate, which forms the basis of the SOAS.

Should an entity exceed the limits set by its Supply Estimate and corresponding Act of the Assembly, called control limits, its accounts will receive a qualified opinion.

The format of the SOAS mirrors the Supply Estimates to enable comparability between what the Assembly approves and the final outturn. The Supply Estimates are voted by the Assembly and published on the DoF website.

The SOAS contain a summary table, detailing performance against the control limits that the Assembly has voted on, cash spent (budgets are compiled on an accruals basis and so outturn won't exactly reconcile to cash spent) and administration.

The supporting notes detail the following: Outturn detailed by Estimate line, providing a more detailed breakdown (note 1); a reconciliation of outturn to net expenditure in the SoCNE, to tie the SOAS to the financial statements (note 2); a reconciliation of net resource outturn to net cash requirement (note 3) and an analysis of income payable to the Consolidated Fund (note 4).

The SOAS and Estimates are compiled against the budgeting framework, which is similar to, but different to, IFRS. An understanding of the budgeting framework and an explanation of key terms is provided in the financial performance section of the performance report. Further information on the Public Spending Framework and the reasons why budgeting rules are different to IFRS can also be found in chapter 1 of the Consolidated Budgeting Guidance, available on www.gov.uk.

The SOAS provides a detailed view of financial performance, in a form that is voted on and recognised by the Assembly. The financial review, in the Performance Report, provides a summarised discussion of outturn against Estimate and functions as an introduction to the SOAS disclosures.

Notes 1 to 23 form part of these accounts

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Summary tables – mirror Part I of the Estimates

Summary table, 2025-26, all figures presented in £000.

Figures in the areas outlined in bold are voted totals subject to Assembly control.

Type of spend	Note	Outturn			Estimate			Outturn vs Estimate, saving / (excess)		Prior Year Outturn Total, 2024-25
		Voted	Non-Voted	Total	Voted	Non-Voted	Total	Voted	Total	
		£000	£000	£000	£000	£000	£000	£000	£000	
Departmental Expenditure Limit										
Resource	SoAS 1.1	8,328,885	824,355	9,153,240	8,339,564	823,951	9,163,515	10,679	10,275	8,580,664
Capital	SoAS 1.2	377,371	-	377,371	377,651	-	377,651	280	280	398,555
Total		8,706,256	824,355	9,530,611	8,717,215	823,951	9,541,166	10,959	10,555	8,979,219
Annually Managed Expenditure										
Resource	SoAS 1.1	203,433	-	203,433	692,787	-	692,787	489,354	489,354	675,850
Capital	SoAS 1.2	11,897	-	11,897	17,170	-	17,170	5,273	5,273	18,300
Total		215,330	-	215,330	709,957	-	709,957	494,627	494,627	694,150
Total Budget										
Resource	SoAS 1.1	8,532,318	824,355	9,356,673	9,032,351	823,951	9,856,302	500,033	499,629	9,256,514
Capital	SoAS 1.2	389,268	-	389,268	394,821	-	394,821	5,553	5,553	416,855
Total Budget Expenditure		8,921,586	824,355	9,745,941	9,427,172	823,951	10,251,123	505,586	505,182	9,673,369
Non-Budget										
Resource	SoAS 1.1	-	-	-	-	-	-	-	-	-
Capital	SoAS 1.2	-	-	-	-	-	-	-	-	-
Total Non-Budget Expenditure		-	-	-	-	-	-	-	-	-
Total Budget and Non-Budget		8,921,586	824,355	9,745,941	9,427,172	823,951	10,251,123	505,586	505,182	9,673,369

Net Cash Requirement 2025-26, all figures presented in £000.

Item	Note	Outturn	Estimate	Outturn vs Estimate, saving/ (excess)	Prior Year Outturn Total, 2024-25
Net Cash Requirement	SOAS 3	8,566,744	9,466,341	899,597	8,172,558

Figures in the areas outlined in bold are voted totals subject to Assembly control.

Administration costs 2025-26, all figures presented in £000.

Type of Spend	Note	Outturn	Estimate	Outturn vs Estimate, saving/ (excess)	Prior Year Outturn Total, 2024-25
Administration costs	SOAS 1.1	48,020	47,191	(829)	42,479

Administration costs are not a separate voted limit and a breach of the administration budget will not result in an excess vote.

Notes to the Statement of Outturn against Assembly Supply 2025-26 (£000)

SOAS 1. Outturn detail, by Estimate line.

SOAS 1.1 Analysis of resource outturn by Estimate line, all figures presented in £000

Type of spend (Resource)	Resource outturn						Estimate			Outturn vs Estimate (inc virements), saving / (excess)	Prior Year Outturn Total 2024-25	
	Administration			Programme			Total	Total	Virement*			Total inc. virements
	Gross	Income	Net	Gross	Income	Net						
Spending in Departmental Expenditure Limits (DEL)												
Voted Expenditure												
1	3,486	-	3,486	4,796,446	(1,000)	4,795,446	4,798,932	4,803,859	-	4,803,859	4,927	4,465,299
2	6,599	-	6,599	1,727,954	-	1,727,954	1,734,553	1,712,889	21,664	1,734,553	-	1,654,719
3	1,394	-	1,394	401,039	(1)	401,038	402,432	402,664	(201)	402,463	31	379,924
4	1,412	-	1,412	537,549	(77)	537,472	538,884	544,524	(4,886)	539,638	754	509,143
5	149	-	149	132,365	(22,424)	109,941	110,090	114,019	(3,554)	110,465	375	117,501
6	-	-	-	27,878	-	27,878	27,878	28,517	-	28,517	639	26,265
7	30,736	(230)	30,506	377,961	(50,554)	327,407	357,913	369,671	(8,620)	361,051	3,138	300,657
8	3,962	-	3,962	93,741	(957)	92,784	96,746	102,677	(5,138)	97,539	793	92,612
9	-	-	-	143,197	-	143,197	143,197	142,890	307	143,197	-	129,919
10	-	-	-	2,145	-	2,145	2,145	2,034	111	2,145	-	2,174
11	512	-	512	115,603	-	115,603	116,115	115,820	317	116,137	22	109,873
Total Voted DEL	48,250	(230)	48,020	8,355,878	(75,013)	8,280,865	8,328,885	8,339,564	-	8,339,564	10,679	7,788,086
Non-voted Expenditure												
12	-	-	-	824,951	-	824,951	824,951	824,951	-	824,951	-	792,951
13	-	-	-	-	(596)	(596)	(596)	(1,000)	-	(1,000)	(404)	(373)
Total non-voted DEL	-	-	-	824,951	(596)	824,355	824,355	823,951	-	823,951	(404)	792,578
Total spending in DEL	48,250	(230)	48,020	9,180,829	(75,609)	9,105,220	9,153,240	9,163,515	-	9,163,515	10,275	8,580,664

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Type of spend (Resource)	Resource outturn						Estimate			Outturn vs Estimate (inc virements), saving / (excess)	Prior Year Outturn Total 2024-25	
	Administration			Programme			Total	Total	Virement*			Total inc. virements
	Gross	Income	Net	Gross	Income	Net						
Of which:												
Central Expenditure*	48,250	(230)	48,020	1,359,610	(75,013)	1,284,597	1,332,617	1,373,854	(36,653)	1,337,201	4,584	1,264,710
Health and Social Care Trusts (ALB - Net)	-	-	-	7,060,628	-	7,060,628	7,060,628	7,018,076	46,585	7,064,661	4,033	6,679,585
Regional Business Services Organisation (ALB - Net)	-	-	-	348,214	-	348,214	348,214	357,058	(6,804)	350,254	2,040	291,400
Northern Ireland Blood Transfusion Service (ALB - Net)	-	-	-	17,650	-	17,650	17,650	18,236	(586)	17,650	-	15,637
Children's Court Guardian Agency for Northern Ireland (ALB - Net)	-	-	-	5,274	-	5,274	5,274	5,660	(386)	5,274	-	4,913
Northern Ireland Medical and Dental Training Agency (ALB - Net)	-	-	-	253,754	-	253,754	253,754	255,887	(2,133)	253,754	-	198,420
Northern Ireland Practice and Education Council for Nursing and Midwifery (ALB - Net)	-	-	-	1,517	-	1,517	1,517	1,530	(13)	1,517	-	1,479
Northern Ireland Social Care Council (ALB - Net)	-	-	-	4,263	-	4,263	4,263	4,364	(101)	4,263	-	4,007
Patient and Client Council (ALB - Net)	-	-	-	2,156	-	2,156	2,156	2,141	15	2,156	-	2,080
Health and Social Care Regulation and Quality Improvement Authority (ALB - Net)	-	-	-	9,930	-	9,930	9,930	10,195	(265)	9,930	-	8,929
Food Safety Promotion Board (ALB - Net)	-	-	-	2,145	-	2,145	2,145	2,034	111	2,145	-	2,174
Institute of Public Health in Ireland CLG (ALB - Net)	-	-	-	497	-	497	497	497	-	497	-	422
Northern Ireland Fire and Rescue Service Board (ALB - Net)	-	-	-	115,191	-	115,191	115,191	114,983	230	115,213	22	107,281
Consolidated Fund Extra Receipts (CEFRs)	-	-	-	-	(596)	(596)	(596)	(1,000)	-	(1,000)	(404)	(373)

Note: NDPB outturn is recorded net

Department of Health
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Type of spend (Resource)	Resource outturn						Estimate			Outturn vs Estimate (inc virements), saving /(excess)	Prior Year Outturn Total 2024-25	
	Administration			Programme			Total	Total	Virement*			Total inc. virements
	Gross	Income	Net	Gross	Income	Net						
Note: Central Expenditure (above) includes Euro- pean Union Pro- grammes Peace Plus	-	-	-	599	(479)	120	120	234	-	234	114	837
Spending in Annually Managed Expenditure (AME)												
Voted Expenditure												
14	-	-	-	11,973	-	11,973	11,973	32,347	-	32,347	20,374	25,668
15	-	-	-	142,607	-	142,607	142,607	574,598	-	574,598	431,991	589,428
16	-	-	-	33,236	-	33,236	33,226	69,682	-	69,682	36,446	36,774
17	-	-	-	15,617	-	15,617	15,617	16,160	-	16,160	543	23,980
Total Voted AME	-	-	-	203,433	-	203,433	203,433	692,787	-	692,787	489,354	675,850
Total non-voted AME	-	-	-	-	-	-	-	-	-	-	-	-
Total spending in AME	-	-	-	203,433	-	203,433	203,433	692,787	-	692,787	489,354	675,850
Total Non Budget	-	-	-	-	-	-	-	-	-	-	-	-
Total Resource	48,250	(230)	48,020	9,384,262	(75,609)	9,308,653	9,356,673	9,856,302	-	9,856,302	499,629	9,256,514

NDPB outturn is recorded net.

Key to Type of Spend

Spending in Departmental Expenditure Limits (DEL)

Voted Expenditure

- | | |
|----|--|
| 1 | Hospital Services |
| 2 | Social Care Services |
| 3 | Family Health Service – General Medical Services |
| 4 | Family Health Service -Pharmaceutical Services |
| 5 | Family Health Service – Dental Services |
| 6 | Family Health Service -Ophthalmic Services |
| 7 | Health Support Services |
| 8 | Public Health Services |
| 9 | Ambulance and Paramedic Services |
| 10 | Food Safety Promotion Board (NDPB – Net) |
| 11 | Fire & Rescue Services |

Non-voted expenditure

- | | |
|----|--|
| 12 | Health Services Financed by National Insurance Contributions |
| 13 | Consolidated Fund Extra Receipts (CFERs) |

Spending in Annually Managed Expenditure (AME)

Voted Expenditure

- | | |
|----|--|
| 14 | Central Expenditure |
| 15 | Health & Social Care Trusts (ALB-Net) |
| 16 | Northern Ireland Fire and Rescue Service Board (ALB – Net) |
| 17 | Other ALBs (Net) |

SOAS 1.2 Analysis of capital outturn by Estimate line, all figures presented in £000.

Type of spend (Capital)	Outturn			Estimate			Outturn vs Estimate (inc virements), saving / (excess)	Prior Year Outturn Total 2024-25
	Gross	Income	Net	Total	Virements*	Total inc. virements		
Spending in Departmental Expenditure Limits (DEL) Voted Expenditure								
1	184,724	-	184,724	183,133	1,591	184,724	-	205,949
2	143	-	143	94	49	143	-	57
3	26,933	(37)	26,896	29,395	(2,219)	27,176	280	40,347
4	-	-	-	-	-	-	-	-
5	-	-	-	-	-	-	-	-
6	-	-	-	-	-	-	-	-
7	123,316	(52)	123,264	123,053	211	123,264	-	104,921
8	20,033	(504)	19,529	18,912	617	19,529	-	15,771
9	7,697	-	7,697	8,134	(437)	7,697	-	8,725
10	-	-	-	-	-	-	-	-
11	15,118	-	15,118	14,930	188	15,118	-	22,785
Total Voted DEL	377,964	(593)	377,371	377,651	-	377,651	280	398,555
Non-voted Expenditure								
12.	-	-	-	-	-	-	-	-
Total non-voted DEL	-	-	-	-	-	-	-	-
Total spending in DEL	377,964	(593)	377,371	377,651	-	377,651	280	398,555

SOAS 1.2 Analysis of capital outturn by Estimate line, all figures presented in £000 (continued)

Type of spend (Capital)	Outturn			Estimate			Outturn vs Estimate (inc virements), saving/ (excess)	Prior Year Outturn Total 2024-25
	Gross	Income	Net	Total	Virements*	Total inc. virements		
Of which:								
Central Expenditure	24,706	(593)	24,113	24,567	(262)	24,305	454	45,293
Health and Social Care Trusts (ALB - Net)	220,551	-	220,551	221,845	(1,206)	220,639	1,294	228,126
Regional Business Services Organisation (ALB - Net)	116,185	-	116,185	115,138	1,047	116,185	(1,047)	100,375
Northern Ireland Blood Transfusion Service (ALB - Net)	391	-	391	436	(45)	391	45	380
Children's Court Guardian Agency for Northern Ireland (ALB - Net)	107	-	107	94	13	107	(13)	19
Northern Ireland Medical and Dental Training Agency (ALB - Net)	636	-	636	452	184	636	(184)	1,539
Northern Ireland Practice and Education Council for Nursing and Midwifery (ALB - Net)	13	-	13	-	13	13	(13)	-
Northern Ireland Social Care Council (ALB - Net)	36	-	36	-	36	36	(36)	38
Patient and Client Council (ALB - Net)	70	-	70	34	36	70	(36)	-
Health and Social Care Regulation and Quality Improvement Authority (ALB - Net)	151	-	151	155	(4)	151	4	-
Food Safety Promotion Board (ALB - Net)	-	-	-	-	-	-	-	-
Institute of Public Health in Ireland CLG (ALB - Net)	-	-	-	-	-	-	-	-
Northern Ireland Fire and Rescue Service Board (ALB - Net)	15,118	-	15,118	14,930	188	15,118	(188)	22,785

SOAS 1.2 Analysis of capital outturn by Estimate line, all figures presented in £000 (continued)

Type of spend (Capital)	Outturn			Estimates			Outturn vs Estimate (inc virements), saving/ (excess)	Prior Year Outturn Total 2024-25
	Gross	Income	Net	Total	Virements*	Total inc. virements		
Spending in Annually Managed Expenditure (AME) Voted Expenditure								
14	49	-	49	20	29	49	(29)	-
15	-	-	-	150	(29)	121	150	-
16	-	-	-	-	-	-	-	-
17	11,848	-	11,848	17,000	-	17,000	5,152	18,300
Total Voted AME	11,897	-	11,897	17,170	-	17,170	5,273	18,300
Total non-voted AME	-	-	-	-	-	-	-	-
Total spending in AME	11,897	-	11,897	17,170	-	17,170	5,273	18,300
Total Non Budget	-	-	-	-	-	-	-	-
Total Capital	389,861	(593)	389,268	394,821	-	394,821	5,553	416,855

NDPB outturn is recorded net.

*Virements are the reallocation of provision in the Estimates that do not require Assembly authority (because the Assembly does not vote to that level of detail and delegates to DoF). Further information on virements is provided in the Supply Estimates in Northern Ireland Guidance Manual, available on the DoF website.

The Outturn vs Estimate column is based on the total including virements. The Estimate total before virements have been made is included so that users can reconcile this Estimate back to the Estimates approved by the Assembly.

SOAS 2. Reconciliation of outturn to net expenditure

Item	Note	Outturn total 2025-26 £000	Prior Year Outturn Total, 2024-25 £000
Total Resource Outturn	SOAS 1.1	9,356,673	9,256,514
Add:			
Capital in the SoCNE		32,096	33,123
Other		3,784	2,760
PFI Adjustment		7,124	6,405
Total		43,004	42,288
Net Operating Expenditure in Consolidated Statement of Comprehensive Net Expenditure	SOCNE	9,399,677	9,298,802

As noted in the introduction to the SOAS above, outturn and the Estimates are compiled against the budgeting framework, which is similar to, but different from, IFRS. Therefore, this note reconciles the resource outturn to net expenditure, linking the SOAS to the financial statements.

Capital in the SoCNE is budgeted for as Capital DEL but accounted for as spend on the face of the SoCNE, and therefore functions as a reconciling item between Resource Outturn and Net Operating Expenditure. The Resource Outturn includes £32.1m Capital in the SoCNE for DoH bodies which has been included as spend within the SoCNE. This includes research and development expenditure as well as capital grants for GP private practices for investment in their premises.

SOAS 3. Reconciliation of Net Resource Outturn to Net Cash Requirement

Item	Note	Outturn total £000	Estimate £000	Outturn vs Estimate: saving / (excess) £000
Total Resource outturn	SOAS 1.1	9,356,673	9,856,302	499,532
Total Capital outturn	SOAS 1.2	389,268	394,821	5,553
Adjustments for ALBs:				
Remove voted resource and capital		(7,552,834)	(7,996,384)	(443,453)
Add cash grant in aid		7,125,394	7,650,018	524,624
Adjustments to remove non-cash items:				
Depreciation, impairments and revaluations		(16,538)	(22,636)	(6,098)
New provisions and adjustments to previous provisions		(3,928)	(18,524)	(14,596)
Prior period adjustments		-	-	-
Other non-cash items		66,570	140,000	73,430
Adjustments to reflect movements in working balances:				
Movement in working capital		24,553	285,000	260,447
Use of provisions		1,941	1,695	(246)
Total		(354,842)	39,169	394,108
Removal of non-voted budget items				
Consolidated Fund Standing Services		-	-	-
Other Adjustments		(824,355)	(823,951)	404
Total		(824,355)	(823,951)	404
Net cash requirement		8,566,744	9,466,341	899,597

As noted in the introduction to the SOAS above, outturn and the Estimates are compiled against the budgeting framework, not on a cash basis. This reconciliation bridges the resource outturn to the net cash requirement.

SOAS 4. Amounts of Income to the Consolidated Fund

SOAS 4.1 Analysis of income payable to the Consolidated Fund

In addition to income retained by the Department, the following income is payable to the Consolidated Fund (cash receipts being shown in italics).

Item	Note	Outturn total 2025-26 £000		Prior Year 2024-25 £000	
		Accruals	Cash basis	Accruals	Cash basis
Income outside the ambit of the Estimate (resource)		-	-	-	-
Income outside the ambit of the Estimate (capital)		-	-	-	-
Excess cash surrenderable to the Consolidated Fund		(2,015)	<i>(303)</i>	(1,419)	<i>(373)</i>
Total amount payable to the Consolidated Fund		(2,015)	<i>(303)</i>	(1,419)	<i>(373)</i>

ASSEMBLY ACCOUNTABILITY DISCLOSURES

The following sections are subject to audit.

Losses and Special Payments

Classifications are as defined by Managing Public Money NI and applicable to the consolidated accounts.

Losses Statement

	2025-26		2024-25	
	Core Department and Agencies*	Departmental Group	Core Department and Agencies*	Departmental Group
Total number of losses	13	3,858	10	116,743
Total value of losses (£000)	8,114	40,850	5,569	31,319

Individual losses over £300,000	2025-26		2024-25	
	Core Department and Agencies £000	Departmental Group £000	Core Department and Agencies £000	Departmental Group £000
Cash losses	-	-	-	-
Administrative write-offs – National Insurance Fund**	6,933	6,933	4,153	4,153
Stores losses***	-	28,065	-	21,564
Fruitless payments	1,176	1,508	1,413	1,413

*In addition to losses detailed above, the Strategic Planning and Performance Group (SPPG) establish an estimate of the total annual potential loss due to fraud and error in provision of their family practitioner services. The Counter Fraud and Probity Service within Business Services Organisation, on behalf of SPPG, checks patient exemption entitlement by means of sampling technique. The best estimate available for patient exemption fraud in 2025-26 is £3.8m (2024-25: £3.7m). See further information below.

**The majority of waivers and remissions in relation to National Insurance contributions are reported in the Northern Ireland National Insurance Fund account but an NHS proportion (approximately 20% of the NI total) is attributed to the health programme. The number of cases of NI Fund Losses (Administrative write off) are not disclosed as the National Audit Office, who audit the NI Fund accounts, made a recommendation for HMRC to work to ensure consistency between the contribution losses figures reported in the NI White Paper Accounts and the HMRC Trust Statement. As a result, the method of collection and calculation of the losses figures has been changed and case numbers are no longer available for reporting.

***The in-year write off of £28m is in relation to expiring PPE stock held by BSO, including respirator masks, gloves, scrubs and hand sanitiser where expiry dates exist or there is a clear indication of obsolescence for BSO.

Fruitless payments consist of £1,176k which relates to flu vaccine purchased in the year by PHA that remained unused at year-end, which cannot be used in future years and Belfast Health and Social Care Trust had a CO2 emission penalty of £332,000 which was paid in the year for the Royal

Hospitals site relating to the year 2025-26.

ESTIMATE OF PATIENT EXEMPTION ERROR/POTENTIAL FRAUD

The calculation was carried out by the Business Services Organisation Information Unit on the following basis:

The BSO, on behalf of The Strategic Planning and Performance Group (previously known as HSC Board), handles payments to contractors providing family practitioner services. Probity Services which is part of the Counter Fraud and Probity Service within the BSO is responsible for checking patient exemption entitlement and for taking follow-up action where a patient's claim to exemption from statutory charges has not been confirmed.

Given the volume of Dental and Ophthalmic claims each year, sampling is used to establish an estimate of the total annual potential loss due to error/potential fraud. Patients aged 80 and over are excluded from the population from which the sample is drawn. The sample data is passed to the Department for Work and Pensions and the Business Services Authority to provide independent verification of entitlement across a number of exemption categories. Following these checks the sample data is returned and uploaded to the case management system (EPES). All cases where verification of entitlement has not been confirmed are referred within EPES for further follow-up checks.

To estimate the total annual loss due to patient exemption error/potential fraud in the population, the BSO applies the estimated rate of loss for each exemption category in the sample to the volumetric and average liability for that category in the population.

These estimates are based on 100 cases sampled each month for each area (Dental and Ophthalmic) between September and August. The annual potential fraud/error rates are based on data that straddles two financial years so that the time delay naturally in the system has time to work its way through the data, i.e. the time period for the data is chosen so that the Patient Exemptions Team investigations have been finalised or are at as advanced a stage as possible.

The methodology, first introduced in 2020-21, was continued this year, so that the potential fraud/error rates are now applied to the payment activity in that financial year i.e. April 2025 to March 2026 instead of the payment activity between September 2024 and August 2025. Ideally the potential fraud/error rates and activity data to which they are applied would completely align. However, it is not practically possible to do this for the current activity year due to the survey constraints highlighted above. It is considered a more accurate estimate of the monetary value of estimated loss in a given financial year to apply slightly lagged (by 7 months) potential fraud/error rates to the activity data in the year in question than to also lag the activity data for consistency purposes.

The 'Move to UC' initiative began in October 2023 in Northern Ireland. This involved migrating legacy benefit claimants to Universal Credit, beginning with Tax Credits and moving onto Income Support, Housing Benefit, Employment and Support Allowance, and Job Seekers' Allowance during 2025. However, Universal Credit was only introduced as a qualifying benefit for dental and ophthalmic treatment from 1st December 2025. Prior to this date, a patient on Universal Credit would need a valid HC2 certificate in place to be eligible for free treatment. As there are no Universal Credit fraud/error rates available to estimate potential loss for those claims, they do not form part of the basis of this year's calculation, and claims made under Universal Credit are excluded from expenditure figures and proportions presented in Table 3 below.

Post-stratification weighting was then applied to the cases sampled to ensure the estimate of loss took account of differences between the composition of the survey sample and the exemption category profile of cases in 2025-26. Importantly, this does not change the overall central loss estimates themselves, compared to the original approach of aggregating the individual category estimates, but rather reduces the error attached to them by narrowing the confidence intervals.

The methodology in 2025-26, as per previous years, excludes those sample cases that were closed without a decision. Probity services had advised these were typically cases involving patients who are deceased, terminally ill or in a nursing home and as such the cases cannot be followed up. As a result, it is not possible to assess the validity of the claim under exemption rules. There were eleven cases excluded for 2025-26; four in dental and seven in ophthalmic, in 2024-25 there were six exclusions in dental and nine in ophthalmic.

Please find below, based on the revised methodology, the figures on estimated patient exemption error/potential fraud for the Dental and Ophthalmic areas for the 2025-26 year (excluding those who claimed exemption under Universal Credit).

The results for 2025-26 are shown in Table 1 below.

Table 1: Estimated Loss due to Potential Fraud/Error for 2025-26 (Central Estimates)

	Total Loss – Best Estimate (millions)
Dental	£3.1
Ophthalmic	£0.6
Total Patient Exemption Loss*	£3.8

* Total may not sum due to rounding

Since the estimates for patient exemption loss due to potential fraud/error are based on a sample, the estimates are subject to statistical uncertainties. These uncertainties are presented as confidence intervals. The lower and upper confidence intervals associated with each estimate are based on a 95% confidence level. These define the range within which we could be 95% certain the true value lies (assuming an unbiased sample).

While the central estimate is still the best estimate available for patient exemption loss due to potential fraud/error in the time period sampled, we can only say with 95% certainty that the true value may lie within the ranges presented in the tables below.

Table 2: Estimated Loss due to Potential Fraud/Error for 2025-26 (Range Estimates)

	Lower Estimate (millions)	Central Estimate (millions)	Upper Estimate (millions)
Dental	£2.9	£3.1	£3.4
Ophthalmic	£0.5	£0.6	£0.7
Total Patient Exemption Loss*	£3.4	£3.8	£4.1

*Total may not sum due to rounding

Table 3: Estimated Proportion of Expenditure that is due to Potential Fraud/Error for 2025-26 (Range Estimates)

	Lower Estimate	Central Estimate	Upper Estimate
Dental*	14.2%	15.6%	16.9%
Ophthalmic**	2.4%	2.8%	3.2%
Total Expenditure	7.9%	8.8%	9.7%

* Dental expenditure only includes the element which is susceptible to patient exemption fraud. Of the £20.3m dental expenditure, £10.5m is based on the 5 exemption categories sampled and £9.6m based on a further 5 exemption categories not sampled which are deemed a low risk of fraud. There was also an additional £279k in expenditure for Universal Credit claims (excluded from rates presented in table). As an indicative figure, due to no fraud/error rate available to estimate potential loss, if the overall sample fraud/error rate observed was used, this category could potentially add £83k to the central estimate of loss due to fraud/error.

** Ophthalmic expenditure includes all sight tests, vouchers, repairs and replacements as all this expenditure is susceptible to fraud/error. Of the £23.8m ophthalmic expenditure, £5.4m is based on the 6 exemption categories sampled and £17.3m based on a further 10 exemption categories not sampled which are deemed a low risk of fraud. There was also an additional £1.0m in expenditure for Universal Credit claims (excluded from rates presented in table). As an indicative figure, due to no fraud/error rate available to estimate potential loss, if the overall sample fraud/error rate observed was used, this category could potentially add £123k to the central estimate of loss due to fraud/error.

The central estimate figures formally reported last year (i.e. 2024-25) for dental and ophthalmic were £3.0m and £0.7m respectively (the combined estimate was £3.7m).

In order to standardise for differential activity levels between years, however, the 2024-25 estimated potential fraud/error rates were applied to 2025-26 activity. This yielded dental and ophthalmic loss central estimates of £2.5m and £0.6m respectively (with a combined figure of £3.1m). These can then be compared, on a like-for-like basis, with this year's central estimates in Table 1 above, i.e. £3.1m dental, £0.6m ophthalmic and £3.8m combined.

For those exemption categories which were sampled, the difference between the weighted overall potential fraud/error rates used in 2024-25 and 2025-26 was not statistically significant for ophthalmic or dental. This indicates no real change in the overall potential fraud/error rate between years.

When comparing between years for individual exemption category, statistically significant differences were observed in the Income Support category in dental, and the Working Tax Credit category in dental and ophthalmic. This indicates an increase in the potential fraud/error rates in these categories. It is worth noting that the category claimed and paid may not always be the category that the patient was cleared against by the Patient Exemptions Team.

Special Payments

Special payments	2025-26		2024-25	
	Core Department and Agencies	Departmental Group	Core Department and Agencies	Departmental Group
Total number of special payments	5	1,159	14	1,186
Total value of special payments (£000)	210	59,773	974	72,823

Individual special payment over £300,000	2025-26		2024-25	
	Core Department and Agencies £000	Departmental Group £000	Core Department and Agencies £000	Departmental Group £000
Clinical negligence compensation payment	-	21,066	325	39,133
Other special payments	-	429	-	1,709

Across the Health & Social Care Trusts there were payments in excess of £300,000 on 36 clinical negligence cases in 2025/26.

Other special payments of £429k relate to compensation payments for Employers Liability in Southern Health and Social Care Trust.

Remote Contingent Liabilities

In addition to contingent liabilities reported within the meaning of IAS37, the Department also reports liabilities for which the likelihood of a transfer of economic benefit in settlement is too remote to meet the definition of contingent liability. As at 31 March 2026 the Department have the following remote contingent liabilities:

Inquiry/Review Panel membership

It is normal practice for a Department commissioning an inquiry/review to provide to each member of the Inquiry/Review panel an indemnity whereby the panel member, if he or she has acted honestly and in good faith, will not have to meet out of his or her personal resources, any personal civil liability incurred in the execution or purported execution of his or her functions as a member of the panel, save where the panel member has acted recklessly. The possibility of payment being made under these indemnities is assessed as remote and the potential liability has been assessed as zero.

Non-Executive Directors

Under the Department's ordinary business practices, on appointment non-executive directors are provided with an indemnity whereby provided they have acted honestly, reasonably and in good faith, the Department will indemnify against any personal civil liability which is incurred in the execution or purported execution of each non-executive director's Board functions. The likelihood of transfer of economic benefit in settlement is assessed as remote and thus the potential liability is zero.

Reconciliation of contingent liabilities included in the supply estimate to the accounts.

The Department and its ALBs are exposed to a number of contingent liabilities that arise from several sources of litigation, such as clinical negligence, employment issues and judicial reviews which are largely unquantifiable. The quantifiable element disclosed in the 2025/26 Main Estimate (£9,952k) was based on the latest position at the time of the 2024/25 Departmental Group accounts. New information has since come to light which has resulted in these balances moving on (£9,053k) as calculated by the Departmental Group as at 31 March 2026.

This Accountability Report is approved and signed:



Mike Farrar
Accounting Officer
2 July 2026

DEPARTMENT OF HEALTH

THE CERTIFICATE OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY

Qualified opinion on financial statements

I certify that I have audited the financial statements of the Department of Health and of its Departmental Group for the year ended 31 March 2026 under the Government Resources and Accounts Act (Northern Ireland) 2001. The Department comprises the core Department and its agencies. (The Departmental Group consists of the Department and the bodies designated for inclusion under the Government Resources and Accounts (Northern Ireland) 2001 (Estimates and Accounts) (Designation of Bodies) Order 2025). The financial statements comprise the Department's and the Departmental Group's:

- Statement of Financial Position as at 31 March 2026
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in their preparation of the Group financial statements is applicable law and UK adopted international accounting standards as interpreted and adapted by the Government Financial Reporting Manual.

I have also audited the Statement of Outturn against Assembly Supply, and the related notes, and the information in the Accountability Report that is described in that report as having been audited.

In my opinion, except for the effects of the matter described in the Basis for qualified opinions section of my certificate, the financial statements:

- give a true and fair view of the state of the Department and the Departmental Group's affairs as at 31 March 2026 and of their net operating expenditure for the year then ended; and
- have been properly prepared in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001 and Department of Finance directions issued thereunder.

Qualified opinion on regularity

In my opinion, except for the effects of the matter described in the Basis for qualified opinions section of my certificate, in all material respects:

- the Statement of Outturn against Assembly Supply properly presents the outturn against voted Assembly control totals for the year ended 31 March 2026 and shows that those totals have not been exceeded; and
- the income and expenditure recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for qualified opinions

The Departmental Group includes the Business Services Organisation. As at 31 March 2026, the Business Services Organisation held inventory at a value of £38 million. Of the £38 million, the Business Services Organisation identified £25.5 million as “at risk” based upon the levels of inventory held, expiry dates and usage but only £11.6 million has provided against this inventory valuation in the Departmental Group financial statements. Therefore £13.9 million of the “at risk” inventory balance remains unprovided for.

I am qualifying my audit opinion on the truth and fairness of the Departmental Group financial statements on the basis that the value of the inventory included at Note 10 to the Departmental Group financial statements and the associated net expenditure for the year, is materially misstated by £13.9 million due to the level of provision being insufficient to cover the inventory identified as being at risk. I consider this to be material by nature due to the circumstances resulting in the misstatement.

I am qualifying my audit opinion on the regularity of the Departmental Group financial statements on the basis that if the inventory provision had not been understated by £13.9 million, the Departmental Group would have exceeded the voted Resource Departmental Expenditure Limit for the year. This would have resulted in an excess vote which is irregular.

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 ‘Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom’. My responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of this certificate.

My staff and I are independent of the Department of Health and its Group in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK, including the Financial Reporting Council’s Ethical Standard, and have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Department of Health and its Group’s use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Department of Health or its Group’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

The going concern basis of accounting for Department of Health and its Group is adopted in consideration of the requirements set out in the Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

Other Information

The other information comprises the information included in the annual report other than the financial statements, the parts of the Accountability Report described in that report as having been audited, and my audit certificate. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with Department of Finance directions made under the Government Resources and Accounts Act (Northern Ireland) 2001.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Department of Finance directions made under the Government Resources and Accounts Act (Northern Ireland) 2001; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

In light of the knowledge and understanding of the Department of Health and its Group and their environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and Accountability Report.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records; or
- certain disclosures of remuneration specified by the Government Financial Reporting Manual are not made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with the Department of Finance's guidance.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- maintaining proper accounting records;
- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- ensuring such internal controls as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- ensuring the annual report, which includes the Remuneration and Staff Report, is prepared in accordance with the applicable financial reporting framework; and
- assessing the Department of Health and its Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by Department of Health and its Group will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in

the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to the Department of Health and its Group through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included Government Resources and Accounts Act (Northern Ireland) 2001 and Department of Finance directions issued thereunder;
- making enquiries of management and those charged with governance on Department of Health and its Group's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of Department of Health and its Group's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, expenditure recognition, posting of unusual journals;
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- documenting and evaluating the design and implementation of internal controls in place to mitigate risk of material misstatement due to fraud and non-compliance with laws and regulations;
- communicating with component auditors to request identification of any instances of non-compliance with laws and regulations that could give rise to a material misstatement of the group financial statements;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate;
- addressing the risk of fraud as a result of management override of controls by:

- performing analytical procedures to identify unusual or unexpected relationships or movements;
- testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
- assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
- investigating significant or unusual transactions made outside of the normal course of business.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the Statement of Outturn against Assembly Supply properly presents the outturn against voted Assembly control totals and that those totals have not been exceeded. The voted Assembly control totals are Departmental Expenditure Limits (Resource and Capital), Annually Managed Expenditure (Resource and Capital), Non-Budget and Net Cash Requirement. I am also required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

My detailed observations are included in my report attached to the financial statements.



Dorinnia Carville
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
BELFAST
BT7 1EU

2 July 2026

FINANCIAL STATEMENTS

Consolidated Statement of Comprehensive Net Expenditure for the year ended 31 March 2026

This account summarises the expenditure and income generated and consumed on an accruals basis. It also includes other comprehensive income and expenditure, which include changes to the values of non-current assets and other financial instruments that cannot yet be recognised as income or expenditure.

	Note	2025-26		2024-25	
		Core Department and Agencies £000	Departmental Group £000	Core Department and Agencies £000	Departmental Group £000
Revenue from contracts with customers	4	(60,734)	(381,043)	(56,831)	(388,805)
Other operating income	4	(14,144)	(51,045)	(14,224)	(44,363)
Total Operating income		(74,878)	(432,088)	(71,055)	(433,168)
Staff costs	3	78,485	5,026,035	76,054	4,772,523
Purchase of goods and services	3	9,305,581	4,082,457	8,830,462	3,758,736
Depreciation, amortisation and impairment charges	3	16,538	352,080	28,928	392,103
Provision expense	3	3,879	171,628	5,391	612,978
Pension expense		-	45,491	-	46,780
Other operating expenditure	3	43,164	142,075	35,970	136,436
Total operating expenditure		9,447,647	9,819,766	8,976,805	9,719,556
Finance income	4	(328)	(2,340)	(375)	(2,392)
Finance expense	3	(281)	14,339	10	14,806
Net expenditure for the year		9,372,160	9,399,677	8,905,385	9,298,802
Notional Audit Costs		217	1,236	211	1,195
Other Notional Costs		4,238	4,238	6,318	6,316
Total Notional Costs		4,455	5,474	6,529	7,511
Net Expenditure for the year including notionals		9,376,615	9,405,151	8,911,914	9,306,313
Other comprehensive net expenditure					
Items which will not be reclassified to net operating expenditure:					
Net (gain)/loss on revaluation of Property, Plant and Equipment	5.1	(371)	(108,501)	(3,378)	(164,105)
Net (gain)/loss on revaluation of Intangible Assets	6.1	-	(4,176)	(2)	(2,998)
Net (gain)/loss on revaluation of Investments		(1)	(1)	(2)	(2)
Actuarial loss/(gain) on pension scheme liabilities	16	-	(41,335)	-	(15,738)
Net (gain)/loss on revaluation of charitable assets	9	-	(6,489)	-	(289)
Comprehensive net expenditure for the year		9,376,243	9,244,649	8,908,532	9,123,181

Notes 1 to 23 form part of these accounts

**Consolidated Statement of Financial Position
as at 31 March 2026**

This statement presents the financial position of the Department of Health. It comprises three main components: assets owned or controlled; liabilities owed to other bodies; and equity, the remaining value of the entity.

	Note	31 March 2026		31 March 2025	
		Core Department and Agencies £000	Departmental Group £000	Core Department and Agencies £000	Departmental Group £000
Non-current assets					
Property, plant and equipment	5	76,704	4,672,923	75,936	4,586,618
Right-of-use assets	5	165	126,287	529	128,645
Intangible assets	6	7,995	405,232	10,611	366,165
Financial assets	9	2,009,054	92,155	2,009,061	88,145
Trade and other receivables	12	-	29,059	-	24,344
Total non-current assets		2,093,918	5,325,656	2,096,137	5,193,917
Current Assets					
Assets classified as held for sale	5.3	-	2,119	-	162
Inventories	10	567	81,409	1,088	95,311
Trade and other receivables	12	37,575	235,927	22,669	215,772
Other current assets	12	6,747	34,073	2,575	32,240
Financial assets	9	7	7	36	1,536
Cash and cash equivalents	11	53,551	89,086	36,109	96,832
Total current assets		98,447	442,621	62,477	441,853
Total assets		2,192,365	5,768,277	2,158,614	5,635,770
Current liabilities					
Trade and other payables	13	232,384	1,244,690	219,580	1,321,660
Other liabilities	13	121	17,287	294	16,207
Provisions	14	6,048	299,556	4,035	265,753
Total current liabilities		238,553	1,561,533	223,909	1,603,620
Total assets less current liabilities		1,953,812	4,206,744	1,934,705	4,032,150

**Consolidated Statement of Financial Position
as at 31 March 2026 (continued)**

	Note	31 March 2026		31 March 2025	
		Core Department and Agencies	Departmental Group	Core Department and Agencies	Departmental Group
		£000	£000	£000	£000
Non-current liabilities					
Provisions	14	23,415	1,423,709	23,441	1,359,339
Retirement benefit obligations	16	-	668,890	-	698,510
Other liabilities	13	-	249,460	178	261,839
Total non-current liabilities		23,415	2,342,059	23,619	2,319,688
Total assets less total liabilities		1,930,397	1,864,685	1,911,086	1,712,462
Taxpayers' equity & other reserves:					
General Fund		1,897,140	29,501	1,877,810	(18,392)
Revaluation Reserve		33,257	1,739,733	33,276	1,636,336
Charitable Fund		-	95,451	-	94,518
Total equity		1,930,397	1,864,685	1,911,086	1,712,462



Mike Farrar
Accounting Officer
2 July 2026

Notes 1 to 23 form part of these accounts

Department of Health

Annual Report and Accounts 2025-26

Consolidated Statement of Cash Flows for the year ended 31 March 2026

The Statement of Cash Flows shows the changes in cash and cash equivalents of the department during the reporting period. The statement shows how the department generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of service costs and the extent to which these operations are funded by way of income from the recipients of services provided by the department. Investing activities represent the extent to which cash inflows and outflows have been made for resources which are intended to contribute to the department's future public service delivery.

	Note	2025-26		2024-25	
		Core Department and Agencies £000	Departmental Group £000	Core Department and Agencies £000	Departmental Group £000
Cash flows from operating activities					
Net expenditure for the year including notionals		(9,376,615)	(9,405,151)	(8,911,914)	(9,306,313)
Adjustments for non-cash transactions	3,4	24,872	496,810	40,849	1,003,451
(Increase)/decrease in trade & other receivables	12	(19,078)	(26,703)	27,280	(7,412)
<i>less movements in receivables relating to items not passing through the Statement of Comprehensive Net Expenditure</i>					
Supply amounts due from the consolidated fund	12	-	-	-	-
Movements in receivables relating to the sale of property, plant and equipment	12	-	-	-	(1)
Movements in receivables relating to finance leases	12	-	-	-	-
(Increase)/Decrease in Inventories	10	521	13,902	(1,088)	16,565
(Decrease)/Increase in trade & other payables (adjusted for bank overdraft)	13	19,940	(82,176)	(117,398)	(264,354)
<i>less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure</i>					
Movements in payables relating to the purchase of property, plant & equipment	13	(564)	(585)	(70)	16,399
Movements in payables relating to purchase of intangibles	13	(199)	(11,452)	107	(3,020)
Movements in payables relating to finance leases	13	350	(1,030)	298	(3,739)
Movements in payables relating to PFI and other service concession arrangements	13	-	5,181	-	7,960
Movements in payables relating to government grants	13	-	561	-	561
Supply amounts due to the consolidated fund	13	(24,626)	(24,626)	35,871	35,871
Movements in payables relating to CFER items	13	(596)	(596)	(200)	(200)
Use of provisions	14	(1,941)	(73,506)	(2,305)	(91,099)
Net cash outflow from operating activities		(9,377,936)	(9,109,371)	(8,928,570)	(8,595,331)

**Consolidated Statement of Cash Flows
for the year ended 31 March 2026 (continued)**

	Note	2025-26		2024-25	
		Core Department and Agencies £000	Departmental Group £000	Core Department and Agencies £000	Departmental Group £000
Cash flows from investing activities					
Purchase of property, plant & equipment	5,13	(12,337)	(246,190)	(34,945)	(291,467)
Purchase of intangible assets	6,13	(855)	(105,176)	(1,374)	(101,990)
Proceeds of disposal of non-financial assets		-	-	-	-
Proceeds of disposal of property, plant & equipment		-	960	-	1,174
FTC loans repaid by GPs	9	-	-	-	-
Drawdown from Investment Fund		-	4,500	-	4,100
Share of income reinvested		-	404	-	(182)
Other investing activities		37	41,302	51	15,853
Net cash outflow from investing activities		(13,155)	(304,200)	(36,268)	(372,512)
Cash flows from financing activities					
From the Consolidated Fund (Supply) - current year	CSCTE	8,591,370	8,591,370	8,136,687	8,136,687
From the Consolidated Fund (Supply) - prior year	CSCTE	-	-	-	-
National insurance contributions		824,951	824,951	792,951	792,951
Capital element of payments in respect of finance leases and on-balance sheet (SoFP) PFI contracts		(301)	(4,441)	(298)	(8,477)
Net financing		9,416,020	9,411,880	8,929,340	8,921,161
Net increase/(decrease) in cash and cash equivalents in the period before adjustment for payments to the Consolidated Fund		24,929	(1,691)	(35,498)	(46,682)
Payments of amounts due to the Consolidated Fund		-	-	(173)	(173)
Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund		24,929	(1,691)	(35,671)	(46,855)
Cash and cash equivalents at the beginning of the period	11	28,622	88,395	64,293	135,250
Cash and cash equivalents at the end of the period	11	53,551	86,704	28,622	88,395

Notes 1 to 23 form part of these accounts.

Departmental Group Consolidated Statement of Changes in Taxpayers' Equity for the year ended 31 March 2026

This statement shows the movement in the year on the different reserves held by the Department of Health, analysed into 'general fund reserves' (i.e. those reserves that reflect a contribution from the Consolidated Fund). The Revaluation Reserve reflects the change in asset values that have not been recognised as income or expenditure. The General Fund represents the total assets less liabilities of a department, to the extent that the total is not represented by other reserves and financing items.

	Note	General Fund £000	Revaluation Reserve £000	Charitable Fund £000	Taxpayers' Equity £000
Balances at 31 March 2024		283,408	1,502,439	98,970	1,884,817
Supply drawdown		8,136,687	-	-	8,136,687
Net Assembly Funding – deemed		63,074	-	-	63,074
Supply (payable)/receivable adjustment		(27,203)	-	-	(27,203)
CFERs repayable to Consolidated Fund		(373)	-	-	(373)
National insurance contributions		792,951	-	-	792,951
Net Assembly Funding		8,965,136	-	-	8,965,136
Comprehensive Net Expenditure for the Year		(9,285,836)	167,105	(4,452)	(9,123,183)
Auditor's remuneration	3	1,195	-	-	1,195
Other non-cash adjustments	3	6,621	-	-	6,621
Transfer of Asset ownership		432	(22,557)	-	(22,125)
Other reserves movements including transfers		10,652	(10,651)	-	1
Adjustment for transfer of function		-	-	-	-
Revaluation		-	-	-	-
Balances at 31 March 2025		(18,392)	1,636,336	94,518	1,712,462
Supply drawdown		8,591,370			8,591,370
Net Assembly Funding – deemed		27,203			27,203
Supply (payable)/receivable adjustment		(51,829)			(51,829)
CFERs repayable to Consolidated Fund		(596)			(596)
National insurance contributions		824,951			824,951
Net Assembly Funding		9,391,099			9,391,099
Comprehensive Net Expenditure for the Year		(9,358,260)	112,678	933	(9,244,649)
Auditor's remuneration	3	1,236	-	-	1,236
Other non-cash adjustments	3	4,534	-	-	4,534
Transfer of Asset ownership		224	(221)	-	3
Other reserves movements including transfers		9,060	(9,060)	-	-
Adjustment for transfer of function		-	-	-	-
Revaluation		-	-	-	-
Balances at 31 March 2026		29,501	1,739,733	95,451	1,864,685

Notes 1 to 23 form part of these accounts

Core Department and Agencies Statement of Changes in Taxpayers' Equity
for the year ended 31 March 2026

	Note	General Fund £000	Revaluation Reserve £000	Taxpayers' Equity £000
Balances at 31 March 2024		1,817,910	18,465	1,836,375
Net assembly funding		8,136,687	-	8,136,687
Net Assembly Funding – deemed		63,074	-	63,074
Supply (payable)/receivable adjustment		(27,203)	-	(27,203)
CFERs repayable to Consolidated Fund		(373)	-	(373)
National insurance contributions		792,951	-	792,951
Net Assembly Funding		8,965,136	-	8,965,136
Comprehensive Expenditure for the Year		(8,911,914)	3,382	(8,908,532)
Auditor's remuneration	3	211	-	211
Other non-cash adjustments	3	6,318	-	6,318
Transfer of Asset ownership		-	11,575	11,575
Other reserves movements including transfers		149	(146)	3
Adjustment for transfer of function		-	-	-
Revaluation		-	-	-
Balances at 31 March 2025		1,877,810	33,276	1,911,086
Changes in taxpayers' equity for 2025-26				
Net assembly funding		8,591,370	-	8,591,370
Net Assembly Funding – deemed		27,203	-	27,203
Supply (payable)/receivable adjustment		(51,829)	-	(51,829)
CFERs repayable to Consolidated Fund		(596)	-	(596)
National insurance contributions		824,951	-	824,951
Net Assembly Funding		9,391,099	-	9,391,099
Comprehensive Expenditure for the Year		(9,376,615)	372	(9,376,243)
Auditor's remuneration	3	217	-	217
Other non-cash adjustments	3	4,238	-	4,238
Transfer of Asset ownership		-	-	-
Other reserves movements including transfers		391	(391)	-
Adjustment for transfer of function		-	-	-
Revaluation		-	-	-
Balances at 31 March 2026		1,897,140	33,257	1,930,397

Notes 1 to 23 form part of these accounts

Notes to the Financial Statements

1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2025-26 Government Financial Reporting Manual (FReM) issued by the Department of Finance. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context.

Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Department of Health Group for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Group are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

1.1. Accounting Convention

These accounts have been prepared under the historical cost convention, modified to account for the revaluation of property, plant and equipment, intangible assets and certain financial assets and liabilities.

1.2. Basis of Consolidation

These accounts comprise a consolidation of the core department, its departmental agency and other bodies listed in Note 22, which fall within the departmental boundary as defined in the FReM and make up the “Departmental Group”. Transactions between entities included in the consolidated accounts are eliminated. The consolidated bodies prepare accounts in accordance with the FReM or relevant legislation or relevant SoRP. For those bodies that do not prepare accounts in accordance with the FReM, adjustments are made at consolidation if necessary, where differences would have a significant effect on the accounts.

Health & Social Care Trusts consolidate the accounts of controlled charitable organisations and funds held on trust into their individual financial statements. As a result, the financial performance and funds have been consolidated. The Trusts have accounted for these transfers using merger accounting as required by the FReM. However, the distinction between public funding and the other monies donated by private individuals still exists. The consolidated Departmental Group accounts incorporate the consolidated Trust accounts.

1.3. Property, Plant and Equipment

Property, Plant and Equipment must be capitalised if:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential will be supplied to the entity;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; *and*
- the item has a cost higher than the capitalisation threshold set for the entity – for the Departmental Group this ranges from £1,000 to £5,000; *or*
- collectively, a number of items have a cost above the capitalisation threshold and individually have a cost of more than £1,000, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; *or*
- items form part of the initial equipping and setting-up cost of a new asset, irrespective of their individual or collective cost.

On initial recognition property, plant and equipment are measured at cost including any expenditure, such as installation, directly attributable to bringing them into working condition.

Assets classified as “under construction” are recognised in the Statement of Financial Position to the extent that money has been paid or a liability has been incurred. They are carried at cost, less any impairment loss. Assets under construction are revalued and depreciation commences when they are brought into use.

Subsequent expenditure on an asset, that meets the criteria in compliance with IAS 16, Property, Plant and Equipment, is capitalised, otherwise it is written off to revenue.

Emergency planning stockpiles are included within plant and machinery and are capitalised in accordance with FReM.

Valuation

All Property, Plant and Equipment assets are carried at fair value.

Fair value for Property is estimated as the latest professional valuation revised annually by reference to indices supplied by Land and Property Services (LPS).

Fair value for Plant and Equipment is estimated by restating the value annually by reference to indices compiled by the Office of National Statistics (ONS), except for assets under construction which are carried at cost, less any impairment loss.

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Royal Institute of Chartered Surveyors (RICS), International Financial Reporting Standards (IFRS), International Valuation Standards (IVS) & HM Treasury compliant asset revaluation of land and buildings for financial reporting purposes are undertaken by LPS at least once in every five year period. Figures are then restated annually, between revaluations, using indices provided by LPS. The last asset revaluation was carried out on 31 January 2025.

Properties are valued on the basis of open market value for existing use, unless they are specialised, in which case they are valued on the basis of depreciated replacement cost.

Properties surplus to requirements are valued on the basis of open market value less any material directly attributable selling costs.

Modern Equivalent Asset

DoF has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued. Land and Property Services (LPS) have included this requirement within the latest valuation.

Short Life Assets

Short life assets are not indexed. Short life is defined as a useful life of up to and including 5 years. Short life assets are carried at depreciated historic cost as this is not considered to be materially different from fair value and are depreciated over their useful life.

Where estimated life of fixtures and equipment exceed 5 years, suitable indices will be applied each year and depreciation will be based on indexed amount.

Revaluation Reserve

An increase arising on revaluation is taken to the revaluation reserve except when it reverses an impairment for the same asset previously recognised in expenditure, in which case it is credited to expenditure to the extent of the decrease previously charged there. A revaluation decrease is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure.

1.4. Intangible Assets

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the entity's business or which arise from contractual or other legal rights. Intangible assets are considered to have a finite life.

Intangible assets comprise software, licenses, trademarks, websites, development expenditure, patents, goodwill and intangible assets under construction. Software that is integral to the operating of hardware, for example an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, for example application software, is capitalised as an intangible non-current asset.

Recognition

Intangible assets are recognised only when it is probable that future economic benefits will flow, or service potential be provided, and where the cost of the asset can be measured reliably. The capitalisation threshold for intangible assets is the same as for tangible assets.

Internally generated intangible assets are recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use;
- the intention to complete the intangible asset and use it;
- the ability to sell or use the intangible asset;
- how the intangible asset will generate probable future economic benefits or service potential;
- the availability of adequate technical, financial and other resources to complete the intangible asset and sell or use it; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount recognised for internally generated intangible assets is the sum of the expenditure incurred from the date of commencement of the intangible asset, until it is complete and ready for use.

Intangible assets acquired separately are initially recognised at fair value.

Following initial recognition, intangible assets are carried at fair value by reference to an active market, and as no active market currently exists depreciated replacement cost has been used as fair value.

1.5. Depreciation and amortisation

Property, plant and equipment and intangible non-current assets are depreciated/amortised at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated useful lives. Depreciation/amortisation is charged in the month of acquisition.

No depreciation is provided on freehold land since land has unlimited or a very long established useful life. Items under construction are not depreciated until they are commissioned. Properties that are surplus to requirements and which meet the definition of “non-current assets held for sale” are also not depreciated. Capital expenditure on leasehold improvements is depreciated over the shorter of the life of the asset or the remaining term of the lease.

Depreciation is charged on short life assets (up to 5 years) based on the historic cost without indexation being applied.

Otherwise, depreciation is charged to write off the costs or valuation of property, plant and equipment and similarly, amortisation is applied to intangible non-current assets, less any residual value, over their estimated useful lives, in a manner that reflects the consumption of economic benefits or service potential of the assets. Assets held under finance leases are also depreciated over the lower of their estimated useful lives and the terms of the lease. The estimated useful life of an asset is the period over which The Department expects to obtain economic benefits or service potential from the asset. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis.

Assets normally have useful lives in the following ranges:

Asset Type	Asset Life
Freehold Buildings	25 – 60 years
Leasehold property	Remaining period of lease
IT Assets	3 – 10 years
Intangible assets	3 – 10 years
Other Equipment	3 – 15 years

In the core Department the majority of furniture and fittings are rented from the Department of Finance and have not been capitalised. Instead, this forms part of the notional accommodation costs included in the Statement of Comprehensive Net Expenditure.

Most of the buildings used by the core Department are part of the government estate. As rents are not paid for these properties, notional accommodation costs are based on a capital charge for the properties. These costs have been charged to the Statement of Comprehensive Net Expenditure.

The overall useful life of the Department/Departmental Group's buildings takes account of the fact that different components of those buildings have different useful lives. This ensures that depreciation is charged on these assets at the same rate as if separate components had been identified and depreciated at different rates.

1.6. Impairments

At each reporting period end, checks are carried out to assess whether there is any indication that any of the tangible or intangible non-current assets have suffered an impairment loss. If there is indication of an impairment loss, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount.

If there has been an impairment loss due to price change, the asset is written down to its recoverable amount, with the loss charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to the Statement of Comprehensive Net Expenditure.

DoF/HM Treasury has directed that, economic impairments be treated in a different way from that shown in IAS 36 for 2010-11 and future periods. As a result, where the loss arises from an economic impairment the full amount of the impairment is charged to the Statement of Comprehensive Net Expenditure and there is a corresponding movement from the revaluation reserve to the Statement of Comprehensive Net Expenditure reserve up to the amount of the economic impairment which is in the revaluation reserve.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount but capped at the amount that would have been determined had there been no initial impairment loss. The reversal of the impairment loss is credited to expenditure to the extent of the decrease previously charged there and thereafter to the revaluation reserve.

1.7. Profit/Loss on sale of Non-Current Assets

The profit from sale of land which is a non-depreciating asset is recognised within Income. The profit from sale of any depreciating assets is shown as a reduction in the expense within the Statement of Comprehensive Net Expenditure. The loss from sale of land or loss from the sale of any depreciating assets is shown as an increased expense.

On disposal, the balance for the asset on the revaluation reserve is transferred to the Statement of Comprehensive Net Expenditure reserve.

1.8. Non-Current Assets Held for Sale

Assets are classified as a non-current asset held for sale where their value is expected to be realised principally through a sale transaction rather than through continuing use. In order to meet this definition IFRS 5 requires that the asset must be immediately available for sale in its current condition and that its sale is highly probable. A sale is regarded as highly probable where an active plan is in place to find a buyer for the asset through appropriate marketing at a reasonable price and the sale is considered likely to be concluded within one year. Non-current assets held for sale are measured at the lower of their previous carrying amount and fair value, less any material directly attributable selling costs. Fair value is open market value, where one is available, including alternative uses.

Assets classified as held for sale are not depreciated.

Property, plant or equipment that is to be scrapped or demolished does not qualify for recognition as held for sale. Instead, it is retained as an operational asset and its economic life is adjusted. The asset is de-recognised when it is scrapped or demolished.

1.9. Stockpile Goods

The core Department has acquired equipment and stock for use in the event of a national emergency.

These stocks consist mainly of drugs and protective clothing and are regarded as the minimum levels necessary to provide an emergency response. In accordance with FReM, these minimum levels are treated as Property, Plant and Equipment (PPE). The goods are recorded at the lower of cost price and net realisable value. It is considered that depreciation is not applicable for the majority of emergency stock items held. An impairment charge is recognised in respect of stockpile goods that are either written down from cost to net realisable value or disposed of (e.g. disposed of because they are past their 'use by' date). The core Department also considers that due to the unique nature of stockpile goods it is inappropriate to apply a capitalisation threshold.

1.10. Investments

The only Interest Bearing Debt (IBD) remaining is in relation to the Northern Ireland Ambulance Service (NIAS) as the IBD in the legacy Trusts was cancelled and replaced by Public Dividend Capital (PDC) when the new Trusts were established on 1 April 2007.

The IBD held by the Department in respect of NIAS is no longer legally classed as a debt repayable to the Department.

The Public Dividend Capital (PDC) of the Trusts is held in the name of the Secretary of State. The Trusts are not required to make a dividend payment in respect of PDC. These bodies are managed independently from the Department.

The core Department's investment in these bodies is shown, in line with public sector interpretation and DoF NI-specific guidance, in the Statement of Financial Position at historical cost. This investment by the core Department is eliminated on consolidation of the Departmental Group.

1.11. Inventories and Work in Progress

Inventories are valued at the lower of cost and Net Realisable Value (NRV) and are included exclusive of VAT.

Any consumable items are expensed in the year of purchase.

1.12. Research and Development

Research and Development (R&D) expenditure is expensed in the year it is incurred in accordance with IAS 38.

Following the introduction of the 2010 European System of Accounts (ESA10), and the change in budgeting treatment (from the revenue budget to the capital budget) of R&D expenditure, additional disclosures are included in the notes to the accounts. This treatment was implemented from 2016-17.

1.13. Income

Income is classified between Revenue from Contracts and Other Operating Income as assessed in line with organisational activity, under the requirements of IFRS 15 and as applicable to the public sector. Judgement is exercised in order to determine whether the five essential criteria within the scope of IFRS 15 are met in order to define income as a contract.

Income relates directly to the activities of the Departmental Group and is recognised on an accruals basis when, and to the extent that a performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Where the criteria to determine whether a contract is in existence is not met, income is classified as Other Operating Income within the Statement of Comprehensive Net Expenditure and is recognised when the right to receive payment is established. Income is stated net of VAT.

1.14. Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.15. Leases

The Departmental Group as lessee

All contracts are assessed at inception to determine whether they constitute, or contain, a lease. If so, then a right-of-use asset and a corresponding lease liability are recognised, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (defined as assets with a value less than the applicable capitalisation threshold – see capitalisation threshold policy); for these leases, the lease payments are recognised as an operating expense on a straight-line basis over the term of the lease.

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Although agreements between UK government bodies are not legally enforceable, any intra-UK government lease agreements are treated as if they constituted a legally enforceable contract, and therefore a lease liability and a corresponding right-of-use asset are recognised. However, where the entity is subject to notional charging in exchange for the right to use an asset, then a lease liability is not recognised, and nor is a right-of-use asset.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the incremental borrowing rate, as promulgated by HM Treasury, is used.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The lease liability is re-measured (with a corresponding adjustment being made to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value;
- a lease contract is modified and the lease modification is not accounted for as a separate lease.

Right-of-use assets are initially measured at the value of the corresponding lease liability, plus lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses, unless they are considered long term (defined as leases with a term of 25 years or more), in which case they are carried at fair value/current value in existing use, in accordance with the revaluation model in IAS 16.

Whenever an obligation is incurred for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects the expectation that a purchase option will be exercised, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Departmental Group as lessor

Leases for which the Departmental Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the entity's net investment in the leases.

1.16. Private Finance Initiative (PFI) transactions

DoF has determined that government bodies shall account for infrastructure PFI schemes where the government body controls the use of the infrastructure and the residual interest in the infrastructure at the end of the arrangement as service concession arrangements, following the principles of the requirements of IFRIC 12. Therefore, PFI assets are recognised as items of property, plant and equipment together with a liability to pay for it. The services received under the contract are recorded as operating expenses.

The annual unitary payment is separated into the following component parts, using appropriate estimation techniques where necessary:

- a) Payment for the fair value of services received;
- b) Payment for the PFI asset, including replacement of components; and
- c) Payment for finance (interest costs).

Services received

The fair value of services received in the year is recorded under the relevant expenditure headings within 'operating expenses'.

PFI Asset

The PFI asset is recognised as property, plant and equipment, when it comes into use. The asset is measured initially at fair value in accordance with the principles of IAS 17. Subsequently, the asset is measured at fair value, which is kept up to date in accordance with the approach for each relevant class of asset in accordance with the principles of IAS 16.

PFI liability

A PFI liability is recognised at the same time as the PFI asset is recognised. It is measured initially at the same amount as the fair value of the PFI asset and is subsequently measured as a finance lease liability in accordance with IAS 17.

An annual finance cost is calculated by applying the implicit interest rate in the lease to the opening lease liability for the period and is charged to 'Finance Costs' within the Statement of Comprehensive Net Expenditure.

The element of the annual unitary payment that is allocated as a finance lease rental is applied to meet the annual finance cost and to repay the lease liability over the contract term.

An element of the annual unitary payment increase due to cumulative indexation is allocated to the finance lease. In accordance with IAS 17, this amount is not included in the minimum lease payments but is instead treated as contingent rent and is expensed as incurred. In substance, this amount is a finance cost in respect of the liability and the expense is presented as a contingent finance cost in the Statement of Comprehensive Net Expenditure.

Lifecycle replacement

Components of the asset replaced by the operator during the contract ('lifecycle replacement') are capitalised where they meet the criteria for capital expenditure. They are capitalised at the time they are provided by the operator and are measured initially at their fair value.

The element of the annual unitary payment allocated to lifecycle replacement is pre-determined for each year of the contract from the operator's planned programme of lifecycle replacement. Where the lifecycle component is provided earlier or later than expected, a short-term finance lease liability or prepayment is recognised respectively.

Where the fair value of the lifecycle component is less than the amount determined in the contract, the difference is recognised as an expense when the replacement is provided. If the fair value is greater than the amount determined in the contract, the difference is treated as a 'free' asset and a deferred income balance is recognised. The deferred income is released to the operating income over the shorter of the remaining contract period or the useful economic life of the replacement component.

Assets contributed to the operator for use in the scheme

Assets contributed for use in the scheme continue to be recognised as items of property, plant and equipment in the Statement of Financial Position.

Other assets contributed to the operator

Other assets contributed (e.g. cash payments, surplus property) to the operator before the asset is brought into use, which are intended to defray the operator's capital costs, are recognised initially as prepayments during the construction phase of the contract. Subsequently, when the asset is made available, the prepayment is treated as an initial payment towards the finance lease liability and is set against the carrying value of the liability.

1.17. Financial Instruments

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The Departmental Group has financial instruments in the form of trade receivables and payables and cash and cash equivalents.

Financial assets

Financial assets are recognised on the Statement of Financial Position when the Departmental Group becomes party to the financial instrument contract or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or the asset has been transferred.

Financial assets are initially recognised at fair value. IFRS 9 requires consideration of the expected credit loss model on financial assets. The measurement of the loss allowance depends upon the Departmental Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

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The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument, where judged necessary.

Financial assets are classified into the following categories:

- financial assets at fair value through Statement of Comprehensive Net Expenditure;
- held to maturity investments;
- available for sale financial assets; *and*
- loans and receivables.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial liabilities

Financial liabilities are recognised on the Statement of Financial Position when the Departmental Group becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been discharged, that is, the liability has been paid or has expired.

Financial liabilities are initially recognised at fair value.

Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial assets and liabilities and held at fair value.

Financial Risk Management

IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the manner in which they are funded, financial instruments play a more limited role in creating risk than would apply to a non-public sector body of a similar size, therefore the Departmental Group is not exposed to the degree of financial risk faced by business entities. There are limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing its activities. Therefore, the Departmental Group are exposed to limited credit, liquidity or market risk.

Currency Risk

The Departmental Group is made up of principally domestic organisations with the majority of transactions, assets and liabilities being in the UK and sterling based. There is therefore low exposure to currency rate fluctuations.

Interest Rate Risk

The Departmental Group has limited powers to borrow or invest and therefore there is low exposure to interest rate fluctuations.

Credit and Liquidity risk

As the Departmental Group is funded largely with government funding there is low exposure to credit risk and to significant liquidity risks.

1.18. Grants

Grants payable are recorded as expenditure in the period that the underlying event or activity giving entitlement to the grant occurs.

Grants received are distinguished between grants from UK government entities and grants from European Union.

1.19. Provisions

In accordance with IAS 37, provisions are recognised when a present legal or constructive obligation arises as a result of a past event, it is probable that payment will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties.

Where the effect of the time value of money is significant the estimated risk-adjusted cash flows are discounted using the HM Treasury Discount Rate.

1.20. Contingent Liabilities

Under IAS 37 the Departmental Group discloses contingent liabilities where there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Departmental Group, or a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured sufficiently reliably.

In addition to contingent liabilities disclosed in accordance with IAS 37, the Departmental Group discloses for Assembly reporting and accountability purposes certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote, but which have been reported to the Assembly in accordance with the requirements of Managing Public Money Northern Ireland.

Where the time value of money is material, contingent liabilities which are required to be disclosed under IAS 37 are stated at discounted amounts and the amount reported to the Assembly separately noted. Contingent liabilities that are not required to be disclosed by IAS 37 are stated at the amounts reported to the Assembly.

1.21. Employee Benefits including retirement benefits

Under the requirements of IAS 19: Employee Benefits, staff costs must be recorded as an expense as soon as the organisation is obligated to pay them. This includes the cost of any untaken leave that has been earned at the year end.

Retirement benefits

The accounting for each of the Departmental Group's pension plans is dependent on its nature.

Past and present employees of the core Department are covered by the Principal Civil Service Pension Scheme Northern Ireland (PCSPS) (NI). The defined benefit schemes are unfunded.

The core department recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the PCSPS(NI) of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS(NI). In respect of the defined contribution schemes, the Department recognises the contributions payable for the year.

The agency and HSC bodies listed in Note 22 participate in the HSC Pension Scheme, which is administered by the Business Services Organisation. Under this multi-employer defined benefit scheme both the entity and employees pay specified percentages of pay into the scheme and the liability to pay benefit falls to the HSC Pension Scheme.

Northern Ireland Fire and Rescue Service (NIFRS) operates three Firefighters' Pension Schemes. These Schemes are governed by the provisions of The Firefighters' Pension Scheme Order (Northern Ireland) 2007, The New Firefighters' Pension Scheme Order (Northern Ireland) 2007, and The Firefighters' Pension Scheme Regulations (Northern Ireland) 2015 respectively, including amendments.

NIFRS also operates a Compensation Scheme under The Firefighters' Compensation Scheme Order (Northern Ireland) 2007. This Scheme makes provision for the payment of pensions, allowances and gratuities to and in respect of persons who die or are permanently disabled as the result of an injury sustained or disease contracted during their course of duty. The Compensation Scheme is valued on an actuarial basis and accounted for in accordance with IAS 19 with re-measurements due to changes in assumptions recognised in other expenditure.

NIFRS also participates in the NILGOSC Scheme for the majority of its Support and Regional Control Centre staff. This scheme is a multi-employer defined benefit scheme in which it is possible for an employer to identify its share of the assets and liabilities on a consistent basis.

The cost of early retirements is met by each entity and charged to the SoCNE at the time a commitment is made to fund the early retirement.

As per the requirements of IAS 19, full actuarial valuations by a professionally qualified actuary are required with sufficient regularity that the amounts recognised in the financial statements do not differ materially from those determined at the reporting period date. This has been interpreted in the FReM to mean that the period between formal actuarial valuations shall be four years.

The actuary reviews the most recent actuarial valuation at the statement of financial position date and updates it to reflect current conditions. The scheme valuation data provided for the 2020 actuarial valuation that is currently underway has been used in the 2024-25 accounts. The 2020 valuation assumptions are retained for demographics whilst financial assumptions are updated to reflect current financial conditions and a change in financial assumption methodology. The 2020 valuation is the most recently completed valuation, since the 2024 valuation is ongoing which is why the demographics assumptions are not updated.

More information about the Group's pension schemes can be found in the accounts of the consolidated entities, including in the Staff Report for the core department, and of the pension schemes themselves.

1.22. Change to Estimation Technique

As a result of uncertainties inherent in all business activities, many items in financial statements cannot be measured with precision but can only be estimated. Where estimates have been required in order to prepare these financial statements in conformity with FReM, management have used judgements based on the latest available, reliable information.

Management continually reviews estimates to take account of any changes in the circumstances on which the estimate was based or as a result of new information or more experience.

1.23. Value Added Tax

Where output VAT is charged or input VAT is recoverable, the amounts are stated net of VAT. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of non-current assets.

1.24. Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Departmental Group has no beneficial interest in them. Details of third party assets are given in the relevant note.

1.25. Administration and Programme Expenditure

The Consolidated Statement of Comprehensive Net Expenditure is analysed between administration and programme expenditure. The classification of expenditure as administration or as programme follows the definition of administration costs as set out in Managing Public Money Northern Ireland (MPMNI), issued by the Department of Finance.

Administration costs reflect the costs of running the core Department.

Programme costs reflect non-administration costs and mainly consist of expenditure in health and social services. This includes payments of capital and current grants and other disbursements by the core Department.

1.26. Notional Charges

Notional charges are non-cash transactions. Notional charges, in respect of services received from other Government departments and agencies and audit costs, are included in the Consolidated Statement of Comprehensive Net Expenditure to reflect the full economic cost of services.

1.27. Accounting standards issued not included in 2025-26 FReM

The International Accounting Standards Board have issued the following new standards which are either not yet effective or adopted. Under IAS 8 there is a requirement to disclose these standards together with an assessment of their initial impact on application.

IFRS 18 Presentation and Disclosure in Financial Statements:

IFRS 18 will replace IAS 1 Presentation of Financial Statements and is effective for annual reporting periods beginning on or after the 1 January 2027 in the private sector. The impact of IFRS 18 on the Public Sector is still being assessed, and a decision has not yet been taken on an implementation date.

IFRS 19 Subsidiaries without Public Accountability: Disclosures:

IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with reduced disclosure requirements and is effective for annual reporting periods beginning on or after the 1 January 2027 in the private sector. The impact of IFRS 19 on the Public Sector is still being assessed, and a decision has not yet been taken on an implementation date.

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2. Statement of Operating Costs by Operating Segment

The following are separate identifiable units of business which have their own set of activities which contribute to the Department's objectives. The funding for all reportable segments is shown in the table below.

	2025-26		
	Gross Expenditure £000	Income £000	Net Expenditure £000
Funded Bodies			
Public Health Agency	102,259	(1,115)	101,144
Business Services Organisation	204,764	-	204,764
Patient and Client Council	2,438	-	2,438
NI Practice & Education Council for Nursing & Midwifery	1,728	-	1,728
NI Social Care Council	4,801	-	4,801
Health and Social Care Regulation and Quality Improvement Authority	11,007	-	11,007
NI Medical & Dental Training Agency	56,160	-	56,160
NI Blood Transfusion Service	1,173	-	1,173
Children's Court Guardian Agency for NI	5,658	-	5,658
NI Fire & Rescue Service	143,148	-	143,148
Health and Social Care Trusts	7,516,971	-	7,516,971
Centrally Managed			
Administration	52,634	(215)	52,419
Programme	1,332,542	(73,876)	1,258,666
Depreciation / Impairments	16,538	-	16,538
Total	9,451,821	(75,206)	9,376,615

2. Statement of Operating Costs by Operating Segment (continued)

The operating segments in this note are those reported to the Department of Health Departmental Board for financial management purposes. The operating segments are:

	2024-25		
	Gross Expenditure £000	Income £000	Net Expenditure £000
Funded Bodies			
Public Health Agency	97,705	(1,310)	96,395
Business Services Organisation	268,469	-	268,469
Patient and Client Council	2,292	-	2,292
NI Practice & Education Council for Nursing & Midwifery	1,631	-	1,631
NI Social Care Council	4,613	-	4,613
Health and Social Care Regulation and Quality Improvement Authority	9,729	-	9,729
NI Medical & Dental Training Agency	43,225	-	43,225
NI Blood Transfusion Service	1,143	-	1,143
Children’s Court Guardian Agency for NI	5,280	-	5,280
NI Fire & Rescue Service	129,604	-	129,604
Health and Social Care Trusts	7,073,494	-	7,073,494
Centrally Managed			
Administration	49,076	(116)	48,960
Programme	1,268,155	(70,004)	1,198,151
Depreciation / Impairments	28,928	-	28,928
Total	8,983,344	(71,430)	8,911,914

2. Statement of Operating Costs by Operating Segment (cont'd)

Health and Social Care Board (HSCB)

Up until 31 March 2022 the HSCB was responsible for commissioning the provision of health and social care, monitoring health and social care performance and ensuring the best possible use of the resources of the health and social care system. With the closure of the HSCB these responsibilities were transferred to the Department Strategic Planning and Performance Group (SPPG) as at 1 April 2022.

Public Health Agency (PHA)

The PHA is responsible for improvements in health and social well-being, health protection and service development.

Business Services Organisation (BSO)

The BSO is responsible for the provision of a range of business support and specialist professional services to other health and social care bodies.

Patient and Client Council (PCC)

The PCC is responsible for ensuring a strong patient and client voice at both regional and local level and strengthening public involvement in decisions about health and social care services.

NI Practice and Education Council for Nursing and Midwifery (NIPEC)

NIPEC provides advice and guidance on best practice and matters relating to nursing and midwifery.

NI Social Care Council (NISCC)

NISCC registers and regulates the social care workforce, setting and monitoring the standards for professional social work training and promoting training within the broader social care workforce.

Health and Social Care Regulation and Quality Improvement Authority (RQIA)

The RQIA registers and inspects a wide range of HSC services and has a role in assuring the quality of services provided by a number of HSC bodies.

NI Medical and Dental Training Agency (NIMDTA)

NIMDTA ensures that doctors and dentists are effectively trained to provide the highest standards of patient care and to fund, manage and support postgraduate medical and dental education.

Children's Court Guardian Agency for Northern Ireland (CCGANI)

CCGANI is responsible for maintaining a register of Guardians Ad Litem who are independent officers of the Court experienced in working with children and families.

NI Fire and Rescue Service (NIFRS)

NIFRS is responsible for delivering Fire and Rescue Services.

Health and Social Care Trusts

The six HSC Trusts are responsible for providing goods and services for the purpose of health and social care work and, with the exception of the Ambulance Service Trust, are also responsible for exercising on behalf of the DoH SPPG (formerly Health and Social Care Board) certain statutory functions. The Ambulance Service Trust provides emergency response to patients with sudden illness and injury and non-emergency patient care and transportation.

2.1 Reconciliation between Operating Segments and CSoFP

	2025-26		
	Total assets £000	Total Liabilities £000	Net assets Less liabilities £000
Funded Bodies			
Public Health Agency	3,785	(10,131)	(6,346)
Business Services Organisation	-	-	-
Patient and Client Council	-	-	-
NI Practice & Education Council for Nursing & Midwifery	-	-	-
NI Social Care Council	-	-	-
Health and Social Care Regulation and Quality Improvement Authority	-	-	-
NI Medical & Dental Training Agency	-	-	-
Children's Court Guardian Agency for NI	-	-	-
NI Fire & Rescue Service	-	-	-
Health and Social Care Trusts	-	-	-
Centrally Managed	2,188,580	(251,837)	1,936,743
Total	2,192,365	(261,968)	1,930,397

	2024-25		
	Total assets £000	Total liabilities £000	Net assets less liabilities £000
Funded Bodies			
Public Health Agency	5,488	(10,047)	(4,559)
Business Services Organisation	-	-	-
Patient and Client Council	-	-	-
NI Practice & Education Council for Nursing & Midwifery	-	-	-
NI Social Care Council	-	-	-
Health and Social Care Regulation and Quality Improvement Authority	-	-	-
NI Medical & Dental Training Agency	-	-	-
Children's Court Guardian Agency for NI	-	-	-
NI Fire & Rescue Service	-	-	-
Health and Social Care Trusts	-	-	-
Centrally Managed	2,153,125	(237,480)	1,915,645
Total	2,158,613	(247,527)	1,911,086

3. Expenditure

3a. Other Administration Expenditure

	Note	2025-26		2024-25	
		Core Department and Agencies £000	Departmental Group £000	Core Department and Agencies £000	Departmental Group £000
Staff costs ¹ :					
Wages and salaries		28,954	28,954	28,961	28,961
Social security costs		4,011	4,011	3,353	3,353
Other pension costs		9,880	9,880	9,735	9,735
Goods and services		5,365	5,365	519	519
Rentals under operating leases		3	4	7	7
Interest charges		(3)	(4)	1	1
Subtotal		48,210	48,210	42,576	42,576
Non-Cash Items					
Depreciation		-	-	-	-
(Profit) on disposal of property, plant and equipment		-	-	-	-
Auditors' remuneration and expenses ²		186	186	182	182
Accommodation costs		2,256	2,256	2,072	2,072
Other indirect charges and services		1,982	1,982	4,246	4,246
Total Non-Cash Items		4,424	4,424	6,500	6,500
Total		52,634	52,634	49,076	49,076

¹ Further analysis of staff costs is located in the Accountability Section.

² During the year, the Department purchased no non-audit services from its auditor (NIAO).

3b. Programme Expenditure

	Note	2025-26		2024-25	
		Core Department and Agencies	Departmental Group	Core Department and Agencies	Departmental Group
		£000	£000	£000	£000
Staff costs ¹ :					
Wages and salaries		26,880	3,824,330	25,866	3,737,413
Social security costs		3,449	458,837	2,944	342,676
Other pension costs		5,311	700,023	5,195	650,385
Goods and services ²		9,300,216	4,077,092	8,829,942	3,758,217
Auditors' remuneration and expenses (hard charged audit fees and non-audit services)		-	110	-	158
Rentals under operating leases		154	4,060	108	5,013
Interest charges		(283)	13,709	-	14,403
Interest charges under IFRS16		5	633	9	402
PFI and other service concession arrangements service charges		-	15,037	-	14,514
Research and development expenditure		11,767	13,368	55	264
Other Grants and Disbursements		31,240	110,014	35,801	117,032
Subtotal		9,378,739	9,217,213	8,899,920	8,640,477
Non-Cash Items					
Depreciation		4,212	267,245	3,681	269,119
Amortisation		3,670	82,664	3,960	73,656
Loss/(profit) on disposal of non current assets		-	(180)	-	(224)
Auditors' remuneration and expenses		31	1,050	29	1,013
(Decrease)/increase in provisions (Provision provided for in year less any release)	15	3,567	162,449	5,166	601,680
Borrowing costs (unwinding of discount) on provisions	15	312	9,179	225	11,298
Release of Government grant		-	(633)	-	(633)
Permanent diminution in value		8,656	2,171	21,287	49,328
North/South Body non-cash costs		-	296	-	303
Pension costs		-	45,491	-	46,780
Subtotal non cash items		20,448	569,732	34,348	1,052,320
Total		9,399,187	9,786,945	8,934,268	9,692,797

¹ Further analysis of staff costs is located in the Accountability Section

² The core figure incorporates Grant in Aid paid as a means of supporting health care provision.

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3c. Notional Audit Costs

The non-cash auditors' remuneration for the year includes costs incurred by the Department for the departmental group audit, and by agencies and NDPBs for the audit of their individual accounts as shown in the breakdown below. Further details for agencies and NDPBs can be found in their individual accounts.

	2025-26	2024-25
	£000	£000
Core Department	186	182
Agencies	31	29
Total Core Department and Agencies	217	211
Belfast HSC Trust	81	80
Northern HSC Trust	85	82
South Eastern HSC Trust	69	67
Southern HSC Trust	125	120
Western HSC Trust	136	133
Northern Ireland Ambulance Service HSC Trust	64	64
Northern Ireland Blood Transfusion Service	22	21
Children's Court Guardian Agency for Northern Ireland	34	33
Northern Ireland Medical and Dental Training Agency	22	21
Regional Business Services Organisation (BSO)	277	264
Patient and Client Council	17	16
Health and Social Care Regulation and Quality Improvement Authority (RQIA)	29	28
Northern Ireland Social Care Council	35	33
Northern Ireland Practice and Education Council for Nursing and Midwifery	23	22
Departmental Group Notional Audit Costs	1,236	1,195

Please note that other NDPBs are hard charged for their audit costs, which are included in the departmental group figure for audit costs (Note 3b).

4. Income

4.1 Revenue from contracts with customers

	2025-26		2024-25	
	Core Department and Agencies	Departmental Group	Core Department and Agencies	Departmental Group
	£000	£000	£000	£000
Revenue from patient care activities	-	122,275	-	110,057
Non patient services	60,354	177,629	57,067	170,324
Other contract income	380	81,139	(236)	108,424
Interest receivable and other similar income	1	164	2	212
Total revenue from contracts with customers	60,735	381,207	56,833	389,017

4.2 Other operating income

	2025-26		2024-25	
	Core Department and Agencies	Departmental Group	Core Department and Agencies	Departmental Group
	£000	£000	£000	£000
Non patient services	2,160	30,040	4,882	25,341
Charitable and other contributions	-	5,005	-	3,424
Other non-contract income	11,984	16,000	9,342	15,598
Interest receivable and other similar income	327	2,176	373	2,180
Total other operating income	14,471	53,221	14,597	46,543

5. Property, plant and equipment 2025-26

5.1 Consolidated Property, plant and equipment 2025-26

	Land	Buildings	Dwellings	Information Technology	Plant & Machinery	Transport Equipment	Furniture & Fittings	Payments on Account & Assets under Construction	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation									
At 01 April 2025	380,738	3,633,725	138,122	465,138	879,581	157,904	53,399	133,776	5,842,383
Balancing Adjustment	1	(31,673)	31,041	(1,222)	550	(1)	1	(2)	(1,305)
Opening balance - restated	380,739	3,602,052	169,163	463,916	880,131	157,903	53,400	133,774	5,841,078
Additions	1	62,126	4,967	39,127	60,262	14,007	2,002	64,302	246,794
Donations	-	396	-	(3)	875	10	49	427	1,754
Disposals	(2)	(5,878)	(350)	(22,224)	(98,996)	(9,367)	(2,227)	-	(139,044)
Transfers	185	(3,048)	922	410	(22)	(552)	(23)	(9)	(2,137)
Reversal of impairments (indexation)	-	7,279	255	-	(121)	(1)	-	-	7,412
Impairments transferred to Revaluation Reserve	-	(4,938)	-	-	(1)	-	-	-	(4,939)
Impairments transferred to Consolidated Statement of Comprehensive Net Expenditure	64	(631)	(4)	-	(8,728)	-	-	(105)	(9,404)
Reclassifications	102	2,989	488	(8)	7,463	4,490	515	(16,146)	(107)
Indexation	209	89,727	3,852	365	49,837	17,698	7,489	-	169,177
Revaluations	(106)	2,940	215	8	(2,051)	42	16	-	1,064
At 31 March 2026	381,192	3,753,014	179,508	481,591	888,649	184,230	61,221	182,243	6,111,648

5.1 Consolidated Property, plant and equipment 2025-26 (continued)

	Land	Buildings	Dwellings	Information Technology	Plant & Machinery	Transport Equipment	Furniture & Fittings	Payments on Account & Assets under Construction	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Depreciation									
At 01 April 2025	-	59,063	1,654	329,527	599,332	103,213	34,331	-	1,127,120
Balancing Adjustment	-	(1,966)	3,411	(2)	(1,487)	(1)	(1)	-	(46)
Opening balance - restated	-	57,097	5,065	329,525	597,845	103,212	34,330	-	1,127,074
Charged in year	-	139,389	6,441	44,666	58,263	14,517	3,969	-	267,245
Disposals	-	(5,878)	(350)	(22,223)	(98,607)	(8,974)	(2,227)	-	(138,259)
Transfers	-	(16)	9	(5)	(45)	(552)	-	-	(609)
Reversal of impairments (indexation)	-	189	8	-	2	-	-	-	199
Impairments transferred to Revaluation Reserve	-	2,482	122	31	450	8	3	-	3,096
Impairments transferred to Consolidated Statement of Comprehensive Net Expenditure	-	(55)	-	-	12	24	-	-	(19)
Reclassifications	-	(1)	-	-	8	-	(1)	-	6
Indexation	-	3,776	258	162	38,593	12,103	5,024	-	59,916
Revaluations	-	(1,845)	5	(48)	(3,418)	(916)	11	-	(6,211)
At 31 March 2026	-	195,138	11,558	352,108	593,103	119,422	41,109	-	1,312,438
Carrying amount at 31 March 2026	381,192	3,557,876	167,950	129,483	295,546	64,808	20,112	182,243	4,799,210

5.1 Consolidated Property, plant and equipment 2025-26 (continued)

	Land	Buildings	Dwellings	Information Technology	Plant & Machinery	Transport Equipment	Furniture & Fittings	Payments on Account & Assets under Construction	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Asset financing:									
Owned	381,095	3,255,367	138,585	129,483	204,787	64,808	20,112	182,243	4,376,480
Finance leases	97	14,063	29,365	-	82,762	-	-	-	126,287
PFI and other service concession arrangements contracts	-	288,446	-	-	7,997	-	-	-	296,443
Carrying amount at 31 March 2026	381,192	3,557,876	167,950	129,483	295,546	64,808	20,112	182,243	4,799,210
Of the total:									
Department	32,984	2,727	445	-	17,750	21	59	-	53,986
Agencies	3,800	8,560	-	9,178	-	-	9	1,336	22,883
Other designated bodies	344,408	3,546,589	167,505	120,305	277,796	64,787	20,044	180,907	4,722,341
Carrying amount at 31 March 2026	381,192	3,557,876	167,950	129,483	295,546	64,808	20,112	182,243	4,799,210

The balancing adjustments in the tables above are to align with the opening balances for the agencies and other designated bodies within the Departmental Group.

Plant and Machinery includes £9.2m of PPE stockpile goods. Stockpile goods purchased from BSO in 2024-25 at a cost of £29.5m were impaired by £19.8m to their market value in 2024-25.

For these stockpile goods, a further impairment of £2.4m was recognised in 2025-26. In addition, stockpile goods purchased from BSO during 2025-26 at a cost of £5.9m were impaired by £4m to market value at 31 March 2026.

5.2 Consolidated Property, plant and equipment 2024-25

	Land	Buildings	Dwellings	Information Technology	Plant & Machinery	Transport Equipment	Furniture & Fittings	Payments on Account & Assets under Construction	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation									
At 01 April 2024	397,269	3,815,182	163,894	429,094	860,046	146,712	51,061	268,238	6,131,496
Balancing Adjustment	(30,900)	30,900			(2,147)				(2,147)
Opening balance - restated	366,369	3,846,082	163,894	429,094	857,899	146,712	51,061	268,238	6,129,349
Additions	697	91,736	3,381	43,434	73,575	8,848	2,462	57,112	281,245
Donations	-	629	-	37	926	37	6	240	1,875
Disposals	(500)	(4,065)	-	(8,742)	(37,369)	(4,784)	(1,998)	-	(57,458)
Transfers	(120)	130,876	269	384	375	(112)	558	(134,821)	(2,591)
Reversal of impairments (indexation)	5,747	17,773	74	1	(7)	-	5	-	23,593
Impairments transferred to Revaluation Reserve	3,593	(173,298)	(10,644)	-	(2)	-	-	(70)	(180,421)
Impairments transferred to Consolidated Statement of Comprehensive Net Expenditure	(1,910)	(45,728)	(2,921)	(11)	(20,082)	-	-	(27,511)	(98,163)
Reclassifications	(600)	(64,951)	(5,186)	654	279	2,259	(350)	(29,781)	(97,676)
Indexation	-	3,174	-	287	4,143	4,951	1,655	-	14,210
Revaluations	7,462	(168,503)	(10,745)	-	(156)	(7)	-	369	(171,580)
At 31 March 2025	380,738	3,633,725	138,122	465,138	879,581	157,904	53,399	133,776	5,842,383

5.2 Consolidated Property, plant and equipment 2024-25 (continued)

	Land	Buildings	Dwellings	Information Technology	Plant & Machinery	Transport Equipment	Furniture & Fittings	Payments on Account & Assets under Construction	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Depreciation									
At 01 April 2024	1,236	500,875	23,082	294,786	575,798	94,269	31,590	-	1,521,636
Balancing Adjustment	(1,236)	1,236			(1,827)				(1,827)
Opening balance - restated	-	502,111	23,082	294,786	573,971	94,269	31,590	-	1,519,809
Charged in year	-	140,651	6,286	43,483	59,736	15,194	3,760	-	269,110
Disposals	-	(4,060)	-	(8,738)	(37,365)	(4,740)	(1,998)	-	(56,901)
Transfers	-	(87)	-	(148)	(12)	-	-	-	(247)
Reversal of impairments (indexation)	-	-	-	-	-	-	-	-	-
Impairments transferred to Revaluation Reserve	-	(110,637)	(4,556)	-	-	-	-	(44)	(115,237)
Impairments transferred to Consolidated Statement of Comprehensive Net Expenditure	-	(2,542)	(112)	-	(6)	-	-	-	(2,660)
Reclassifications	-	(92,029)	(5,677)	-	84	(2,455)	(104)	44	(100,137)
Indexation	-	209	-	144	3,219	3,287	1,083	-	7,942
Revaluations	-	(374,553)	(17,369)	-	(295)	(2,342)	-	-	(394,559)
At 31 March 2025	-	59,063	1,654	329,527	599,332	103,213	34,331	-	1,127,120
Carrying amount at 31 March 2025	380,738	3,574,662	136,468	135,611	280,249	54,691	19,068	133,776	4,715,263

5.2 Consolidated Property, plant and equipment 2024-25 (continued)

	Land	Buildings	Dwellings	Information Technology	Plant & Machinery	Transport Equipment	Furniture & Fittings	Payments on Account & Assets under Construction	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Asset financing:									
Owned	380,641	3,226,810	135,744	135,611	185,863	54,691	19,068	133,776	4,272,204
Finance leases	97	40,533	724	-	85,168	-	-	-	126,522
PFI and other service concession arrangements contracts	-	307,319	-	-	9,218	-	-	-	316,537
Carrying amount at 31 March 2025	380,738	3,574,662	136,468	135,611	280,249	54,691	19,068	133,776	4,715,263
Of the total:									
Department	32,712	3,329	445	-	18,772	22	62	-	55,342
Agencies	3,800	9,170	-	7,809	-	-	9	335	21,123
Other designated bodies	344,226	3,562,163	136,023	127,802	261,477	54,669	18,997	133,441	4,638,798
Carrying amount at 31 March 2025	380,738	3,574,662	136,468	135,611	280,249	54,691	19,068	133,776	4,715,263

Plant and Machinery include £9.7m PPE stockpile goods. These were purchased from BSO in 2024-25 for £29.5m and impaired by £19.8m to market value.

5.3 Consolidated Assets Classified as Held for Sale

	Land		Buildings		Other		Total	
	31 March 2026	31 March 2025	31 March 2026	31 March 2025	31 March 2026	31 March 2025	31 March 2026	31 March 2025
	£000	£000	£000	£000	£000	£000	£000	£000
Opening Balance at 1 April	2	2	160	-	-	-	162	2
AHFS Reclassifications from/(to) Non-current assets	170	120	1,789	275	-	-	1,959	395
Disposals of carrying value	(2)	(120)	-	(115)	-	-	(2)	(235)
Impairments	-	-	-	-	-	-	-	-
Closing Balance at 31 March	170	2	1,949	160	-	-	2,119	162

6. Intangible Assets

6.1 Consolidated Intangible Assets 2025-26

	Information Technology	Software Licences	Websites	Development expenditure	Payments on ac- count & Assets under construction	Total
	£000	£000	£000	£000	£000	£000
Cost or Valuation						
At 01 April 2025	311,164	352,724	30	213	63,433	727,564
Opening balance adjustment	1,224	(1)	-	-	-	1,223
Additions	2,112	10,898	-	-	103,618	116,628
Donations	-	19	-	-	-	19
Disposals	(7,054)	(17,610)	-	-	-	(24,664)
Reclassifications	-	81	-	-	-	81
Transfers	35,822	56	-	-	(36,233)	(355)
Indexation	5,781	1,126	-	-	-	6,907
Statement of Comprehensive Net Expenditure	-	-	-	-	-	-
Revaluations	-	9	-	-	-	9
At 31 March 2026	349,049	347,302	30	213	130,818	827,412
Amortisation						
At 01 April 2025	127,000	234,155	30	213	-	361,398
Charged in year	33,892	48,772	-	-	-	82,664
Disposals	(7,054)	(17,610)	-	-	-	(24,664)
Transfers	-	43	-	-	-	43
Indexation	2,083	647	-	-	-	2,730
Revaluation reserve	-	2	-	-	-	2
Statement of Comprehensive Net Expenditure	(1)	-	-	-	-	(1)
Revaluations	-	8	-	-	-	8
At 31 March 2026	155,920	266,017	30	213	-	422,180

6.1 Consolidated Intangible Assets 2025-26 (continued)

	Information Technology	Software Licenses	Websites	Development expenditure	Payments on account & Assets under construction	Total
	£000	£000	£000	£000	£000	£000
Carrying amount at 31 March 2026	193,129	81,285	-	-	130,818	405,232
Carrying amount at 31 March 2025	184,163	118,569	-	-	63,433	366,165
Asset financing:						
Owned	193,129	81,285	-	-	130,818	405,232
Finance leased	-	-	-	-	-	-
Carrying amount at 31 March 2026	193,129	81,285	-	-	130,818	405,232
Of the total:						
Department	-	143	-	-	-	143
Agencies	4,314	739	-	-	2,799	7,852
Other designated bodies	188,815	80,403	-	-	128,019	397,237
Carrying amount at 31 March 2026	193,129	81,285	-	-	130,818	405,232

The balancing adjustments in the tables above are to align with the opening balances for the agencies and other designated bodies within the Departmental Group.

6.2 Consolidated Intangible Assets 2024-25

	Information Technology	Software Licences	Websites	Development expenditure	Payments on account & Assets under construction	Total
	£000	£000	£000	£000	£000	£000
Cost or Valuation						
At 01 April 2024	202,932	324,179	30	213	88,928	616,282
Balancing adjustment	-	2,147	-	-	-	2,147
Additions	1,489	25,290	-	-	78,769	105,548
Donations	-	9	-	-	-	9
Disposals	-	(621)	-	-	(47)	(668)
Reclassifications	-	20	-	-	-	20
Transfers	103,017	871	-	-	(104,217)	(329)
Indexation	3,726	829	-	-	-	4,555
Impairments transferred to Consolidated Statement of Comprehensive Net Expenditure	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-
At 31 March 2025	311,164	352,724	30	213	63,433	727,564
Amortisation						
At 01 April 2024	100,150	184,432	30	205	-	284,817
Balancing adjustment	-	1,827	-	-	-	1,827
Charged in year	25,690	47,958	-	8	-	73,656
Disposals	-	(621)	-	-	-	(621)
Transfers	3	160	-	-	-	163
Indexation	1,158	400	-	-	-	1,558
Impairments transferred to Consolidated Statement of Comprehensive Net Expenditure	-	(1)	-	-	-	(1)
Revaluations	-	-	-	-	-	-
At 31 March 2025	127,001	234,155	30	213	-	361,399

6.2 Consolidated Intangible Assets 2024-25 (continued)

	Information Technology	Software Licences	Websites	Development expenditure	Payments on account & Assets under construction	Total
	£000	£000	£000	£000	£000	£000
Carrying amount at 31 March 2025	184,163	118,569	-	-	63,433	366,165
Carrying amount at 31 March 2024	102,782	139,747	-	8	88,928	331,465
Asset financing:						
Owned	184,163	118,569	-	-	63,433	366,165
Finance leased	-	-	-	-	-	-
Carrying amount at 31 March 2025	184,163	118,569	-	-	63,433	366,165
Of the total:						
Department	-	101	-	-	-	101
Agencies	6,494	1,021	-	-	2,995	10,510
Other designated bodies	177,669	117,447	-	-	60,438	355,554
Carrying amount at 31 March 2025	184,163	118,569	-	-	63,433	366,165

7. Consolidated Impairments

	2025-26 £000	2024-25 £000
Impairment charged to Statement of Comprehensive Net Expenditure within Net Expenditure	2,171	49,328
Impairment charged to Statement of Comprehensive Net Expenditure as Other Comprehensive Expenditure	8,036	64,504
Total Impairment	10,207	113,832

8. Financial Instruments

As the cash requirements of the department are met through the Estimates process, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body of a similar size. The majority of financial instruments relate to contracts for non-financial items in line with the Department's expected purchase and usage requirements and the Department is therefore usually exposed to little credit, liquidity or market risk.

9. Investments and loans in other public sector bodies

Core and Agencies

	Investments in Trusts £000	Financial Transactions Capital £000	Total £000
Balance at 1 April 2024	2,009,000	146	2,009,146
Additions	-	-	-
Repayments and redemptions	-	(51)	(51)
Interest capitalised	-	-	-
Revaluations	-	2	2
Impairments	-	-	-
Balance at 31 March 2025	2,009,000	97	2,009,097
Additions	-	-	-
Repayments and redemptions	-	(37)	(37)
Interest capitalised	-	-	-
Revaluations	-	1	1
Impairments	-	-	-
Balance at 31 March 2026	2,009,000	61	2,009,061

Analysis between current and non-current assets

	Investments in Trusts £000	Financial Transactions Capital £000	Total £000
Current assets	-	7	7
Non-current assets	2,009,000	54	2,009,054
Balance at 31 March 2026	2,009,000	61	2,009,061

Departmental group

	Charitable Trust Fund	Financial Transactions Capital	Total
	£000	£000	£000
Balance at 1 April 2024	93,070	146	93,216
Additions	1,194	-	1,194
Disposals	(5,120)	-	(5,120)
Repayments and redemptions	-	(51)	(51)
Interest capitalised	144	-	144
Revaluations	296	2	298
Impairments	-	-	-
Balance at 31 March 2025	89,584	97	89,681
Additions	2,143	-	2,143
Disposals	(6,250)	-	(6,250)
Repayments and redemptions	-	(37)	(37)
Interest capitalised	135	-	135
Revaluations	6,489	1	6,490
Impairments	-	-	-
Balance at 31 March 2026	92,101	61	92,162

Analysis between current and non-current assets

	Charitable Trust Fund	Financial Transactions Capital	Total
	£000	£000	£000
Current assets	-	7	7
Non-current assets	92,101	54	92,155
Balance at 31 March 2026	92,101	61	92,162

The above Investments in Trusts are held by the Core Department and represent the Department's original investment in the 6 Health and Social Care Trusts as formulated during 2009 and representing the then net value of the Trusts Statement of Financial Position. In line with NI-specific treatment within the FReM, investments in public bodies are carried at historical cost, less any impairment. An internal review of the investment has been undertaken by the Department and no impairment has been deemed necessary.

The Financial Transactions Capital (FTC) investments are held by the Department and represent the GP Infrastructure Loans Scheme. FTC under the scheme is in the form of loans to GPs to undertake premises developments and improvements for HSC purposes. These assets have been initially recognised at fair value in the Statement of Financial Position.

The Charitable Trust Funds are investments held by the 6 Health and Social Care Trusts and Northern Ireland Blood Transfusion Service.

10. Inventories

	31 March 2026		31 March 2025	
	Core Department and Agencies £000	Departmental Group £000	Core Department and Agencies £000	Departmental Group £000
Pharmacy supplies	-	32,468	-	32,281
Medical Equipment	-	11,560	-	10,562
Stock held for resale	-	26,596	-	9
Fuel	-	2,379	-	1,652
Other	567	8,406	1,088	50,807
Total	567	81,409	1,088	95,311

The Departmental Group inventory figure disclosed as at 31 March 2026 is after accounting for a stock provision of £11.6m.

As is disclosed within Note 10 Inventories, the value of the current year BSO stock provision is £11.6m which is a £26.4m (69%) decrease on prior year's provision due to both sale and disposal of PPE overstock post-pandemic. Detailed stock modelling continued in-year to quantify ongoing PPE provision requirements primarily for stock which is not anticipated to be sold prior to expiry.

Management have based calculations on the current 13-week average stock shipping rates continuing in the future as post-pandemic demand has significantly reduced in line with changing health guidelines and reduced risk. Should mitigations being explored in parallel with monitoring of stock levels come to fruition or should future guidelines change as a result of any future outbreaks, the current accounting judgement may need to be revisited. Further information on PPE is disclosed within the Governance Statement.

11. Cash and cash equivalents

	2025-26		2024-25	
	Core Department and Agencies £000	Departmental Group £000	Core Department and Agencies £000	Departmental Group £000
Balance at 1 April	28,622	88,395	64,293	135,250
Net change in cash and cash equivalent balances	24,929	(1,691)	(35,671)	(46,855)
Balance at 31 March	53,551	86,704	28,622	88,395
The following balances at 31 March are held at:				
Northern Ireland Banking Pool	2,424	2,424	(7,487)	(7,487)
Commercial banks and cash in hand	51,127	86,662	36,109	96,832
Bank overdraft - NIFRS	-	(2,382)	-	(950)
Short term investments	-	-	-	-
Balance at 31 March	53,551	86,704	28,622	88,395

11.1 Reconciliation of Liabilities arising from financing activities

Core Department & Agencies			Non-Cash Changes				
	2025	Cash flows	Net cash requirement	Acquisition	Change in valuation	Other changes	2026
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Supply	(27,203)	(8,591,370)	8,566,744	-	-	-	(51,829)
Lease Liabilities	531	(351)	-	-	(59)	-	121
PFI Liabilities	-	-	-	-	-	-	-
Total liabilities from financing activities	(26,672)	(8,591,721)	8,566,744	-	(59)	-	(51,708)

Departmental group			Non-Cash Changes				
	2025	Cash flows	Net cash requirement	Acquisition	Change in valuation	Other changes	2026
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Supply	(27,203)	(8,591,370)	8,566,744	-	-	-	(51,829)
Lease Liabilities	122,126	(10,053)	-	7,838	3,186	-	123,097
PFI Liabilities	137,549	(6,890)	-	1,709	-	-	132,368
Total liabilities from financing activities	232,472	(8,608,313)	8,566,744	9,547	3,186	-	203,636

12. Trade receivables, financial and other assets

	2025-26		2024-25	
	Core Department and Agencies	Departmental Group	Core Department and Agencies	Departmental Group
	£000	£000	£000	£000
Amounts falling due within one year:				
Trade and other receivables:				
Trade receivables	11,720	52,609	13,378	66,291
VAT	1,651	71,774	1,875	65,870
Deposits and advances	-	6	-	4
Other receivables	24,204	111,538	7,416	83,607
Amounts due from the Consolidated Fund in respect of supply	-	-	-	-
Total Trade and other receivables	37,575	235,927	22,669	215,772
Other current assets:				
Prepayments	6,747	29,646	2,575	30,011
Accrued Income	-	4,427	-	2,229
Total Other current assets	6,747	34,073	2,575	32,240
Total Current Assets	44,322	270,000	25,244	248,012
Amounts falling due after more than one year:				
Trade receivables	-	29,059	-	24,344
Accrued income	-	-	-	-
Total	44,322	299,059	25,244	272,356

13. Trade payables, financial and other liabilities

	2025-26		2024-25	
	Core Department and Agencies	Departmental Group	Core Department and Agencies	Departmental Group
	£000	£000	£000	£000
Amounts falling due within one year:				
Trade and other payables:				
Bank overdraft	-	2,382	7,487	8,437
Other taxation and social security	-	171,183	-	250,975
Trade payables	58,750	472,762	46,250	440,698
Other payables	21,656	308,895	34,841	368,708
Accruals	98,134	231,975	101,632	219,072
Deferred income	-	3,649	748	5,148
Amounts issued from the Consolidated Fund for supply but not spent at year end	51,829	51,829	27,203	27,203
Consolidated Fund extra receipts due to be paid to the Consolidated Fund:				
received	1,722	1,722	1,419	1,419
receivable	293	293	-	-
Total Trade and other payables	232,384	1,244,690	219,580	1,321,660
Other liabilities:				
Current part of imputed finance lease element of PFI contracts and other service concession arrangements	-	7,560	-	7,163
Current part of lease liabilities	121	9,727	294	9,044
Current part of long term loans	-	-	-	-
Total Other liabilities	121	17,287	294	16,207
Total Current Liabilities	232,505	1,261,977	219,874	1,337,867
Amounts falling due after more than one year:				
Other payables, accruals and deferred income	-	6,327	-	6,960
Finance Leases	-	113,368	178	113,021
Imputed finance lease element of PFI contracts and other service concession arrangement contracts	-	124,808	-	130,386
NLF loans	-	4,957	-	11,472
Total	-	249,460	178	261,839

14. Provisions for Liabilities and Charges

	Core & Agencies				Departmental Group					
	Clinical Negligence £000	Holiday Pay £000	Other £000	Total £000	Clinical Negligence £000	Holiday Pay £000	Firefighters' Compensation Scheme £000	Pensions £000	Other £000	Total £000
Balance at 1 April 2024	23,391	233	767	24,391	610,648	363,694	18,360	3,021	107,489	1,103,212
Opening balance adjustment	-	-	(1)	(1)	-	-	-	2	(1)	1
Provided in the year	3,982	671	880	5,533	196,674	478,465	210	4,813	43,311	723,473
Provisions not required written back	(317)	-	(50)	(367)	(103,906)	-	(1,064)	(50)	(16,771)	(121,791)
Provisions utilised in the year	(2,265)	-	(40)	(2,305)	(71,917)	-	(4,696)	(194)	(14,292)	(91,099)
Borrowing costs (unwinding of discounts)	220	5	-	225	2,493	7,945	820	(44)	84	11,298
Balance at 31 March 2025	25,011	909	1,556	27,476	633,992	850,104	13,630	7,548	119,820	1,625,094
Opening balance adjustment	-	-	-	-	-	-	-	-	-	-
Provided in the year	2,909	79	1,531	4,519	218,558	28,878	210	44	29,580	277,270
Provisions not required written back	(635)	-	(268)	(903)	(45,422)	(62,832)	5,765	-	(12,283)	(114,772)
Provisions utilised in the year	(1,359)	-	(582)	(1,941)	(53,521)	-	(4,605)	(105)	(15,275)	(73,506)
Borrowing costs (unwinding of discounts)	293	18	1	312	7,161	1,298	630	(51)	141	9,179
Balance at 31 March 2026	26,219	1,006	2,238	29,463	760,768	817,448	15,630	7,436	121,983	1,723,265
Not later than one year	4,237	-	1,811	6,048	213,896	-	3,030	5,844	76,786	299,556
Later than one year and not later than five years	12,062	1,006	105	13,173	359,785	817,448	11,170	418	27,743	1,216,564
Later than five years	9,920	-	322	10,242	187,087	-	1,430	1,174	17,454	207,145
Balance at 31 March 2026	26,219	1,006	2,238	29,463	760,768	817,448	15,630	7,436	121,983	1,723,265

Clinical Negligence

Provision is made for clinical negligence claims only where it is more probable that a settlement will be required. Contingent liabilities for clinical negligence are given in the Contingent Liabilities note.

Firefighters' Compensation Scheme

The Compensation Scheme makes provision for the payment of pensions, allowances and gratuities to and in respect of persons who die or are permanently disabled as the result of an injury sustained or disease contracted while employed by NIFRS. GAD performed a valuation at each year end which leads to the provision noted in the table.

Pensions

The provision for pensions is determined on the basis of information on current annual pension rates payable over average life expectancy derived from government actuarial tables and on payments made to HSC Pensions Branch.

Holiday Pay Liability

On 4 October 2023, the Supreme Court handed down the decision in the case of the Chief Constable of the PSNI v Agnew and others. The judgment confirmed that the claimants are able to bring their claims under the 'unlawful deductions' provisions of the Employment Rights (Northern Ireland) Order 1996 and can thus claim in respect of a series of deductions potentially going back to the beginning of their employment or the implementation of the Working Time Regulations in 1998.

At the point that the Supreme Court judgment was provided, the PSNI had accepted the principle, established by a number of cases in both the European and domestic courts, that the claimants were entitled to be paid their normal pay during periods of annual leave, and that "normal pay" is not limited to basic pay but could include elements such as overtime, commission and allowances.

The outcome of this case has widespread implications for all public sector bodies in Northern Ireland in respect of both the pay elements that must be included in holiday pay calculations and the period of retrospection which means that some employees may be able to bring claims to be rectified as far back as 1998 in respect of holiday pay. Under Agenda for Change, the contractual provisions for Sick Pay mirror those for Holiday Pay i.e. payment includes what would have been paid had the employee been in work.

With effect from 1 April 2025, HSC employers have implemented an interim arrangement for the calculation of holiday pay to ensure employees are paid appropriately for periods of annual leave. This interim solution also covers periods of sick leave. This interim arrangement has been agreed with trade unions pending the introduction of the new HR and payroll system in 2026/27. However a provision in respect of the retrospective payment for holiday pay is still required for the period 1998/99 to 31 March 2025.

The holiday pay provision at 31 March 2026 reflects this retrospective time frame. The provision has been calculated using payroll data available, for all eligible staff, within the current

HRPTS system back to 2014 with averaging applied for the prior years and changes in staffing numbers. Actual staffing numbers are available for 2012/13. Staffing numbers prior to this have been estimated based on an assumed 1% increase per annum.

Revised Working Time Directive (14.5%) and Employer costs rates have been factored in, and compound interest applied. A settlement year of 2028/29 has been used and as such the overall value of the provision has been discounted to determine the net present value.

The key areas of uncertainty include:

- i. The reliability of the data used;
- ii. The terms of the settlement which is subject to a number of factors including:
 - the determination of a very significant number of cases currently progressing through the Industrial Tribunal;
 - the number of further Industrial Tribunal claims lodged by employees;
 - any settlement of these claims agreed with the claimants or their legal representatives;
 - the number of grievances already lodged by employees in respect of the underpayment/incorrect payment of holiday pay and sick pay which require to be resolved and any settlement negotiations with trade unions;
 - the number of further grievances received; and
 - any potential requirement to include additional numbers of employees within any settlement;
- iii. The uptake rate for current or past employees;
- iv. The extent of attrition in the workforce
- v. Delays in the time it will take to administer the payments, once agreed; and
- vi. The extent to which interest will apply.

A sensitivity analysis has been undertaken by relevant organisations within the Departmental Group to determine how sensitive the total provision is to changes in a number of the assumptions. This analysis will support management in making informed decision in respect of any final settlement. The sensitivity analysis in respect of likely uptake rate has been applied based on the frequency of staff claims in prior years; applying a threshold of 6 claims per year to reflect a regular pattern of occurrence, and 4 claims per year reflecting a lower frequency of occurrence.

The calculation of the holiday pay provision is sensitive to the rates applied in respect of Working Time Directive, Employers National Insurance and compound interest, as well as the potential uptake in claimants. The table below shows the potential impact of varying applicable rates.

Analysis	Impact	
	£'m	%
WTD rate – increase 1%	57	7.0%
WTD rate – decrease 1%	(57)	(7.0%)
NIC rate – increase 1%	7	0,9%
NIC rate – decrease 1%	(7)	(0.9%)
Compound Interest rate – increase 1%	136	16.7%
Compound Interest rate – decrease 1%	(114)	(13.9%)
Uptake based on minimum 6 Claims per annum	(174)	(21.4%)
Uptake based on minimum 4 Claims per annum	(94)	(11.6%)

Holiday pay provision sensitivity analysis for all relevant bodies within the Departmental Group is provided within their published annual reports and accounts, which can be accessed through the weblinks included at note 22, Entities within the departmental boundary.

Other - Legal

A provision has been established for a material legal claim against the Department in respect of potential legal and compensatory claims arising from a UK-wide initiative, £52k (2024 - 25: £52k) represents Northern Ireland's share under the Barnett formula at 31 March 2026.

DoH has also provided for two lifetime personal injury award of £454k (2024-25: £485k), this provision is shared jointly with the Department for Communities.

Other - Hepatitis C Compensation Scheme

This provision was set up in 2004, following a decision in 2003 by the Secretary of State for Health and Health Ministers of the Devolved Administrations to introduce a UK-wide scheme to make ex-gratia payments to certain persons who had been infected with Hepatitis C virus from blood products received through NHS treatment. This became known as the Skipton Fund. Provision was

made for Hepatitis C first and second stage lump sum payments and also from March 2011 for the additional financial measures introduced across the UK following a DH (L)-led expert team review for patients infected with contaminated blood.

It was announced by the government in 2017 that, following further financial reform, the existing charities providing financial support to individuals infected with, or otherwise affected by, Human Immunodeficiency Virus (HIV) and/or Hepatitis C Virus (HCV), through contaminated blood,

tissue or blood products provided during National Health Service (NHS) treatment were to close and each UK country would have sole responsibility for its own beneficiaries. This included the Skipton Fund.

The Department of Health in NI directed the Regional Business Services Organisation (BSO) to administer the payments for beneficiaries in Northern Ireland and the Infected Blood Payment Scheme for Northern Ireland was subsequently established. The Northern Ireland scheme has been

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operational from November 2017.

One-off lump sum payments continue to be paid for those diagnosed with HIV or Hepatitis C, when they first join the scheme and these lump sum payments are also payable to the spouse/partner of a deceased person who never received the payment themselves or posthumous estates where there is no spouse or partner. There is a one-off bereavement lump sum provided to eligible widows/widowers or the estate of the deceased in cases where there is no surviving spouse or partner. In addition, the provision is used to make discretionary payments, being one-off grants to provide additional, time-limited financial support to beneficiaries and their families in financial hardship in order to address immediate needs.

Other – Employers and Public Liability

Within the Departmental Group there are provisions for Employers and Public Liability. These have been determined by assigning probabilities to expected settlement values.

Other – Restoration Costs on IFRS 16 Leases

Under IFRS 16 Leases a provision of restoration costs is included as part of the ‘right of use’ asset’s cost. This provision is estimated at the inception of the lease to cover cost of repairs deemed necessary during the course and termination of the lease.

15. Contingent liabilities

The Departmental Group has the following quantifiable contingent liabilities:

Core & Agencies	2025/26		2024/25	
	Core & Agencies	Departmental Group	Core & Agencies	Departmental Group
	£'000	£'000	£'000	£'000
Clinical Negligence	92	6,703	155	7,035
Public Liability	-	279	-	268
Employer Liability	-	1,685	-	1,315
Other	-	523	-	435
Total	92	9,190	155	9,053

Clinical Negligence Claims

SPPG and Public Health Agency have contingent liabilities of £92k and NIL respectively (2024-25: £150k and £5k) representing clinical negligence incidents. The Department are in direct receipt of litigation from a small number of patients which may result in a financial outflow however at this stage it is not possible to determine the timing or financial impact, if any. Other litigation claims could arise in the future due to incidents which have already occurred. The expenditure which may arise from these claims cannot be determined as yet. In addition to the above contingent liability, the provision for HSC Board clinical negligence is given in Note 14.

Contingent liabilities held by the HSC Trusts, in respect of clinical negligence incidents, total £6.7m (2024-25: £7m).

The Department has entered into the following unquantifiable contingent liabilities:

Holiday Pay and Sick Pay Liability - Pay Contingent Liability

The Trusts and relevant organisations have made provision for the potential liability for claims for shortfalls to staff in holiday pay, and for breach of contract in relation to sick pay. However, the extent to which the liability may exceed this amount remains uncertain as the calculation will rely on the outworkings of legal advice, the Supreme Court judgment, the resolution of claims currently lodged with the Industrial Tribunal in Northern Ireland and will be required to be agreed as part of any negotiated settlement with Trade Unions

Uncertainty also exists in relation to whether interest or any other uplift is payable on the sums due to the Claimants to reflect the effluxion of time. This matter is not agreed and therefore no provision has been made in Note 14.

Public Sector Pensions - Injury to Feelings Claims

The Department of Finance (DoF) is a named Respondent in a class action affecting employers across the public sector and is managing claims on behalf of the Northern Ireland Civil Service (NICS) Departments. This is an extremely complex case with potential implications for the NICS and wider public sector. However, given the complexities, the cases are still at an early stage of proceedings and until there is further clarity on potential scope and impact, a reliable estimate of liability cannot be provided.”

Neurology

Following consideration of options for compensation arrangements, it has been confirmed that the standard clinical negligence claims process will apply in respect of recalled patients who were potentially misdiagnosed by a consultant neurologist at Belfast Health and Social Care Trust and who have suffered harm as a result. At present there continues to be significant uncertainty in respect of the total number of patients who would be expected to seek compensation thus it is not possible to quantify the timing or financial impact.

Historical institutional child abuse cases

The Department is a named defendant, along with others, in a number of civil cases relating to allegations by individuals that they were abused as children while in the care of institutions where the Department's predecessor organisations and/or its Arms' Length Bodies had some level of responsibility. The periods to which the claims relate and the institutions to which they relate vary. Some of the cases have been on-going for years. Given the nature of the cases and the stage of proceedings there is uncertainty around the amount and timing of any financial impact therefore it is unquantifiable at present.

Potential shortfall associated with the transfer of staff

The Department has signed an undertaking agreeing to accept the shortfall associated with a transfer of staff under TUPE to a HSC Body and the consequent bulk transfer of accrued pension benefits. While the most recent estimate provided by the Government Actuary Department is that the shortfall amount to be met will be £nil, the actual shortfall could be greater than the estimate provided.

Other litigation cases

Eight historic asbestos cases are currently lodged against the Department. At this stage, it is not possible to determine the amount and timing of any financial impact.

There are two ongoing medical litigation cases lodged against the Department which do not fall into any of the above categories. At this stage there is no certainty around the timing or financial outflow, if any, and until such times as a Court decision is granted the financial impact is unquantifiable.

Details of the Department's remote contingent liabilities are disclosed within Other Assembly Accountability Disclosures section of the Accountability report.

15. 1 Financial Guarantees, Indemnities and Letter of Comfort

The Department has entered into the following guarantees, indemnities or provided letters of comfort.

Guarantees

Under the terms of the Deed of Safeguard the Department will in the event of Trust insolvency or inability to meet its financial obligations be obliged to fulfil the Trust's obligations under the agreement. (PFI/PPP agreements for Altnagelvin and South Western Area Hospital).

Indemnities

There is a financial indemnity issued by the Department in respect of NIFRS – should it arise that they are unable to meet their short term funding needs the Department will meet any short term deficit that arises. Note that this is a recurring financial guarantee.

The Department has entered into short term indemnity arrangement across a number of healthcare and related areas in response to Covid-19. The likelihood of crystallisation is

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unknown at present and is unquantifiable at this time.

There is an indemnity issued by the Department to the Royal College of Physicians (RCP) to support the Review of Neurology patients through conducting an expert review of the first cohort of deceased Neurology patient records. The nature of this indemnity means that it is not possible to quantify the likely cost that will be incurred.

Letters of Comfort

The Department has provided assurances to NIBTS that it will fund the disposal of specialist equipment on behalf of NIBTS should the need arise. The estimated cost of doing so is £60k based on historic correspondence. This will ensure that NIBTS appropriately complies with control of radioactive substances regulations. Note that this is a recurring letter of comfort.

The Department has signed a Letter of Comfort for a Third Party Developer (3PD) Project - Lisburn Primary and Community Care Centre (October 2018). Under the terms of the Letter of Comfort, if the Health and Social Care Trust were unable to meet its obligations (including its liabilities to its contractors or their financiers), the Department would intervene in a timely manner to ensure that either the Trust itself, or anybody to which its liabilities were transferred in accordance with the relevant legislation, would be in a position to meet its liability on time and in full. The likelihood of transfer of economic benefit is minimal and thus has been measured at nil.

There is a letter of comfort issued to NIAS providing medical malpractice and public liability indemnity in respect of GoodSAM (Good Smartphone Activated Medics) volunteers, as well as cover for Trusts who approve their employees as volunteers. The likelihood of a transfer of economic benefit is unknown thus the financial impact is unquantifiable at present.

There is a letter of comfort issued to NIAS providing medical malpractice indemnity in respect of Community First Responders. The likelihood of a transfer of economic benefit is unknown thus the financial impact is unquantifiable at present.

16. Retirement Benefit Obligations

The movement in net pension liabilities shown in the table below relates to the NILGOSC and Firefighters Pension Schemes for staff in NI Fire and Rescue Services (NIFRS). None of the amounts relate to the Core Department and Agencies, the total is all within the Departmental Group.

Further details in relation to the pension disclosures are provided in the NIFRS Annual Report and Accounts.

	2025-26		2024-25	
	NILGOSC	FF schemes	NILGOSC	FF schemes
	£000	£000	£000	£000
Scheme liability at 1 April	-	698,510	-	702,960
Current Service Cost	1,536	10,490	2,008	10,720
Past Service Cost	-	-	-	-
Interest charge	(60)	35,350	(46)	35,270
Pension benefits paid	(2,068)	(33,739)	(1,908)	(35,438)
Pension transfers	-	243	-	736
Pension payments to and on account of leavers	-	(37)	-	(53)
Actuarial loss/(gain)	592	(41,927)	(54)	(15,685)
Scheme liability at 31 March	-	668,890	-	698,510

17. Leases

17.1 Quantitative disclosures around right-of-use assets

Consolidated 2025-26

	Departmental Group							
	Land	Buildings	Dwellings	Information technology	Plant & machinery	Furniture & fittings	Other	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation								
At 1 April 2025	30,380	21,015	1,176	-	94,153	-	-	146,724
Balancing adjustment	(1,236)	(990)	-	-	(352)	-	-	(2,578)
Additions	-	6,353	477	-	3,897	-	-	10,727
Impairments	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-
Revaluations	-	(44)	-	-	-	-	-	(44)
Derecognition	-	(48)	-	-	-	-	-	(48)
Remeasurement	-	(3)	-	-	-	-	-	(3)
At 31 March 2026	29,144	26,283	1,653	-	97,698	-	-	154,778
Depreciation Expense								
At 1 April 2025	618	8,024	452	-	8,985	-	-	18,079
Balancing adjustment	-	(1,023)	-	-	(352)	-	-	(1,375)
Recognition	-	1,792	-	-	-	-	-	1,792
Charged in year	-	3,447	293	-	6,303	-	-	10,043
Transfers	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-	-	-
Derecognition	-	(48)	-	-	-	-	-	(48)
At 31 March 2026	618	12,192	745	-	14,936	-	-	28,491
Carrying amount at 31 March 2026	28,526	14,091	908	-	82,762	-	-	126,287
Interest charged on IFRS16 leases	-	93	1	-	2,802	-	-	2,896

The balancing adjustments above are to align with the opening balances for the agencies and other designated bodies within the Departmental Group.

17.2 Quantitative disclosures around lease liabilities

Maturity analysis

	31 March 2026		31 March 2025	
	Core Department and Agencies	Departmental Group	Core Department and Agencies	Departmental Group
	£000	£000	£000	£000
Buildings				
Not later than one year	121	4,098	294	3,729
Later than one year and not later than five years	-	9,359	178	7,218
Later than five years	-	550	-	853
	121	14,007	472	11,800
Less interest element	-	(840)	(1)	(552)
Present value of obligations	121	13,167	471	11,248
Other				
Not later than one year	-	9,173	-	8,107
Later than one year and not later than five years	-	28,846	-	34,417
Later than five years	-	96,882	-	94,922
	-	134,901	-	137,446
Less interest element	-	(24,972)	-	(26,629)
Present value of obligations	-	109,929	-	110,817
Total Present value of obligations	121	123,096	471	122,065
Current portion	121	10,401	293	9,470
Non-current portion	-	112,695	178	112,595

17.3 Quantitative disclosures around elements in the Statement of Comprehensive Net Expenditure

	31 March 2026		31 March 2025	
	Core Department and Agencies	Departmental Group	Core Department and Agencies	Departmental Group
	£000	£000	£000	£000
Variable lease payments not included in lease liabilities	-	2,682	61	2,285
Sub-leasing income	-	51	-	18
Expense related to short-term leases	-	221	-	298
Expense related to low-value asset leases (excluding short-term leases)	-	2,806	-	3,537

17.4 Quantitative disclosures around cash outflow for leases

	31 March 2026		31 March 2025	
	Core Department and Agencies	Departmental Group	Core Department and Agencies	Departmental Group
	£000	£000	£000	£000
Total cash outflow for lease	202	14,501	373	14,821

18 Commitments under PFI and other service concession arrangements

18.1 Off balance sheet (SoFP)

The Departmental Group had no off-balance sheet PFI schemes during 2025-26 or 2024-25.

18.2 On balance sheet (SoFP)

The Department and its Agencies do not have any commitments under PFI contracts, or other service concession arrangements. Within the Departmental Group there are on balance sheet PFI schemes within Belfast, Western and South Eastern Health & Social Care Trusts and further details on these arrangements can be found in their accounts.

The total amount charged in the Statement of Comprehensive Net Expenditure in respect of the service element of on-balance sheet PFI or other service concession transactions was £15,037k (2024-25: £14,514k). Total future obligations under on-balance sheet PFI and other service concession arrangements are given in the table below for each of the following periods:

	2025-26 £000	2024-25 £000
Minimum lease payments		
Due within one year	17,132	17,116
Due later than one year and not later than five years	66,550	67,461
Due later than five years	151,027	166,246
Total	234,709	250,823
Less interest element	102,135	113,025
Present value	132,574	137,798
Service elements due in future periods		
Due within one year	9,080	8,794
Due later than one year and not later than five years	39,364	38,878
Due later than five years	95,096	105,128
Total service elements due in future periods	143,540	152,800
Total Commitments	276,114	290,598

19 Capital and Other Commitments

19.1 Capital commitments

	2025-26		2024-25	
	Core Department and Agencies	Departmental Group	Core Department and Agencies	Departmental Group
	£000	£000	£000	£000
Contracted capital commitments at 31 March not otherwise included in these financial statements				
Property, plant and equipment	-	68,714	-	48,977
Intangible assets	-	10,144	-	1,864
Total	-	78,858	-	50,841

19.2 Other Financial commitments

The Department has entered into non-cancellable contracts (which are not leases or PFI contracts or other service concession arrangements), to manage and maintain its Health counter measures stockpile. The payments to which the department are committed are as follows.

	2025-26		2024-25	
	Core Department and Agencies	Departmental Group	Core Department and Agencies	Departmental Group
	£000	£000	£000	£000
Not Later than one year	2,538	2,538	1,500	3,303
Later than one year and not later than five years	6,700	6,700	6,500	6,500
Later than five years	4,400	4,400	6,100	6,100
Total	13,638	13,638	14,100	15,903

20. Related-party transactions

The Department is the parent of its agencies and other designated bodies listed at Note 22. These bodies are regarded as related parties with which the Department has had various material transactions during the year.

In addition, the Departmental group has had a small number of transactions with other government departments and other central government bodies. Most of these transactions have been with the Department of Finance.

Andrew Magowan (Non-Executive Director from 1 October 2022) has declared that his partner, Janet McCleary, has her own optometrists practice, Janet McCleary Optometrists, based at Linen Green, Dungannon, BT71 7HB, which, alongside private appointments, also offers DoH funded eye tests under the NI PEARS scheme that is administered and overseen by BSO.

No Minister, any other board members, key managers or other related parties has undertaken any material transactions with the Departmental group during the year.

All Departmental group related party transactions are detailed in their individual accounts.

21. Third-party assets

These are assets for which an entity acts as custodian or trustee but in which neither the entity nor government more generally has a direct beneficial interest.

The assets held at the reporting period date to which it was practical to ascribe monetary values comprised monies held by the five Health and Social Care Trusts on behalf of patients and residents. These amounts have been excluded from the cash at bank and in hand figure reported in the accounts. A separate audited account of these monies is maintained by each of the Health and Social Care Trusts. They are set out in the table below.

	2025-26 £000		2024-25 £000	
	Core Department and Agencies	Departmental Group	Core Department and Agencies	Departmental Group
Monetary assets such as bank balances and monies on deposit	-	43,248	-	41,704

22. Entities within the departmental boundary

The entities within the boundary during 2025-26 comprise supply financed agencies and those entities listed in the Designation and Amendment Orders presented to the Assembly. They are:

Executive Agency

- [Regional Agency for Public Health and Social Well-being \(Public Health Agency\)](#)

Health and Social Care Trusts

- [Belfast Health & Social Care Trust](#)
- [Northern Health & Social Care Trust](#)
- [South Eastern Health & Social Care Trust](#)
- [Southern Health & Social Care Trust](#)
- [Western Health & Social Care Trust](#)
- [NIAS Health & Social Care Trust](#)

Health and Social Care Agencies and Other HSC Bodies

- [Northern Ireland Blood Transfusion Service](#)
- [Children's Court Guardian Agency For Northern Ireland](#)
- [Northern Ireland Medical and Dental Training Agency](#)
- [Regional Business Services Organisation \(BSO\)](#)
- [Patient and Client Council](#)

Executive Non-Departmental Public Bodies

- [Health and Social Care Regulation and Quality Improvement Authority \(RQIA\)](#)
- [Northern Ireland Social Care Council](#)
- [Northern Ireland Practice and Education Council for Nursing and Midwifery](#)
- [Northern Ireland Fire & Rescue Service](#)

North-South Implementation Body

- [Food Safety Promotion Board / Safefood](#)

Company Limited by Guarantee

- [The Institute of Public Health in Ireland CLG](#)

The annual reports and accounts of the above bodies are published separately and these can be accessed for each of the bodies through the weblinks above.

23. Events after the Reporting Period

There are no events that have taken place after the reporting period date affecting these accounts.

Date of authorisation for issue.

The Accounting Officer authorised the issue of these financial statements on 2nd July 2026.

REPORT BY THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY

DEPARTMENT OF HEALTH 2025-26

Introduction and Background

1. The Department of Health's consolidated financial statements are comprised of the core health department and a number of other health bodies including the Health and Social Care (HSC) Trusts, the Business Services Organisation (BSO) and Northern Ireland Fire and Rescue Service (NIFRS). There are a number of issues in relation to those accounts which I wish to highlight, one of which has resulted in the qualification of my audit opinion on the Department's accounts.

Qualified audit opinions - BSO stock valuations

2. During the COVID-19 pandemic, BSO procured significant volumes of Personal Protective Equipment (PPE) to meet emergency demand, with stock levels of PPE peaking at £171 million in 2023 and reducing to £26.6 million by March 2026. For each of the past four years, I have qualified my audit opinion on the BSO accounts due to the overstatement of inventory, arising from a failure to make adequate provision for obsolete stock. This is stock that is unlikely to be used and is likely to ultimately require write-off.
3. As at March 2026, the BSO's own analysis identified £25.5 million of stock as "at risk". This includes:
 - Stock which has an expiry date amounting to £11.3 million. This relates to stock that has not yet reached its expiry date, but management considers, based on current usage, there to be doubts over their ability to utilise it before then.
 - Stock with no expiry date amounting to £14.2 million.
4. The BSO has fully provided against the stock with an expiry date of £11.3 million and against £0.3 million of the £14.2 million stock without an expiry date, leaving a balance of £13.9 million unprovided for. The BSO has acknowledged that this provision is insufficient and that the stock is not properly valued but has chosen not to adjust its accounts in order to remain within its Revenue Resource Limit set by the Department.
5. This is not acceptable as the BSO appears to be knowingly misstating its stock valuation in order to achieve budgetary compliance. We have also seen correspondence from the Department which encouraged BSO to follow this treatment in order to manage its budget within available funding. The Department must provide clear and unequivocal direction to its arms' length bodies (ALBs) that financial reporting requirements must not be compromised to meet expenditure limits.
6. As a result of this decision, both the inventory balance reported in the BSO's Statement of Financial Position and the reported surplus against the Revenue Resource Limit are overstated by £13.9 million. I have therefore again, for the fourth successive year, qualified my audit opinion on the BSO's financial statements.

7. As the BSO is consolidated into the Department of Health's group accounts, this misstatement also impacts the Department. I have qualified my audit opinion on the truth and fairness of the Departmental Group financial statements on the basis that the value of the inventory included at Note 10 to the Departmental Group financial statements and the associated net expenditure for the year, is materially misstated by £13.9 million due to the level of provision being insufficient to cover the inventory identified as being at risk. I consider this to be material by nature due to the circumstances resulting in the misstatement.
8. I have qualified my audit opinion on the regularity of the Departmental Group financial statements on the basis that if the inventory provision had not been understated by £13.9 million, the Departmental Group would have exceeded the voted Resource Departmental Expenditure Limit for the year. This would have resulted in an excess vote which is irregular.

Response by the Department of Health

9. The Department told me that it requests its ALBs apply appropriate financial reporting standards, it does not consider that accounting judgements have been driven by the requirement to achieve a breakeven position by any of its ALBs and it remains committed to full compliance with applicable accounting standards. As the unprovided stock has no expiry date, in its view there is still a possibility this stock may be used across the HSC and therefore it supported the BSO in not increasing their stock provision at this time. The Department also told me that it will work with the BSO in determining viable options for the future use of this stock in advance of the 2026-27 year end.

Other Matters

Northern Ireland Fire and Rescue Service (NIFRS)

10. The NIFRS accounts for 2024–25 received a qualified audit opinion due to a disagreement over the capitalisation of assets at year end. NIFRS capitalised assets, including fleet vehicles, totalling £13.6 million immediately prior to year end, despite the fact that these assets had not been received at that date—and, in some cases, had still not been received at the time of audit some 10 months later. This treatment is not compliant with accounting standards. As with the BSO stock issue outlined above, this approach appears to have been driven by budgetary considerations – in this case the need to utilise available capital budget.
11. The audit of the 2025–26 NIFRS accounts is ongoing. However, work to date indicates that £13.6 million of assets have again been capitalised and included in the Departmental Group financial statements, despite only having been ordered and not delivered at the reporting date.

Department - Award of contract for cellular pathology equipment and consumables

12. Cellular Pathology services across Northern Ireland are provided by four HSC Trusts (BHSCT, NHSCT, SHSCT & WHSCT – BHSCT provide the service on behalf of SEHSCT). It is estimated that between 70 to 80 per cent of clinical diagnoses and around 95 per cent of all clinical pathways depend on a pathology result right through from the GP surgery to the operating theatre and this service is therefore critical to the operation of the HSC.

13. A regional re-procurement for pathology equipment and consumables was undertaken from December 2021, concluding in May 2023 with a single bid from the incumbent supplier at significantly higher cost. The process had progressed to this stage without a business case, meaning key strategic considerations and value for money were not adequately assessed.
14. Faced with expiring contracts and ageing equipment, two options were considered: award the contract or restart procurement (requiring extended use of direct award contracts for up to 3.5 years). Despite concerns around affordability and strategic alignment, the decision was taken to award the contract.
15. Contract extensions have been used to maintain service continuity since the original contracts expired between May 2022 and July 2025. Spend incurred since the expiry of the original contract terms is £10.3 million.
16. Prior to contract award in 2026, approval was sought for the proposed expenditure from the Department of Finance. However, it was refused as the Department of Finance was not satisfied that the proposal met the required standards of regularity, propriety and value for money. As a result, the capital element of the contract, amounting to approximately £15.9 million over three years, is irregular. As disclosed in the Governance Statement, £0.6 million irregular capital expenditure was incurred in relation to this contract in 2025-26.
17. The total revenue cost over the life of the contract is £83.6 million. This is not considered irregular by the Department of Finance as DoH has full delegated authority for revenue spend. However, it is not possible for DoH to evidence that this spend represents value for money.
18. It is essential that the Department urgently learns lessons from this project. In particular, there was a failure to adequately plan for contract expiry, to follow established approval processes including the preparation of a robust business case and to ensure appropriate project governance. The Department has told me that a structured Lessons Learned Review is underway, which will inform a time-bound action plan to address the governance, procurement and assurance weaknesses identified.



Dorinnia Carville

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2 July 2026