Department of Health

Annual Report and Accounts 2022-23
For the year ended 31 March 2023

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Contents

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 2023.

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 attached 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 outcomes set by the draft Programme for Government (PfG). Work is currently ongoing to agree a new PfG outcomes framework, with the proposed key health-related outcome remaining substantially unchanged as: “We all enjoy long, healthy, active lives”. The health emergency, prompted by the COVID-19 pandemic, caused the Department to continue to activate its Business Continuity Plan and operate under Emergency Planning structures during the 2022-23 financial year.

Post-pandemic, the Department and its ALB’s are now focussed on transforming and improving HSC services, in line with the key objectives above.

From early 2020, progress in addressing major issues such as waiting lists were impacted and delayed by the response to COVID-19. Despite this, the momentum for transformation of service delivery has continued and in areas such as digital transformation, was accelerated as a result of the requirements driven by the pandemic. The Department also continues to drive improvements in population health and to address health inequalities. The focus on an integrated model of transformation aims to better address the overall population health needs by locating resources to best meet patient needs and to maximise patient outcomes.

Strategic Priorities for Health

The Minister's overall aim and vision is to build a world-class health and social care service for the people of Northern Ireland. Whilst the Minister was not in place for the full financial year, in general, and in line with normal practice, the Department continues to follow the policy direction set by the Minister. This includes a strong focus on transformation and rebuilding initiatives in order to improve the health and wellbeing of the people of Northern Ireland, drive up the quality of health and social care for patients, clients and carers, to improve outcomes, to safeguard the vulnerable, and to ensure that patients, clients and carers have the best possible experience in every aspect of their treatment, care and support.

In addition to the impacts of the pandemic and in common with the other health systems across the UK, Northern Ireland continues to face serious and ongoing challenges with supply, recruitment and retention of staff. To tackle these challenges, the 'HSC Workforce Strategy 2026: Delivering for Our People' continues to set the agenda of action, which, when implemented, will support the workforce to deliver world class health and social care.

The principal service objectives for HSC organisations derive from this strategic focus and are set out in detail in the HSC Commissioning Plan Direction. Objectives for the NIFRS are embodied in its agreed business plan.

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.

From 1 April 2022, the role of the Department has expanded to take account of the provisions of the Health and Social Care Act (Northern Ireland) 2022 which saw the closure of the Health and Social Care Board (HSCB) with effect from 31 March 2022. The Act commenced on 1 April 2022 allowing the transfer of the former HSCB's legislative functions in the main to the Department. A new Strategic Planning and Performance Group (SPPG) was established within the Department which has undertaken the former functions of the HSCB; namely the planning, performance and financial planning of the HSC system.

While the closure of the HSCB has expanded the Department's remit, as SPPG continues to lead the development of an Integrated Care System (ICS) for Northern Ireland, it has provided the system with an opportunity to transform how we plan, manage and deliver our services in line with the vision set out in *Health and Wellbeing 2026: Delivering Together.* This will empower local providers and communities to plan integrated continuous care based on the needs of their population, with specialised and regional services planned, managed and delivered on a regional basis.

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 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 a 'hungry' risk appetite but recognises the need for an 'open' risk appetite in those areas where the Department cannot afford to fail.

Due to the unprecedented pressures from the Department's emergency response to COVID-19, a number of routine governance processes were paused to allow staff to focus urgent actions related to the pandemic. As part of this pause, work on developing a new Strategic Business Plan and Risk Register for the Department was put on hold and the existing planning and risk assumptions carried forward during the emergency response period.

2022-23 has seen a return to normal business and a reintroduction of routine processes following the impact of the pandemic in these areas. Work has been undertaken to develop a new Departmental Strategic Business Plan and Risk Register for 2023-24, to reflect the learning from the pandemic and to develop new strategic objectives for the Department.

DoH Organisational Structure

The following table sets out the organisation structure of the Department, including Directors and Chief Professional Officers.

Permanent Secretary	Group	Group Head	Directorate
Peter May	**Social Services Group**	Sean Holland (1 April 2022 to 2 October 2022) (also Chief Social Work Officer to 31 October 2022)	**Deputy Chief Social Work Officer** (From 1 April 2022 to 31 October 2022) and **Chief Social Work Officer** (from1 November 2022)
			Director Office of Social Services – Aine Morrison
			Strategy Director (Social Work and Social Care Workforce Strategy) – Jackie McIlroy
			Director of Family & Children's Policy - Eilis McDaniel
			Director of Disability & Older People - Mark McGuicken
			Director of Mental Health Peter Toogood (1 April 2022 to 31 October 2022) Gavin Quinn (from 1 November 2022)
	Chief Digital Information Officer Group	**Chief Digital Information Officer** Dan West	**Director of Information Governance - Vacant**
			Director of Information Analysis – Dr Eugene Mooney
			Assistant Director Digital Health and Care NI – Stephen Stewart
			Programme Director – Eddie Ritson
			Assistant Director Digital Health & Nursing – Claire Buchner
			Head of Clinical Information – Austin Tanney

DoH Organisational Structure (continued)

Permanent Secretary	Group	Group Head	Directorate
Peter May	**Healthcare Policy Group**	**Deputy Secretary Healthcare Policy Group** Jim Wilkinson	**Director of Workforce Policy –** Phil Rodgers **Director of Primary Care** Gearoid Cassidy **Director of Secondary Care –** Ryan Wilson **Director of Elective Care and Cancer Policy Directorate –** Tomas Adell **Director of Regional Health Services Transformation -** Peter Jakobsen **Director of General Healthcare Policy –** Robbie Davis **Director of Transformation** – Patricia Quinn-Duffy
	Chief Nursing Officer Group	**Chief Nursing Officer** - Maria McIlgorm	**Deputy CNO –** Lynn Woolsey **Interim Deputy CNO –** Mary Frances McManus **Chief Allied Health Professional –** Suzanne Martin (1 April 2022 to 9 December 2022) **Midwifery Officer –** Dale Spence

DoH Organisational Structure (continued)

Permanent Secretary	Group	Group Head	Directorate
Peter May	**Chief Medical Officer Group**	**Chief Medical Officer** Dr Michael McBride	**Deputy Chief Medical Officer –** Dr Lourda Geoghegan **Deputy Chief Medical Officer –** Dr Joanne McClean **Deputy Chief Medical Officer - Public Health -** Dr Naresh Chada **Chief Pharmaceutical Officer -** Cathy Harrison **Chief Dental Officer –** Caroline Lappin **Chief Environmental Health Officer -** Nigel McMahon **Director of Population Health –** Liz Redmond **Director of Quality Regulation and Improvement –** Kieran McAteer **Director of Health Protection –** Heather Stevens **Director of Health Surveillance, Emergency Planning, Contingency Planning and COVID-19 Transition**– Chris Matthews **Director of Medical Supplies** – Eimear Smyth
	Resources & Corporate Management Group	**Deputy Secretary Resources & Corporate Management Group** Vacant 1 April 2022 to 21 April 2022 Chris Matthews from 25 April 2022	**Director of Finance -** Brigitte Worth **Director of Investment -** PreetaMiller **Director of Corporate Management**– Paul Montgomery (1 April 2022 to 30 June 2022 Janine Fullerton from 1 July 2022 **Director of Public Inquiries and Public Safety -** La'Verne Montgomery

DoH Organisational Structure (continued)

Permanent Secretary	Group	Group Head	Directorate
Peter May	**Strategic Planning and Performance Group**	**Deputy Secretary Strategic Planning and Performance Group -** Sharon Gallagher	**Director of Organisational Change -** Martina Moore **Director of Performance Management -** Lisa McWilliams **Director of Planning and Commissioning –** Paul Cavanagh **Director of Finance** – Tracey McCaig **Director of Integrated Care – HSC –** Louise McMahon **Director of Social Care and Children – HSC –** Brendan Whittle
	Communications	**Communications** David Gordon	**Director of Communications -** David Gordon

Non-Executive Directors

Based on their skills and experience, Non-Executive Directors (NEDs) provide support and guidance to the Departmental Board, as well as exercising an oversight and challenge function in terms of risk management, financial planning, monitoring of performance and the achievement of corporate objectives.

The Department has faced significant pressures throughout 2022-23, including: budgetary and staffing constraints; resourcing and supporting ongoing inquiries, including the COVID-19 Inquiry; the continued increase in demand for health and social care services; and industrial action across the HSC.

Following the expiry of the extended terms of the two existing NEDs on 30 September 2022, two new NEDs, Jim McCooe and Andrew Magowan, joined the Department on 1 October 2022. Whilst the new NEDs embarked on an initial period of training and learning, they continue to actively engage, challenge and support the Department in delivering its key objectives and fulfilling its statutory and corporate obligations.

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. However, the information for key business areas and ALBs is provided below and confirms the performance measures used, alongside appropriate comparisons in respect of whether objectives were achieved or not. The significant impacts of the pandemic on business objectives and service delivery is also described as necessary.

During the COVID-19 response the Department's normal business planning cycle had been interrupted. As the Department emerged from the pandemic it was decided to continue the use of the Department's *Building Better, Delivering Together Framework* and its 17 actions supporting the "Health of the Population Action Plan" in the Executive's *Building Forward: Consolidated COVID-19 Recovery Plan as the basis for the Department's Business Plan for 2022-23*. The objectives in the Framework continue to support the existing NICS Outcomes Delivery Plan, the New Decade New Approach (NDNA) commitments for health and the development of a new Programme for Government (PfG) draft Outcomes framework. It is hoped this draft Outcomes Framework will be presented to an incoming Executive for early consideration at the beginning of the new mandate. However, it will be for incoming Ministers to determine how the PfG is progressed.

Progress with delivery of the Building Better, Delivering Together Framework objectives has been reported to the Departmental Board and the Departmental Audit and Risk Assurance Committee (DARAC) by way of periodic updates, with key risks or issues to delivery being monitored through the reporting. Implementation of the 17 actions is continuing in a very challenging context, particularly in respect of financial planning, given the ongoing uncertainty around available budget. A summary of the 17 actions and progress to date is set out below:

Building Better, Delivering Together Framework – 17 Actions and Progress Summary

1. Continue to develop and deliver HSC Trust Rebuild plans.	As the HSC moved to a more stable position in the wake of COVID-19, a revised approach to rebuilding HSC services was introduced. The HSC Service Delivery Plan was implemented from July 2022. The Plan set out the improvement trajectories required in a number of areas across Community, Acute and Primary Care to return to pre-pandemic levels of service provision on an incremental basis by no later than March 2023. The Department monitored HSC providers' progress against the plans on a monthly basis and reported performance, including any variance from expected performance and remedial actions being taken, to the DoH Performance and Transformation Executive Board (PTEB).
2. Restart, restore and redesign elective care services through the Elective Care Plan.	The Elective Care Framework was published in June 2021 by the Minister and progress has been made in tackling the backlog of patients on waiting lists. Main actions include the introduction of mega clinics, increased use of the independent sector, a regional retention scheme for nurses and midwives, and the implementation of green/COVID-19 free elective care pathways. Several of the actions have been completed, with many more being delivered according to schedule. A 2nd interim report was published in October 2022 and a 3rd interim report is due to be published within the coming weeks, this will show the progress of actions.
3. Recover cancer services in line with the cancer strategy, through the Cancer Recovery Plan: Building Back, Rebuilding Better.	Achieved - The cancer strategy was published on the 22 March 2022, which saw the closure of the recovery plan.

Building Better, Delivering Together Framework – 17 Actions and Progress Summary

4. Support the new Regional Medical Imaging Board in ensuring that all HSC imaging services are equipped to support delivery across all relevant Rebuild programmes, in line with the Strategic Framework for .Imaging Services.	The Regional Medical Imaging Board (RMIB), established in April 2021, is responsible for implementation of the recommendations within the DoH Strategic Framework for Imaging Services (available at www.health-ni.gov.uk). RMIB meets quarterly, with monthly core team meetings to monitor actions and ensure imaging related input is provided to all relevant Rebuild and other strategic programmes. Key deliverables in 2022/23 included: securing an additional 2 places on the consultant radiologist training scheme, bringing the current scheme to optimum capacity and achieving Recommendation 1 of the Strategic Framework; securing an additional 10 places on the under-graduate training scheme for radiographers for the 2022/23 intake (non-recurrent); securing recurrent funding for the Regional Medical Physics Workforce Plan to address critical training requirements and staffing shortfalls; developing a regional HSC imaging equipment replacement plan to facilitate prioritisation of £3m annual capital funding available; highlighting ongoing capital pressures and successfully securing an additional £14.5m in 2022/23 for further capital replacements from slippage to assist with imaging capital replacement pressures; establishment of a Task & Finish Group to progress work to establish a NI Imaging Academy with formal proposals received from 3 HSC Trusts to host the Academy. In addition, a new regional peer review and peer feedback process to improve quality and safety within imaging practice has been overseen by the RMIB and is currently being piloted within the HSC. Engagement continues with the NIPACS+ Programme which will provide a regional digital solution for imaging services and rollout of the programme commenced in March 2023 and will continue during 2023/24 on a Trust-by-Trust basis. Four of the five hospital Trusts have been awarded Quality Assurance Accreditation, with the final Trust being assessed in 2023; NI is on course to becoming the first region of the UK to achieve accreditation across all imaging service providers. Rebuilding of paediatric healthcare services is coordinated by the Child Health Partnership (CHP), a regional network of clinical and managerial leads from HSC Trusts, PHA and SPPG.

Building Better, Delivering Together Framework – 17 Actions and Progress Summary

4. continued	The Department has agreed enhanced governance arrangements for the CHP, which aim to strengthen and promote accountability for children's healthcare services across the HSC and support the CHP in leading the rebuild and delivery of children's hospital and community services under the current paediatric strategies. A new strategic CHP Programme Board is in the process of being established including Departmental representation and a Trust Director as regional Chair.
5. Support the Pathology Network in ensuring that HSC Pathology Services are equipped to support delivery across all relevant Rebuild programmes, in line with the modernisation and transformation of HSC Pathology Services.	Pathology Transformation is progressing as planned. Extensive work has been ongoing throughout 2022/23 to prepare for NI Pathology Information Management Systems (NIPIMS) "Go Live" in the HSC Trusts in 2023. The LIMS Blood Production and Tracking System (BPAT) business case was progressed during 2022/23, managed by BSO PALS. The BPAT tender was published in March 2023 and the process will continue during 2023/24. The work being led by the NI Pathology Network to support these major digital transformation programmes through regional standardisation of laboratory processes is complete, however the standardisation Project Board continues to meet to monitor and support requests from NIPIMS or Encompass to drive forward any further standardisation required with regional oversight by the Network. Alongside digital transformation, the Pathology Blueprint Programme to plan for a new regional management structure for HSC Pathology Services has made good progress in 2022/23 despite uncertainty around budget. The Programme is currently in Phase 1 – Design - and has included comprehensive stakeholder engagement, individual workstreams progression and Design and Benefits Workshops with stakeholders to inform and shape the draft Blueprint design. A long list of options for the potential management structure has been compiled, with options shortlisting and appraisal taking place in the first quarter of 2023/24. However, ongoing uncertainty around both in-year and future budget, alongside the demands on pathology staff supporting major digital transformations programmes (NIPIMS, NIPACS+, Encompass) has made it difficult for the Programme to plan strategically and make progress at the pace originally anticipated. As a result, in September 2022, the Programme Board agreed a 6-month extension to the original business case timeline, meaning that Phase 1 will now complete at the end of March 2024. A revised plan and timescale for delivery of Phase 1 within the 6-month extension of the Business Case has been developed and implemented.

Building Better, Delivering Together Framework – 17 Actions and Progress Summary

6. Support the planning and delivery of mental health services, through the Mental Health Strategy for NI.	The Mental Health Strategy 2021-2031 (MHS) was published in June 2021, alongside a 10-year Funding Plan. The Funding Plan outlined that £1.2bn is needed to fully implement the Strategy over the 10-year period. The investment required to deliver the Strategy is in addition to existing expenditure in mental health services. Overall, good progress has been made across those actions that have progressed (22 in total), albeit slight delays have been experienced on some due to resources and funding constraints. Key actions progressed in 2022/23 include completion of a three year early intervention action plan (Actions 1 and 2), as well as approval of proposals for a new Regional Mental Health Service (Action 31) and a regional Outcomes Framework for mental health (Action 34). All these actions are now progressing to implementation phase. Extensive work was also undertaken to identify future investment priorities for CAMHS (Actions 10 and 11), and continuing the roll out of perinatal mental health services (Action 29a), with continued recruitment of staff to community teams. Other notable actions completed in 22/23 include a review to identify options to help support the broader C&V sector in developing a collective voice for mental health (Action 17). This review involved extensive stakeholder engagement including representatives from voluntary and community sector organisations, NICS departments and the wider HSC. The department is currently considering the review findings and next steps. Planning for the development of a MHS Delivery Plan for 2023/24 has also been undertaken. This work has involved a number of co-design/production workshops with wider stakeholders to review progress to date and identify key priorities for delivery next year.

Building Better, Delivering Together Framework – 17 Actions and Progress Summary

7. Support the transformation of urgent and emergency care services, in line with the recent review, through delivery of the COVID-19 Urgent and Emergency Care Action Plan, No More Silos.	From 1 April 2022 to 31 March 2023, almost 139,000 patients utilised Phone First services across Northern Ireland. Of those patients who Phoned First, • 29,600, equivalent to 21%, were given advice or referred back to their GP; • 84,650, equivalent to 61%, were given a scheduled appointment at an Emergency Department, Urgent Care Centre or alternative pathway; and • 24,600 patients, or 18%, were referred directly to an Emergency Department. During the same time period, over 61,500 patients attended Urgent Care Centres across Northern Ireland. 38,594 (63%) of these were scheduled there from Phone First, and the remaining 22,964 (37%) were patient walk-ins. Delivery of the No More Silos (NMS) Action Plan has continued across 2022-23. During this time, the Urgent and Emergency Care Review was published for public consultation, concluding July 2022. This consultation drew out three strategic priorities, of which NMS feed in as owner of strategic priority one: creating an integrated Urgent and Emergency Care service. This strategic direction encompasses the original NMS Key Actions 1-5 in relation to Urgent Care Centres, Phone First and Rapid Access Assessment Treatment Pathways (RAATS) – activity for 2022-23 detailed above.

Building Better, Delivering Together Framework – 17 Actions and Progress Summary

8. Support and reform adult social care services, ensuring sustainability and development of community services, by improving the pay, training and career development pathways of social care workers, and support for unpaid carers.	The Department launched the public consultation on the Reform of Adult Social Care on 26 January 2022. The consultation included 48 proposals to reform the adult social care system including proposals to build sustainability, the development of community services, improving the pay, training and career development pathways of social care workers, and providing support for unpaid carers. The consultation closed at the end of July 2022; there was significant public and stakeholder interest and engagement throughout the consultation period and ongoing interest in relation to the delivery of the reform programme. A Consultation Summary Evaluation Report and a Strategic Funding Analysis and Delivery Plan have been finalised for publication. The Department is establishing a Social Care Collaborative Forum as a cross-sectoral mechanism with representatives of the Social Care Sector (statutory, voluntary/community and private sectors) to deliver reform within Adult Social Care. The purpose of the Forum is to provide a formal mechanism for the Department, Health and Social Care and sector representatives to work together as partners to build shared values and deliver improvements that will support and sustain social care now and into the future. It will align the work of the reform of adult social care with the DoH strategic priorities for improvement and transformation in the HSC. A number of area specific working groups will be stablished under the Social Care Collaborative Forum to take forward the Reform Programme. The Department established the Support for Carers Fund in April 2021 with a total value of £4.4m. This Fund is actively providing much needed financial resources and assistance for carers, with funding of approximately £2.5m awarded to date to around 65 projects, with a further call for applicants having closed in March 2023.

Building Better, Delivering Together Framework – 17 Actions and Progress Summary

8. continued	In November 2021 the Department announced a funding support package of up to £23m for the independent domiciliary care and wider social care sector, with the aim of facilitating increased capacity across the sector. The funding was intended to stabilise and enhance capacity within the sector and despite an incredibly challenging financial climate, this funding has been carried through to 2022/23 and made recurrent. The investment has allowed providers to deliver enhanced rates of pay and improve other terms and conditions, such as increased mileage rates, at individual employers' discretion. The funding provided to date has undoubtedly assisted in stabilising the sector and it has supported the capacity of providers to deliver care packages, particularly against a backdrop of extreme system pressures and a very competitive wider recruitment market.
9. Respond to the social wellbeing needs of people most at risk of marginalisation and isolation in the community.	In response to loneliness and social isolation as emerging issues exacerbated by COVID-19 restrictions, the Department completed its scoping study of programmes available for service users and those at risk to support these issues. A Loneliness Forum has been established including representatives from each of the 5 Trusts, other partner organisation and with policy representation. The programme of work has focused on raising awareness and destigmatising loneliness and isolation and included promotion of initiatives such as 'chatty benches'; chatty cafes; chatty walk series. In response to Mental Health Awareness week and national loneliness awareness week (13 June) the Department has developed a number of awareness raising initiatives such as a video, intergenerational posters and bookmarks, all of which raise awareness on how to tackle loneliness and promote the 5 steps to wellbeing developed by the PHA.

Building Better, Delivering Together Framework – 17 Actions and Progress Summary

10. Implement a programme of reform within Children's Community Social Services, to address service challenges which have arisen as a result of the COVID-19 pandemic and those which pre-date it.	The independent review of children's social care services, which commenced in February 2022, is now nearing completion. Professor Ray Jones, independent Lead Reviewer is due to report in June 2023. In a mid-review briefing paper, Professor Jones made two key recommendations: 1. The first relates to a package of measures to address the ongoing workforce challenges within Children's Social Care Services, manifested currently by high rates of vacancy within social work teams. Work has already started to address ongoing workforce challenges, including the cessation of the use of agency social workers within a specified timeframe. 2. The establishment of a new regional arms-length body (ALB) of the NI Department of Health with sole responsibility for children's services. This would replace the current model of delivery which operates through the five health and social care Trusts. This new organisation would have its own Chief Executive, local delivery bodies and a singular focus on children's social care services. Prof. Jones considers this is necessary to ensure children's services receive dedicated attention and the focused leadership they require. Professor Jones also recommends that a new children's services ALB should have the potential to include a wider range of services within its remit, including those which currently are the responsibility of other Departments. In advance of receipt of the final report, a Children's Social Care Services Strategic Reform programme has been established which will seek to address current pressures within children's social care and draw together disparate strands of reform work in this area that are already underway, including the Independent Review of Children's Social Care Services, the Regional Care and Justice Campus Programme and workforce-related reform. A Reform Programme Board has been established and met for the first time on 7 April 2023. Ten workstreams will be established under the programme. Each will work in accordance with an agreed workplan.

Building Better, Delivering Together Framework – 17 Actions and Progress Summary

11. Rebuild children's paediatric services impacted by COVID-19 in line with the Paediatric Healthcare Services Rebuilding Plan and agreed strategic priorities of the Child Health Partnership (CHP).	While the challenges with implementing the paediatric strategies to date are well recognised, including the budgetary position and the impact of the COVID-19 response and other unscheduled pressures, there is also much good work under way and a clear desire across the service to continue to work together to improve children's health. The new CHP Programme Board is a key step in achieving that aim, as the best vehicle for driving and overseeing the required progress. Elective paediatric general surgery activity was significantly impacted by the pandemic with dramatic reductions in patient throughput and potential adverse outcomes for patients. These surgeries are often time sensitive in terms of the impact on the development and long-term wellbeing of the child. Trusts have been collaborating to rebuild elective paediatric lists and maximise capacity to tackle lengthy waiting times including the development of regional lists. For example, Trusts have begun to prioritise paediatric day procedure lists for general surgery. These initiatives are part of a Northern Ireland wide approach to improve access to elective paediatric general surgery that has been driven forward by the Review of General Surgery. Significant challenges face both hospital and community paediatric services due to limited capacity to meet increasing demand. The CHP hosted a regional clinical workshop in January 2023 to identify potential solutions for the challenges faced within paediatric elective surgery and is taking forward a number of actions aimed at maximising available capacity and delivery. A further regional workshop has been planned by the CHP in May 2023 to identify solutions faced within community paediatric services.

Building Better, Delivering Together Framework – 17 Actions and Progress Summary

12. Support and enhance the HSC workforce, in line with the workforce and other related strategies.	A three year Implementation Plan for the Health and Social Care Workforce Strategy 2026, covering the period to March 2025, was published in June 2022. The Strategy sets out a clear need to ensure that the HSC workforce is of sufficient size and has the best possible combination of skills and expertise in order to deliver the transformation agenda. This is the main objective of the Department's investment in education and training - this year we have maintained the following: (i) pre-registration nursing and midwifery training places at the record high level, (1,335); (ii) .Graduate Entry Medical School substantially on target with the first two cohorts of 70 students each having commenced their training in September 2021 and September 2022 respectively; and (iii) the additional 900 NDNA training places have been commissioned and the first cohort of 300 nurses are due to have completed their training and be available for employment across HSC in June 2023. The Department's ongoing programme of strategic, workforce reviews has identified the need for significant expansion of training programmes to secure the local supply of skills; particularly iro Allied Health Professionals (AHP) and medical specialists. Significant progress has also been made in a range of other areas identified in the Implementation Plan including: development of initiatives to showcase a career in the HSC; continued delivery of the successful international nurse recruitment programme; commencement of work to reduce agency dependency across the HSC; ongoing work to progress the development of legislation and consider the resource required to ensure safe staffing within health and social care; commencement of a review into HSC occupational health services; completion of a review of the HSC recruitment model; and the procurement of a new Learning Management System for HSC staff. Continued delivery of this Implementation Plan is becoming increasingly challenging with the Department's proposed budget for 2023-24 not providing the funding necessary to fully implement many of the actions identified in the plan.

Building Better, Delivering Together Framework – 17 Actions and Progress Summary

13. Further develop and implement the Encompass programme.	Following re-planning and finalisation of go live order in 2022, the following Go live dates were outlined. South Eastern Trust – 9th November 2023 Belfast Trust – April/May 2024 Northern Trust – Oct/Nov 2024 Southern & Western Trusts – April/May 2025 Operational and clinical input continues with Programme build and content design nearing completion and testing underway. Technical infrastructure is being put in place and readiness activities are continuing across all organisations with particular focus on South Eastern Trust as first implementing organisation. The programme is working in close partnership with all organisations and in recent months has focused on risk summits with South Eastern Trust to ensure readiness and alignment for 9th November 2023. Go Live Readiness assessments which run at 30-day intervals in the lead up to a go live, commence in South Eastern Trust on 7th June for their 150 day assessment and preparations are underway for both Regional and local infrastructures and command structures for the major go live event and following period. Resourcing within the Programme remains a challenge, but the Programme is working with expert partners to maintain delivery timelines while core recruitment is completed. Additional funding obtained through the submission and subsequent approval of a Business Case addendum in 2022 saw additional resourcing provision at both a Trust and Regional level and work is ongoing to fill those positions. A recent Gateway Review as well as a Healthcheck completed by Deloitte have also provided necessary assurance to the Programme and the recommendations are being actively managed and monitored.

Building Better, Delivering Together Framework – 17 Actions and Progress Summary

14. Rebuild and support the development of Primary Care GP, Dental, Pharmacy and Optometry services, including the roll-out of multi- disciplinary teams.	The Department remains committed to strengthening the Primary Care workforce to support the delivery of services. In September 2022, an investment package of £5.5 million was announced to support General Practice. This included £1 million in a new 'Attract, Recruit, Retain' scheme to help attract GPs to hard-to-recruit areas as well as additional funding to enhance the GP crisis support team for GP practices which are experiencing difficulty; £3m to support GP practices to provide additional in-hours sessions to help meet heightened winter demand; and additional investment to support GP Out of Hours services. Work continues on a review of GP trainee places to ensure we have the workforce in Primary Care we need going forward. Whilst this work is still progressing, and in a challenging budgetary position, the immediate increase of 10 additional GP training places in place for the 2022-23 academic year has been maintained for the 2023-24 year. As of February 2023, the Multi-Disciplinary Teams (MDT) model is fully or partially realised in 7 of the 17 GP Federations areas in Northern Ireland with 352 whole time equivalent front-line staff working across 112 GP practices. Around 710,000 citizens now have access to at least an element of the model. In March 2022, then Minister Swann announced that the next three roll-out areas would be North Belfast, South West (Fermanagh & Omagh) and East Antrim. To improve access to GP services, the Department has established a GP Access Working Group bringing together key stakeholders, including GP representatives and service users, to explore issues around access to GP services, including demand for services, limitations of infrastructure, and staffing and resourcing issues. In December 2022, a reprioritisation of care arrangement was put in place to support GPs and reduce the administrative burden on practices. Practices which signed up to the arrangement were required to report only on key elements of the Quality and Outcomes Framework (QOF), in relation to Patient Experience and Quality Improvement. Under this arrangement, practices were required to contract to provide a Local Enhanced Service for Proactive GP Care for Nursing & Residential Homes, which had been identified as a key issue both in reducing pressure in Emergency Departments and in ensuring that the specific needs of this vulnerable group of patients are met.

Building Better, Delivering Together Framework – 17 Actions and Progress Summary

14. continued	To support the sustainability of the General Dental Services, the Rebuilding Support Scheme (RSS) was introduced. For the first half of 2022/23, under RSS eligible practitioners could apply for support as a 25% enhancement to the Item of Services (IoS) fees claimed for treatment provided. For this second half of 2022/23 the level of enhancement available changed to 10%. The introduction of RSS has resulted in a 17.9% increase in average monthly activity compared to the average monthly activity in the previous 6 months. Inflation leading to higher lab bills prompted the Minister to announce a 25% enhancement to the fees for dentures from Q4 2022/23. Given the continuing reduced capacity within GDS a need arose to ensure that the service remained available to those most in need of care. To achieve this SPPG launched a pilot scheme in October 2022 for the Provision of Urgent Dental Care for Unregistered Patients and Asylum Seekers (PUPAS) in Northern Ireland. Plans are being developed to continue the scheme. In addition, to increase dental access and prevent dental decay in children aged 0 - 10 years in Northern Ireland who are not currently registered with a dentist, an enhanced fee for child examinations was introduced in January 2023. The need to commit resources to address contemporary issues meant that progress dental reform was delayed through the second half of 2022/23. However, this important workstream is being revived focusing both on short term and longer term reform actions and deliverables, with a focus on engagement in the first instance.

Building Better, Delivering Together Framework – 17 Actions and Progress Summary

15. Ensure closure of the HSCB, migration of staff and progress development of a future planning model.	The Health and Social Care (NI) Act 2022 closed the HSCB on 31 March 2022. Responsibility for the majority of the HSCB transferred to the Department whilst the employment of staff transferred to the BSO under a hosting arrangement which sees them continue to undertake these functions under the direction of the Department. Former HSCB staff retain their HSC pay and conditions under the BSO hosting arrangements and the migration of staff was seamless, with no break in service or payments on 1 April 2023. Work continues on the development of a future planning model, known as Integrated Care System (ICS) NI with a proposed implementation date of April 2024, subject to legislative provision. The Health and Social Care (NI) Act 2022 places a duty on the Department to bring forward regulations to underpin the model and work is underway on their development. The regulations are subject to the draft affirmative procedure. It is the intention to bring the draft regulations before the Assembly in late 2023. In advance of implementation, test sites will be established to inform and support final design commencing with the creation of a test Southern Area Integrated Partnership Board in April 2023.
16. Support, stabilise and standardise community services through a new regional model for Intermediate Care, a new model for care and support at home, and support for care homes.	Two frameworks for Intermediate Care: Hospital at Home and Home based have been endorsed by the Rebuild Management Board and two further frameworks: Bed based and Reablement are due to be completed by June 2023. All frameworks have supporting staffing configuration guidance and a data matrix. The project is now planning to move to Phase 2 – Implementation. This project is also closely linked to the Urgent and Emergency Care review and is one of its three strategic priorities. The outcomes of the testing of key elements of the draft Enhancing Clinical Care Framework (ECCF) for adult care have been used to inform the recommendations of the ECCF.

Building Better, Delivering Together Framework – 17 Actions and Progress Summary

16. continued	The ECCF is a best practice guide that will describe what "good" looks like for someone living in a residential or nursing home accessing the multidisciplinary healthcare and support they need to stay well. The project will also release resources to support the use of standard, regional tools and terminology by clinical professionals and care home staff, focused on optimising the health and wellbeing of someone living in a care home. Resources include a Pre Admission Assessment document, deterioration assessment tools, a Falls regional pathway and catheter care support tools. Underpinning system enablers including the use of data and digital technology focused on enhancing resident care and the challenges around the care home workforce have also been considered. The aim is to launch the Framework in late spring/ early summer 2023.
17. Maintain a focus on the ongoing COVID- 19 response and recovery of public and population health services.	The Department established services for the assessment and treatment of post-Covid Syndrome (Long Covid) in November 2021. There are 5 strands to these services: • A multidisciplinary clinic for the assessment of Post Covid Syndrome • Bespoke pulmonary rehabilitation/ dysfunctional breathing service for patients with significant respiratory symptoms post COVID-19; • Additional support for patients discharged from critical care (both COVID-19 and non-COVID-19); • Strengthening psychology support to all Trusts; and, • Signposting and access to self-management resources. The Department has continued to implement its COVID-19 Test, Trace and Protect Strategy which sets out the public health approach to minimising COVID-19 transmission in the community in Northern Ireland. Alongside this, the Department also assumed responsibility for a cross-departmental Wastewater Surveillance Programme from 1 September 2021. This region-wide programme was scaled up to cover 31 wastewater treatment sites, sampled three times a week and covering approximately 64% of the population.

Building Better, Delivering Together Framework – 17 Actions and Progress Summary

17. continued	Working in partnership with QUB and PHA, the programme has complemented clinical surveillance by providing surveillance data and information on the prevalence and spread of infection in the NI population as symptomatic and asymptomatic cases are detected. Going forward, consideration will be given as to how to optimise the potential of wastewater surveillance in relation to other biological markers beyond SARS-CoV-2. As part of the Department's response to the pandemic, the Chief Medical Officer (CMO) led a Strategic Oversight Board which had a remit to oversee and coordinate the integrated programmes and workstreams required to deliver the NI COVID-19 Test, Trace & Protect Strategy, including testing, contact tracing, information and advice, and support. Work was undertaken on a collaborative basis with colleagues from across the HSC sector to best manage community transmission and to effectively respond to local clusters of infection. Separately, during the reporting period, a number of other key Boards including the Department's Expert Advisory Group on Testing, the COVID-19 Testing Programme in Care Homes Group, and the Schools Assurance Group continued to operate. The Department's Test, Trace and Protect Strategy has been kept under continuous review and has been appropriately updated throughout the year taking account of disease trajectory and learning from new and emerging medical and scientific evidence. The Department's Test and Trace Transition plan was published on 24 March 2022. The Plan signaled a move to a more targeted approach to testing with the focus on supporting and protecting those at highest risk of serious illness. Implementation of the Plan has been introduced on a phased basis from April up to the end of June 2022. Policy will be kept under review throughout this period.

Building Better, Delivering Together Framework – 17 Actions and Progress Summary

17. continued	The Department and the Public Health Agency (PHA) continue to deliver on the recovery of public health services. Progress on related policy and delivery has continued to be impacted by the prolonged deflection of resource into the COVID-19 response over the previous two years. However, the Department has restarted strategic work under the Making Life Better strategic framework for public health in NI and is developing a short-term plan to work across government and partner organisations, in a cost-effective way, to improve health and wellbeing and recover the health of the population. At an operational level, in respect of health improvement services the PHA is implementing a short, medium and long-term recovery plan, which is prioritising action in the most deprived communities. The Department has progressed an end review of the Tobacco Control and Breastfeeding strategies, both of which will be finalised later in 2023 and will inform the development of new approaches in 2024. Monitoring and advising on implications of leaving the EU for tobacco control legislation has been a challenging but essential additional task. We have worked collaboratively with other directorates to get a collective agreement on strategic objectives and priority areas for a draft sexual health action plan which we expect to lead to specific actions and tasks to be delivered in 2023 and beyond. The Department and Public Health Agency have continued implementation of the Protect Life 2 Suicide Prevention Strategy and developed an outcomes framework for enhanced reporting against the strategy. Over 75,000 people have undertaken mental health awareness programmes in Northern Ireland this year. Over 10,000 HSC staff have undertaken Suicide Prevention Awareness learning. The Towards Zero Suicide Patient Safety Collaborative has worked across five HSC Trusts and healthcare in prisons to implement evidence-based practice focused on suicide reduction. The Department has put in place a range of governance and implementation structures to support the delivery of the new substance use strategy and to meet the recommendations of the Public Accounts Committee report into addiction services. We have also supported the health and social care system on the co-production of a new strategic plan for substance use services and this will be finalised in 2023/24. The Department has also continued the delivery of the obesity prevention strategy, A Fitter Future for All, and work has also commenced on co-producing a new obesity strategy which will issue for public consultation in the future.

Alongside the work to progress the above Framework objectives, the Department has also continued to address the NDNA health-related commitments. Regular updates continue to be provided to The Executive Office (TEO) to support updates to the Executive, the TEO Assembly Committee and formal reviews between the UK and Irish Governments. A summary of the Department's 17 NDNA commitments is set out below, using the TEO's progress designations of Achieved or substantially on target, likely to be achieved with delay or not started/timescale unknown.

New Decade New Approach 17 health commitments – Progress Summary

1. The Executive will immediately settle the ongoing pay dispute.	Achieved - January 2020
2. The Executive will introduce a new action plan on waiting times.	Achieved - The NDNA commitment to publish a new action plan on waiting times was achieved with the publication of the Elective Care Framework on 15 June 2021. The framework for restart, recovery and re-design proposes a £700m investment over five years to tackle the backlog of patients waiting longer than Ministerial waiting time standards, and how we will invest in and transform services to allow us to meet the population's demands in future. It describes the investment and reform that are both required - targeted investment to get many more people treated as quickly as possible; and reform to ensure the long- term problems of capacity and productivity are properly addressed. There is however currently no commitment from the NI Executive in relation to the funding required (£700m over 5 years) to deliver on the commitments set out in the framework.

New Decade New Approach 17 health commitments – Progress Summary

3. The Executive will deliver reforms on health and social care as set out in the Bengoa, Delivering together and Power to People reports.	Likely to be achieved with delay - Minister is committed to delivering transformation of health and social care services, as set out in the Bengoa, Delivering Together and Power to People reports. COVID-19 has had a significant impact on health and social care services, meaning that the speed of transformation is reduced. This has impacted the deliverability of transformation targets and slowed down the reform of services. In addition, the absence of the Executive has also had an impact on the speed with which transformation can progress. However, work to progress actions in the Transformation Programme, as part of the implementation of Delivering Together, has continued.
4. No one waiting over a year at 30 September 2019 for outpatient or inpatient assessment/treatment will still be on a waiting list by March 2021.	Achieved - Achievement of the NDNA priority to reduce the longest waits for elective care would require significant investment and additional capacity to be secured from both within and outside Northern Ireland. Backlog reduction will be taken forward as part of the delivery of the Elective Care Framework published in June 2021 and is subject to the availability of the required funding.
5. The Executive will reconfigure hospital provision to deliver better patient outcomes, more stable services and sustainable staffing. Improvements will be made in - stroke; breast assessment; urgent and emergency care; and day case elective care - by the end of 2020.	Likely achieved with delay The Department received in excess of 19,000 responses to the ‘Reshaping Stroke Care’ consultation. Officials completed analysis of the consultation responses along with additional workforce analysis for each of the configuration options outlined in the consultation document.

New Decade New Approach 17 health commitments – Progress Summary

5. continued	A Stroke Action Plan was published on 20 June 2022, setting out the way forward on the 'Reshaping Stroke Care' recommendations, including a new process to develop stroke reconfiguration options. Improvements in stroke services continue to be driven forward mainly through the Stroke Network, in line with the actions in the Stroke Action Plan. Achieved with delay - Daycase Elective Care. The Day Procedure Centre at Lagan Valley Hospital has been operational since Autumn 2020 with over 10,000 patients treated to date across a range of specialties. Omagh Day Procedure Centre is also operational on a phased basis for general surgery and urology patients. Elective Overnight Stay Centres have been announced at the Mater Hospital, Daisy Hill Hospital and South West Acute Hospital and work is already underway to develop the centres for patients requiring intermediate complexity surgery with a short stay in hospital. Likely achieved with delay - Urgent and Emergency Care – - An Urgent & Emergency Care Implementation Board has been established in the Department to guide and oversee work on the execution of the recommendations from the Review of Urgent and Emergency Care. There are three Projects sitting under the Programme structure - one Project for each of the three strategic priorities as outlined in the Review. Implementation of these recommendations will take time and additional recurrent funding. An implementation and funding plan will be prepared for a future Minister, for publication in due course.

New Decade New Approach 17 health commitments – Progress Summary

5. continued	Likely achieved with delay Breast assessment - The work to develop a regional booking system for breast assessment services has been paused due to COVID-19 pressures, including pressures relating to the Omicron variant. It is expected that the work will restart in some point of 2023
6. The Executive will also deliver an extra 900 nursing and midwifery undergraduate places over three years.	Achieved or substantially on target – Three cohorts of 300 additional undergraduate nursing/midwifery students commenced their training in each of the last 3 years. The final cohort of 300 trainees began in September 2022 and the first cohort of 300 nurses are due to have completed their training and be available for use across HSC in June 2023.
7. The Executive will consider the scope for changing how waiting times are measured, to reflect the entire patient journey, from referral to treatment, with appropriate targets.	Achieved or substantially on target - The Elective Care Framework makes a commitment to work to introduce the Referral to Treatment (RTT) waiting times reflecting the entire patient journey, from GP referral up to the point where the patient is actually treated. Work has been completed with Digital Health & Care Northern Ireland (DHCNI) in the development of eight RTT waiting time procedures with the data now automated on a monthly basis to measure the whole patient journey. It should be noted that the RTT waiting times reflect completed waits and could be misleading as health service capacity is currently being prioritised for cancer and other time critical patients.

New Decade New Approach 17 health commitments – Progress Summary

8. The Executive will publish a Mental Health Action Plan within 2 months.	Achieved - The Mental Health Action Plan was published in May 2020. An implementation update was published on 10 June 2021 (https://www.health-ni.gov.uk/publications/mental-health- action-plan). The update concluded that the Mental Health Strategy supersedes the Action Plan as the primary vehicle going forward. The launch of the Mental Health Strategy (see below) therefore formally closed the Action Plan, with an undertaking that a formal evaluation will be carried out at the appropriate time. The Mental Health Strategy 2021-2031 (MHS) was published in June 2021, alongside a 10-year Funding Plan. The MH Strategy will be implemented by way of annual Delivery Plans. A Mental Health Strategy Delivery Plan for 2022/23 was published in July 2022. In the absence of a budget from the Executive, the Plan outlines the implementation work that can be taken forward during 2022/23 within the Department's existing resources. The Department has been utilising existing programme budgets to allow for implementation of the key enabling actions and other priority preparatory work. Planning for the development of a MHS Delivery Plan for 2023/24 is at an advanced stage. This work has involved a number of co-design/production workshops with wider stakeholders to review progress to date and identify key priorities for delivery next year.

New Decade New Approach 17 health commitments – Progress Summary

9. The Executive will publish a Mental Health Strategy by December 2020.	Achieved - The Mental Health Strategy 2021-31 was -published on 29 June 2021. Implementation work is underway. Good progress was made in implementing actions in 2022/23 (22 in total), despite the financial constraints within which the Strategy is being implemented. Key work taken forward in 2022/23 includes: • Implementation of the Regional Mental Health Service. • A review of the Mental Health workforce. • Development of an Outcomes Framework for Mental Health Services. • Additional funding provided during 22/23 to support the continued roll out of new community perinatal mental health services across the region. • Development of a three year early intervention and prevention mental health and wellbeing action plan. • Ongoing development of the Regional Mental Health Crisis Service; and • Completion of a review to explore the optimal approach to engaging the community and voluntary sector in the development of mental health policy and provision ongoing. As stated above, planning for the development of a MHS Delivery Plan for 2023/24 is at an advanced stage. Co-design workshops with wider stakeholders were held in early March 2023.

New Decade New Approach 17 health commitments – Progress Summary

10. The Executive will publish a successor strategy and action plan to the Strategic Direction for Alcohol and Drugs Phase 2 within 3 months.	Achieved - On 7 September 2021, the then Minister, Robin Swann, published the new substance use strategy "Preventing Harm, Empowering Recovery" which had been agreed by the Executive. During the past year governance structures have been put in place to oversee the delivery of the strategy, and co-production work has focused on the development of a new strategic plan for substance use services which will be finalised in May 2023.
11. The Executive will publish a new strategy and implementation plan on cancer by December 2020.	Achieved - The Cancer Strategy was published on 22 March 2022 including 60 high level actions that will enable significant strategic changes to be taken over the next decade. The Strategy was published alongside a Funding Plan which identifies an estimated investment need of around £2.3m in the first year and in the region of £145m per year when all actions are implemented. Implementation work is underway.
12. The Executive will build capacity in general practice through the ongoing roll out of Multi-Disciplinary Teams to cover a further 100,000 patients by March 2021.	Likely to be achieved with delay - Despite the severe impact of the Covid pandemic progress has been made against this target and as of February 2023 around 100,000 additional people now have access to an element of the primary care multidisciplinary team model. The speed of delivery of the full MDT model in existing areas or any further expansion of the MDT Programme into new areas will, however, depend on the availability of appropriate funding (including capital funding) and suitably qualified and experienced staff.

New Decade New Approach 17 health commitments – Progress Summary

13. The Executive will provide increased investment to fully implement service improvements for palliative and end of life care including enhancing the contribution of hospices; and to increase support for palliative perinatal care.	Likely to be achieved with delay – The Department published the Advance Care Planning policy for adults in October 2022. Advance Care Planning is appropriate for all adults at any stage of life, however it is also one of the key priorities for the palliative care programme and a key element of a public health approach to palliative care. In tandem with the publication of the Advance Care Planning policy document, a Level 1 e-learning programme, aimed at the wider public, voluntary and community sector and health and social care staff was also launched. Arrangements to further support implementation of the policy are progressing. Due to continued resourcing and financial challenges, it has not been possible to undertake a review of specialist palliative care for adults, including that provided by hospices. The Northern Ireland Antenatal Palliative Care Pathway was launched in January 2022. It aims to ensure that everyone who has received an antenatal diagnosis of a potentially life limiting, or life threatening condition for their baby, receives the care and support they need. The pathway and user guide, part of the regional Children's Palliative and End-of- Life Care strategy, has been developed by the Paediatric Palliative Care Network.

New Decade New Approach 17 health commitments – Progress Summary

14. The Executive will provide 3 funded cycles of IVF treatment.	Likely to be achieved with delay, subject to additional recurrent funding being made available. There is cross-party support for this NDNA commitment, however additional funding to increase capacity within the regional fertility service has not been allocated to the Department by the Executive at this stage and remains subject to the overall budget position. A Department-led project board has been established to oversee options appraisal and planning, with an initial focus on stabilising and improving waiting times for those awaiting a first cycle of IVF treatment which were exacerbated by the impact of COVID-19. A waiting list initiative funded through non-recurrent revenue has enabled most waiting times to return to pre-pandemic levels or better. It is likely that increasing provision to second and third cycles of IVF treatment in line with NDNA will require a phased approach as well as utilising available capacity within the independent sector initially, subject to available funding. The Project Board is currently modelling various implementation scenarios to determine potential demand, capacity requirements, delivery options and costs in order to submit bid for appropriate funding. As such, additional funding has not yet been allocated to DoH. In the absence of additional funding, consideration is now being given to whether any increase in provision can be delivered from within existing resources.

New Decade New Approach 17 health commitments – Progress Summary

15. The Executive will expand university provision at Magee in line with commitments made by the previous Executive, including through the establishment of a Graduate Entry Medical School. The Executive will bring forward proposals for the development and expansion of the UU campus at Magee College, including the necessary increase in maximum student numbers to realise the 10, 000 student campus target and a Graduate Entry Medical School.	Achieved or substantially on target - The first cohort of 70 students commenced their training in September 2021. The second cohort of 70 students commenced in September 2022.

New Decade New Approach 17 health commitments – Progress Summary

16. The Executive will bring about parity in financial support to victims of contaminated blood in Northern Ireland with those in England.	Achieved Maintaining parity is an ongoing issue and will be subject to ongoing funding in addition to any implications arising from the establishment of any compensation scheme and lack of NI Executive, should that remain the case. There was no consensus as to what "parity with England" meant in practice as the four devolved ex-gratia financial support schemes provide different financial and non-financial support. The March 2021 parity agreement achieved broad parity of financial support and included the introduction of HCV stage 1 (enhanced) for beneficiaries of the NI Infected Blood Payment Scheme. This additional financial support became available in August 2022 and brought the NI Scheme into greater alignment with the other UK Schemes. As part of the March 2021 parity agreement and therefore funded by DHSC, it was agreed that payments would be backdated to April 2019 for those who successfully apply before 30th June 2023. During 2017-20, when NI was without a functioning Executive, the other UK Schemes continued to reform and make improvements. To achieve greater UK parity on non-financial support the NI Scheme has this year seen a number of improvements in stakeholder engagement and communication. The NI Scheme issued a first edition of a new newsletter in March 2023 to provide scheme beneficiaries with information on support available on the Scheme, to signpost to other sources of support and to provide updates from Government. Alongside a new Stakeholder Group which is being set up to support cooperation and engagement between Government and

New Decade New Approach 17 health commitments – Progress Summary

16. continued	beneficiaries, these measures have brought the NI Scheme into greater parity with the other UK Infected Blood Support Schemes, to meet the commitment 'New Decade New Approach'. On 29th July 2022, Sir Brian Langstaff, Chair of the Infected Blood Inquiry, published an interim report recommending interim compensation payments of £100,000 be made to all those registered with UK Infected Blood support schemes. In the absence of an Executive, the department worked collaboratively with our 4 nations counterparts and across Whitehall (DWP) and NI Depts (DfC) to make sure all NI beneficiaries received the payment in October 2022 in line with the rest of the UK. The four UK infected blood financial support schemes have evolved to meet the needs of their beneficiaries and as such, differences remain across the UK in terms of financial and non-financial support provided, as well as in eligibility, assessment and application processes.

New Decade New Approach 17 health commitments – Progress Summary

17. The programme of transformation agreed by the previous Executive will continue to be a priority. Within this, there will be a greater focus on mental health and well-being.	Likely to be achieved with delay – Minister is committed to delivering transformation of health and social care services, as set out in the Bengoa, Delivering Together and Power to People reports. COVID-19 has had significant impact on health and social care services, meaning that the speed of transformation is reduced. This has impacted the deliverability of transformation targets and slowed down the reform of services. In addition, the absence of the Executive has also had an impact on the speed with which transformation can progress. However, work to progress actions in the Transformation Programme, as part of the implementation of Delivering Together, has continued In June 2022 the Minister commissioned work on a Health Service Reconfiguration Blueprint. This work gathers information on service reviews, transformation projects and service reconfiguration either already implemented or being developed for the future. This would provide a framework for future reconfigurations to enable engagement with stakeholders and the wider public; and bridge any gap in understanding of the impacts of health service reconfiguration.

COVID-19 Vaccination Programme

During 2022/23 the COVID-19 vaccination programme continued to be implemented in line with advice from the Joint Committee on Vaccination and Immunisation (JCVI). Responsibility for the operational delivery of the programme transferred from the Department to the Public Health Agency from April 2022. In line with JCVI advice a spring booster was implemented over the period April to June 2022 followed by an autumn booster programme over the period September 2022 to March 2023. By the end of March 2023 almost 4.5m doses of COVID-19 vaccine had been administered in NI since the programme started in December 2020, this included 95k spring booster doses and 514k autumn booster doses.

PERFORMANCE ANALYSIS

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

HSC, NIAS AND NIFRS PERFORMANCE

Details of the 2022/23 individual performance of the Departments ALBs including NIAS and NIFRS are detailed in full within their own Annual report and Accounts. These are all published and can be accessed on the ALBs websites.

HSC Performance

Within the Department, HSC performance is overseen and driven by SPPG. As the HSC moved to a more stable position in the wake of COVID-19, a revised approach to rebuilding HSC services was introduced.

The HSC Service Delivery Plan was implemented from July 2022. The Plan set out the improvement trajectories required in a number of areas across Community, Acute and Primary Care to return to pre-pandemic levels of service provision on an incremental basis by no later than March 2023.

The Department monitored HSC providers' progress against the trajectories on a monthly basis and reported performance, including any variance from expected performance and remedial actions being taken, to the DoH Performance and Transformation Executive Board (PTEB).

Real progress was made during 2022/23 to return HSC services to pre-pandemic levels and our priority continues to be to recover our core services. Regionally for the 9-month period of the SDP (July 2022 to March 2023), HSC providers' performance was in line with or exceeded the target trajectories in 15 (45%) of the service areas where end of year performance is currently available; within 5% of target outcome in six (18%) areas; and, more than 5% below target trajectory in 12 (36%) areas. The focus in 2023/24 will be to build on this good work.

The planning and delivery of HSC services continued to be significantly impacted by pressures right across the region in 2022/23. In particular increased demand and unacceptable waiting times for emergency and unplanned care proved extremely challenging. Similarly waiting times for outpatient assessment, diagnostics, inpatient and day case treatment remain far from satisfactory. Notwithstanding this, efforts have continued to ensure that the most urgent and time critical patients received the care they needed. 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 Ministerial priorities set out in the 2019-20 Commissioning Plan Direction (CPD) were rolled forward to 2022-23, included the following targets for elective care:

- 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.

Waiting times are unacceptable and far too many people are waiting far in excess of the Ministerial target waiting times and are suffering in pain and discomfort while they wait to be seen/treated.

At 31 March 2023:

- 19% (72,896) of patients were waiting less than nine weeks for a first outpatient appointment; 310,670 patients were waiting longer than nine weeks; and 187,782 were waiting more than 52 weeks. In addition, at the end of 31 March 2023, 15,571patients were waiting longer than nine weeks for a first outpatient at a cataracts Day Procedure Centre and, of these, 9,563 were waiting longer than 52 weeks.

- 53% (75,565) of patients were waiting less than nine weeks for a diagnostic test; 67,559 patients were waiting longer than nine weeks; and 29,269 were waiting more than 26 weeks.

- 22% (25,829) of patients were waiting less than 13 weeks for inpatient or day case treatment; 91,170 patients were waiting longer than 13 weeks; and 62,652 were waiting more than 52 weeks. In addition, 1,471were waiting longer than 13 weeks for a cataract (607) or varicose vein (864) procedure at a Day Procedure Centre (DPC) at the end of March 2023 and, of these, 633 (109 cataract and 524 varicose veins) were waiting longer than a year.

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

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

- Given the ongoing challenges associated with the rebuild of elective services and in particular inpatient theatre capacity, the Regional Prioritisation Oversight Group (RPOG) has continued to support the equalisation of waits by facilitating the inter Trust transfer of patients. This partnership arrangement has ensured that waiting times for many cancer and time critical patients has been reduced and work continues to support the equalisation of waits.

- The Elective Care Framework: Restart, Recover and Redesign identified the establishment of a Waiting List Management Unit (WLMU) to provide regional oversight in relation to the management of elective waiting lists.

  Since August 2021, the WLMU has worked with HSC Trusts to make sure that the current elective waiting lists are accurate and include only those patients who should be on a list for assessment or treatment ensuring that regular validation of waiting lists is embedded within HSC Trusts as part of normal business.

  During the 15 months from September 2021 to December 2022, validation has resulted in more than 49,500 patients being removed from assessment and treatment waiting lists. (c43,600 from outpatient waiting list and c6,000 from the treatment waiting lists).

  The WLMU has established outpatient dashboards to identify the backlog and outliers across trusts and specialities, which is different to the waiting list validation process. This work is carried out at priority level i.e. red flag, urgent and routine. For red flag, a total of 28,251 patients have been validated (backlog over 14 days and outliers) with (10%) patients being removed from the waiting list.

  The WLMU identified over 14,600 duplicates on the outpatient waiting lists and over 7,000 on the inpatient/day case waiting lists both across and within Trusts. These duplicates are being removed from the system.

  Work has commenced with the Trusts to reduce hospital and patient cancellations in a bid to reduce lost capacity and ensure compliance with the Integrated Elective Access Protocol (IEAP).

  The WLMU has developed an information platform on the HSC website which will give GPs and patients access to current average waiting times for elective care services across the region. The platform web page will provide average waiting times by Trust and elective specialty initially for outpatients.

- Through the 2022-23 budgetary period the HSC received £92m non-recurrent funding for 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. GP Federations have also undertaken a range of outpatient assessments and day case procedures in primary care settings. The **additional** activity delivered regionally to the end of March 2023 totals:
  - 94,979 outpatient assessments (new and review)
  - 180,289 diagnostic tests
  - 22,742 inpatient or day case procedures
  - 22,478 Allied Health Professional assessments
  - 17,404 outpatient assessments and day case procedures delivered by GP Federations in primary care settings

This investment has enabled large volumes of patients to be seen, but waiting lists remain too long. Other measures to reduce waiting times and improve patient experience include:

- The continued use of mega clinics for outpatient assessment and pre-operative assessment to maximise patient throughput and reduce waits. Mega clinics bring multi-disciplinary staff teams together to ensure much higher throughput and access to clinical assessment allowing more patients to be seen and short-circuiting unnecessary delays in treatment. 2022/23 has seen progress continue with mega clinics delivered across a range of specialties including orthopaedics, cataracts, ENT, dentistry, dermatology and urology, with approximately 9,365 patients seen/treated.

- In response to the pandemic, outpatient services across the HSC were rapidly redesigned as face-to-face appointments were scaled back. The implementation of virtual clinics using either telephone or video, provided an opportunity to deliver outpatient services in an environment where the risk of infection was significantly reduced. More specialties have recognised the benefit of this new service model and in 2022/23, approximately 170,000 patients have had a virtual consultation and there has also been a return to face to face consultations and there have been 654,277 of these.

- The Department continued to fund allocations to HSC Trusts in 2022/23 to support Heart Flow Cardiac CT Fractional Flow Reserve (FFR) Analysis for patients who meet the National Institute for Health and Care Excellence (NICE) CG95 criteria for stable angina (available on NICE website at www.nice.org.uk). This was following the initial evaluation on a relatively small number of cases, indicated that it was successfully reducing the number of patients being referred for invasive cardiac catheterisation and other more expensive investigations.

- There were no additional allocations to HSC Trusts in 2022/23 for additional remote monitors for patients with implantable cardiac devices in line with recommendations from the British Heart Rhythm Society. The home monitors enable suitable patients to be monitored from the safety of their own home and prevents them from having to attend hospital appointments for routine checks. They also have the additional benefit of allowing staff to work from a home setting if required. Services are now using business as usual funding for this service.

- Established in 2021-22 the Regional Endoscopy Reform and Modernisation Group (RERMG) oversees the delivery of four gastrointestinal scope procedures: colonoscopy, flexible sigmoidoscopy, endoscopic retrograde cholangiopancreatography (ERCP) and oesophago-gastro-duodenoscopy (OGD).

  The focus of RERMG in 2022/23 has been the planning and implementation of the Regional Endoscopy Centres at Lagan Valley Hospital and Omagh Hospital and Primary Care Complex. When fully implemented, the centres will provide an additional 30 endoscopy sessions per week delivering an additional 9,000 endoscopy procedures per year. This will result in an increase of 19% in regional core elective capacity compared to pre-COVID levels.

As of the end of March 2023, four core sessions are currently operational. While permanent staff are being recruited, core capacity is being supplemented by regional weekend capacity equivalent to a further 8 sessions per week. The first cohort of regional patients treated at the centres are Southern Trust Red Flag patients, supporting the equalisation and reduction of waiting times for patients referred as suspect cancer.

- During 2022-23, the Modernising Radiology Clinical Network (MRCN), continued to work collaboratively to optimise imaging capacity. Key deliverables include issue of clinical guidance to GPs in Primary Care to adopt the RCR guidance to remove the requirement for assessment of renal function prior to injection of iodinated contrast media in (relevant) patients to bring practice in line with the rest of the UK and reduce unnecessary testing; radiography elected to pilot on behalf of AHP services a programme for international recruitment of radiographer staff; production of a costed Diagnostic Imaging Workforce plan which sets out the requirements for staffing of imaging teams from support level to consultant level advanced practice radiography and consultant medical staff; development of regional arrangements for entitlement of Physician's Associates to request imaging; continued advice and support to relevant clinical networks on imaging matters.

  The regional programme to achieve the prestigious Quality Standard for Imaging Accreditation award continues to progress, with four out of five Trusts now successfully accredited by the United Kingdom Accreditation Services (UKAS) following rigorous assessment processes.. The fifth Trust is scheduled for assessment in October 2023 and is expected to deliver the first region of the UK to be fully accredited.

  The Regional Medical Imaging Board (RMIB), established in April 2021, is responsible for implementation of the recommendations within the DoH Strategic Framework for Imaging Services- Strategic Framework for Imaging Services in Health and Social Care | Department of Health (health-ni.gov.uk) Key deliverables towards the 19 recommendations in the Framework in 2022/23 included:
  - securing an additional 2 places on the consultant radiologist training scheme, bringing the current scheme to optimum capacity and achieving Recommendation 1 of the Strategic Framework.;
  - securing an additional 10 places on the under-graduate training scheme for radiographers for the 2022/23 intake (non-recurrent), partly achieving Recommendation 2;
  - securing recurrent funding for the Regional Medical Physics Workforce Plan to address key training requirements and staffing shortfalls achieving Recommendation 3;
  - establishment of a Capital Equipment sub-group and prioritised expenditure plans for £3m annual funding available for replacement of capital funding; highlighted ongoing capital pressures and successfully secured an additional £14.5m in 2022/23 for further capital replacements from slippage to assist with imaging capital replacement pressures achieving Recommendation 14; and
  - establishment of a Task & Finish Group to progress work on the NI Imaging Academy with formal proposals received from 3 HSC Trusts to host the Academy.

Unscheduled Care

Urgent and emergency care services in NI remained under significant pressure in 2022-23 despite ED attendances across the region remaining lower than in pre-pandemic levels, including when combined with attendances at Urgent Care Centres.

Current DoH targets on emergency care waiting times in NI for 2022-23 state that: 95% of patients attending any Type 1, 2 or 3 emergency care department are either treated and discharged home, or admitted, within four hours of their arrival in the department; and no patient attending any emergency care department should wait longer than twelve hours.'

During 2022-23:

- 107,191patients waited longer than 12 hours in an Emergency Department (ED) compared to 79,099 during the same period in 2021-22.
- 51% of patients were either treated and discharged home, or admitted, within four hours of their arrival (target: 95%) compared to 55% in 2021-22.

In 2022 the Urgent and Emergency Care Review consultation drew out three strategic priorities:

I. Creating an integrated urgent and emergency care service (No More Silos);
II. Capacity, Co-ordination and Performance; and
III. Intermediate Care: A Regionalised Approach.

The Unscheduled Care Management Unit (USCMU) was tasked with delivery of the strategic priority II 'Capacity, Co-ordination and Performance' recommendations through a whole-systems approach. To provide regional oversight and coordination of unscheduled care services the USCMU has developed a regional USC dashboard, designed in collaboration with Directors of Performance to review live urgent and emergency care pressures. Revised unscheduled care Escalation Guidance has been issued to Trusts and in-house training delivered to assist the management of regional pressures.

In September 2022 the USCMU supported a regional unscheduled care summit involving stakeholders from DoH, Social Care, Primary Care and HSC Trusts to review regional arrangements for winter planning.

Scoping work has commenced to consider options for an USC 'coordination hub' for NI in conjunction with an external provider. A site visit to NHS Midlands and Lancashire has been conducted to view the system in operation as part of this scoping work. Further considerations are required regarding the governance, funding and reporting structures that would be required to implement this within NI.

A regional USC Performance Monitoring Framework (PMF) has been developed to provide a performance management tool to monitor unscheduled care patient flow from pre-hospital (ambulance) through to discharge. This information supports monthly unscheduled care performance meetings which commenced with all Trusts in February 2023.

As part of the work on the Review of Urgent and Emergency Care, the previous Minister commissioned a Getting It Right First Time (GIRFT) review of emergency medicine for Northern Ireland. NI data has been added to a Summary Emergency Department Indicator Table (SEDIT) that will provide important information on the demand and capacity profile of NI Emergency Departments and patient flow and outcomes. This includes data from the Children's ED at RVH to allow for benchmarking against seven similar sites in England. The SEDIT will be launched in Q1 2023-24 and will provide accurate benchmarking of ED performance against other EDs across Northern Ireland and similar facilities across England. The NHS England GIRFT team will also provide a regional report from the SEDIT to help drive improvements across emergency medicine in Northern Ireland.

The No More Silos (NMS) Network has supported five Local Implementation Groups (LIGs) to deliver locally prioritised quality improvement initiatives across the NMS Key Actions. Significant progress has been made on Urgent Care Centres, Phone First and Rapid Access and Treatment Services.

In 2022-23, the NMS Programme has continued to support the reform of urgent care enabling more effective use of existing capacity and better accessibility for patients. From 1 April 2022 to 31 March 2023, almost 139,000 patients utilised Phone First services across NI:

- 29,642 (21%) were discharged with advice or referred back to their GP.
- 84,651 (61%) were scheduled for an appointment at an Emergency Department, Urgent Care Centre, Minor Injuries Unit, or alternative pathway.
- 24,629 patients (18%) were referred directly to an Emergency Department.

During the same time period, over 61,500 patients attended Urgent Care Centres across Northern Ireland. 38,594 (63%) of these were scheduled there from Phone First, and the remaining 22,964 (37%) were patient walk-ins.

A key priority for the NMS Programme in 2023-24 is the development of a regional phone first service, accessed through a single telephone number; unifying the Trust led Urgent Care System with GP Out of Hours, providing a multi-disciplinary model to support the provision of a fully integrated Urgent Care Service.

Cancer Services

The target set for cancer services was that during 2022-23, all urgent breast cancer referrals should be seen within 14 days; at least 98% of patients diagnosed with cancer should receive their first definitive treatment within 31 days of a decision to treat; and at least 95% of patients urgently referred with a suspected cancer should begin their first definitive treatment within 62 days.

The COVID-19 pandemic has undoubtedly had a devastating impact on cancer services, with the long waiting times causing worry and concern for many patients and families.

- Regionally, during 2022-23, 69% of urgent breast cancer referrals were seen within 14 days compared to 53% in 2022 (target: 100%).

There has been a steady improvement in performance throughout the year with 47% compliance in April 2022 increasing to 81% in March 2023. This improvement has been achieved through the active engagement with the breast surgery clinical teams which has allowed the inter-Trust transfer of patients to ensure the equalisation of waits.

- Over the year, 88% of people received their first definitive treatment within 31 days (target: 98%) which is broadly unchanged on the 2022 (89%) position. 62-day performance regionally in 2022-23 (38%) has deteriorated compared to 2021-22 (46%).

There has been improvement in the 31-day performance throughout the year with 85% compliance in April 2022 increasing to 88% in March 2023. This improvement has been achieved through the enhanced focus on service rebuild through the Service Delivery Plan performance arrangements. The Regional Prioritisation and Oversight Group has also provided a forum where particular pressures can be escalated and inter-Trust transfers facilitated.

Delivery of the 62-day cancer target has been a challenge through the year with an average performance of 38%. This under delivery is largely due to excessive waits for new outpatient appointments, delays in accessing diagnostic tests (especially scopes) and delays in turning around pathology. While pressure has been experienced across nearly all tumour sites, 4 tumour sites account for 75% of the breaches i.e. Urology, Skin, Lower GI and Gynae.

Commencement of AHP Treatment Standard

By March 2023, no patient should wait longer than 13 weeks from referral to commencement of treatment by an AHP.

Regionally at the end of March 2023 42,753 patients were waiting longer than 13 weeks from referral to commencement of AHP treatment. This is an increase on the end of March 2022 position when 37,568 patients were waiting longer than 13 weeks. The number of patients waiting longer than 13 weeks peaked in September 2022 at 46,844.

In response to the impact of the pandemic, AHP services have adapted to ensure the continuation of high quality care, with AHP services rapidly embracing new ways of working, including enhanced utilisation of technology and telemedicine approaches to accommodate the provision of care, whilst reducing the risk of transmission. Face to face patient contact has been maintained for urgent patients and those with highest clinical need.

A Regional Task and Finish group has recently been established to take forward a number of actions that will contribute to improved waiting times for AHP services.

Patient Discharges

Target: During 2022-23, ensure that 99% of all learning disability and mental health discharges take place within seven days of the patient being assessed as medically fit for discharge, with no discharge taking more than 28 days.

Regionally during 2022/23, 60% (37 out of 62) of learning disability discharges took place within seven days of the patient being assessed as medically fit for discharge and 22 took longer than 28 days. [Performance data for 2021-22 is not currently available due to technical issues in the Northern Trust]

Regionally during 2022/23, 80% (3,506 out of 4,395) of mental health discharges took place within seven days of the patient being assessed as medically fit for discharge and 494 took longer than 28 days. [Performance data for 2021-22 is not currently available due to technical issues in the Northern Trust]

From April 2022, 90% of complex discharges from an acute hospital take place within 48 hours, with no complex discharge taking more than seven days; and all non-complex discharges from an acute hospital taking place within six hours.

Regionally 66% of complex discharges took place within 48 hours during 2022-23 compared to 72% in 2021-22. The number of complex discharges taking more than seven days to complete increased from 2,175 in 2021-22 to 3,008 in 2022-23.

With respect to non-complex discharges, 89% took place within six hours in 2022-23 compared to 88% in 2021-22.

In 2022-23:

- The number of acute bed days lost to complex discharge delays (excluding first 48 hours) was 49,364 compared to 34,037 in 2021-22.

- The number of acute bed days lost to non-complex discharge delays (excluding first 6 hours) was 14,682 compared to 11,725 in 2021-22.

To reduce discharge delays new guidance on delayed discharges exceeding 48-hours was produced in collaboration with Trust Directors of Acute and Community Services and new reporting mechanisms were implemented to identify internal hospital assessment process delays and accurately measure discharge delays.

Mental Health Services

Target: By March 2023, 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.

Regionally, the maximum waiting time targets for mental health services have not been achieved. However, mental health services moved to a hybrid model during Covid, with a combination of face-to-face and non-face-to-face contacts. The service worked extremely hard to ensure that patients and clients received services based on their assessed needs.

Based on data up to the end of March 2023, 1,086 patients were waiting more than nine weeks to access CAMHS, 1,899 patients were waiting more than nine weeks to access adult mental health services, 1,447 patients were waiting longer than nine weeks for dementia services and, 4,589 patients were waiting longer than 13 weeks for psychological therapies.

In partnership with DoH, PHA and HSC Trusts, led on the development of the COVID-19 Regional Service Recovery Plan for Adult Mental Health Services which included:

- The Decision Support Framework for Mental Health Services to forecast surge and to trigger when additional targeted support may be required, or when resources need to be redeployed from low impact service areas to high impact service areas. Using a systems dynamic simulation model it is estimated that there will be around 32% more new referrals to mental health services over the next three years. Modelling for mental health surge is extremely useful for understanding the scale of future demand. This information is used to refocus, rebuild, and revitalise mental health support across all services to aid the recovery from COVID-19, to streamline health services, promote positive mental health, and be ready for future uncertainties.

  The Department has monitored the impact of Covid and the 2022-23 data shows no surge against these targets with the exception of the areas of Personality Disorders and Eating Disorders. The levels of acuity of presentation have been impacted by Covid and Trusts have asked us to consider using 2022-23 year as baseline however as Covid was still around in 2021-22 and would have had impact on footfall. SPPG will continue to monitor performance through the monthly service delivery plans.

- The Mental Health Recovery Plan Model for 2022-26 is a live document and compliments the DoH Mental Health Strategy (2021-31) The Strategy implementation process itself will meet the requirements for the Recovery Plan Model for Year 2 and beyond. It has clear outcomes to ensure the right framework, structures and support is in place to enable change and improve outcomes for citizens. SPPG has continued to work with Trusts to recover services and to progress the Strategy. Progress has been impacted by the NI Executive not being functioning. However, several pieces of work have been carried out in relation to the enabling actions within the Strategy, e.g., Regional Mental Health Service model, MH Outcomes Framework, MH Workforce Review, etc. All actions as set out in the MHS Delivery Plan 2022-23 are completed or on-going as they cut across several years.

- The Mental Health Strategy 2021-2031 sets out a clear direction of travel to support and promote good mental health, provide early intervention to prevent serious mental illness, provide the right response when a person needs specialist help and support, as well as outlining how the system will work to implement these changes. It is important to note that we are not starting from a zero base and mental health professionals already provide high quality, dedicated services to enhance mental health outcomes. Moving forward, by providing the professionals with the right tools as outlined in this Strategy, the goal is to further enhance the good work that they do. The SPPG's Mental Health and Learning Disability Team are key partners in this work, providing leadership and guidance to DoH colleagues for the implementation phase of many aspects of this Strategy.

Future Performance

Key targets for future performance will be a matter for agreement with an incoming Minister. They will be focused on ensuring achievement of strategic objectives in line with available resources.

Financial Performance

2022-23 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).

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

As DEL budgets are understood and controllable, 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 control for Executive Departments. In the event that no Executive is in place, then the Secretary of State for Northern Ireland may act to set the budget for the Northern Ireland departments.

DEL budgets are classified into resource and capital.

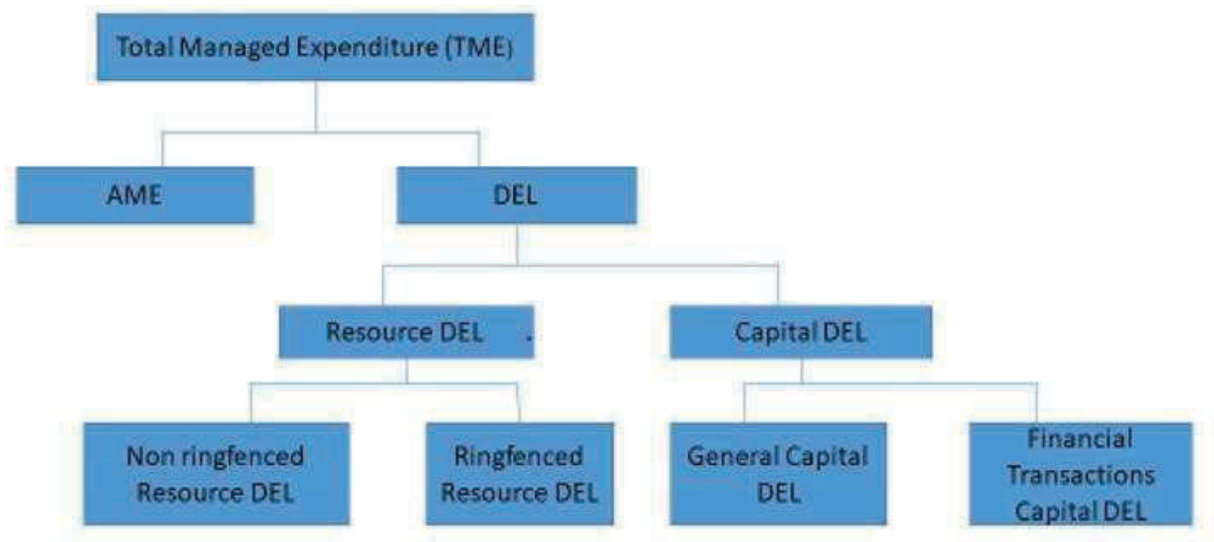
- Resource budgets are further split into non-ringfenced resource that pays for programme delivery and departmental running costs, and separately ringfenced resource that covers non-cash for depreciation and impairment of assets.
- Capital DEL is split into 'financial transactions' for loans given or shares purchased and 'general capital' for spending on all other assets or investments.

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

https://www.gov.uk/government/publications/consolidated-budgeting-guidance-2022-to-2023

Previously the information contained within budgetary controls did not read directly to financial information presented in Financial Statements due to a number of misalignments. The Executive's Review of Financial Processes (RoFP), which was implemented in 2022-23, has helped to address these differences and improve transparency. Further information on the Executive's Review of Financial Processes can be found on the Northern Ireland Assembly website.

Budget Structure



Budgetary Performance

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

	Final Plan 2022-23	Updated Provisional Outturn * 2022-23	Underspend / (Overspend)
	£'000	£'000	£'000
Resource DEL	7,544,246	7,517,208	27,038
including			
Non-ringfenced	7,342,703	7,319,933	22,770
Ringfenced D/I	201,543	197,275	4,268
Capital DEL	358,084	358,083	1
including			
General Capital	358,133	358,132	1
FTC	(49)	(49)	-
Total DEL	**7,902,330**	**7,875,291**	**27,039**
AME	459,404	64,228	395,176
including			
AME Resource	383,493	31,547	351,946
AME Ringfenced D/I	75,911	32,681	43,230
Total Managed Expenditure	**8,361,734**	**7,939,519**	**422,215**

* 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 £27m (0.36%). This reflects an underspend of £22.8m (0.31%) against the cash resource budget. This is mainly made up £2.4m underspend in Administration budget, £4m from ring-fenced budgets due to difficulties in recruiting and late receipt of funding and £3.9m of expected provisions utilisation that only partially materialised. The remaining amount is made up of a range of smaller underspends across a variety of programmes of work and the Arm's length bodies. The remainder of the total underspend is £4.3m of non-cash which is mainly due to the impact of the application of annual Land and Property Services (LPS) indices.

Capital DEL Budget underspend:

- In respect of capital the Department reported an overall underspend against final budget of £0.001m (0.0003%), this is mainly due to the reallocation of funds end year across several ALBs.

AME underspend:

- The total AME Resource Budget underspend is £395m. The key components of this underspend are as follows:

    - Significant contingency had been built into the budget to guard against a potential excess vote following the inclusion of movements in provisions and NIFRS and HSC Pension forecasts in the Departmental Estimates for the first time following the Review of Financial Processes. This underspend was therefore not unexpected.
    - In respect of AME Resource Depreciation and Impairment underspend, this resulted following this year's LPS indexation, buildings were increased in value by 8%, but properties which had been impaired as part of the 2019-20 valuation exercise, have now had some of the original impairment reversed.

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 2022-23 amounted to £358,133k, against a provisional expenditure of £358,132k. 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 risks; and
- Investment in Research and Development.

The following projects remain ongoing as at 31 March 2023:

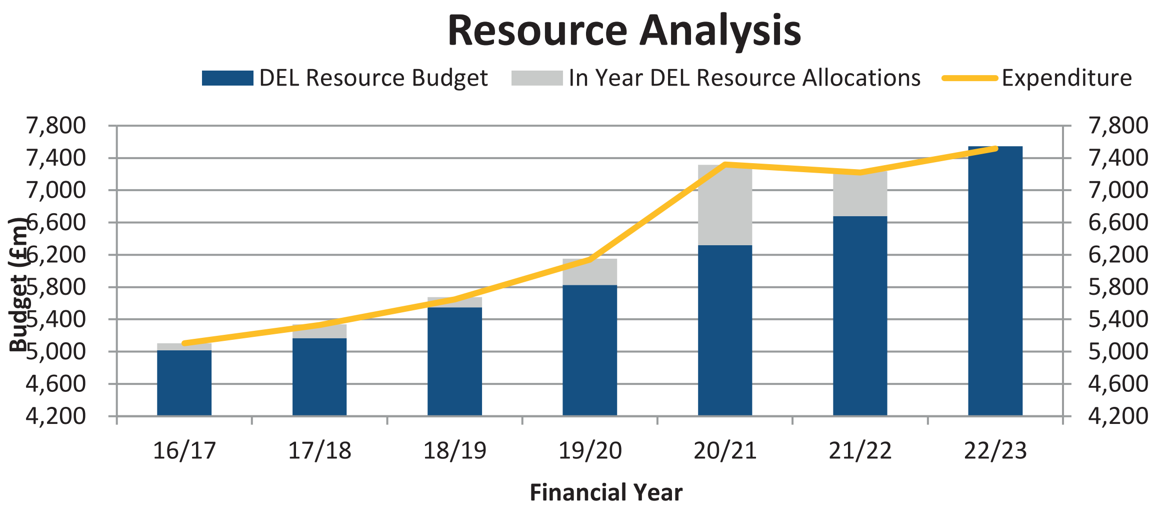
- Ulster Phase B – Laundry
- Royal Group of Hospital Energy Centre
- RVH Maternity New Build
- RVH Children's Hospital
- Glenmona Replacement Intensive Support and Separated Minors Unit
- RVH Radiopharmacy Unit
- New Mental Health Inpatient Unit at Antrim Area Hospital
- Additional bed capacity at Antrim Area Hospital
- Altnagelvin 5.1 – North Block Ward Accommodation/Treatment Wing
- Additional CT Scanner at Craigavon Area Hospital
- Lisnaskea Health and Care Centre
- Cityside Health and Care Centre
- Phase 2 NIFRS Learning and Development Centre
- Investment in electrical Infrastructure at Antrim, Craigavon, and Daisy Hill Hospitals.

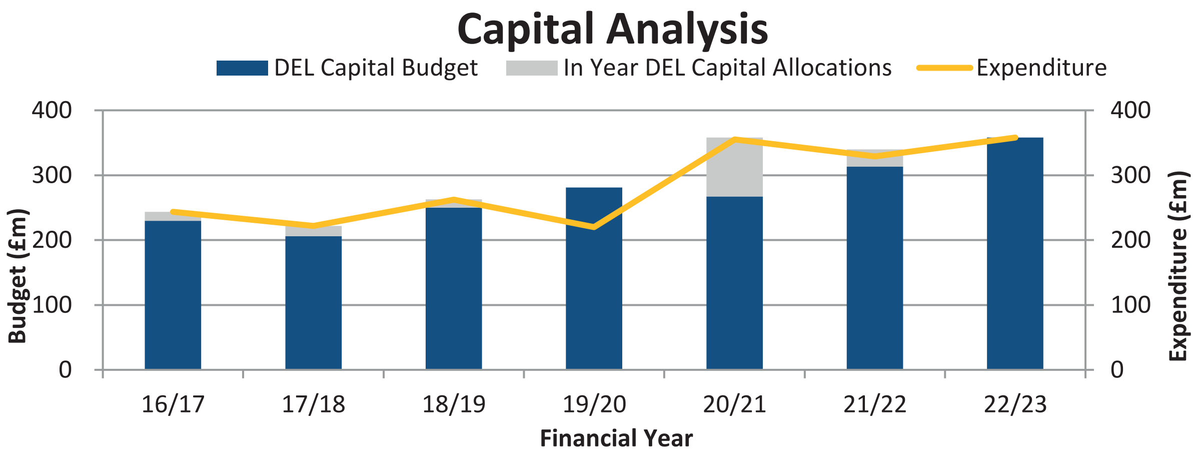
In addition, investment was provided for the following key areas:

- £6.5m in the Northern Ireland Fire and Rescue Service for fleet, equipment and estate;
- £5.7m in the Northern Ireland Ambulance Service for fleet, estate, equipment;
- £112m in information technology;
- £13.4m in research and development;
- £7.3m 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.

A reconciliation of the Department's resource expenditure between estimates, accounts and budgets is provided within the table bel**Long-term Expenditure Trend Analysis**





Whilst the Department's resource allocation has increased each year, these uplifts have not been sufficient to fund inflationary cost pressures, demand growth pressures from an increasing and ageing population and the cost pressures associated with new treatments and patient expectation. In real terms therefore, once also adjusted for the impact of additional Covid-19 costs and associated funding, the allocation has decreased.

Across the budget period 2016-17 to date, the Department has also received additional in year non-recurrent resource funding, both through monitoring round processes and specific packages such as Confidence and Supply and Covid-19 funding. However, 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.

A budget has been set out by the Secretary of State for 2023-24 which sees the Department receiving a similar level of funding compared to 2022-23. This has meant having to implement a significant level of savings in order to bridge the funding gap. Challenges in relation to pay inflation are yet to be addressed as our present analysis suggests that, to do so, would require decisions to cease critical services which are beyond the power of the Department to make.

Looking ahead we continue to need significant recurrent investment to enable us to start developing 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.

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 over 100 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.

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 has identified an initial legislative programme of work for Year 1, and 2 of the 2022-27 mandate. An overview is set out below.

Overview of Proposed Bills – Early Mandate 2022-27

Year	Title
2022-23 (Year One) –Introduce	Adult Protection Bill
2023-24 (Year Two) -Introduce	Public Health Bill
	Safe Staffing Bill
	Minimum Unit Price of Alcohol (Public Health Bill)
2023-24 (Year Two) – Development work	Duty of Candour Bill
	Independent Medical Bill
	Pharmacy Technicians Amendment to Pharmacy Order 1976

However, with no Minister and no functioning Executive since February 2022, the Department been unable to progress any Primary legislation. The Secretary of State, in accordance with s.3(4) of the Northern Ireland (Executive Formation etc) Act 2022 ("the Act"), published guidance ("the Guidance") about the exercise of departmental functions by senior officers of Northern Ireland departments during the absence of Ministers. Under the authority of the Act and in accordance with the guidance, the Department has, therefore, progressed a small amount of necessary sub-ordinate legislation over the last year.

The Department has made 19 Statutory Rules, 17 of these were subject to the Negative resolution procedure and, therefore, do not require prior Assembly approval before they can be made or come into operation, Two Statutory Rules were made subject to the Confirmatory resolution procedure before the Assembly which means that although made and operative both Rules will be subject to the affirmation of the Assembly upon its return.

Equality and Human Rights

The Department complies with equality and human rights obligations as set out in Section 75 of the Northern Ireland Act 1998 and the Human Rights Act 1998 and is committed to promoting equality of opportunity, regard to the desirability of promoting good relations and human rights.

The Department's Equality Scheme sets out how the Department proposes to fulfil the Section 75 statutory duties. Respect for human rights is central to the work of the Department and its ALBs and we comply with the statutory duty to respect, protect and fulfil people's human rights when developing and delivering government policy and services.

Environment and Sustainability

During 2022-23 the Department continued to demonstrate due regard to its statutory duty for Sustainable Development[1], both in the carrying out of its functions and in maintaining a policy environment that is working to transform the delivery of services, in line with the *'Health and Wellbeing 2026: Delivering Together'* strategy.

Sustainable practice includes:

- 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 Adaption Programme[2], to ensure the health service is resilient against identified risks of climate change, and in the development of cross-departmental actions to mitigate against the causes of climate change and adapt to its effects;

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[1] Northern Ireland (Miscellaneous Provisions) Act 2006, provision 25 Sustainable Development, (1) A public authority must, in exercising its functions, act in the way it considers best calculated to contribute to the achievement of sustainable development in Northern Ireland, except to the extent that it considers that any such action is not reasonably practicable in all the circumstances of the case. https://www.legislation.gov.uk/ukpga/2006/33/section/25

[2] The Climate Change Act (Northern Ireland) 2022 places duties on all departments to contribute to climate action plans and emission reduction targets. Climate Change Act (Northern Ireland) 2022 (legislation.gov.uk)

- The Department's continued engagement with DEARA to assist in meeting its duties under the Climate Change Act (NI) 2023. The Department submitted policies and proposals for the first NI Climate Action Plan (CAP), detailing actions that may be taken by the health sector to reduce carbon emissions and contribute to NI targets. The Department is represented on the Strategic Oversight Group for Green Growth and also on the Technical Advisory Group for the CAP;

- The Department's continued engagement with the Strategic Investment Board (SIB) to promote implementation of the energy management strategy for the public sector in Northern Ireland;

- The Department's promotion to its ALBs of the Invest to Save Scheme[4], run by SIB on behalf of the Department for the Economy, for energy reduction projects. The Department of Health's ALB's were granted approximately £10.4m funding during 2022-23 for a range of projects including LED replacement lighting, increased efficiency heating and cooling plant, building controls upgrades, renewable energy and battery storage schemes;

- Exploration of the due regard for sustainable development in the scrutiny and approval of business cases for capital expenditure;

- The Department's continued engagement with health sector colleagues across the UK on specific Net Zero Carbon guidance for the health estate and incorporation of net zero considerations in all new and updated guidance, such as for energy efficient building services and for the safe and sustainable management of healthcare waste;

- The Department's continued engagement with UK working groups to inform its position and knowledge for actions that may be taken across the health sector to improve sustainability and reduce carbon emissions.

In 2023-24, the Department will continue to carry out its functions while providing due regard to its statutory duty for Sustainable Development and continue with actions to mitigate, and adapt to, climate change

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[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). The Act requires that the Adaptation Programme is laid before the NI Assembly as soon as reasonably practicable after the laying before Parliament of the UKCCRA, and be reviewed every five years. https://www.daera-ni.gov.uk/articles/northern-ireland-climate-change-adaptation-programme

[4] Energy Strategy for Northern Ireland - Objective No. 9 - Deliver £10m of Invest to Save Projects to support the reduction of energy consumption and carbon footprint in central government. https://www.economy-ni.gov.uk/sites/default/files/publications/economy/energy-strategy-path-to-net-zero-action- plan.pdf

Rural Needs Act (NI) 2016

As required under section 3 of the Rural Needs Act (NI) 2016 the Rural Needs Annual Monitoring Report, included below, records the activities undertaken by the Department which are subject to section 1(1) of the Act. The Report details how the Department has had due regard to rural needs when developing, adopting, implementing or revising a policy, strategy or plan or when designing or delivering a public service. As required under the Act, this information will be submitted to DAERA for publication and laying before the Assembly.

Rural Needs Annual Monitoring Report 2022-23

Description of the activity undertaken by the public authority which is subject to section 1(1) of the Rural Needs Act (NI) 2016[1].	***The rural policy area(s) which the activity relates to[2].***	***Describe how the public authority has had due regard to rural needs when developing, adopting, implementing or revising the policy, strategy or plan or when designing or delivering the public service[3].***
HSC Pension Scheme – proposed amendments to scheme regulations.	Health and Social Care Staff pensions	The policy team concluded that the proposed amendments related to the HSC Pension Scheme would be applied across all of its members and consequently no rural impacts were identified.
Autism Strategy 2023 -2028	Health and Social Care provision for people with disabilities	The policy team concluded that the intention of the Autism Strategy was to impact positively on autistic people, those awaiting assessment, their families and carers across all geographical areas of Northern Ireland, regardless of whether they are located in a rural or urban area. Although the policy team did not directly take steps to identify the social and economic needs of people in rural areas, the questionnaire issued to consultees included 'access to services' and within the responses reference was made to consider more accessibility to social activity and opportunity, particularly in rural or suburban communities.

Description of the activity undertaken by the public authority which is subject to section 1(1) of the Rural Needs Act (NI) 2016[1].	***The rural policy area(s) which the activity relates to[2].***	***Describe how the public authority has had due regard to rural needs when developing, adopting, implementing or revising the policy, strategy or plan or when designing or delivering the public service[3].***
Draft Domestic & Sexual Abuse Strategy 2023 – 2030.	Programmes and services for HSC staff and service users to help address the issue of domestic and sexual abuse.	To inform the drafting of the strategy, the Departments held a ten week Call for Views exercise, from 10 Jan 2022. The Departments received 91 written responses and 661 surveys were also completed. Five online public events were held and 22 stakeholder engagement events, one of which focused on the needs of victims of domestic and sexual abuse living in rural areas (on 1 Mar 2022). This included representatives from: Rural Support Ulster Farmer's Union Northern Ireland Veterinary Association Vet Support Western Domestic and Sexual Violence Partnership Women's Institute The analysis of this engagement has influenced the content of the draft strategy, which includes a section about the needs of different groups of victims, including those living in rural areas. A key priority area of focus will also be to better understand the intersectional needs of individuals and to ensure victims get the responses and support they need. This applies to all victims regardless of whether they live in a rural or urban area.
Draft Foster Placement and Fostering Agencies Regulations (Northern Ireland)	Regulations in relation to Fostering Agencies and Foster Placements.	The policy team concluded that due regard had been paid to the Rural Needs Act (Northern Ireland) 2016, however it was not considered that the introduction of the legislative provision requiring registration and regulation of fostering agencies to approve foster parents or the updated requirements for approval of foster carers would have a material impact on the social and economic needs of people in rural areas.

Description of the activity undertaken by the public authority which is subject to section 1(1) of the Rural Needs Act (NI) 2016[1].	***The rural policy area(s) which the activity relates to[2].***	***Describe how the public authority has had due regard to rural needs when developing, adopting, implementing or revising the policy, strategy or plan or when designing or delivering the public service[3].***
Proposed Amendments to the Human Trafficking and Exploitation (Criminal Justice and Support for Victims) (Independent Guardian) Regulations (Northern Ireland) 2016	Amendments to legislation in relation to the Independent Guardian Service (IGS) for victims of Human Trafficking.	The policy team concluded that the proposed amendments to the 2016 Regulations were expected to have a neutral impact on rural areas as the overall objective of the IGS would not change and no issues on rural needs arose in the responses to the consultation.
The future of Muckamore Abbey Hospital as a regional specialist hospital facility for Learning Disability patients.	Health and Social Care Services for people with a Learning Disability	The policy team concluded that the closure of Muckamore Abbey Hospital would benefit the remaining patients by providing them with a better quality of life in the community and the closure would not disadvantage anyone, as the level of care would be provided to patients within their own Trust area. There would be no detrimental impact on anyone in a rural area.
Violence and Aggression in the Workplace HSC Framework	Protection of front-line Health and Social Care staff	The policy team concluded that the Violence and Aggression in the Workplace HSC Framework was a regional policy which would apply to and impact staff working within all HSC organisations, and it was not anticipated that it would have any direct or differential impact on or was related to social and economic needs of people in rural areas.
Raising a Concern in the Public Interest (Whistleblowing) Framework and Model Policy	Protocols around “whistleblowing” for HSC staff and service users.	The policy team concluded that the Raising a Concern in the Public Interest (Whistleblowing) Framework and Model Policy was a regional policy which would apply to and impact staff and service users within all HSC organisations and it was not anticipated that it would have any direct or differential impact on or would be related to social and economic needs of people in rural areas.

National Institute for Health and Care Excellence NICE guidance

The majority of National Institute for Health and care Excellence NICE guidance is of a technical nature and is not regarded as falling within the scope of the Rural Needs Act. However, the following NICE Guidance does fall within the scope of the Act and has been subject to assessment. RIAs were completed in each case, however, endorsement, implementation, monitoring and assurance of NICE Clinical Guidelines in Northern Ireland apply to all HSC organisations in both urban and rural areas. DoH considered the Department's role on each specific issue and confirmed that the social and economic needs of people in rural areas is the responsibility of HSC organisations, under the statutory duty of quality as specified in Article 34 of the HPSS (Quality, Improvement and Regulation) (NI) Order 2003, to put in place the necessary systems, which should include adequate and comprehensive dissemination, as part of their clinical and social care governance arrangements, for implementing NICE guidance.
NICE Clinical Guideline NG197 - Shared decision making (partially updates and replaces CG138).
NICE Public Health Guideline NG209 - Tobacco: preventing uptake, promoting quitting and treating dependence (updates and replaces NG92).
NICE Clinical Guideline NG211 - Rehabilitation after traumatic injury.
NICE Clinical Guideline NG215 - Medicines associated with dependence or withdrawal symptoms: safe prescribing and withdrawal management for adults.
NICE Clinical Guideline NG217 - Epilepsies in children, young people and adults (updates and replaces CG137).
NICE Clinical Guideline NG219 - Gout: diagnosis and management (updates and replaces TA164).
NICE Clinical Guideline NG220 - Multiple sclerosis in adults: management (updates and replaces CG186).
NICE Clinical Guideline NG222 - Depression in adults: treatment and management (updates and replaces CG90).
NICE Clinical Guideline NG224 - Urinary tract infection in under 16s: diagnosis and management (updates and replaces CG54).
NICE Clinical Guideline NG225 - Self-harm: assessment, management and preventing recurrence (updates and replaces CGs 16 & 133).
NICE Clinical Guideline NG226 - Osteoarthritis in over 16s: diagnosis and management (updates and replaces CG177).
NICE Clinical Guideline NG228 - Subarachnoid haemorrhage caused by a ruptured aneurysm: diagnosis and management.
NICE Clinical Guideline NG229 - Fetal monitoring in labour (partially replaces CG190).
NICE Clinical Guideline NG230 - Thyroid cancer: assessment and management.

Asset Management

The on-going strategic focus in 2022-23 was to effectively respond to the COVID-19 pandemic as well as continuing to implement the actions contained in the Executive approved Asset Management Strategy, aimed at improving asset management processes with the objectives of reducing the net cost of service delivery through the efficient use of public assets and promoting effective asset management processes that unlock value.

Property initiatives in this area included:

1. Application of DoH property policy and guidance, this year included encompassing the IFRS16 introduction;
2. Effective management of DoH owned property assets;
3. Delivering DoH annual disposal target;
4. Monitoring bench marked office occupation and reporting to DoF;
5. Development and population of the central Government Land and Property Register;
6. Collaborating with DoF and health ALBs on the Belfast Optimisation Project;
7. Identification and release of surplus health lands to be considered for public housing project;
8. Completion and publication of the annual State of the Estate Report providing information on the condition and performance of health property assets;
9. Review of ALB Property Asset Management Plans (PAMP) for inclusion in the DoH PAMP driving change improvement, optimising space utilisation, targeting estate risk and reducing costs; and
10. Completion of the Department's annual PAMP which covers a five year planning period and is both retrospective in relation to 2020-2021 and forward looking to 2025-26.
11. Targeting high risk backlog maintenance liability in the health estate with allocation of ring fenced capital funding to health Trusts & NIFRS, reporting on targeted expenditure at quarterly Strategic Investment Group meetings.

The following achievements were identified:

- 12 leases terminated saving approximately £204k per annum;
- Administrative space utilisation figures showing DoH average per Full Time Equivalent (FTE) is 9.25m^2 and average per workstation is 8.4852m^2 compared with the NICS wide average of 28.31m^2 and 19.08m^2 respectively;
- Minister's approval secured to dispose of 248 acres of surplus land at Gransha Hospital site (Gransha Disposal Project);
- Disposal of surplus lands at Knockbracken and Whiteabbey health sites progressed to the next stage in the disposal process.

The current level of funding available represents the greatest risk to the continued, effective management of the DoH estate. Spend on essential estate maintenance continues at absolute minimal levels resulting in an estimated £1,324m backlog maintenance £255m of which is considered high risk. DoH has secured an additional £23m of General Capital funding for 2023-24 to target estate risk and reduce the high risk backlog maintenance liability. Data to evidence outcomes of this targeted investment are not yet available.

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.

COVID-19 guidance and restrictions have now eased and up to date 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 warden identified. In addition, the annual NICS online Fire Awareness training was rolled out to all staff in August 2022.

During 2022-23 163 staff (including secondees) completed the Department's Health and Safety Induction Training for new entrants.

There were six accidents / near misses during 2022-23, which were not serious in nature and 49 specialist assessments were carried out, including: ergonomic assessments; environmental issues, new and expectant mother assessments.

Learning and Development

The Department supported a wide range of development opportunities for staff during 2022-23. Generic training was provided by the Centre for Applied Learning (CAL) and business specific training was provided by a range of external providers and healthcare specialists. Staff also had access to a range of leadership development opportunities. In addition, a range of e-learning training packages were available during 2022-23 and mandatory training was provided for staff in:

- Display Screen Equipment Awareness;
- Fire Safety Awareness;
- Health & Safety for All Staff;
- Health & Safety for Managers;
- Anti-fraud Awareness;
- Unconscious Bias; and
- Section 75 – a focus on screening.

Equal Opportunities/Disability

The Department of Health is represented on the following groups:

- Disability at Work Network
- Cross-Departmental Disability Strategy Group
- NICS Autism Working Group
- NICS Disability Working Group
- Cross-Department Disability Employment Strategy Group

Through this work the Department continues to promote disability work placements and support in employment, where appropriate, and to recommend and endorse actions and initiatives for the future. The Department, since 2021, have also had an Autism Forum comprised of people with lived experience of autism and the community and voluntary sector organisations who represent them. The Forum is Co-chaired by the Department and two Autistic Advocates. The purpose of the Forum is to inform NICS cross-departmental actions and strategy to ensure that the needs of autistic people are considered.

The Departmental e-publication “The Pulse” regularly features articles in support of physical, mental and emotional health and wellbeing. The support group for staff with caring responsibilities for a child with a disability met on two occasions within this reporting period. The department’s “Workplace Buddies” initiative continues to offer support to staff, as required.

The Department’s Regional Disabled People’s Health and Social Care Forum, which meets 3 times per year and brings together the views of service users, their carers, Disabled People’s User Led Organisations, the statutory sector (including a number of Departments), and the voluntary and community sectors closer to government. The Forum, through providing feedback at a strategic level to the Department of Health on current, new, and emerging policy initiatives, contributes to improving the experience and outcomes of people with a disability living in Northern Ireland. Its work continues and its 6th meeting will take place in April 2023.

NICSHR continues to offer a NICS Mediation Service. It is coordinated by staff in Employee Relations, with volunteer mediators drawn from all Departments, who have successfully completed a professional mediation qualification. There is a dedicated telephone helpline (028 9047 5768) and e-mail account daw.mediation@finance-ni.gov.uk for staff to discuss any concerns or obtain more information about mediation.

Harassment Contact Officers (HCOs)training which covers both the legislative provisions of equality legislation as well as practical skills to equip HCOs deal with Dignity At Work issues informally is available through the CAL “Links” desktop icon.

Employee Engagement

The DoH staff engagement programme '*Deliver Together*' aims to provide ongoing communication and engagement with all staff to ensure DoH is a great place to work, contribute to performance improvement and deliver improved outcomes.

Activities during 2022/23 included: the ongoing development of the Staff Engagement Forum; monthly meetings of the Senior Leadership Forum - a forum created and chaired by the Permanent Secretary aimed at all senior staff across the department where there is an opportunity for senior staff to hear strategic updates and discuss current challenges facing the department; the development of a Staff Hub on the departmental intranet; quarterly publications of the 'Pulse' magazine; and regular all staff webinars providing staff with an opportunity to hear first hand updates from members of TMG and to ask any questions they may have.

During 2022/23 a Pandemic Response Review and a Post-Covid Staff Wellbeing Review were completed. These reviews have helped to inform the development of the DoH People Strategy and Action Plan for 2023/24. The Staff Engagement Forum, which has representation from all directorates, is working with the Deliver Together Team to develop and the DoH People Strategy and Action Plan 2023-2024 and a Staff Engagement Plan.

All staff have access to the Welfare Support Service, the Inspire wellbeing service and NICS Well as well as to Trade Union membership. The Department uses the established Whitley process of staff consultation and meets regularly with Trade Unions on matters of interest.

Staff Engagement Scores

The Head of the NI Civil Service issued a message on 7 November 2022 indicating that the launch of the next People Survey would be postponed until Spring 2023 and so no survey was conducted in 2022. The results of the survey conducted in 2023 were not available in advance of finalising the Annual Report and Accounts. However, the full survey is expected to be made available in Summer 2023 at https://www.finance-ni.gov.uk/publications/nics-people-survey-results.

Staff

The Department employs around 594 civil servant staff (FTE). On 1 April 2022 responsibility for HSCB functions moved to the Department with the employment of the staff carrying out these functions transferring to the Business Services Organisation (BSO). There are currently around 467.7 staff (FTE) who now undertake the majority of the functions of the former HSCB within the Strategic Planning and Performance Group (SPPG) of the Department and 17 e-health staff of the former HSCB who are now 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 NICSHR 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 Departments ALBs, The Northern Ireland Fire and Rescue Service employs some 2,000 people and around 76,236 people (Whole Time Equivalent) work in the Health and Social Care sector in permanent or temporary posts.

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 30 April each year. Department of Finance have been unable to provide the Department with performance figures at 30 April 2023. Work is currently ongoing to rectify this.

The Senior Leadership across the Department continue to encourage line managers to ensure completion of End of Year Reviews. This requires commitment from all involved that timely completion of performance management processes becomes part of routine practice. 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.

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 12 formal complaints during 2022-23. Of these, 10 were Stage 1 Complaints; and 2 were Stage 2 complaints, where the complainant remained unhappy after the Stage 1 process had been exhausted. Of these two Stage 2 complaints, one had been progressed through Stage 1 at the end of 2021-22 and submitted a Stage 2 request early in 2022-23; while the other was processed at both Stage 1 and Stage 2 during 2022/23. 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 Director of Corporate Management 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 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. The Department accepted no complaints relating to Top Management in 2022-23.

PERFORMANCE REPORT

Peter May
Accounting Officer
6 July 2023

ACCOUNTABILITY REPORT

CORPORATE GOVERNANCE REPORT

DIRECTORS' REPORT

The Department of Health (DoH or the Department) presents its Annual Report and Accounts for the financial year ended 31 March 2023.

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

Robin Swann MLA served as Minister of Health for the majority of the 2022-23 financial year until the period of Caretaker Ministers ended on 28 October 2022.

Permanent Head of the Department

Peter May was Permanent Secretary of the Department for 2022-23 financial year. He is the most senior civil servant in the Department and the Departmental Accounting Officer.

Management Board

The membership of the Departmental Management Board during 2022-23 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 Northern Ireland Budget Act 2023 was passed by Parliament and received Royal Assent on 8 February 2023 which authorised the cash and use of resources for all departments and other bodies for the full 2022-23 year, and also included a Vote on Account for the early months of the 2023-24 financial year. This will be followed by a further Budget Bill which the Secretary of State will bring to Parliament in due course, following the 2023-24 Northern Ireland Budget which he set in his Written Ministerial Statement on 27 April 2023."

Additional detail on the planned use of resources in 2022-23 is set out in the Department's Estimate which is included in the Main 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 £7,517m (£7,224m in 2021-22) against Estimate cover of £7,544m (£7,107m in 2021-22). 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 2022-23 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 2022-23, on average 96.8% of invoices were paid on time.

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 2022-23, on average 79.9% invoices were paid within 10 days. 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 2023-24, the Department will strive to both maintain and build upon the performance achieved in 2022-23.

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/publications/dfp/NICS%20Prompt%20Payment%20Table%202020-2023.pdf .

SPPG prompt payment performance can be viewed on the HSC website at
https://hscbusiness.hscni.net/pdf/HSCNI%20Prompt%20Payment%20Table%202022-23.pdf

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-register-interests-0 . 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 2023 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 2023, which pertained solely to audit services, was £137k; 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, Peter May.

STATEMENT OF PRINCIPAL ACCOUNTING OFFICER'S RESPONSIBILITIES

Under the Government Resources and Accounts Act (NI) 2001, 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 during the year and the use of resources by the Department, Health and Social Care Board and the Public Health Agency during the year.

The Accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs at 31 March 2023 and the net resource outturn, the application of resources, changes in taxpayers' equity and cash flows for the financial year then ended.

In preparing the accounts, the Principal Accounting Officer 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;

- Make judgements and estimates on a reasonable basis, including those judgements involved in consolidating the accounting information provided by the Health and Social Care Board and Public Health Agency;

- Ensure that the Department has in place appropriate and reliable systems and procedures to carry out the consolidation process;

- 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 judgments required for determining that it is fair, balanced and understandable.

The Department of Finance has appointed the Permanent Head of the Department as the Principal Accounting Officer of the Department. The Principal Accounting Officer of the Department has appointed the Chief Executives 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 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 Department of Health's assets, are set out in the Accounting Officers' Memorandum issued by the Department of Finance and published in Managing Public Money Northern Ireland.

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 the Department of Health'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.

GOVERNANCE STATEMENT

Introduction

This statement is given in respect of the Departmental Resource Accounts for 2022-23. 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 have been updated to reflect Ministerial priorities and those developed by the NI Executive as part of the New Decade New Approach (NDNA) following the restoration of the NI Assembly in January 2020. However, the ongoing response to the COVID-19 pandemic meant the Department maintained its Business Continuity Plan and continued to operate under Emergency Planning structures during the 2022-23 financial year.

2022-23 has also seen the expansion of the Department's strategic role, following the closure of the Health and Social Care Board (HSCB) on 31 March 2022. From 1 April 2022, the Department took over the bulk of the functions of the former HSCB. A new Strategic Planning and Performance Group has been introduced into the existing structure of the Department, with responsibility for this area.

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 2013

The Department applies the principles of good practice outlined in the Code. As required, the Department maintains and publishes a Register of 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. 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, (Section 8 and Annexes 4) 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 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.

Summary information in respect of applications from Senior Civil Service Grade 5 and above, including equivalent grades, and Special Advisers can be found at
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			33
Number of BARs applications assessed by the Department over the year (by grade)	1	0	1
Number of BARs applications where conditions were set (by grade)	0	0	0
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.

On 23 March 2020, in response to the COVID-19 outbreak, the Department's Business Continuity Plan (BCP) was activated, pausing all normal governance and sponsorship business. This remained the position through-out the emergency response, with processes returning to normal on a staged basis during 2022-23 as we emerged from the pandemic.

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 terms of appointment of the existing NEDs expired on 30 September 2022 and two new NEDs were subsequently appointed from 1 October 2022.

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.

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

Executive Board Members (EBM) 2022-23		No. of Meetings Attended
P May	Permanent Secretary and Chair	6/6
M McBride	Chief Medical Officer	5/6
S Holland	Deputy Secretary, Social Services Group & Chief Social Work Officer *(to 30 September 2022)*	2/3
P Toogood	Deputy Secretary, Social Services Group *(from 1 October 2022)*	2/3
M McIlgorm	Chief Nursing Officer *(to 19 August 2022)*	3/3
Chris Matthews	Deputy Secretary, Resource and Corporate Management Group *(from 25 April 2022)*	3/5
J Wilkinson	Deputy Secretary, Healthcare Policy Group	5/6
S Gallagher	Deputy Secretary, Transformation Planning and Performance	4/6
B Worth	Director of Finance, Resource and Corporate Management Group	6/6
D West	Chief Digital Information Officer	4/6
Non-Executive Directors (NED) 2022-23		**No. of Meetings Attended**
M Little	Non-Executive Director *(to 30 September 2022)*	2/3
F Caddy	Non-Executive Director *(to 30 September 2022)*	3/3
J McCooe	Non-Executive Director *(from 1 October 2022)*	2/3
A Magowan	Non-Executive Director *(from 1 October 2022)*	3/3

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 usually 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 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 2022-23		No. of Meetings Attended
M Little	NED and Chair of DARAC *(to 30 September 2022)*	3/3
F Caddy	NED and DARAC Member *(to 30 September 2022)*	3/3
J McCooe	NED and Chair of DARAC *(from 1 October 2022)*	2/2
A Magowan	NED and DARAC Member *(from 1 October 2022)*	2/2
C Woods	Deputy Secretary, Department for Infrastructure – External Member	2/5
J Kerr	Deputy Secretary, Department for Communities – External Member – (*to 13 November 2022*)	2/3
L Williams	Deputy Secretary, Department for Communities – External Member – (*from 1 December 2022*)	1/2

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.

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 2022-23 and on the basis of the evidence presented, has recommended them to the Departmental Accounting Officer for approval.

Resourcing Sub Committee

The RSC is a Committee of the Board which was established in October 2022. The committee usually meets monthly, dependent on their work programme, with additional meetings held as necessary.

Membership comprises the Deputy Secretary for Resources and Corporate Management Group as Chair, with TMG members, a Non-Executive Director member of the DoH Departmental Board, the Director of Finance, the Director of Corporate Management and the NICSHR Strategic HR Business Partner.

The role of the DoH Resourcing Sub-Committee is to provide strategic oversight of DoH resources, in terms of people and financial planning, to ensure the Department has the right people within the anticipated timeframes (capacity) with the right skills at the required levels (capability), which are needed to deliver on the Departmental Business Plan.

Specifically the Sub-Committee:

- Provides assurance to the Departmental Board that the Department is operating at the optimum workforce size and mix and within affordable budget levels.
- Takes decisions on the management and allocation of Departmental staff resources, including the approval of additional vacancies and consideration of whether to fill via internal redeployment, taking account of the vacancy and surplus position, overall supply (via NICSHR) and demand position within the Department, and the management of long-term staff resourcing projections.
- Keeps under review the level of temporary staffing measures (i.e. agency workers, secondees, temporary promotions) within the Department.
- Considers potential approaches and solutions to address key business priorities when supply is limited and where there are competing demands for staff/resources across business areas and Groups. This may include the internal redeployment of staff to key priority areas, applying a corporate approach and optimising effective use of available resources across the organisation.

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

Resourcing Sub Committee		No. of Meetings Attended
C Matthews	Chair & Deputy Secretary, Resource and Corporate Management Group	5/6
M McBride	Chief Medical Officer	4/6
P Toogood	Deputy Secretary, Social Services Group	6/6
M McIlgorm	Chief Nursing Officer	5/6
J Wilkinson	Deputy Secretary, Healthcare Policy Group	5/6
S Gallagher	Deputy Secretary, Transformation Planning and Performance	5/6
B Worth	Director of Finance, Resource and Corporate Management Group	5/6
D West	Chief Digital Information Officer	4/6
A Morrison	Director Office of Social Services	3/6
D Gordon	Director of Communications	1/6
J Fullerton	Director of Corporate Management	6/6
B Beggs	NICSHR	6/6
Non-Executive Directors (NED) 2022-23		No. of Meetings Attended
A Magowan	Non-Executive Director	6/6

Top Management Group

As Accounting Officer, I am supported by my Top Management Group (TMG), 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.

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 for the 12-month period ending 31 March 2023 and I am content that effective arrangements and controls have been in place.

Business Planning

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 draft Programme for Government (PfG) and New Decade New Approach (NDNA). The Departmental Business 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. During this year the Department has continued to rely on its Building Better, Delivering Together Framework and its 17 actions as the business plan for 2022-23. This has allowed us to focus on key front line service provision as we emerged from the pandemic, while developing a fresh set of strategic objectives for 2023-24, which will reflect learning from the COVID-19 response.

EBMs 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. These principles and approaches have continued to be applied to the range of interim measures used in planning and managing the COVID-19 response and subsequent rebuilding.

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.

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.

Whilst normal reporting processes were interrupted during the COVID-19 response, the important principles and approach have continued to be applied. TMG and EBMs have taken the lead in ensuring appropriate oversight of risk management and review of any emerging risks. Emerging from the Pandemic and looking towards 2023-24, business and risk planning matrices have been substantially reviewed to take account of lessons learned from COVID-19 and other significant pressures facing the Department.

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 2023 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);

- An Information Asset Register solution was rolled out during 2019-20. However, a significant amount of organisational change occurred in the period 2021-22 and 2022-23 and an exercise to ensure the integrity of the IAR is due in 2023-24;

- Limited assurance from IAOs regarding the personal information assets they manage were sought in 2022-23 due the pressures on the Department in responding to the pandemic;

- Established IAOs are aware of their responsibilities to ensure information is securely stored, access- controlled and disposed of appropriately. Plans are in place to refresh IAO training across the Department in 2023-24; and

- Established data incident and breach management procedures and reporting are in place.

An Information Management Assurance Checklist (IMAC) process is in place to provide required HSC Information Governance (IG) Assurances. For the year 2022-23 a simplified process was deployed to reduce impact on HSC organisations.

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 guidance, central controls and a disposal schedule process all govern the retention and disposal of Departmental Records.

Staffing arrangements within the Department continued to be significantly disrupted due to re-organisation and redeployment in response to the COVID-19 pandemic. The regular mandatory awareness online training, ‘Responsible for Information’ continued to be available to Departmental staff. This training was superseded with updated mandatory online training for all NICS staff to complete in 2022. Information Management Branch continued to regularly remind staff and the TMG of the need to make arrangements to capture the Official Record and discharge legislative obligations.

The disruption caused by the pandemic also impacted on regular physical security checks (although remote monitoring of the correct use of the Electronic Document and Records Management system continued), and the update of the Information Asset Register/Information Asset Owners’ assurance returns. The retirement of the Assistant Departmental Security Officer and reassignment of duties also impacted on the undertaking of physical checks. However, this was mitigated by the move to the use of electronic versions of records and a significant decrease in the number of paper copies handled.

7 data mishandling events of which 5 were eventually deemed Data Breaches and investigated, occurred between April 22 to December 2022.

In each case appropriate mitigations were put in place. Three breaches were notified to the Information Commissioner's Office (ICO) between April 2022 and December 2022. Each occurrence was handled in accordance with the Department’s data breach management procedure. The DPO provided updates and final report on personal data breaches to the SIRO.

Cyber Security

IT Assist, within the DoF Enterprise Shared Services (ESS) Division, is responsible for the provision of IT services, including Cyber security environments, to all NICS Core Departments. To provide assurance to Departmental organisations using ESS, the services provided by IT Assist, and other ESS 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 initial elements of the HSC Cyber Security Programme have been deployed across the HSC. The Cyber Security Incident Plan has been deployed on a number of occasions in response to emerging threats. As a result of “lessons learnt” from such deployments, an HSC Cyber Security protocol has been implemented for those organisations and partners potentially compromised by a cyber-attack wishing to interact with the HSC.

Fraud

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 in conjunction with the Business Services Organisation (BSO) Counter Fraud Services (CFS) team and provides advice to personnel on fraud reporting arrangements. All staff 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.

Governance and Accountability within DoH ALBs

Governance and Accountability can be considered under the following headings:

- ALB Assurance and Accountability;
- Departmental Assurance; and
- 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 Sponsor Branch 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.

ALB governance statements and BSO Head of Internal Audit annual opinion on individual DoH ALBs have provided assurance during 2022-23.

Departmental Assurance on ALBs

The Department receives much of its assurance through an ongoing process of monitoring of each ALB's corporate governance, use of resources and the delivery and quality of 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 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 below delegated expenditure and post project evaluations annually, the results of which are reported to the DARAC, the Board 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.

Sources of Independent Assurance

The Department obtains independent assurance from the following sources:

- Departmental Internal Audit;
- 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 defined 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 provides an annual opinion on the overall adequacy and effectiveness of the Department's framework of governance, risk management and control. This incorporates the outcome of the SPPG internal audit programme which is delivered on a sub-contracting basis from 1 April 2022 to BSO Internal Audit on behalf of the Departmental Internal Audit.

The internal audit activity was paused during 2020/21 and 2021/22 due to the impact of the Covid-19 pandemic and 'no audit opinion' was provided during these periods. The internal audit activity recommenced during 2022/23.

The HIA has provided 'no opinion' for a further year on the Department's adequacy and effectiveness of the Department's framework of governance, risk management and control. This is due to insufficient audit coverage as the Covid-19 pandemic continued to impact the Department and the lack of ability to rely upon previous assurances. A 'limited in scope' audit plan was developed however this did not cover all key functions and governance processes. While some governance processes did recommence, others were not fully operational. An assurance gap was also highlighted in relation to DHCNI which became part of the Department in 2019. Internal Audit advised that if these issues are not addressed and fully operational for 2023/24, this will impact the audit opinion going forward.

Overall 'limited' audit opinions were provided within seven audit assignments. These are summarised below:

1. Cancer Charities Support Fund (the 'Fund'). There was insufficient assurance arrangements in place between the Department and the appointed Intermediary Funding Body to confirm that the Fund had been appropriately administered. There was a lack of monitoring of progress and specific targets had not been set for the delivery of the Fund.
2. Governance over the monitoring of the implementation of RQIA Review Recommendations. There was a lack of governance and monitoring over this area and a significant number of RQIA Review recommendations appeared to be outstanding.
3. StopCOVID-19 App Governance Arrangements. There was a lack of assurance mechanisms in place to confirm that functions which had been formally delegated by the Department to other bodies had been appropriately performed. The allocated and actual expenditure could also not be determined.
4. Management of Unallocated Balances. The review found that £41.5m of balances remained unallocated as at 8 February 2023, which had reduced to £32m by the end of February. Delays in the receipt of business cases and completion of the business case approval process are resulting in delays in allocations. Control over unallocated balances needs strengthened at Directorate level across SPPG. There is no formal or consistent system in place to capture, record and report key milestones/dates within the business case process and an escalation process of issues identified is also not in place.
5. Audit of Process around the Annual Roll Forward Decisions in respect of Commissioning. There was a lack of effective commissioning in place with the focus on the need to rebuild services following the significant impact of the Covid-19 pandemic. There was no considered, controlled process around commissioning roll forward that considers and adjusts commissioned activity levels in light of activity delivered in the previous year and the population needs.
6. Family Practitioner Services – General Medical Services (GMS) contract. The current contract which dates back to 2004 does not provide SPPG with the ability to effectively performance manage GP Practices in 2022, there is a lack of measurable indicators in place. BSO Probity visits to GP Practices had also not recommenced following being stood down during Covid-19.
7. Management of mental health beds for patients requiring in-patient treatment. Whilst the daily process for monitoring and managing available acute mental beds is operating effectively, strategic actions are required to address the underlying risks and service pressures in this area. A number of key work programmes also need to be progressed further.

The review of Clinical Excellence Awards (CEA) which previously received an overall 'limited' opinion was closed off by Internal Audit as superseded by a new Scheme which is planned. Internal Audit were unable to follow-up on previous audits which received overall 'limited' opinions - these included the reviews of Prison Healthcare; HSC and NIFRS Pension Schemes; and Families Matter Strategy.

Follow-up of reports with limited opinions will be considered by the Departmental Internal Audit within future Audit Plans depending upon progress against agreed timescales. BSO Internal Audit will perform mid-year and end-year follow-ups of recommendations.
The Head of Internal Audit for DoF provides an annual and mid-year inter-departmental report on all shared services provided by DoF to other Departments. The mid-year inter-departmental report was issued to the Accounting Officer on 17 January 2023. The end-year inter-departmental report was provided in June 2023.

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 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. 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 NIFRS and South Eastern HSC Trust received an overall 'limited' audit opinion for 2022-23 and will continue to monitor the steps being taken to address the areas of weakness identified.

Personal Protective Equipment (PPE)

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. Presently, significant levels of PPE stock are held within BSO's inventory balances as disclosed within Note 10 of the financial statements within these Annual Report and Accounts.

Following remodeling in 2021 and subsequent further revisions to procurement levels in June 2022 in line with CMO and CNO agreed national infection prevention and control measures, there are a small number of PPE items which continue to be held in large volumes within BSO warehouses and have created an overstocking position of PPE facemasks. Presently, the estimated value of such items that are at risk is in the region of £43m, although this is prior to application of a number of planned mitigations. As there has been a natural reduction in demand post-pandemic which may continue to fluctuate over time based on current and any future changes in PPE guidance, and the occurrence of future disease outbreaks or pandemics, BSO have implemented a number of reactive and preventative mitigations in order to reduce risk of compounding the overstock position. Amongst the measures are product re-lifing to extend shelf life, working with suppliers to slow production schedules, review and termination of contracts and continued supply to the independent sector.

BSO continue to operate close control over inventory and further action will be taken in the coming months and years in order to seek to avoid any unnecessary financial loss to the HSC and wider public sector. BSO will continue to work closely with the DoH and in line with up to date guidance on this matter including planning for and production of a strategic business case for disposal and prevention of obsolescence.

Issues significantly impacting on the Department

COVID-19 Pandemic

The World Health Organisation (WHO) declared the outbreak of Coronavirus disease (COVID-19) a pandemic on 11 March 2020, and Department's response to the pandemic has been ongoing since 2020 and has continued into 2022-23.

Protecting the population, particularly the most vulnerable, ensuring that health and social care services were not overwhelmed, saving lives through mitigating the impact of the pandemic and patient and staff safety has remained at the forefront throughout Health's emergency response. This has required a number of measures to urgently repurpose and temporarily reconfigure the provision of services, and to identify additional capacity including the need to ensure availability of appropriate Personal Protective Equipment (PPE). Financial measures were put in place by the NI Executive to tackle the response to COVID-19 and the Department obtained essential financial support from this package of measures to assist in the ongoing fight against COVID-19.

Given the wide ranging impact and the need to react immediately to changing healthcare needs, this had an effect on the ability to conduct routine Departmental business, with a need to curtail non- urgent policy development and healthcare activity in order to re-direct resources to deal with the pandemic. There have been substantial resourcing impacts across the Department and ALBs to scale up the response to ensure adequate staff resourcing to meet increasing demands, which included calling on volunteers, retired medical staff and medical students to rally together to strive to enable an optimum response to the pandemic.

During 2022/23 the COVID-19 vaccination programme continued to be implemented in line with advice from the Joint Committee on Vaccination and Immunisation (JCVI).

On 12 May 2021, the Prime Minister announced his intention to establish an independent UK-wide Public Inquiry into the handling and management of the COVID-19 pandemic under the 2005 Inquiries Act. On 15 December 2021, the Prime Minister appointed the Right Honourable Baroness Heather Hallett, DBE, as Chair of the Public Inquiry. The Inquiry formally launched on 21 July 2022 and is currently ongoing.

Transformation/Rebuilding

The approach for transforming health and social care over a period of 10 years *'Health and Wellbeing 2026: Delivering Together'* was published in October 2016. It remains the roadmap for health and social care transformation in Northern Ireland. COVID-19 has had a significant impact on health and social care services, and whilst the drive for long term and transformation of our Health Service remains a key priority for the Department, a key focus for this year has been on continuing to stabilise our services so that any transformative activity takes place in an environment which allows it to be sustainable in the long term.

Governance arrangements to provide strategic oversight for the management and implementation of the change agenda were revised during 22/23, resulting in the establishment of the Health and Social Care Performance and Transformation Executive Board (PTEB); and the Health and Social Care Improvement and Transformation Advisory Board (ITAB).

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. PTEB is chaired by the Department of Health's Permanent Secretary. 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. 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. As part of the new Governance Structures, the Previous Health Minister also agreed to the creation of an Expert / Clinician Panel to ensure both boards had access to expert clinical advice and input. This group is comprised on clinicians from a range of specialties and provide clinical input and guidance to PTEB and ITAB, as required to support decision making on the wider Transformation agenda.

UK Exit from the EU

In 2022-23 there were several announcements by the United Kingdom Government and the European Commission in the context of the implementation of the Northern Ireland Protocol.

The European Commission legislation (April 2022) addressed key issues raised by DoH to DHSC but there remained residual issues. The Medical Supplies Directorate continued to work with DHSC to achieve a long-term solution and key remaining issues associated with the supply of medicines were addressed in the Windsor Framework announced in February 2023. The Medical Supplies Directorate are liaising with DHSC to ascertain the detail underpinning the Framework and will subsequently work with DHSC for the development of the associated legislation and guidance. Medical devices were not specifically addressed in the Windsor Framework. Therefore, the Medical Supplies Directorate in conjunction with the DoH lead for medical devices safety will liaise with DHSC to ascertain what long-terms solutions within the remit of UK Government can be obtained.

Department of Health officials also attended the DHSC led Northern Ireland Programme Board to raise issues and to inform mitigations. DoH in conjunction with DHSC is involved in the management of medical supply shortages and discontinuations.

One mitigation currently in place is the Northern Ireland Medicines Healthcare products and Regulatory Agency Authorised Route (NIMAR) for the supply of non- prescription medicines to Northern Ireland if a supplier had formally notified to DHSC that they had discontinued a medicine.

Ongoing medicine supply chain surveillance occurs via the DHSC led Medicines Shortage Response Group (MSRG) supported locally by the Department of Health led Northern Ireland Medicines Shortage Advisory Group (NIMSAG). Throughout 2022-23 the Department engaged proactively with stakeholders from the pharmaceutical industry, supply chain, community pharmacy and the healthcare sector to support continuity of medical supplies.

Closure of the HSCB

Significant progress has been made in 2022/23 with regards to the transformation of the commissioning framework for Health and Social Care Services in Northern Ireland.
The HSCB was formally closed with effect from 31st March 2022 with the successful transfer of its responsibilities in the main to the Department and the transfer of its staff to BSO through a hosting arrangement whereby they work under the direction of the Department.

The implementation of the closure and the integration of its responsibilities within the Department has been a considerable achievement at a time of significant challenge. Importantly the embedding of the changes over the past year has enabled a more streamlined structure and facilitated much closer working relationships across health and social care.

This has provided a sound foundation upon which to build the new Commissioning Framework, ICS NI, which has seen considerable development and which, subject to legislative provision, is planned for introduction in April 2024.

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

Governance matters arising in prior years which have now been addressed and no longer represent reportable governance divergences for the Department as at 31 March 2023:

- **Western Trust Financial Support (legacy HSCB divergence)**

  Since 2018/19, the Western Health and Social Care Trust had experienced financial difficulties resulting in a significant deficit position being reported and a deficit control total being agreed each year until 2021/22.

  The previous recovery plan process concluded at 31 March 2022.

  Whilst the financial position remains challenging across all Trusts, the previous unique issue for the Western Trust is now considered closed and the financial position for DoH and the HSC noted separately.

- **HRPTS System Availability (legacy HSCB divergence)**

  The Business Services Organisation (BSO) has a contractual relationship with a supplier providing the managed service for the HR, Payroll, Travel and Subsistence System ((HRPTS) for Health and Social Care NI (HSCNI). A sub-contractor of this supplier provided a service incorporating services hosted at data centres owned by this sub-contractor.

The sub-contractor went into administration in late March 2022. BSO were advised of the position by the supplier in early April 2022 and were advised that the sub-contractor would continue to trade and operate their business as normal while their Administrators explored options for the company's future. BSO invoked its business and technical contingency plans and set up Bronze Command.

This matter has now been closed as the Administrators confirmed by letter on 7 July 2022 that, effective 7 July 2022, the sale of three data centres and all associated services delivered from these locations, completed successfully to a new sub-contractor. BSO Services were not impacted. The contractual terms between the supplier and their sub-contractor were re-negotiated. BSO will continue to maintain a functioning disaster recovery site for HRPTS within the HSC Data Centre.

Financial Performance 2022-23

The Department has continued to face unprecedented financial challenges during 2022-23. COVID- 19 pressures continued to be present, particularly in the first quarter and whilst some non-recurrent savings were delivered the need to rebuild services and the uncertainty around the budget position until November meant there has been little opportunity for the determined focus on efficiency savings that will be needed to put the budget on a sustainable footing. As a result, at the outset of 2022-23 all Trusts were projecting significant deficits due to a combination of cost pressures and unmet savings.

Throughout 2022-23 Trusts have worked closely with the Department as part of the regional financial planning process. Significant funding was secured in the Secretary of State's Budget in November to bridge the gap and much of this has been provided to Trusts in year to manage their deficit position and to enable a pay rise to be paid to staff in line with the position originally implemented in England. Once this additional funding is taken into account all Trusts, have individually secured financial breakeven.

Looking ahead to the 2023-24 financial year, the Department will continue to challenge the Trusts in relation to the robustness of their forecast in-year pressures and will continue to work with Trusts and DoF to ensure savings plans are delivered and additional resources are secured where possible. However, it is clear that unless significant additional funding is provided achieving break even will require a challenging savings programme to be delivered and some difficult choices around a pay settlement for staff.

RQIA Board resignations

In mid-June 2020, the acting Chair and eight members of RQIA's Board resigned with immediate effect. On 23 June 2020, the Minister announced an independent review to examine the circumstances of these resignations. This was conducted by David Nicholl, On Board Training and Consultancy Ltd.

The review report was published on 19 July 2021, with the Minister making a written statement to the Assembly on the same day, accepting all of the recommendations in the report. A Departmental action plan for the implementation of the report's recommendations was also published.

Competitions to fill the position of Chair of RQIA and six NEMs on a permanent basis has been completed and the roles have now been filled. The Department has kept the Commissioner of Public Appointments NI (CPANI) updated on all developments in relation to the RQIA Board.

The Department is satisfied that, following the new Board appointments and implementation of actions arising from the independent review, RQIA has clearly demonstrated that it has effective fit for purpose and robust governance and internal control measures in place.

A number of the governance matters arising in prior years are still considered to represent internal governance divergences for 2022-23. These include:

Prescribing Efficiency Targets (legacy HSCB divergence)

This Internal Control Divergence was reported in the Governance Statement within the 2021/22 Annual Report and Accounts of the Health and Social Care Board (HSCB).

Through successive years, significant attention has been paid to the costs of medicines supplied in primary care and resultant efficiencies have been released to the wider system through rational cost-effective and efficient prescribing.

Cash releasing efficiency targets have been set, being £12m per annum in recent financial years. It has become increasing challenging to meet these targets recurrently in recent years, due to challenges in identifying new efficiency opportunities to this level and also to the delivery of plans during the period of the pandemic response., meaning targets have been met through a mixture of recurrent and non-recurrent measures.

The legacy HSCB transferred to the Strategic Planning and Performance Group (SPPG), a group of the DoH, on 1 April 2022. SPPG continues to work closely with DoH colleagues, the HSC Trusts and other key stakeholders to make the most effective use of the available budget without impacting patient care. Progress on the delivery of savings targets are monitored via a regional medicines efficiency oversight board, led by the DoH Chief Pharmaceutical Officer.

- **Budget Position and Authority**

  The Northern Ireland Budget Act 2023 was passed by Parliament and received Royal Assent on 8 February 2023 which authorised the cash and use of resources for all departments and other bodies for the full 2022-23 year, and also included a Vote on Account for the early months of the 2023-24 financial year. This will be followed by a further Budget Bill which the Secretary of State will bring to Parliament in due course, following the 2023-24 Northern Ireland Budget which he set in his Written Ministerial Statement on 27 April 2023.

  The Written Ministerial Statement has enabled the Department to issue opening allocations for 2023/24 which will enable essential services to continue. However, despite plans to deliver significant efficiencies, the budget allocation provided has resulted in a significant funding gap. The Department and its Arm's Length Bodies are currently working on the development of further savings measures to bridge the gap. However, it is clear that, if the Department does not receive significant additional funding, achieving break even will require a challenging savings programme to be delivered and some difficult choices around a pay settlement for staff.

- **Neurology Services Belfast HSC Trust**

  The recall of patients of Dr Michael Watt (i.e. the Neurology Recall) was initiated in May 2018 and was delivered in three phases. The Written Assembly Statement dated 9 June 2022 announced the publication of the third and final cohort including the Cohort 3 Outcomes Report alongside a Neurology Recall Summary Report. Following the publication of the Neurology Recall Cohort 3 Activity and Outcomes Report, BHSCT identified a further 19 additional patients requiring a review appointment as part of the Cohort 3. On 7 September 2022 a Written Assembly Statement confirmed the BHSCT extension to the Neurology Recall Cohort 3.

  An Addendum to the "Neurology Recall: Cohort 3 Activity and Outcomes Report", and the "Neurology Recall Cohort 1, 2 and 3 Summary Report" was published on 27 April 2023. A copy of the Cohort 3 report can be found at
  https://www.health-ni.gov.uk/publications/neurology-recall-cohort-3-activity-and-outcomes-report
  and a copy of the Summary Report can be found at
  https://www.health-ni.gov.uk/publications/neurology-recall-cohort-1-2-and-3-summary-report.

In May 2018, the Department directed the RQIA to undertake three separate reviews. Two reviews have been completed and the third RQIA review - An expert review of the records of patients who died over the previous ten years and to include those who died before this if there was a concern – remains ongoing. Phase Two of the review pertains to the expert review of clinical records involving 44 deceased patient records. The Royal College of Physicians (RCP) final reports in respect of Phase Two were published by the RQIA in November 2022 and can be found at
https://www.rqia.org.uk/RQIA/files/2f/2f9d52d7-9ea5-43c4-9b25-9b1998f8ec09.pdf
The Department and the RQIA are giving careful consideration to the future of this work and the outcome of considerations and agreed next steps will be provided as soon as is practicable.

The Department initiated work in 2019 to consider the potential for a neurology redress scheme to address arising compensation issues. The Minister for Health announced the arrangements for neurology compensation in June 2022, which confirmed that that a neurology redress or early resolution scheme is not a suitable method to address neurology recall claims as it would not support a fair resolution and remedy for patients and families seeking compensation. All claims should be submitted under the standard arrangements for health service litigation claims, with a streamlined approach for eligible claims. Support materials and Frequently Asked Questions in relation to Neurology Compensation can be found at https://www.health-ni.gov.uk/articles/neurology-recall-compensation
The Neurology Compensation Project Board continues to meet on a six monthly basis to oversee this work.

The Permanent Secretary's Neurology Regional Assurance Group (PSNRAG), established in May 2018, continues to provide oversight on all neurology recall related work streams.

- **Independent Neurology Inquiry**

The Department established the Independent Neurology Inquiry (INI) in May 2018, which had a focus on governance; it was not assessing the competence of Dr Michael Watt or the treatment of patients.

The Chair of the Independent Neurology Inquiry (INI), Mr Brett Lockhart KC, published his report on 21 June 2022. The report includes a total of 76 recommendations for the Department of Health, Healthcare Organisations, the General Medical Council and the Independent Sector, in which patient safety is the paramount. A copy of the report can be found at https://www.neurologyinquiry.org.uk/.

The Department has established a Programme Board to oversee the implementation of the INI recommendations.

Work has been undertaken, supported by the appointment of an independent expert through the HSC Leadership Centre, to engage with stakeholders and support the development of an INI Programme Implementation Plan, which is expected to be published in due course.

The Programme Board will work within the remit of its Terms of Reference and will ensure the appropriate scrutiny and oversight of the implementation of the INI Report recommendations.

- **Inquiry into Hyponatraemia-Related Deaths**

  The public Inquiry into Hyponatraemia-related Deaths (IHRD) was established in November 2004. It was set up against the background of concern and publicity about the treatment in local hospitals of three children who had died in circumstances where Hyponatraemia had caused or was a major factor in their deaths. The published its report in January 2018. The report included 96 recommendations, which comprise 120 actions - the vast majority of which fall to the Department and HSC Bodies.

  The recommendations are designed to both strengthen patient safety and to improve public confidence in health and social care services.

  In March 2020, all IHRD programme meetings were suspended due to the COVID-19 pandemic.

  The Department's response to this report was undoubtedly and regrettably hampered by the COVID-19 pandemic. However, much work was able to continue.

  In October 2022, the Department published an update regarding implementation of the recommendations in the report. The update substantively deals with the closure of Phase One of the Programme and a move to Phase Two. In summary, as of 31 March 2023, of the 120 actions in the IHRD report, 66 have been actioned and there has been strong progress across the remaining 54 actions. A Programme Management Structure, with the Department's Permanent Secretary as the Senior Responsible Owner, is now taking forward the work needed to complete implementation of all the recommendations.

  Further information can be found here: IHRD - Latest Updates | Department of Health (health-ni.gov.uk)

- **Dunmurry Manor Care Home**

  All reports for the Follow up Review into Care at Dunmurry Manor Care Home have been completed and published. The Review (undertaken by CPEA Ltd) was commissioned to provide the DoH and the wider HSC system with an independent analysis and insight into how the whole system responded to the issues at Dunmurry Manor Care Home.

Following publication of Paper 1 and Paper 2 during 2021/22, the Department published the remaining four papers from CPEA in October 2022. These reports cover the areas of Regulation and Inspection (Paper 3), Assessment and Care Management (Paper 4), Care Home Providers (Paper 5) and The Care Home Market (Paper 6). The publication of these four reports brings the work of the independent review to a conclusion.

A Care Homes Working Group has been established by the Department and part of its remit will be to monitor and report on the progress of each of the proposals set out in the reports published by the Independent Review Team.

Officials from the Chief Medical Officer Group (CMOG) are currently managing and monitoring the implementation of the actions recommended in Paper 3. As that work progresses, oversight will be co-ordinated by the Care Homes Working Group. In relation to Paper 4, with the exception of one proposal (Proposal 3) all are under consideration as part of the Reform of Adult Social Care. As that work progresses, oversight will be co-ordinated by the Care Homes Working Group.

The Department's Care Homes Unit, through the Care Homes Working Group, will be producing a workplan to take forward all proposals within Papers 5 and 6.

- **Children's Cases: Unallocated Cases**

The Department continues to receive monthly information in relation to unallocated children's cases (waiting lists of cases requiring assignment to a social worker). Growing demand for children's social care services, coupled with significant workforce pressures across all Health and Social Care Trusts, are continuing to impact on the ability of Trusts to fulfil their statutory duties to children and young people. At the end of February 2023, 1,552 children were waiting more than 20 days to be allocated a social worker, more than 16% more than in the same period last year. In addition, at January 2023, there were 58 cases for which a fostering or adoption assessment was outstanding. A reform programme is being established to develop a strategic response to the issue of waiting lists in children's social care and other known service pressures, including placement pressures. A Strategic Reform Board has been established and met for the first time in April 2023. In addition, the ongoing Children's Services Review is considering current pressures and examining the reasons why those pressures exist to potentially identify solutions to address the pressures in the short and longer term.

Family & Children's Policy: Separated and Unaccompanied Asylum Seeking Children (S/UASC)

During 2022-23, high numbers of separated and unaccompanied asylum seeking children (S/UASC) continued to arrive in Northern Ireland (NI) with 92 new S/UASC referred to children's social care services between 1 April 2022 and 31 March 2023. This is the highest number on record and equated to a 39% increase on the previous reporting year. In addition to spontaneous arrivals of S/UASC, NI also accepted its first transfers under the UK Government's mandated National Transfer Scheme. At the end of March 2023, there were a total of 214 cases relating to S/UASC open to HSC Trusts, involving 100 children under the age of 18, and 114 young people over the age of 18 who are known to social services.

All 5 HSC Trusts have continued to highlight critical pressures in relation to the sufficiency of placements, accommodation and staffing capacity to meet the needs of these children and young people. Work has been progressed to develop a regional approach to service provision. A dispersal rota is now in operation and Trust social workers and other practitioners continue to develop the knowledge and skills required to work effectively with S/UASC. Across all five HSC Trusts, a Needs Analysis exercise has also commenced to identify future placement and accommodation requirements.

Elective Care

During 2022-23, as in recent years, each of the three Ministerial elective care standards, namely, that 50% of patients should wait no longer than nine weeks for an outpatient appointment and no one more than 52 weeks; that 75% of patients should wait no longer than nine weeks for a diagnostic test and no one more than 26 weeks; and that 55% of patients should wait no longer than 13 weeks for admission for treatment and no one more than 52 weeks, have not been achieved.

Pre COVID-19 there was already a significant shortfall in the capacity of the Health and Social Care Service (HSC) in Northern Ireland to meet the demand for elective care services and this was reflected in the unacceptably long waiting times. During 2022-23, Trusts continued to struggle to maintain elective surgery due to the ongoing pressures associated with the residual effects of the pandemic combined with increased unscheduled care pressures.

The Elective Care Framework published on 15 June 2021 set out a five-year plan with firm, time bound proposals for how we will systematically tackle the backlog of patients waiting longer than Ministerial standards, and how we will invest in and transform services to allow us to meet the population's demands in future. However, the performance gains described in the Elective Care Framework will only be achieved with significant sustained investment both recurrent to close the capacity gap and non-recurrent to address the backlog.

The Elective Care Framework has seen the creation of Elective Care centres which are designed to provide a dedicated resource for less complex planned surgery/procedures and are a means to increase productivity, efficiency and reliability across the health and social care system. Such centres can reduce waiting times for elective care and provide a better experience for both patients and staff.

The Day Procedure Centre (DPC) at Lagan Valley Hospital (LVH) has been operational since Autumn 2020 and is working well, supporting a range of specialties from across the region. Approximately 10,557 patients have been treated at the Regional Day Procedure Centre at LVH since inception and approximately 9,672 patients have received endoscopy and Cysto/TP biopsy procedures at the centre at weekends. This is additional regional capacity to help reduce long waits.

In 22/23, activity has been ramped up. Lagan Valley Hospital DPC will aim to deliver over 900 theatre lists per year with over 5,000 patients treated across ENT, urology, general surgery, and gynaecology, alongside 20 regional endoscopy lists which will see an extra 6,000 patients per year.

A second day procedure centre has been announced in Omagh Hospital and will become operational on a phased basis throughout 2023.

The refurbished **Duke of Connaught Orthopaedic Day Procedure Unit** at Musgrave Park Hospital has been fully operational since April 2022. Since September 2022 a programme has been underway to exhaust the list of patients waiting for carpal tunnel procedures. The development of the Orthopaedic Theatre Nurse Specialist (OTNS) pathway has seen a reduction in waiting times for carpal tunnel procedures from approximately three years to three months.

Elective Orthopaedic activity is now at pre-pandemic levels in BHSCT with the Elective Orthopaedic Recovery Board meeting every 4 weeks to monitor progress with weekly situation reports in place to ensure rebuild trajectories continue upwards. This alongside use of Main Theatres has assisted in returning activity to its pre-Covid levels. Duke of Connaught Unit will also be used for the roll out of soft tissue hot knee lists and other day case hand surgeries.

In line with the strategic direction articulated in the Framework, Elective Overnight Stay Centres have been announced at the Mater, Daisy Hill, and SWAH. The centres will target the waiting lists for patients needing intermediate complexity surgery requiring an overnight stay in hospital.

The immediate focus of the HSC will be on rebuilding elective services differently, taking the learning from the innovation and creativity which has been evident throughout the pandemic. It is paramount that the HSC continues to develop opportunities to consolidate and transform services, alongside drives on productivity and efficiencies, to help reduce waiting times and improve patient outcomes. In the context of these challenges, a key priority will continue to be maximising all elective capacity to ensure that as many patients as possible are seen and treated.

Unscheduled Care

Urgent and emergency care services in NI remained under significant pressure in 2022-23. With the need for reform long recognised, the Department ran a public consultation on the outcomes from the Review of Urgent and Emergency Care (which had been paused during the response to the COVID-19 pandemic). The Department published its response to the consultation in October 2022, outlining broad support for the recommendations in the review, which proposed action on three strategic priorities:

- Priority one – No More Silos - covering the delivery and regional standardisation of Urgent Care Centres, rapid access pathways and HSC 111/Phone First;
- Priority two – Capacity and Performance - covering the development of key performance indicators for regional unscheduled care standards, including delayed discharge, to inform service development in acute and community services; and
- Priority three – Intermediate Care - the delivery of a rationalised intermediate care programme.

An Urgent & Emergency Care Implementation Board has been established in the Department to guide and oversee work on the execution of the Review's recommendations, with three Projects sitting under the Programme structure - one Project for each of the three strategic priorities as outlined above.

To respond to pressures within unscheduled care, a dedicated Unscheduled Care Management Unit (UCMU) has been established to monitor activity, identify and share best practice, support change and improve flow. The initial focus of the work has been to gain an understanding of Trust processes and structures for site co-ordination and to improve regional co-ordination at operational and strategic levels.

A review of ambulatory pathways and services in our hospitals will identify what works well or needs reformed or decommissioned. The ultimate aim is to have more consistent services which are open to primary care and NIAS direct admission thereby avoiding EDs. This review will include current NIAS access to services in the community which help avoid hospital attendances. A subsequent clinical audit of patients in our EDs, carried out by hospital doctors, GPs and NIAS clinicians, will focus on how patients could have been managed more appropriately in primary care, secondary care or community care. This will help inform decisions about how best to deploy existing and new resources.

Engagement with the services of Getting it Right First Time (GIRFT) provides analysis and benchmarking of our urgent and emergency services with other parts of the UK. The work of GIRFT provides a focus on why our services are working the way they do and helps identify where improvements can be made. A key focus of urgent and emergency care is flow through the hospital. The UCMU has worked to better understand the reasons for delayed discharges in our hospitals and puts measures in place to remove these blocks so that hospital flow can be optimised.

Healthy Child, Healthy Future Programme

Ensuring every child has the best start in life is one of the key priorities of "**Health and Wellbeing 2026: Delivering Together**". A major contribution to achieving these ambitions is the modernisation of the Healthy Child Healthy Future (HCHF) Programme and full delivery of the HCHF programme to all children within NI.

HCHF is a public health programme offering every family with children a programme of screening, immunisations, developmental reviews and information and guidance to support parenting and healthy choices so that children and families achieve their optimum health and wellbeing. The current version of the HCHF policy document was published in 2010, based on "Health for All Children (HFAC) 4th Edition".

While the impact of the pandemic delayed activity, a review of the policy is currently under way following the publication of a revised 5th Edition of HFAC in 2019. A Programme Board has been established, drawn from a range of stakeholders, and with the recent appointment of a Nursing Officer for Public Health, the review is now progressing toward completion of its final stages, namely assessment & thematic analysis of responses and formation of recommendations. The aim is to see the project completing and the updated policy document launched during the 2023-24 year.

North/South Bodies – safefood (Food Safety Promotion Board)

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.

It has not been possible to secure NSMC approval of the 2022 Business Plan: whilst arrangements have been made with DoF to ensure legality of payments in 2022, in the absence of NSMC approved business plans, expenditure will be irregular until the NSMC approves these plans. NSMC irregular expenditure in 2022 was £2,324k.

The 2023 plan cannot be approved until there is a meeting of NSMC. As in previous years arrangements have been made with DoF to ensure legality of payments in 2023 but in the absence of NSMC approved business plans, expenditure will be irregular until the NSMC approves each of these plans.

Learning Disability – Muckamore Abbey Hospital

The Muckamore Departmental Assurance Group continued its oversight role through the year and met on five occasions. The reporting arrangements to the Group were reviewed during the year as part of work to develop a new strategic governance structure which will oversee the implementation and delivery of a range of plans and actions in relation to learning disability services more widely.

The police investigation into the allegations of abuse by staff at Muckamore Abbey Hospital was ongoing through 2022/23, with a preliminary hearing of the cases against eight individuals being held at Crown Court in June 2022. The Belfast Trust continues to cooperate with the police investigation as well as progressing its own disciplinary and adult safeguarding investigations in relation to the allegations.

The Department has continued to engage with the Belfast Trust on the implementation of the action plan which was developed in response to the Departmentally commissioned independent audit of Adult Safeguarding at Muckamore Abbey Hospital, with work now well advanced. It is expected that this action plan will be completed early in the forthcoming financial year.

The work of the Regional Workforce Review across Adult Learning Disability (LD) Services has progressed during the year, with an on-line survey of service providers carried out to inform the baseline position for the current workforce across LD services. The findings from this survey have been used to produce a series of reports which cover the in-patient and community services workforce, and also the independent sector provider workforce.

In September 2022, the then Minister publicly endorsed the final report and accepted the recommendations from the Independent Review of the Learning Disability Resettlement Programme, and the report was published on the Department's website. As a first step to implementing the recommendations of the Review, the Department established a Regional Resettlement Oversight Board in October 2022, chaired by Dr Patricia Donnelly, to oversee an expedited and managed process for the resettlement of the remaining delayed discharge in-patient population. Seven individuals have been resettled from the hospital since the Board began its work. A further 17 patients are due to be resettled by September 2023 and resettlement plans continue to be progressed for the remaining patients.

As part of his public endorsement of the Independent Review of Resettlement, the then Minister also announced that he was considering the future role of Muckamore Abbey Hospital. The Department subsequently launched a public consultation on 24 October 2022 in relation to the Minister's proposal to close the hospital. The consultation ran until 24 January 2023, and a consultation outcomes analysis report is currently being finalised to inform a final decision on the future of the hospital.

The Muckamore Abbey Hospital Public Inquiry conducted oral hearings between June and December 2022. Early 2023 was used to prepare for a further six modules of evidence hearings, which recommenced in March 2023. The Chair provides regular updates on progress on the Inquiry's website which can be accessed via the following link: Muckamore Abbey Hospital Inquiry (mahinquiry.org.uk).

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 2022-23 financial year. This opinion follows a ‘Limited’ audit opinion for the 2021-22 year.

The ‘Limited’ internal audit opinion was on the basis of the number and repeat nature of limited assurance audit assignment opinions provided during 2022-23, in particular in relation to Fleet & Equipment; Recruitment & Staffing Stability; Discipline, Grievance & Raising Concerns; and Performance Management.

NIFRS had 6 limited assurance and 3 satisfactory assurance internal audit opinions across a total of 9 audits conducted in the 2022-23 year.

In her Annual 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 2022-23 NIFRS made progress on addressing control issues raised in previous years. At year end, 180 (72%) of 252 recommendations examined were fully implemented, 71 (28%) were partially implemented and 1 (less than 1%) was not yet implemented.

An independent financial control review of NIFRS was conducted during March/April 2021. The report was shared with the NIFRS Board and Department in May 2021. NIFRS continue to progress report recommendations.

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.

In June 2022 the Department commissioned an Independent Inspection of NIFRS. The review will provide an independent examination into challenges facing NIFRS, including staffing, resourcing, governance arrangements, organisational culture, staff development, wellbeing, diversity and leadership. The report is due to be available early in the 2023/24 financial year and will form the basis of an action plan to be progressed by NIFRS with oversight from the Department.

Infected Blood Inquiry

Chaired by Sir Brian Langstaff KC, the UK-wide Infected Blood Inquiry[5] (IBI) is examining the circumstances in which people treated by the NHS in the UK were given contaminated blood or blood products. The Department declined to respond to invitations for written submissions on the basis that it was inappropriate in the absence of a functioning NI Executive to discuss matters which are significant, controversial or cross cutting. The Inquiry concluded oral evidence hearings in February and the Department, through its recognised legal representative, provided closing remarks apologising to those affected.

The IBI's terms of reference include adequacy of financial support across the UK. Having been commissioned by the Cabinet Office to carry out a study on a 'Framework for Compensation', Sir Robert Francis KC published a report[6] in June 2022 which subsequently formed the basis of recommendations by Sir Brian Langstaff in interim reports published in July 2022[7] and April 2023[8].

In addition to further interim payments, the second report recommended that a Compensation Scheme be set up this year and work is ongoing to develop options for Ministers. If the recommendations are accepted, this has the potential to place significant pressure on both the Department and the Regional Business Services Organisation (RBSO), which administers the NI Infected Blood Payment Scheme (it is managed solely by one Band 7 whose workload has increased exponentially since the Scheme was set up in 2017). The report recommends that the current support schemes should continue to operate alongside, or be merged with, a new central compensation scheme. The impacts of this could be significant for the RBSO.

Hepatitis C stage 1 (enhanced) support became available on the NI Scheme in August 2022, further enhancing the commitment to UK financial parity[9].

The Inquiry is expected to deliver its final report in Autumn 2023.

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[5] www.infectedbloodinquiry.org.uk

[6] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1081007/Compensation_and_Redress_for_the_Victims_of_Infected_Blood_-_Recommendations_for_a_Framework_-_Sir_Robert_Francis__Final_.pdf

[7] www.infectedbloodinquiry.org.uk/sites/default/files/2022-07/Infected%20Blood%20Inquiry%20Interim%20Report.pdf

[8] www.infectedbloodinquiry.org.uk/sites/default/files/2023-04/Infected%20Blood%20Inquiry%20Second%20Interim%20Report.pdf

[9] www.niassembly.gov.uk/globalassets/documents/official-reports/written-ministerial-statements/2020-2021/bv137_wms_dh_250321_2.pdf

New Decade New Approach Commitment – the Executive will provide 3 funded cycles of IVF treatment

The Executive's New Decade New Approach agreement committed to the provision of up to three publicly-funded cycles of IVF; an increase from the current provision of one publicly-funded cycle in NI for those experiencing fertility problems. There is considerable interest in the progress of this commitment both from politicians and the public and there is full cross-party support for its implementation, however, additional recurrent funding to increase capacity within the regional fertility service has not been allocated to the Department by the Executive at this stage and remains subject to the overall budget position.

A Department-led project board has been established to oversee options appraisal and planning, with an initial focus on stabilising and improving waiting times for those awaiting a first cycle of IVF treatment which were exacerbated by the impact of COVID-19. A waiting list initiative funded through non-recurrent revenue in 2021/22 and 2022/23 has enabled most waiting times to return to and be maintained at pre-pandemic levels or better.

It is likely that increasing provision to second and third cycles of IVF treatment in line with NDNA will require a phased approach as well as utilising available capacity within the independent sector initially, subject to available funding. The Project Board is currently modelling various implementation scenarios to determine potential demand, capacity requirements, delivery options and costs in order to submit bid for appropriate funding.

In the absence of additional funding, consideration is now being given to whether any increase in provision can be delivered from within existing resources.

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.

The Urology Services Inquiry conducted hearings with patients and families, in private, in June and September 2022. Public hearings commenced in November 2022 with evidence continuing to be heard until the end of June 2023. Further evidence will be heard from 12 September 2023, with hearings due to run throughout the year.

The USI Chair provides regular updates on progress on the Inquiry's website which can be accessed at www.urologyservicesinquiry.org.uk

Radiology Lookback Review

In April 2021 the Northern HSC Trust (NHSCT) alerted the Department that the General Medical Council (GMC) had contacted the Medical Director of the Northern Trust seeking information about the quality of clinical work of a locum consultant radiologist engaged by the Trust between July 2019 and February 2020. The Trust requested a senior review of a sample of CT reports generated by the locum consultant.

The Trust carried out a review of 30 randomly selected reports. The outcome of the review equated to approximately a 10% “serious error” rate. Following this finding the Trust made the decision to commence a wider review of all reports generated by the locum radiologist during their time at the Trust.

The investigation yielded a total of 13,030 examinations, involving a total 9,091 patients. All images were reviewed and the Trust has been able to assure 96% of patients that there have been no issues with the reporting of their images. 17 patients have been identified as being part of a Serious Adverse Incident (SAI) process and this review was completed in December 2022. The SAI Panel met with patients/families, as a group, in early January 2023 to provide an overview of the report and an opportunity for families to meet individually with the panel. The Department is seeking assurance that the outcomes, of the look back review and the SAI process, have been fed into the region-wide learning process.

A Radiology Lookback Review Report has been produced. This report makes 11 recommendations for actions to be taken by the Northern Trust, the Department and other stakeholders. An update on the progress of these recommendations will be presented to the next meeting of the Radiology Lookback Review Group, which is being planned for May 2023.

CT Angiogram Lookback Review

In May 2021 the Western Health and Social Care Trust (WHSCT) alerted the Department a need to review CT Coronary Angiograms, carried out by a locum cardiologist after discrepancies in diagnosis had been highlighted by the Cardiology Lead.

The investigation yielded a total of 112 images involving 99 patients and an SAI was reported in June 2021. The Lookback Review has now completed and the SAI report is expected to be completed in May 2022. The Trust also identified a need to review the scanner which is being taken forward within the Terms of Reference of the SAI.

New Issues for 2022-23

Workforce challenges across HSC continue to impact both on rebuild activities and create service vulnerabilities, causing an over reliance on Agency and Locum staff. The Department is working closely with HSC colleagues to implement the workforce strategy to address these challenges.

Ministerial Directions

There have been 2 Ministerial Directions issued in 2022-23. These are detailed in the table below. Neither Direction received DoF approval. However, as additional funding was received by the Department to enable spending to be contained within budget they do not constitute irregular expenditure.

Date	Subject
14 July 2022	**2022-23 expenditure**
23 Sept 2022	**2022-23 expenditure (Q3)**

Irregular Payments

In addition to the issue of funding of the Department's North/South Body as highlighted above, the following instances of irregular expenditure occurred during the year:

- **Band 8 overtime**

  Staff employed under Agenda for Change at Bands 8a and above are not contractually entitled to receive overtime. In January this year, some HSC employers reported difficulty in rostering senior staff at Band 8 for shifts, placing a risk to the delivery of service and in providing sufficient input of managerial and senior clinical input, and sought permission for them to be paid overtime.

  In order to facilitate additional working hours for these staff the Permanent Secretary approved a lifting of the restriction on overtime payments for the period 4 January 2023 to 31 March 2023. This approval was given to HSC Chief Executives before full receipt of approval from DoF. Band 8 overtime paid during this period was in the region of £200k.

  MPMNI sets out the conditions under which DoF may be prepared to grant retrospective approval; namely that, DoF "may be prepared to give retrospective approval if it is satisfied that: a) it would have granted approval had it been approached properly in the first place; and b) the department is taking steps to ensure that there is no recurrence."

  In this instance, DoF set out that it was not clear that a proportionate business case was completed in advance of the Department's decision to approve the reintroduction of the temporary amendment to AfC terms and conditions and retrospective approval for this measure was not provided.

  In the Department's response to DoF, the Permanent Secretary clarified that the basis of his decision to approve the temporary amendment of the Terms and Conditions ahead of DoF approval, with the expectation that the Department would obtain retrospective approval, was based on three elements:

The Department views this proposal as low risk in terms of repercussion. This is due to the clearly defined time restrictions related to the proposal, which meant payments could only be made during the period 4th January 2023 to 31st March 2023, and the requirements placed on Trusts to fully justify the necessity of the overtime and ensure appropriate managerial oversight before authorising its use.

Further, unlike previous instances, the Permanent Secretary has specifically instructed Trusts that overtime may only, at this stage, be offered to those in Bands 8a and 8b. These restrictions would ensure appropriate use of overtime only in order to relieve areas of service delivery under extreme pressure and ensure delivery would not be affected due to lack of available management. Any approach to DoF with a business case beforehand would have involved these factors as justification for approval of the amendment.

The request for this overtime was received from Trust Chief Executives on Tuesday 3rd January and involved an extremely tight deadline which required authorisation to facilitate the use of overtime the following weekend. This meant a decision was required with very little time to fully complete the approval process with DoF. While the Permanent Secretary fully acknowledges the importance of obtaining DoF approvals before implementing such a decision, his view is that it was reasonable to balance the time taken for this against the immediate needs of Trusts. In addition to the pressures currently faced during the Winter period, ongoing staff absences and Industrial Action were also a determining factor in Permanent Secretary's decision to proceed ahead of full approvals from DoF.

- **Dunmurry Manor Care Home**

CPEA were originally appointed to undertake a 'Rapid Safeguarding Review' of the Dunmurry Manor (DMCH) through a DAC process which had been approved by the Permanent Secretary on 13th April 2018. On 11 July 2018 it was agreed that the follow up Independent Review would be delivered by amendment to the existing business case which originally covered the Rapid Safeguarding Review only.

There were a number of meetings between CPEA and Senior Management throughout the Review which indicated the scope, work and timescale involved were considerably underestimated. Consequently, there were a number of additional submissions for funding made to the Permanent Secretary to allow for completion of the Review. In addition to the increase in costs the timescale for completion of the Review was also extended on a number of occasions. The total financial commitment for both Reviews to their conclusion is £606,865.

The Department initially submitted a request to DoF for retrospective approval on 10 March 2020. At this time, we advised DoF that we were seeking retrospective approval for total external consultancy expenditure of £474,500. We further advised DoF in July 2020 that an additional £75k had been incurred, and that we were therefore seeking retrospective approval for external consultancy expenditure of £549,500.

In September 2020, we submitted a business case to DoF seeking approval for additional consultancy expenditure on this assignment of £70k. We confirmed with DoF that some of this expenditure may have been incurred and was therefore irregular. We have now confirmed with DoF that the final total external consultancy expenditure is £606,865.

Having considered our submissions and additional information provided by the department, DoF Supply is **not** satisfied that condition (b) has been met in this instance and has therefore notified the Northern Ireland Audit Office of this Irregular Expenditure by the Department of Health relating to Dunmurry Manor Care Home External Consultancy. Given the multiple increases in external consultancy spend and the associated revisions to our retrospective approval requests as additional expenditure had already been incurred, DoF does not believe that the Department has demonstrated that appropriate steps were taken in a timely manner to meet the second condition under MPMNI that *"the department is taking steps to ensure that there is no recurrence."* DoF acknowledges however, the Department did commission Internal Audit to undertake a review into the appointment and governance of external consultants in the case and a summary of the lessons learned has been shared with staff across the department.

- **SBNI Uplift**

The SBNI is a partnership body tasked with co-ordinating safeguarding and promoting children's welfare on a regional basis. As well as the main Board, which encompasses member agencies from across the statutory and voluntary/community sectors, the SBNI hosts a variety of committees/panels to help it discharge its functions. Three such panels are statutory; two Safeguarding Panels and one Case Management Review (CMR) Panel. Both have critical roles in assisting the SBNI in achieving its objectives.

Daily rates of remuneration for the Chairs of the Safeguarding Panels were, in 2011, set in line with Category E of the then-Department of Finance and Personnel's (now DoF) *Dear Establishment Officer* letters (now *Dear Finance Director*/FD Letters). The CMR Panel Chair is remunerated at the same rate. Despite the fact that the rates were originally set by the DEO/FD Letter, any amendments to the rates are required to have DoF approval (through DoH) under Section 7(6) of the Safeguarding Board Act (Northern Ireland) 2011. In 2018, DoH received legal advice that it was under no obligation to uplift the rates, and this was accordingly communicated to the SBNI.

In summer 2022, BSO advised the SBNI that the three Chairs' rates had not been uplifted in line with FD Letters, and it was (mistakenly) believed that this was in error. Due to a reported failure of corporate memory, the current staff of the SBNI were not aware of the 2018 communication from DoH and the rate uplifts were authorised. No prior approval was sought from either DoF or DoH. As a result, the Chairs received a lump sum in back payment, and were also placed on a daily rate in line with Category E of the most recent FD Letter. This spending came to DoH's attention in late 2022 and DoF were advised accordingly. On 1 March 2023 they confirmed that the expenditure would be unlawful and that retrospective approval could not be granted. DoF did, however, authorise the uplift to the most recent Category E rates, with effect from 21 March 2023.

The unlawful expenditure is reported at £33.5k (£28.0k in lump sums paid in summer 2022, and a further £5.5k reflecting the rate increases up to February 2023). Payments were met from within the SBNI's existing 2022/23 budget. DoF are reporting the matter to the NIAO.

A number of measures have been put in place to prevent similar recurrence. Most notable is that it has been agreed by all that the Panel Chairs' rates will (assuming Ministerial or Permanent Secretary approval) rise in line with automatically rise in line with FD Letters in future, by way of inclusion on the HSC Members Determination list.

- **Vaccine Management System**

  The Department was notified in March 2022 that Department of Finance Supply Division had declined retrospective approval for expenditure incurred by the Department of Health on the Vaccine Management System (VMS) and around the handling of the ongoing contract for the NI Electronic Care Record (NIECR).

  DoF Supply notified NI Audit Office on 22 March 2022. The Comptroller and Auditor General commented on the issues in his 2021-22 report - Report by the Comptroller and Auditor General to the Northern Ireland Assembly Department of Health 2021-22. NIAO noted the irregular expenditure and they advised that the amounts are not material and consequently no formal action was planned and this did not lead to formal qualification of the DoH, HSCB or BSO accounts in 2021-22. Details of the issues were set out in the previous Departmental Governance Statement 2021-22

  The VMS system has continued to be used and extended to include the annual flu and shingles vaccinations, during the reporting period. Ownership, continued development, and funding of the system formally transferred to the Public Health Agency in April 2023. The PHA are preparing a suitable business case for its continued use.

  Over the financial year 2022-23 the continued funding of the VMS system, required to support various clinical systems should be classed as irregular expenditure. A total of £2,013,949 Revenue and £1,655,748 Capital was spent during the reporting period. This covered increased coverage of vaccination types and improved user interfaces.

- **NIECR**

  A new Business Case, addressing the concerns raised and to cover future expenditure, was prepared for the NIECR system and approved on 11 May 2022. The expenditure of £191,762 (Revenue), from 1 April 2022 until 10 May, should be classified as irregular expenditure.

  Mitigations

  The Departmental Audit and Risk Committee (DARAC) were first informed in June 2022 and have an ongoing interest in the matter. Assurances from the relevant officers have been provided to Head of Finance SPPG (who inherited the matter on formal closure of the Health & Social Care Board):

  - Confirmation of expenditure incurred on VMS in 2022-23;
  - Confirmation of expenditure incurred on the NIECR in 2022/23, in advance of a new business case and the system being replaced by an Electronic Patient Record (EPR); and
  - Assurances that all business cases are now prepared and appropriately approved in advance of spend.

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 2023 and I am content that effective arrangements and controls have been in place.

Whilst the Head of Internal Audit has provided 'no opinion' for a further year on the Department's adequacy and effectiveness of the Department's framework of governance, risk management and control, ALB governance statements and BSO Head of Internal Audit annual opinion on individual DoH ALBs have provided assurance during 2022-23. BSO internal audit performed a full audit programme on SPPG and ground clearing, and accountability meetings resumed for the 2022-23 financial year.

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

Peter May
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 the Secretary of State for Northern Ireland's 24th November 2022 Written Ministerial Statement (WMS) on the Budget and the NI (Executive Formation) Act receiving Royal Assent on the 6th December 2022, the NI public sector pay policy guidance was published on 8th December 2022.

Annual NICS pay awards are made in the context of the wider public sector pay policy. The pay award for NICS non-industrial staff, including SCS, for 2022/23 has been finalised and is due to be paid in June 2023. The pay award for NICS industrial staff has not been agreed yet and negotiations continue with unions.

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.

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 otherwise.

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 Scheme

Further information about the work of the Civil Service Commissioners for Northern Ireland can be found at www.nicscommissioners.org.

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.

Remuneration and pension entitlements – Ministers (Audited)

Single total figure of remuneration

Ministers	Salary (£)		Benefits in kind (to nearest £100)		Pension Benefits* (to nearest £1000)		Total (to nearest £1000)	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
R Swann	22,000	38,000	-	-	9,000	15,000	31,000	53,000

**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)

Single total figure of remuneration Executive Members

Officials	Salary (£'000)		Benefits in kind (to nearest £100)		Pension Benefits* (to nearest £1000)		Total (£'000)	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
P May (Note 3) *(from 1 April 2022)*	135-140				-53		80-85	
R Pengelly (Note 3) *(until 31 March 2022)*		140-145		-		79		215-220
S Holland (Note 4) *(until 30 September 2022)*	50-55 (FYE 105-110)	105-110		-	17	49	70-75 (FYE 125-130)	155-160
Dr M McBride (Note 1)	235-240	225-230	-	-	47	33	280-285	260-265
M McIlgorm (Note 2) *(from 14 March 2022 to 19 August 2022)*	45-50 (FYE 125-130)	0-5 (FYE 90-95)			8 (FYE 20)	1 (FYE 19)	55-60 (FYE 145-150)	5-10 (FYE 105-110)
J Wilkinson *(from 12 May 2021)*	95-100	80-85 (FYE 95-100)	-	-	-23	132	70-75	210-215 (FYE 230-235)
B Worth *(from 13 July 2020)*	80-85	80-85	-	-	-2	32	80-85	115-120
S Gallagher	95-100	105-110	-	-	4	18	100-105	120-125
C Matthews *(from 25 April 2022)*	85-90 (FYE - 95-100)				62		150-155 (FYE 155-160)	
P Toogood (Note 4) *(from 1 October 2022)*	45-50 (FYE 95-100)				28		75-80 (FYE 120-125)	
D West	105-110	115-120	-	-	42	36	145-150	150-155
C McArdle *(until 31 October 2021)*	-	55-60 (FYE 100-105)	-	-	-	12	-	70-75 (FYE 110-115)
L Kelly *(from 1 November 2021 until 13 March 2022)*	-	30-35 (FYE 75-80)	-	-	-	55	-	85-90 (FYE 130-135)
D McNeilly *(to 7 February 2022)*	-	80-85 (FYE 100-105)	-	-	-	42	-	120-125 (FYE 140-145)
J Johnston *(until 11 May 2021)*	-	5-10 (FYE 50-55)	-	-	-	-1,245	-	-1,250 – -1,245 (FYE - 1,205- -1,200)
A Dawson *PHA* (Started 1 July 2021)	115-120	80-85 (FYE 110-115)	-	-	44	131	160-165	215-200

Single total figure of remuneration Executive Members (continued)

Officials	Salary (£'000)		Benefits in kind (to nearest £100)		Pension Benefits* (to nearest £1000)		Total (£'000)	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Dr A Keaney *PHA*	95-100	95-100	-	-	45	42	140-145	135-140
S Wilson *PHA*	80-85	80-85	900	600	22	33	100-105	110-115
Dr J McClean *(Started 1 September 2022) PHA*	75-80 (FYE 130-135)	-	600	-	70	-	145-150	-
Dr S Bergin *(From 30 November 2020 to 31 August 2022) PHA*	65-70 (FYE 155-160)	190-195	-	800	38	58	100-105	250-255
Dr B Farrell *(From 1 July to 30 September 2021 and 8 to 31 March 2022) PHA*	-	50-55 (FYE 160-165)	-	-	-	-	-	50-55
Mr R Morton *(Left 30 September 2022) PHA*	50-55 (FYE 85-90)	85-90	900	6,600	-	21	50-55	110-115

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) Dr McBride returned from Belfast HSC Trust on 8 February 2017 to resume full time secondment in Department of Health.

2) M McIlgorm was seconded from NHS Lothian as Chief Nursing Officer with effect from 14 March 2022. Whilst remaining in the position of Chief Nursing Officer, was no longer a Board member from 19 August 22.

3) P May replaced R Pengelly as Permanent Secretary with effect from 1 April 2022.

4) P Toogood replaced S Holland with effect from 1 October 2022.

Single total figure of remuneration Non-Executive Members

Officials	**Salary (£'000)**		**Benefits in kind (to nearest £100)**		**Pension Benefits* (to nearest £1000)**		**Total (£'000)**	
	2022-23	**2021-22**	**2022-23**	**2021-22**	**2022-23**	**2021-22**	**2022-23**	**2021-22**
M Little (Note 5) *(until 30 September 2022)*	0-5	0-5	-	-	-	-	0-5	0-5
F Caddy (Note 6) *(until 30 September 2022)*	0-5	0-5	-	-	-	-	0-5	0-5
A Magowan (Note 7) *(from 1 October 2022)*	0-5	-	800	-	-	-	5-10	-
J McCooe (Note 8) *(from 1 October 2022)*	0-5	-	300	-	-	-	0-5	-
A Dougal (*Chair*) *PHA*	35-40	35-40	-	-	-	-	35-40	35-40
D Mann-Kler *PHA*	10-15	10-15	-	-	-	-	10-15	10-15
Professor N Rooney *PHA*	10-15	10-15	-	-	-	-	10-15	10-15
J P Clayton *PHA*	10-15	10-15	-	-	-	-	10-15	10-15
J Stewart *PHA*	10-15	10-15	-	-	-	-	10-15	10-15
Councillor R Irvine *PHA*	5-10	0-5	-	-	-	-	5-10	0-5
A Henderson *PHA*	5-10	0-5	-	-	-	-	5-10	0-5
C Blaney *PHA* *(Started 1st August 2022)*	5-10	-	-	-	-	-	5-10	-
Alderman P Brett *PHA* *(Left 6th April 2022)*	0-5	0-5	-	-	-	-	0-5	0-5
Alderman P Porter *PHA* *(Left 31st July 2021)*	0-5	0-5	-	-	-	-	0-5	0-5
Alderman W Ashe *PHA* *(Left 31 July 2021)*	0-5	0-5	-	-	-	-	0-5	0-5

**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:

5) M Little was appointed as an Independent Non-Executive Director on 1 October 2017 for a three year period. Further to an extension, his appointment ceased 30 September 2022.

6) F Caddy was appointed as an Independent Non-Executive Director on 1 October 2017 for a three year period. Further to an extension, his appointment ceased 30 September 2022.

7) A Magowan was appointed as an Independent Non-Executive Director on 1 October 2022 for a three year period.

8) J McCooe was appointed as an Independent Non-Executive Director on 1 October 2022 for a three year period.

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) 14-2021, with the most recent payments made being effective from 1/8/19. DoH Circulars relating to payments from 2020, 2021 and 2022 had not been received by 31 March 2023 and any related payments thereon have not been made to Non-Executive Members.

Payments made to Non-Executive Members who have left are relating to pay award arrears in respect of the above circular.

Past Executive Members (Audited)

There were payments to three past directors in relation to pay award arrears for the financial year 2018-19 and financial year 2019-20 Senior Executive pay award during the current financial year. This is summarised in the following table.

Officials	Salary (£'000)		Benefits in kind (to nearest £100)		Pension Benefits* (to nearest £1000)		Total (£'000)	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
O MacLeod *(Retired 17 September 2021) PHA*	0-5	50-55 (115-120 FYE)	-	-	-	23	0-5	75-80
E McClean *(Retired 30 September 2020) PHA*	10-15	-	-	-	-	-	10-15	-
M Hinds *(Retired 27September 2019) PHa*	5-10	-	-	-	-	-	5-10	-

**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.*

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 the Department of Health and thus recorded in these accounts.

The Northern Ireland Assembly was dissolved from 3 February 2022 with an election taking place on 5 May 2022, on which date Ministers ceased to hold office. An Executive was not formed following the 5 May 2022 election. Consequently, the former Ministers retained their roles in a caretaker capacity until 28 October 2022. As such, the Department of Health was under the direction and control of Mr Robin Swann during the financial year. His salary 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 2022-23 was £235,000 - £240,000 (2021-22, £225,000 - £230,000). The relationship between the mid-point of this band and the remuneration of the organisation's workforce is disclosed below.

2022-23	**25th percentile**	**Median**	**75th percentile**
Total remuneration (£)	32,328	40,711	53,245
Pay ratio	7.35:1	5.83:1	4.46:1

2021-22	**25th percentile**	**Median**	**75th percentile**
Total remuneration (£)	32,328	39,748	53,245
Pay ratio	7.0:1	5.7:1	4.3:1

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 2022-23, the 25th percentile, median and 75th percentile remuneration values consisted solely of salary payments.

In 2022-23, nil (2021-22, nil) employees received remuneration in excess of the highest-paid director.

Remuneration ranged from £7k to £238k (2021-22, £12k to £228k).

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 DoH 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:	2022-23 v 2021-22	2021-22 v 2020-21
Average employee salary and allowances	2.94%	6.52%
Highest paid director's salary and allowances	4.4%	0%

Pension Benefits – Ministers (Audited)

	Accrued pension at pension age as at 31/3/23	Real increase in pension at pension age	CETV at 31/3/23	CETV at 31/3/22	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
R Swann	0-5	0-2.5	51	41	4

Ministerial pensions

Pension benefits for Ministers are provided by the Assembly Members' Pension Scheme (Northern Ireland) 2016 (AMPS). In 2011, the Assembly passed the Assembly Members (Independent Financial Review and Standards) Act (Northern Ireland) 2011 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 the Panel, although started, was not completed before the dissolution of the Assembly on 28 March 2022, therefore, the legislation and appointment of the Panel will be taken forward during the next mandate.

In April 2016 the Independent Financial Review Panel (IFRP) issued The Assembly Members (Pensions) Determination (Northern Ireland) 2016 which introduced a Career Average Revalued Earnings scheme for new and existing members. The scheme is named Assembly Members' Pension Scheme (Northern Ireland) 2016.

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. The McCloud judgement found that the transitional protection offered to members of the Judiciary and Firefighters Schemes when their schemes were reformed was discriminatory on grounds of age. In light of this decision, the government has 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. However, the applicability of, and approach to, the McCloud judgement in relation to this scheme is not a matter for the Assembly Commission, instead it is a matter for IFRP. Therefore, this matter will be given further consideration once a new panel is appointed.

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 are provided on a "contribution factor" basis, taking account of service as a Minister. The contribution factor is the relationship between salary as a Minister and salary as an MLA for each year of service as a Minister. Pension benefits as a Minister 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. Pension benefits for all other Ministers are provided on a career average (CARE) basis.

Benefits for Ministers are payable at the same time as MLA's benefits become payable under the AMPS. Pensions are increased annually in line with changes in the Consumer Prices Index. Up to the 6 May 2021 those Ministers under the transitional protection arrangements paid contributions of either 9% or 12.5% of their Ministerial salary, depending on the accrual rate. The contribution paid by Ministers 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 triennial valuation of the AMPS by the Government Actuary's Department, this was increased from 14.4% to 17.1% of Ministerial salary, effective from 1 April 2021. The accrued pension quoted is the pension the Minister is entitled to receive when they reach normal pension age for their section of the Scheme. Ministers under transitional protection arrangements may retire at age 65. Ministers in the CARE scheme have a pension age aligned to the State Pension Age.

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) and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

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 31/3/23 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/3/23	CETV at 31/3/22	Real increase in CETV	Employer contribution to partnership pension/ Scottish Public Pensions Agency account
	£'000	£'000	£'000	£'000	£'000	Nearest £100
P May Permanent Secretary	70-75 plus a lump sum of 75-80	0 plus a lump sum of 0	1,416	1,323	-70	
S Holland	30-35	0-2.5	651	626	11	
M McIlgorm (until 19 August 2022)*				-		8
Dr M McBride *Chief Medical Officer*	95-100 plus lump sum 275-280	2.5-5	2,386	2,285	29	
J Wilkinson *Deputy Secretary, Health Care Policy Group*	45 - 50 plus a lump sum of 100-105	0 plus a lump sum of 0	969	895	-36	
B Worth *Director of Finance, Resources and Performance Management Group*	30-35	0-2.5	484	424	-7	
S Gallagher *Deputy Secretary, Transformation Planning and Performance Group*	50-55 plus a lump sum of 100-105	0-2.5 plus a lump sum of 0	925	835	-10	
C Matthews *Deputy Secretary, Resource and Corporate Management Group (from 25 April 2022)*	30-35 plus a lump sum of 40-45	2.5-5 plus a lump sum of 2.5-5	419	348	34	
P Toogood *Deputy Secretary Social Services Policy Group*	30-35	0-2.5	450	404	18	
D West *Chief Digital Information Officer*	0-5	0-2.5	48	20	19	
A Dawson *Chief Executive PHA*	45-50 plus a lump sum of 95-100	2.5-5 plus a lump sum of 0-2.5	939	848	17	
Dr A Keaney *Director of HSCQI PHA*	55-50 plus a lump sum of 100-105	2.5-5 plus a lump sum of 0-2.5	1,017	923	17	

Pension Benefits – Officials (continued)

	Accrued pension at pension age as at 31/3/23 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/3/23	CETV at 31/3/22	Real increase in CETV	Employer contribution to partnership pension/ Scottish Public Pensions Agency account
	£'000	£'000	£'000	£'000	£'000	Nearest £100
S Wilson *Interim Director of Operations PHA*	30-35 plus a lump sum of 65-70	0-2.5 plus a lump sum of 0	685	645	11	
Dr J McClean *Director of Public Health PHA*	35-40 plus a lump sum of 60-65	2.5-5 plus a lump sum of 5-7.5	575	489	29	
Dr S Bergin *Interim Director of Public Health PHA*	70-75 plus a lump sum of 145-150	2.5-5 plus a lump sum of 0	1,449	1,393	24	

**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 which commenced on 14 March 2022.

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.

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. At that time, members who on 1 April 2012 were within 10 years of their normal pension age did not move to alpha (full protection) and those who were within 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
In 2018, the Court of Appeal found that the 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 are being taken by the Department of Finance to remedy those 2015 reforms, making the pension scheme provisions fair to all members. Some active members will have seen changes from April 2022.

The remedy is made up of two parts. The first part was completed last year with all active members now being members of alpha from 1 April 2022, this provides equal treatment for all active pension scheme members.

The second part is to put right, 'remedy,' the discrimination that has happened between 2015 and 2022. We are currently working on new scheme regulations and processes in readiness for this.

It is expected that, in due course, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period. The different pension benefits relate to the alternative schemes e.g., legacy PCSPS(NI) ‘Classic’, ‘Premium’ or ‘Nuvos’ (legacy scheme) or alpha. Scheme regulations made in March 2022, closed the PCSPS(NI) to future accrual from 31 March 2022, and all remaining active PCSPS(NI) members (including partially retired members in active service) moved to ‘alpha’ from 1 April 2022. This completed Phase One to remedy the discrimination identified by the Courts. Any pension benefits built up in the legacy scheme prior to this date are unaffected and PSCPS(NI) benefits remain payable in accordance with the relevant scheme rules. Phase Two will see the implementation of the Deferred Choice Underpin. That is, giving eligible members a choice between legacy scheme and alpha scheme benefits for service between 1 April 2015 and 31 March 2022. At this stage, allowance has not yet been made within CETVs for this remedy. Further information on the remedy will be included in the NICS pension scheme accounts which, once published, are available at https://www.finance-ni.gov.uk/publications/dof-resource-accounts.

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).

<u>Information on the PCSPS(NI) – Closed Scheme</u>
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%.

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.

Benefits in Classic accrue 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 accrue 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.

<u>Partnership Pension Account</u>
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 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).

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 www.finance-ni.gov.uk/civilservicepensions-ni.

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 2022 was 10.1% and HM Treasury has announced that public service pensions will be increased accordingly from April 2023.

Employee contribution rates for all members for the period covering 1 April 2023 – 31 March 2024 are as follows:

Scheme Year 1 April 2023 to 31 March 2024

Annualised Rate of Pensionable Earnings (Salary Bands)		Contribution rates - All members
From	To	From 01 April 2023 to 31 March 2024
£0	£25,049.99	4.6%
£25,050.00	£56,999.99	5.45%
£57,000.00	£153,299.99	7.35%
£153,300.00 and above		8.05%

HSC Pension Scheme

The CETV figures and 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 within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

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) and do not take account of any actual or potential benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2023. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2023-24 CETV figures.

Real increase in CETV

This reflects the increase in CETV effectively 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. However, the real increase calculation uses common actuarial factors at the start and end of the period so that it disregards the effect of any changes in factors and focuses only on the increase that is funded by the employer.

Compensation for loss of office

No compensation was paid for loss of office in 2022-23.

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 2023 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) 2022-23**	**Number of SCS staff (or equivalent) 2021-22**
£0 - £5,000	3	-
£5,000 - £10,000	3	7
£10,000 - £15,000	4	-
£15,000 - £20,000	-	-
£20,000 - £25,000	-	-
£25,000 - £30,000	-	2
£30,000 - £35,000	-	1
£35,000 - £40,000	1	5
£40,000 - £45,000	-	2
£45,000 - £50,000	-	3
£50,000 - £55,000	-	3
£55,000 - £60,000	-	-
£60,000 - £65,000	-	3
£65,000 - £70,000		14
£70,000 - £75,000	13	13
£75,000 - £80,000	10	20
£80,000 - £85,000	8	14
£85,000 - £90,000	1	2
£90,000 - £95,000	-	8
£95,000 - £100,000	5	7
£100,000 - £105,000	-	3
£105,000 - £110,000	1	2
£110,000 - £115,000	-	7
£115,000 - £120,000	1	1
£120,000 - £125,000	-	-
£125,000 - £130,000	-	-
£130,000 - £135,000	1	-
£135,000 - £140,000	1	1
£140,000 - £145,000	-	-
£145,000 - £150,000	-	-
£150,000 - £155,000	-	-
£155,000 - £160,000	1	-
Total	53	118

Staff Costs (Audited):

	2022-23				2021-22
	Permanently employed staff*	**Others**	**Ministers**	**Total**	Total
	£000	**£000**	**£000**	**£000**	£000
Wages and salaries	2,567,695	612,309	22	3,180,026	3,533,791
Social security costs	271,684	23,601	3	295,288	268,320
Other pension costs	534,661	28,264	4	562,929	531,284
Subtotal	**3,374,040**	**664,174**	**29**	**4,032,243**	**4,333,395**
Less recoveries in respect of outward secondments	(146,396)			(146,396)	(280,751)
Total net costs**	**3,227,644**	**644,174**	**29**	**3,891,847**	**4,052,644**

Of which:

	Charged to Administration £000	**Charged to Programme £000**	**Total £000**
Core Department	41,028	-	41,028
Agencies	27,482	-	27,482
Other bodies	-	3,823,337	3,823,337
Total net costs	**68,510**	**3,823,337**	**3,891,847**

*The 2022-23 figures include the cost of the Department's Special Adviser who was paid in the pay band £60k to £65k (2020-21, £60-£65k).

**£18,049 staff costs have been charged to capital.

The Northern Ireland Civil Service main pension schemes are unfunded multi-employer defined benefit schemes but 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 2016 scheme valuation was completed by GAD in March 2019. The outcome of this valuation was used to set the level of contributions for employers from 1 April 2019 to 31 March 2023. The 2016 Scheme Valuation requires adjustment as a result of the 'McCloud remedy'. The Department of Finance also commissioned a consultation in relation to the Cost Cap element of Scheme Valuations which closed on 25 June 2021. 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. By taking into account the increased value of public service pensions, as a result of the 'McCloud remedy', scheme cost control valuation outcomes will show greater costs than otherwise would have been expected. Following completion of the consultation process the 2016 Valuation has been completed and the final cost cap determined. Further information, including a copy of Unpause Cost Cap Valuation Report, can be found on the Department of Finance website https://www.financeni.gov.uk/articles/northern-ireland-civil-service-pension-scheme-valuations.

A case for approval of a Legislative Consent Motion (LCM) was laid in the Assembly to extend the Public Service Pensions and Judicial Offices Bill (PSP&JO) to Northern Ireland. Under the LCM agreed by the NI Assembly on 1 November 2021 provisions are included in the Act for devolved schemes in NI. A second LCM was laid in the Assembly to implement the CCM changes in the Westminster Bill for devolved schemes. The second LCM, as agreed by the Assembly on 31 January 2022, ensured the reformed only scheme design and the economic check will now be applied to the 2020 scheme valuations for the devolved public sector pension schemes, including the NICS pension scheme. The PSP&JO Act received Royal Assent on 10 March 2022. The UK Act legislates how the government will remove the discrimination identified in the McCloud judgment. The Act also includes provisions that employees will not experience any detriment if the adjusted valuation costs breach the set cost cap ceiling but any breaches of the cost cap floor (positive employee impacts) in the completed valuations will be honoured.

For 2022-23, employers' contributions of £7.5m were payable to the NICS pension arrangements (2021-22 £7m) at one of three rates in the range 28.7% to 34.2% of pensionable pay, based on salary bands.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £10k (2021-22 £14.5k) 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% (2021-22, 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% (2021-22 £nil, 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 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.

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.

Discrimination identified by the courts in the way that the 2015 pension reforms were introduced must be removed by the DoH. It is expected that, in due course, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period. The different pension benefits relate to the different HSC Pension Schemes and is not the monetary benefits received. This is known as the 'McCloud Remedy' and will impact many aspects of the HSC Pension Schemes including the scheme valuation outcomes.

Further information on this will be included in the HSC Pension Scheme accounts. 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 changes are being implemented in two stages; stage 1 started on 1 November 2022 with further changes planned in 2023.

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 April 2022 – 31October 2022.

Tier	Full-Time Pensionable Pay used to determine contribution rate	Contribution rate (before tax relief)
1	Up to £15,431.99	5.0%
2	£15,432.00 to £21,477.99	5.6%
3	£21,478.00 to £26,823.99	7.1%
4	£26,824.00 to £47,845.99	9.3%
5	£47,846.00 to £70,630.99	12.5%
6	£70,631.00 to £111,376.99	13.5%
7	£111,377.00 and over	14.5%

The following table sets out member contribution rates that apply to both HSC Pension Schemes from 1 November 2022.

Annualised Rate of Pensionable Earnings (Salary Bands)		Contribution rates - All members
From	To	From 01 April 2023 to 31 March 2024
£0	£13,246	5.1%
£13,247	£16,831	5.7%
£16,832	£22,878	6.1%
£22,879	£23,948	6.8%
£23,949	£28,223	7.7%
£28,224	£29,179	8.8%
£29,180	£43,805	9.8%
£43,806	£49,245	10%
£49,246	£56,163	11.6%
£56,164	£72,030	12.5%
£72,031 and above		13.5%

Five persons (2021-22: one person) from the core Department retired early on ill health grounds; the total additional accrued pension liabilities amounted to £54k borne by NICS pension scheme (2021-22: £5k). HSCB had nil ill health retirement (2020-21: two) and these costs are borne by the HSC Pension Scheme and PHA had nil ill health retirements (2021-22: one).

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.

					2022-23 Number	2021-22 Number
Activity	**Permanently employed staff**	**Others**	**Ministers**	**Special Advisers**	**Total**	Total
Medical and dental	3,227	3,768			6,995	6,707
Nursing and midwifery	22,091	2,331			24,422	25,353
Professions allied to medicine	5,894	203			6,097	6,955
Ancillaries	4,993	658			5,651	6,275
Administrative & clerical	13,083	1,193	1	1	14,278	15,190
Ambulance staff	1,320	5			1,325	1,348
Firefighters	1,705	-			1,705	1,810
Works	775	9			784	1,057
Other professional and technical	4,109	360			4,469	3,913
Social services	10,111	298			10,409	8,537
Other	1,431	48			1,479	1,193
Less average staff number relating to capitalised staff costs	(299)	(41)			(340)	(258)
Less average staff number in respect of outward secondments	(123)	(1,748)			(1,871)	(201)
Total	**68,317**	**7,084**	**1**	**1**	**75,403**	77,879

Of which:

Core Department	582	85	1	1	669	631
Agencies	424	48			472	1,373
Other Bodies	67,311	6,951			74,262	75,875
Total	**68,317**	**7,084**	**1**	**1**	**75,403**	77,879

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)
£100,001- £150,000	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
£150,001- £200,000	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
£200,001-£250,000	- (-)	- (-)	- (-)	-(-)	- (-)	- (-)
Total number of exit packages	- (-)	- (-)	-(1)	-(1)	- (1)	- (1)
Total resource cost/£000	- (-)	- (-)	- (84)	- (84)	- (84)	-(84)

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, HSCB and 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 2022-23 and 2021-22. £nil exit costs were paid in 2022-23, the year of departure (2021-22: £84k). 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 DoH as at 31 March 2023:

	Male	Female	Total
Board Members	15	6	21
Senior Civil Service (Grade 5+, excluding Board members)	30	52	82
All other DoH	290	584	874
Total	**335**	**642**	**977**

Sickness Absence Data

The Department/Agency had an overall sickness absence rate of 10.2 days lost per employee in 2021/2022. Annual sickness absence figures can be found in the "Sickness Absence in the Northern Ireland Civil Service 2022/23" report at Sickness Absence in the Northern Ireland Civil Service 2022/23 | Northern Ireland Statistics and Research Agency (nisra.gov.uk) Figures for the 2022/23 financial year will be published by the end of June 2023.

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 2022/23 is 10.9% (2021/22: 5.9%), and the general turnover percentage (the people who have left the Department and have not gone elsewhere in the NICS) is 5.3% (2021/22: 3.6%). 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 %	**2023**	**2022**
Total Staff Turnover	13.25%	6.46%
Split between		
Voluntary Turnover	11.57%	6.46%
Involuntary Turnover	1.68%	0.00%

Employment, training and advancement of disabled persons

The NICS values and welcomes diversity and is committed to creating a truly inclusive workplace for all. The NICS Diversity Champions Network was established in 2015 and continues to drive diversity and inclusion across the service.

The NICS Disability Champion is supported by the NICS Disability Working Group, a consultative group that works to promote disability equality and inclusion across the service.-

The NICS applies the recruitment principles as set out in the Recruitment Code of the Civil Service Commissioners for Northern Ireland, appointing candidates based on merit through fair and open competition. Panel members must complete mandatory recruitment and selection training prior to participating on any selection panel. This training includes specific learning on equality and diversity, relevant legislation and reasonable adjustments for disabled candidates. Unconscious bias training is available to all staff.

The NICS continues to be a lead partner of Employers for Disability NI (EFDNI) and is committed to the employment and career advancement of disabled people. A range of activities to encourage and promote Civil Service career opportunities to the disability sector were delivered during 2022/23; including positive action advertising, targeted advertising and outreach information sessions for large volume recruitment competitions. The NICS continues to have a permanent presence on EFDNI's Jobs Bulletin Board which is an online career opportunities service circulated to disability organisations.

The NICS operates a Guaranteed Interview Scheme (GIS) which applies to all external NICS recruitment competitions (at any grade and any discipline) where appropriate. This 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. For more information refer to the "Information for disabled applicants" section of the NICS recruit website.

Due to the ongoing Covid-19 restrictions, the NICS Work Experience Scheme for Disabled People remained closed to applications until November 2022. The NICS continued its' participation in International Job Shadow Day (IJSD) by facilitating 13 work placements in 2022. This initiative provides work experience for disabled people of all ages.

During this year the nine-month placement work placement opportunities under the Job Start Scheme pilot within the Department for Communities (DfC) for 15 young disabled people (aged 16-24) concluded. As a result of an amendment to Recruitment Code merit principle approved by the Civil Service Commissioners, nine of the successful participants were made permanent offers of appointment in the NICS. Another three placement workers successfully obtained employment with other employers.

In June 2022, the Northern Ireland Executive, in partnership with the Harkin Institute, hosted the Harkin International Summit 2022. The event brought together leaders and activists across Business, Government, Philanthropy, the Third and Voluntary Sector, and Academia to highlight and address disability employment issues, showcase best practice and success, build relationships and challenge for change. The NICS as an employer participated, attended and supported the summit to promote its commitment to disability inclusion.

To maintain and promote a disability inclusive workplace, the NICS has policies in place to support reasonable adjustments to working practices or the work environment as required by disabled persons. During the year a programme of awareness training was available to all staff.

Other Employee Matters

Equality, Diversity and Inclusion

The NICS values and welcomes diversity and is committed to creating a truly inclusive workplace for all.

Our Diversity Champions Network includes 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+.

We deliver an ambitious diversity and inclusion programme of work through the implementation of an annual NICS Diversity Action Plan, which sets out our priorities for action by diversity and inclusion theme and cross-cutting priorities.

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 on the NICS' commitment to equality of opportunity is available in the Equality, Diversity and Inclusion Policy.

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 NICS Human Resources Statistics section of the Northern Ireland Statistics and Research Agency (NISRA)'s website

The annual "Equality Statistics for the Northern Ireland Civil Service" reports work force composition and trends over time and, where appropriate, makes comparisons with the wider labour market and the Civil Service in Great Britain.

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 Reviews

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 Head of the NI Civil Service issued a message on 7 November 2022 indicating that the launch of the next People Survey would be postponed until Spring 2023 and so no survey was conducted in 2022. The results of the survey conducted in 2023 were not available in advance of finalising the Annual Report and Accounts. However, the full survey is expected to be made available in Summer 2023 at https://www.finance-ni.gov.uk/publications/nics-people-survey-results.

Staff Redeployment relating to Specific Events

Comparative data is shown (in brackets) for previous year

	Grade	Long – Term Loan	Short – Term Loan
Covid			
Redeployed out	Grade 7	- (-)	- (-)
Redeployed in	Grade 6	1(1)	- (-)
	Grade 7	-(6)	- (-)
	DP	- (1)	- (-)
	SO	- (-)	- (-)

The average duration of staff redeployed out of the Department due to Covid-19 was nil and for those redeployed into the Department due to Covid-19 was 15 months. The cost of staff redeployed out of the Department (to nearest £000) due to Covid-19 was £nil and redeployed in due to Covid-19 was £nil programme costs and £1k administration costs.

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 [10]. Training is delivered using a variety of learning delivery channels (including on-line, webinars), providing flexible access to learning. Coherent learning pathways are aligned to both corporate need and the NICS Competency Framework.

Talent management is a key theme of the NICS People Strategy and highlights the importance of the development conversation between managers and staff, with a number of resources already available within the existing talent management toolkit.

The NICS offers a wide range of career development opportunities through mentoring, secondment and interchange opportunities, elective transfers, temporary promotion, job rotation and job shadowing.

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

Application of Business Appointment Rules (BARs)

The NICS Standards of Conduct Policy, (Section 8 and Annex 4) 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 within their Department. Further detail is available in the NICS Standards of Conduct Policy.

Summary information in respect of applications from Senior Civil Service Grade 5 and above, including equivalent grades, and Special Advisers can be found at www.health-ni.gov.uk.

Employee Consultation and Trade Union Relationships

The Department of Finance is responsible for the NICS Industrial Relations Policy. People & Organisational Development[11] consults on HR policy with all recognised Trade Unions and local departmental arrangements are in place to enable consultation on matters specific to a department or individual business area.

Off-Payroll Engagements

Table 1: Temporary off-payroll worker engagements as at 31 March 2023.

	Core and agencies	Consolidated
Number of existing engagements as of 31 March 2023	15	17
Of which have:		
Existed for less than one year at time of reporting	5	5
Existed for between one and two years at time of reporting	6	8
Existed for between two and three years at time of reporting	4	4

Table 2: All temporary off-payroll workers engaged at any point during the year ended 31 March 2023.

	Core and agencies	Consolidated
Number of off-payroll workers engaged during the year ended 31 March 2023	24	24
Of which:		
Not subject to off-payroll legislation	14	14
Subject to off-payroll legislation and determined as in-scope of IR35	10	10
Subject to off-payroll legislation and determined as out-of-scope of IR35	-	-
Of which:		
Number of engagements that saw a change to IR35 status following review	-	-

[11] HR policy and Industrial Relations policy for the NICS is centralised within People & OD, in the Department of Finance

External Consultancy Expenditure

	2022-23		2021-22	
	Core and Agencies £000	**Consolidated £000**	Core Department £000	Consolidated £000
External consultancy expenditure	**484**	**720**	40	40

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 (FReM) 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

Summary tables – mirror Part I of the Estimates Summary table, 2022-23, all figures presented in £000
Figures in the areas outlined in bold are voted totals subject to Assembly control.

		Outturn			Estimate			Outturn vs Estimate, saving / (excess)		Prior Year Outturn Total, 2021-22
		Voted	Non-Voted	Total	Voted	Non-Voted	Total	Voted	Total	
Type of spend	Note	£000	£000	£000	£000	£000	£000	£000	£000	£000
Departmental Expenditure Limit										
Resource	SoAS 1.1	6,600,426	916,782	7,517,208	6,627,291	916,955	7,544,246	26,865	27,038	7,223,920
Capital	SoAS 1.2	358,083	-	358,083	358,084	-	358,084	1	1	329,094
Total		**6,958,509**	**916,782**	**7,875,291**	**6,985,375**	**916,955**	**7,902,330**	**26,866**	**27,039**	7,553,014
Annually Managed Expenditure										
Resource	SoAS 1.1	64,228	-	64,228	459,404	-	459,404	395,176	395,176	217,014
Capital	SoAS 1.2	-	-	-	-	-	-	-	-	-
Total		**64,228**	**-**	**64,228**	**459,404**	**-**	**459,404**	**395,176**	**395,176**	217,014
Total Budget										
Resource	SoAS 1.1	6,664,654	916,782	7,581,436	7,086,695	916,955	8,003,650	422,041	422,214	7,440,934
Capital	SoAS 1.2	358,083	-	358,083	358,084	-	358,084	1	1	329,094
Total Budget Expenditure		**7,022,737**	**916,782**	**7,939,519**	**7,444,779**	**916,955**	**8,361,734**	**422,042**	**422,215**	7,770,028
Non-Budget										
Resource	SoAS 1.1	-	-	-	-	-	-	-	-	-
Capital	SoAS 1.2	-	-	-	-	-	-	-	-	-
Total Non-Budget Expenditure		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-
Total Budget and Non-Budget		**7,022,737**	**916,782**	**7,939,519**	**7,444,779**	**916,955**	**8,361,734**	**422,042**	**422,215**	7,770,028

Net Cash Requirement 2022-23, all figures presented in £000

Item	Note	Outturn	Estimate	Outturn vs Estimate, saving/ (excess)	Prior Year Outturn Total, 2021-22
Net Cash Requirement	**SOAS 3**	**6,892,989**	**7,189,137**	**296,148**	6,901,041

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

Administration costs 2022-23, all figures presented in £000

Type of Spend	Note	Outturn	Estimate	Outturn vs Estimate, saving/ (excess)	Prior Year Outturn Total, 2021-22
Administration costs	**SOAS 1.1**	**38,513**	**41,039**	**2,526**	37,292

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 2022-23 (£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
	Administration			Programme			Total	Total	Virement*	Total inc. virements		
	Gross	Income	Net	Gross	Income	Net						2021-22
Spending in Departmental Expenditure Limits (DEL)												
Voted Expenditure												
1	1,176	-	1176	3,450,068	(25,327)	3,424,741	3,425,917	3,442,233	21	3,442,254	16,337	3,697,475
2	3,928	-	3,928	1,497,937	(9,147)	1,488,790	1,492,718	1,516,454	(22,010)	1,494,444	1,726	1,231,790
3	810	-	810	337,357	(3)	337,354	338,164	339,433		339,433	1,269	357,231
4.	1,223	-	1,223	519,403	-	519,403	520,626	521,323		521,323	697	535,596
5.	148	-	148	132,161	(20,811)	111,350	111,498	111,254	244	111,498	-	125,252
6.	111	-	111	23,492	-	23,492	23,603	24,051		24,051	448	24,100
7	28,890	(193)	28,697	352,383	(619)	351,764	380,461	371,593	12,067	383,660	3,199	304,170
8.	2,138	-	2,138	90,308	(2,801)	87,507	89,645	92,890	(56)	92,834	3,189	79,794
9	13	-	13	123,588	-	123,588	123,601	116,121	7,480	123,601	-	120,055
10	-	-	-	2,324	-	2,324	2,324	2,176	148	2,324	-	2,272
11	269	-	269	91,600	-	91,600	91,869	89,763	2,106	91,869	-	89,378
Total Voted DEL	38,706	(193)	38,513	6,620,621	(58,708)	6,561,913	6,600,426	6,627,291	-	6,627,291	26,865	6,567,113
Non-voted Expenditure												
12	-	-	-	916,955	-	916,955	916,955	916,955	-	916,955	-	656,926
CFERs	-	-	-	-	(173)	(173)	(173)	-	-	-	173	(119)
Total non-voted DEL	-	-	-	916,955	(173)	916,782	916,782	916,955	-	916,955	173	656,807
Total spending in DEL	38,706	(193)	38,513	7,537,576	(58,881)	7,478,695	7,517,208	7,544,246	-	7,544,246	27,038	7,223,920

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

Type of spend (Resource)	Resource outturn							Estimate			Outturn vs Estimate (inc virements), saving /(excess)	Prior Year Outturn Total 2021-22
	Administration			Programme			Total	Total	Virement*	Total inc. virements		
	Gross	Income	Net	Gross	Income	Net						
Of which:												
Central Expenditure	38,706	(193)	38,513	1,281,816	(58,881)	1,222,935	1,261,448	1,297,747		1,297,747	36,299	1,229,911
Health and Social Care Trusts (ALB - Net)	-	-	-	5,643,080	-	5,643,080	5,643,080	5,730,759		5,730,759	87,679	5,439,339
Regional Business Services Organisation (ALB - Net)	-	-	-	326,447	-	326,447	326,447	256,973		256,973	(69,474)	319,107
Northern Ireland Blood Transfusion Service (ALB - Net)	-	-	-	15,461	-	15,461	15,461	15,867		15,867	406	14,168
Children's Court Guardian Agency for Northern Ireland (ALB - Net)	-	-	-	4,604	-	4,604	4,604	4,714		4,714	110	4,763
Northern Ireland Medical and Dental Training Agency (ALB - Net)	-	-	-	157,848	-	157,848	157,848	131,439		131,439	(26,409)	111,253
Northern Ireland Practice and Education Council for Nursing and Midwifery (ALB - Net)	-	-	-	1,101	-	1,101	1,101	1,067		1,067	(34)	1,097
Northern Ireland Social Care Council (ALB - Net)	-	-	-	3,694	-	3,694	3,694	3,663		3,663	(31)	3,600
Patient and Client Council (ALB - Net)	-	-	-	1,806	-	1,806	1,806	2,062		2,062	256	2,211
Health and Social Care Regulation and Quality Improvement Authority (ALB - Net)	-	-	-	7,840	-	7,840	7,840	8,108		8,108	268	6,878
Food Safety Promotion Board (ALB - Net)	-	-	-	2,324	-	2,324	2,324	2,176		2,176	(148)	2,272
Institute of Public Health in Ireland CLG (ALB - Net)	-	-	-	422	-	422	422	422		422	-	422
Northern Ireland Fire and Rescue Service Board (ALB - Net)	-	-	-	91,133	-	91,133	91,133	89,249		89,249	(1,884)	88,899

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

Type of spend (Resource)	Resource outturn							Estimate			Outturn vs Estimate (inc virements), saving /(excess)	Prior Year Outturn Total
	Administration			Programme			Total	Total	Virement*	Total inc. virements		
	Gross	Income	Net	Gross	Income	Net						2021-22
Spending in Annually Managed Expenditure (AME)												
Voted Expenditure												
13	-	-	-	(1,160)	-	(1,160)	(1,160)	2,670		2,670	3,830	6,201
14	-	-	-	35,242	-	35,242	35,242	367,217		367,217	331,975	203,628
15	-	-	-	28,126	-	28,126	28,126	82,373		82,373	54,247	2,403
16	-	-	-	2,020	-	2,020	2,020	7,144		7,144	5,124	4,782
Total Voted AME	-	-	-	64,228	-	64,228	64,228	459,404	-	459,404	395,176	217,014
Total non-voted AME	-	-	-	-	-	-	-	-	-	-	-	-
Total spending in AME	-	-	-	64,228	-	64,228	64,228	459,404	-	459,404	395,176	217,014
Total Non Budget	-	-	-	-	-	-	-	-	-	-	-	-
Total Resource	**38,706**	**(193)**	**38,513**	**7,601,804**	**(58,881)**	**7,542,923**	**7,581,436**	**8,003,650**	**-**	**8,003,650**	**422,214**	7,440,934

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 Public Health Services
10	Food Safety Promotion Board (NDPB – Net)
11	Fire & Rescue Services

Non-voted expenditure

12	Health Services Financed by National Insurance Contributions
CFERs	Consolidated Fund Extra Receipts

Spending in Annually Managed Expenditure (AME)

Voted Expenditure

13	Central Expenditure
14	Health & Social Care Trusts (ALB-Net)
15	NIFRS (ALB – Net)
16	Other ALBs (Net)

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

Type of spend (Capital)	Resource outturn			Estimate			Outturn vs Estimate (inc virements), saving/ (excess)	Prior Year Outturn Total
	Gross	Income	Net	Total	Virements*	Total inc. virements		
Spending in Departmental Expenditure Limits (DEL)								
Voted Expenditure								
1	208,333	-	208,333	202,034	6,299	208,333	-	233,766
2	470	-	470	572	(102)	470	-	40
3	15,248	(49)	15,199	19,080	(3,881)	15,199	-	11,363
4	-	-	-	-		-	-	-
5	-	-	-	-		-	-	-
6	-	-	-	-		-	-	-
7	89,058	-	89,058	89,932	(874)	89,058	-	51,977
8	15,869	(2,168)	13,701	14,290	(589)	13,701	-	14,415
9	6,812	-	6,812	6,365	447	6,812	-	9,278
10	-	-	-	-		-	-	-
11	24,510	-	24,510	25,811	(1,300)	24,511	1	8,255
Total Voted DEL	360,300	(2,217)	358,083	358,084	-	358,084	1	329,094
Non-voted Expenditure								
12.	-	-	-	-	-	-	-	-
Total non-voted DEL	-	-	-	-	-	-	-	-
Total spending in DEL	360,300	(2,217)	358,083	358,084	-	358,084	1	329,094

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

	Resource outturn			Estimate			Outturn vs Estimate (inc virements), saving/ (excess)	
Type of spend (Capital)	**Gross**	**Income**	**Net**	**Total**	**Virements***	**Total inc. virements**		Prior Year Outturn Total
Of which:								
Central Expenditure	14,443	(2,217)	12,226	14,562		14,562	2,336	23,369
Health and Social Care Trusts (ALB - Net)	237,899	-	237,899	233,442		233,442	(4,457)	259,294
Regional Business Services Organisation (ALB - Net)	82,520	-	82,520	83,262		83,262	742	37,482
Northern Ireland Blood Transfusion Service (ALB - Net)	160	-	160	171		171	11	130
Children's Court Guardian Agency for Northern Ireland (ALB - Net)	82	-	82	68		68	(14)	-
Northern Ireland Medical and Dental Training Agency (ALB - Net)	34	-	34	26		26	(8)	69
Northern Ireland Practice and Education Council for Nursing and Midwifery (ALB - Net)	12	-	12	9		9	(3)	3
Northern Ireland Social Care Council (ALB - Net)	388	-	388	504		504	116	40
Patient and Client Council (ALB - Net)	10	-	10	10		10	-	24
Health and Social Care Regulation and Quality Improvement Authority (ALB - Net)	242	-	242	219		219	(23)	428
Food Safety Promotion Board (ALB - Net)	-	-	-	-		-	-	-
Institute of Public Health in Ireland CLG (ALB - Net)	-	-	-	-		-	-	-
Northern Ireland Fire and Rescue Service Board (ALB - Net)	24,510	-	24,510	25,811		25,811	1,301	8,255

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

	Resource outturn --			Estimates			-	-
Type of spend (Capital)	**Gross**	**Income**	**Net**	**Total**	**Virements***	**Total inc. virements**	**Outturn vs Estimate (inc virements), saving/ (excess)-**	Prior Year Outturn Total -
Spending in Annually Managed Expenditure (AME) Voted Expenditure								
13								
14								
15								
16								
13								
Total Voted AME	-	-	-	-	-	-	-	-
Total non-voted AME	-	-	-	-	-	-	-	-
Total spending in AME	-	-	-	-	-	-	-	-
Total Non Budget	-	-	-	-	-	-	-	-
Total Capital	**360,300**	**(2,217)**	**358,083**	**358,084**	**-**	**358,084**	**1**	329,094

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 are 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 2022-23 £000	Prior Year Outturn Total, 2021-22 £000
Total Resource Outturn	SOAS 1.1	7,581,436	7,440,934
Add:			
Capital Grants		1,363	3,741
R&D		13,533	13,655
Other		(510)	(4,510)
PFI Adjustment		11,550	9,674
PPE Stock Adjustment		58,573	107,726
Total		**84,509**	130,286
Net Operating Expenditure in Consolidated Statement of Comprehensive Net Expenditure	SOCNE	**7,665,945**	7,571,220

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 grants/Research and development (R&D) are budgeted for as Capital DEL, but accounted for as spend on the face of the SOCNE, and therefore function as a reconciling item between Resource and Net Expenditure. The £14.9m of capital grants/R&D were issued to HSC Trusts, NIMDTA, BSO and PHA for the purposes of research and development and GP private practices for investment in their premises to provide additional space for the practices and to accommodate the rollout of multi-disciplinary teams.

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	7,581,436	8,003,650	422,214
Total Capital outturn	SOAS 1.2	358,083	358,084	1
Adjustments for ALBs:				
Remove voted resource and capital		(5,669,907)	(6,049,983)	(380,076)
Add cash grant in aid		5,527,586	5,749,336	221,750
Adjustments to remove non-cash items:				
Depreciation, impairments and revaluations		(7,006)	(9,060)	(2,054)
New provisions and adjustments to previous provisions		1,554	(3,608)	(5,162)
New provisions and adjustments to previous provisions (NIFRS Pension)		-	-	-
Supported capital expenditure		-	-	-
Prior period adjustments		-	-	-
Other non-cash items		-	-	-
Adjustments to reflect movements in working balances:				
Movement in working capital		16,999	55,000	38,001
Use of provisions		1,026	2,673	1,647
Total		**(129,748)**	**(255,642)**	**(125,894)**
Removal of non-voted budget items				
Consolidated Fund Extra Receipts		173	-	(173)
Other Adjustments		(916,955)	(916,955)	-
Total		**(916,782)**	**(916,955)**	**(173)**
Net cash requirement		**6,892,989**	**7,189,137**	**296,148**

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 2022-23 £000		Prior Year 2021-22 £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		(173)	*(173)*	(119)	*(164)*
Total amount payable to the Consolidated Fund		**(173)**	***(173)***	**(119)**	***(164)***

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

	2022-23		2021-22	
	Core Department and Agencies*	**Departmental Group**	Core Department and Agencies*	Departmental Group
Total number of losses	**6**	**85,830**	5	104,595
Total value of losses (£000)	**2,458**	**8,308**	1,800	10,881

Individual losses over £250,000	2022-23		2021-22	
	Core Department and Agencies £000	**Departmental Group £000**	Core Department and Agencies £000	Departmental Group £000
Cash losses	**-**	**-**	-	1,689
Administrative write-offs – National Insurance Fund**	**2,344**	**2,344**	1,794	5,220
Stores losses	**-**	**2,195**	-	388

*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 2022-23 is £3.9m (2021-22: £3.3m).

**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.

Special Payments

Special payments	2022-23		2021-22	
	Core Department and Agencies	**Departmental Group**	Core Department and Agencies	Departmental Group
Total number of special payments	**2**	**836**	11	818
Total value of special payments (£000)	**166**	**44,075**	2,059	42,346

Individual special payment over £250,000	2022-23		2021-22	
	Core Department and Agencies £000	**Departmental Group £000**	Core Department and Agencies £000	Departmental Group £000
Clinical negligence compensation payment	**-**	**22,967**	1,704	23,152
Other special payments	**-**	**257**	-	400

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 2023 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 2022/23 Main Estimate (£12,403k) was based on the latest position at the time of the 2021/22 dry run Departmental Group accounts. New information has since come to light which has resulted in these balances moving on (£11,039k) as calculated by the Departmental Group as at 31 March 2023.

This Accountability Report is approved and signed:

Peter May

Peter May
Accounting Officer
6 July 2023

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

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 2023 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 2022. The financial statements comprise: the Department's and the Departmental Group's

- Statement of Financial Position as at 31 March 2023
- 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 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 2023 and of its 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.

Opinion on regularity

In my opinion, 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 2023 and shows that those totals have not been exceeded; and

- the expenditure and income 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 opinions

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 report.

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 and report. 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 report, 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, 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 the 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 to be audited are not in agreement with the accounting records; or
- certain disclosures of remuneration specified by the Government Financial Reporting Manual are not made; 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:

- 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;
- such internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statements that are 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 enquires 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 and 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; and

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.

Report

I have no observations to make on these financial statements.

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

7 July 2023

Financial Statements

Consolidated Statement of Comprehensive Net Expenditure for the year ended 31 March 2023

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	2022-23		2021-22	
		Core Department and Agencies	**Departmental Group**	Core Department and Agencies	Departmental Group
		£000	**£000**	£000	£000
Revenue from contracts with customers	4	(53,194)	(302,147)	(45,972)	(262,150)
Other operating income	4	(7,514)	(54,926)	(13,933)	(56,111)
Total Operating income		**(60,708)**	**(357,073)**	(59,905)	(318,261)
Staff costs	3a,b	68,957	4,020,193	107,070	3,850,199
Purchase of goods and services	3a,b	7,750,790	3,508,113	7,423,362	3,380,485
Depreciation, amortisation and impairment charges	3a,b	7,006	244,739	5,063	244,669
Provision expense	3a,b	(1,554)	54,394	9,694	166,440
Pension expense		-	2,726	-	56,457
Other operating expenditure	3a,b	24,196	180,779	43,292	176,939
Total operating expenditure		**7,849,395**	**8,010,944**	7,588,481	7,875,189
Finance income	4	(50)	(1,602)	(20)	(1,472)
Finance expense	3a,b	16	13,676	2	15,765
Net expenditure for the year		**7,788,653**	**7,665,945**	7,528,558	7,571,221
Notional Audit Costs	3c	162	937	170	899
Other Notional Costs	3a	5,204	5,205	4,197	4,197
Total Notional Costs		**5,366**	**6,142**	4,367	5,096
Net Expenditure for the year including notionals		**7,794,019**	**7,672,087**	7,532,925	7,576,317
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	(687)	(239,626)	(131)	(144,915)
Net (gain)/loss on revaluation of Intangible Assets	6	(4)	(1,883)	-	939
Net (gain)/loss on revaluation of Investments		-	-	(25)	(25)
Actuarial loss/(gain) on pension scheme liabilities	16	-	(548,209)	-	103,985
Net (gain)/loss on revaluation of charitable assets	9	-	5,479	-	(4,479)
Comprehensive net expenditure for the year		**7,793,328**	**6,887,848**	7,532,769	7,531,822

Notes 1 to 23 form part of these accounts

Consolidated Statement of Financial Position as at 31 March 2023

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.

		31 March 2023		31 March 2022		31 March 2021	
		Core Department and Agencies	Departmental Group	Core Department and Agencies	Departmental Group	Core Department and Agencies	Departmental Group
	Note	£000	£000	£000	£000	£000	£000
Non-current assets							
Property, plant and equipment	5	53,464	4,436,656	66,116	4,092,440	64,115	3,862,017
Intangible assets	6	15,291	248,077	14,800	206,750	7,222	184,843
Financial assets	9	2,009,144	83,088	2,009,189	85,041	2,009,213	76,193
Trade and other receivables	12	-	1,998	-	1,863	-	2,201
Total non-current assets		**2,077,899**	**4,769,819**	**2,090,105**	**4,386,094**	2,080,550	4,125,254
Current Assets							
Assets classified as held for sale	5.3	-	411	-	410	-	410
Inventories	10	-	215,987	577	213,842	-	220,876
Trade and other receivables	12	195,597	196,061	196,120	192,415	225,230	217,221
Other current assets	12	562	27,322	313	20,304	129	16,764
Financial assets	9	49	49	48	4,148	494	1,494
Cash and cash equivalents	11	59,432	125,035	3,013	82,379	1,392	47,534
Total current assets		**255,640**	**564,865**	**200,071**	**513,498**	227,245	504,299
Total assets		**2,333,539**	**5,334,684**	**2,290,176**	**4,899,592**	2,307,795	4,629,553
Current liabilities							
Trade and other payables	13	293,358	1,277,169	256,851	1,285,398	309,108	1,313,995
Other liabilities	13	302	43,954	-	7,606	-	13,719
Provisions	14	3,427	234,674	4,186	183,048	4,250	121,488
Total current liabilities		**297,087**	**1,555,797**	**261,037**	**1,476,052**	313,358	1,449,202
Total assets less current liabilities		**2,036,452**	**3,778,887**	**2,029,139**	**3,423,540**	1,994,437	3,180,351

Consolidated Statement of Financial Position as at 31 March 2023 (continued)

	Note	31 March 2023		31 March 2022		31 March 2021	
		Core Department and Agencies	Departmental Group	Core Department and Agencies	Departmental Group	Core Department and Agencies	Departmental Group
		£000	£000	£000	£000	£000	£000
Non-current liabilities							
Provisions	14	23,126	479,713	38,789	535,225	33,533	477,217
Retirement benefit obligations	16	-	736,771	-	1,254,288	-	1,121,383
Other liabilities	13	769	182,578	-	182,742	-	161,752
Total non-current liabilities		**23,895**	**1,399,062**	**38,789**	**1,972,255**	33,533	1,760,352
Total assets less total liabilities		**2,012,557**	**2,379,825**	**1,990,350**	**1,451,285**	1,960,904	1,419,999
Taxpayers' equity & other reserves:							
General Fund		1,994,156	878,393	1,960,444	171,884	1,930,892	285,407
Revaluation Reserve		18,401	1,410,154	29,906	1,180,756	30,012	1,039,761
Charitable Fund		-	91,278	-	98,645	-	94,831
Total equity		**2,012,557**	**2,379,825**	**1,990,350**	**1,451,285**	1,960,904	1,419,999

Peter May
Accounting Officer
6 July 2023

Peter May

Notes 1 to 23 form part of these accounts

Consolidated Statement of Cash Flows for the year ended 31 March 2023

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.

		2022-23		2021-22	
	Note	**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	SoCNE	(7,794,019)	(7,672,087)	(7,532,925)	(7,576,317)
Adjustments for non-cash transactions	3,4	10,819	330,991	18,977	441,034
(Increase)/decrease in trade & other receivables	12	273	(10,797)	28,926	24,674
less movements in receivables relating to items not passing through the Statement of Comprehensive Net Expenditure					
Supply amounts due from the consolidated fund	12	(10,028)	(10,028)	(18,785)	(18,785)
Movements in receivables relating to the sale of property, plant and equipment		-	118	-	(19)
Movements in receivables relating to finance leases		-	-	-	-
(Increase)/Decrease in Inventories	10	577	(2,144)	(577)	7,034
(Decrease)/Increase in trade & other payables (adjusted for bank overdraft)	13	45,603	35,447	(35,029)	423
less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure					
Movements in payables relating to the purchase of property, plant & equipment	13	(213)	(7,827)	159	(3,748)
Movements in payables relating to purchase of intangibles	13	2,540	4,525	(1,248)	13,000
Movements in payables relating to finance leases		(1,071)	(47,815)	-	-
Movements in payables relating to PFI and other service concession arrangements		-	6,167	-	(36,972)
Movements in payables relating to government grants		-	639	-	-
Supply amounts due to the consolidated fund	13	(54,362)	(54,362)	-	-
Movements in payables relating to CFER items	13	(54)	(54)	(19)	(19)
Use of provisions	14	(1,026)	(58,326)	(4,502)	(46,872)
Net cash outflow from operating activities		(7,800,961)	(7,485,553)	(7,545,023)	(7,196,567)

Consolidated Statement of Cash Flows
for the year ended 31 March 2023 (continued)

		2022-23		2021-22	
	Note	**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	(1,857)	(248,441)	(5,181)	(262,774)
Purchase of intangible assets	6,13	(6,740)	(89,323)	(8,111)	(64,874)
Proceeds of disposal of non-financial assets		4	1,325	-	864
FTC loans repaid by GPs	9	-	-	-	-
Drawdown from Investment Fund		-	(1,500)	-	(6,600)
Share of income reinvested		-	(2,101)	-	(1,023)
Other investing activities		49	4,175	512	639
Net cash outflow from investing activities		(8,544)	(335,865)	(12,780)	(333,768)
Cash flows from financing activities					
From the Consolidated Fund (Supply) - current year		6,947,351	6,947,351	6,891,013	6,891,013
From the Consolidated Fund (Supply) - prior year		10,028	10,028	28,813	28,813
National insurance contributions		916,955	916,955	656,926	656,926
Capital element of payments in respect of finance leases and on-balance sheet (SoFP) PFI contracts		(265)	(2,648)	-	5,740
Net financing		7,874,069	7,871,686	7,576,752	7,582,492
Net increase/(decrease) in cash and cash equivalents in the period before adjustment for payments to the Consolidated Fund		**64,564**	**50,268**	18,949	52,157
Payments of amounts due to the Consolidated Fund		(119)	(119)	(100)	(100)
Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund		**64,445**	**50,149**	18,849	52,057
Cash and cash equivalents at the beginning of the period	11	**(9,910)**	**69,441**	(28,758)	17,384
Cash and cash equivalents at the end of the period	11	**54,535**	**119,590**	(9,909)	69,441

Notes 1 to 23 form part of these accounts.

Departmental Group Consolidated Statement of Changes in Taxpayers' Equity for the year ended 31 March 2023

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 2021		285,407	1,039,761	94,831	1,419,999
Supply drawdown		6,891,011	-	-	6,891,011
Supply (payable)/receivable adjustment		10,028	-	-	10,028
CFERs repayable to Consolidated Fund		(119)	-	-	(119)
National insurance contributions		656,926	-	-	656,926
Net Assembly Funding		7,557,846	-	-	7,557,846
Comprehensive Net Expenditure for the Year		(7,679,637)	144,001	3,814	(7,531,822)
Auditor's remuneration	3a,b	899	-	-	899
Other non-cash adjustments	3a,b	4,555	-	-	4,555
Transfer of Asset ownership		(16)	(128)	-	(144)
Other reserves movements including transfers		2,830	(2,878)	-	(48)
Balances at 31 March 2022		**171,884**	**1,180,756**	**98,645**	**1,451,285**
Supply drawdown		6,947,351	-	-	6,947,351
Supply (payable)/receivable adjustment		(54,362)	-	-	(54,362)
CFERs repayable to Consolidated Fund		(173)	-	-	(173)
National insurance contributions		916,955	-	-	916,955
Net Assembly Funding		7,809,771	-	-	7,809,771
Comprehensive Net Expenditure for the Year		(7,121,980)	241,509	(7,377)	(6,887,848)
Auditor's remuneration	3a,b	937			937
Other non-cash adjustments	3a,b	5,603	-	-	5,603
Transfer of Asset ownership		-	(762)	-	(762)
Other reserves movements including transfers		12,117	(11,349)	10	778
Adjustment for transfer of function		61	-	-	61
Balances at 31 March 2023		**878,393**	**1,410,154**	**91,278**	**2,379,825**

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 2023

	Note	General Fund £000	Revaluation Reserve £000	Taxpayers' Equity £000
Balances at 31 March 2021		1,930,892	30,012	1,960,904
Net assembly funding		6,891,011	-	6,891,011
Supply (payable)/receivable adjustment		10,028	-	10,028
CFERs repayable to Consolidated Fund		(119)	-	(119)
National insurance contributions		656,926	-	656,926
Net Assembly Funding		7,557,846	-	7,557,846
Comprehensive Expenditure for the Year		(7,532,925)	156	(7,532,769)
Auditor's remuneration	3a,b	170	-	170
Other non-cash adjustments	3a,b	4,197	-	4,197
Transfer of Asset ownership		-	57	57
Other reserves movements including transfers		264	(319)	(55)
Balances at 31 March 2022		**1,960,444**	**29,906**	**1,990,350**
Changes in taxpayers' equity for 2022-23				
Net assembly funding		6,947,351	-	6,947,351
Supply (payable)/receivable adjustment		(54,362)	-	(54,362)
CFERs repayable to Consolidated Fund		(173)	-	(173)
National insurance contributions		916,955	-	916,955
Net Assembly Funding		7,809,771	-	7,809,771
Comprehensive Expenditure for the Year		(7,794,019)	691	(7,793,328)
Auditor's remuneration	3a,b	162	-	162
Other non-cash adjustments	3a,b	5,204	-	5,204
Transfer of Asset ownership		15,744	(12,469)	3,275
Other reserves movements including transfers		(3,211)	273	(2,938)
Adjustment for transfer of function		61	-	61
Balances at 31 March 2023		**1,994,156**	**18,401**	**2,012,557**

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 2022-23 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.

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 2020.

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, licences, 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 for any stockpile goods which are disposed of e.g. 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.

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. 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 are 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 2022-23 accounts. The 2016 valuation assumptions are retained for demographics whilst financial assumptions are updated to reflect current financial conditions and a change in financial assumption methodology. The 2016 valuation is the most recently completed valuation, since the 2020 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 review 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. Review of Financial Process

Review of Financial Process (RoFP) was initiated to simplify financial reporting to better align Budgets, Estimates and Accounts. The legislation necessary for RoFP (The Financial Reporting (Departments and Public Bodies) Act (Northern Ireland) 2022) received Royal Assent in March 2022.

The Departmental Group is applying this accounting policy change for the first time for the financial year ended 31 March 2023 and, in accordance with IAS 1 as adapted by the FReM, has restated prior year comparatives to ensure comparability and consistency of financial information against the current reporting period.

The most significant changes to the Annual Report and Accounts as a result of RoFP are as follows:

- The Departmental boundary (incorporating both Estimates and Accounts boundaries) has been extended to incorporate Executive NDPBs. These bodies were not previously consolidated within these Accounts and were financed via grant-in-aid. Therefore, the Departmental Group now includes the Core Department, supply financed Agencies and Executive NDPBs;

- The primary statements (including the SoAS) and the Notes to the Accounts (including Net Outturn, Reconciliation of outturn to net operating expenditure, Reconciliation of Net Cash Requirement and Income payable to the Consolidated Fund) have been revised to incorporate the alignment requirements; and

- The Assembly control totals have been revised to reflect the alignment of the Estimates and Budgeting boundaries.

1.28. Accounting standards issued not included in 2022-23 FReM

The International Accounting Standards Board have issued the following new standards but 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 16 – *PFI*
IFRS 16 applies a different measurement basis to PFI assets. To date the HM Treasury guidance regarding changes to accounting for PFI arrangements has not been published. Hence it has not been possible to estimate the financial impact on the financial statements.

IFRS 17 *Insurance Contracts:*

IFRS 17 *Insurance Contracts* will replace IFRS 4 *Insurance Contracts* and is effective for accounting periods beginning on or after 1 January 2023. In line with the requirements of the FReM, IFRS 17 will be implemented, as interpreted and adapted for the public sector, with effect from 1 April 2025. Management currently assess that there will be minimal impact on application to the Department's consolidated financial statements.

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.

	2022-23		
	Gross Expenditure £000	Income £000	Net Expenditure £000
Funded Bodies			
Public Health Agency	93,343	(3,488)	89,855
Business Services Organisation	185,217	-	185,217
Patient and Client Council	2,141	-	2,141
NI Practice & Education Council for Nursing & Midwifery	1,196	-	1,196
NI Social Care Council	4,191	-	4,191
Health and Social Care Regulation and Quality Improvement Authority	8,419	-	8,419
NI Medical & Dental Training Agency	30,935	-	30,935
NI Blood Transfusion Service	496	-	496
Children's Court Guardian Agency for NI	4,768	-	4,768
NI Fire & Rescue Service	114,743	-	114,743
Health and Social Care Trusts	6,090,039	-	6,090,039
Centrally Managed			
Administration	43,838	(366)	43,472
Programme	1,268,445	(56,904)	1,211,541
Depreciation / Impairments	7,006	-	7,006
Total	**7,854,777**	**(60,758)**	**7,794,019**

2. Statement of Operating Costs by Operating Segment (cont'd)

	2021-22		
	Gross Expenditure £000	**Income £000**	**Net Expenditure £000**
Funded Bodies			
Health & Social Care Board	1,256,380	(48,490)	1,207,890
Public Health Agency	95,820	(3,881)	91,939
Business Services Organisation	93,273	-	93,273
Patient and Client Council	2,117	-	2,117
NI Practice & Education Council for Nursing & Midwifery	1,314	-	1,314
NI Social Care Council	3,657	-	3,657
Health and Social Care Regulation and Quality Improvement Authority	7,540	-	7,540
NI Medical & Dental Training Agency	33,628	-	33,628
Children's Court Guardian Agency for NI	4,695	-	4,695
NI Fire & Rescue Service	106,628	-	106,628
Health and Social Care Trusts	5,845,450	-	5,845,450
Centrally Managed			
Administration	42,142	(360)	41,782
Programme	95,143	(664,120)	(568,977)
Depreciation / Impairments	5,063	-	5,063
Total	**7,592,850**	**(716,851)**	**6,875,999**

The operating segments in this note are those reported to the Department of Health Departmental Board for financial management purposes. The operating segments are:

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

	2022-23		
	Total assets £000	Total liabilities £000	Net assets less liabilities £000
Funded Bodies			
Public Health Agency	7,804	(14,337)	(6,533)
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	2,325,735	(306,645)	2,019,090
Total	2,333,539	(320,982)	2,012,557

	2021-22		
	Total assets £000	Total liabilities £000	Net assets less liabilities £000
Funded Bodies			
Health & Social Care Board	45,198	(223,763)	(178,565)
Public Health Agency	7,010	(13,844)	(6,834)
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	2,237,968	(62,219)	2,175,749
Total	**2,290,176**	**(299,826)**	**1,990,350**

3. Expenditure

3a. Other Administration Expenditure

	Note	**2022-23**		2021-22	
		Core Department and Agencies	**Departmental Group**	Core Department and Agencies	Departmental Group
		£000	**£000**	£000	£000
Staff costs[1]:					
Wages and salaries		25,172	25,172	24,320	24,320
Social security costs		2,590	2,590	2,619	2,619
Other pension costs		7,279	7,279	7,180	7,180
Goods and services		3,442	3,442	3,721	3,721
Rentals under operating leases		13	13	12	12
Interest charges		5	5	2	2
Subtotal		**38,501**	**38,501**	37,854	37,854
Non-Cash Items					
Depreciation		204	204		
(Profit) on disposal of property, plant and equipment		(4)	(4)		
Auditors' remuneration and expenses [2]		137	137	91	91
Accommodation costs		2,256	2,256	2,050	2,050
Other indirect charges and services		2,948	2,948	2,147	2,147
Total Non-Cash Items		**5,541**	**5,541**	4,288	4,288
Total		**44,042**	**44,042**	42,142	42,142

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

		2022-23		2021-22	
		Core Department and Agencies	**Departmental Group**	Core Department and Agencies	Departmental Group
	Note	**£000**	**£000**	£000	£000
Staff costs[1]:					
Wages and salaries		26,249	3,136,803	57,006	3,026,213
Social security costs		2,835	292,699	5,646	265,732
Other pension costs		4,832	555,650	10,299	524,135
Goods and services[2]		7,747,348	3,504,671	7,419,641	3,377,493
Auditors' remuneration and expenses (hard charged audit fees and non-audit services)		-	44	-	56
Rentals under operating leases		301	5,441	179	39,713
Interest charges		-	13,266	-	15,763
Interest charges under IFRS16		11	405	-	-
PFI and other service concession arrangements service charges		-	21,188	-	18,658
Research and development expenditure		-	143	10,914	11,244
Other Grants and Disbursements		23,878	102,368	32,173	106,972
Subtotal		**7,805,454**	**7,632,678**	7,535,858	7,385,979
Non-Cash Items					
Depreciation		3,266	231,549	3,240	204,116
Amortisation		3,703	43,921	1,781	36,299
Loss/(profit) on disposal of non current assets		8	(1,019)	14	(803)
Auditors' remuneration and expenses		25	800	79	808
(Decrease)/increase in provisions (Provision provided for in year less any release)	15	(574)	76,888	9,864	158,606
Borrowing costs (unwinding of discount) on provisions	15	(980)	(22,494)	(170)	7,834
Release of Government grant		-	(639)	-	-
Permanent diminution in value		(167)	(30,935)	42	4,254
North/South Body non-cash costs		-	399	-	358
Pension costs		-	55,572	-	56,457
Subtotal non cash items		**5,281**	**354,042**	14,850	467,929
Total		**7,810,735**	**7,986,720**	7,550,708	7,853,908

[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.

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.

	2022-23	2021-22
	£000	**£000**
Core Department	137	91
Agencies	25	79
Total Core Department and Agencies	**162**	170
Belfast HSC Trust	78	75
Northern HSC Trust	77	68
South Eastern HSC Trust	65	61
Southern HSC Trust	67	65
Western HSC Trust	128	122
Northern Ireland Ambulance Service HSC Trust	35	31
Northern Ireland Blood Transfusion Service	18	16
Children’s Court Guardian Agency for Northern Ireland	31	30
Northern Ireland Medical and Dental Training Agency	24	22
Regional Business Services Organisation (BSO)	169	162
Patient and Client Council	10	9
Health and Social Care Regulation and Quality Improvement Authority (RQIA)	19	18
Northern Ireland Social Care Council	32	30
Northern Ireland Practice and Education Council for Nursing and Midwifery	22	20
Departmental Group Notional Audit Costs	**937**	899

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

	2022-23		2021-22	
	Core Department and Agencies	**Departmental Group**	Core Department and Agencies	Departmental Group
	£000	**£000**	£000	£000
Revenue from patient care activities	-	94,920	-	71,822
Non patient services	53,194	144,416	45,972	134,600
Other contract income	-	62,811	-	55,728
Interest receivable and other similar income	50	147	20	119
Total revenue from contracts with customers	**53,244**	**302,294**	45,992	262,269

4.2 Other operating income

	2022-23		2021-22	
	Core Department and Agencies	**Departmental Group**	Core Department and Agencies	Departmental Group
	£000	**£000**	£000	£000
Non patient services	2,985	26,330	13,933	29,952
Charitable and other contributions	-	4,102	-	5,017
Other non-contract income	4,529	24,494	-	21,142
Interest receivable and other similar income	-	1,455	-	1,353
Total other operating income	**7,514**	**56,381**	13,933	57,464

5. Property, plant and equipment 2022-23

5.1 Consolidated Property, plant and equipment 2022-23

	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 2022	360,869	3,261,007	139,800	344,528	641,970	139,115	41,822	176,315	5,105,426
Balancing Adjustment IFRS 16	30,898	8,307	551	-	1,476	-	-	-	41,232
Opening balance - restated	391,767	3,269,314	140,351	344,528	643,446	139,115	41,822	176,315	5,146,658
Additions	4,469	87,812	4,853	28,707	45,875	6,646	3,399	77,882	259,643
Donations	-	1,290	-	260	273	115	-	42	1,980
Disposals	-	(1,803)	-	(6,188)	(24,577)	(9,109)	(61)	-	(41,738)
Transfers	-	5,635	-	17,001	32	-	(34)	(21,855)	779
Reversal of impairments (indexation)	-	37,833	1,064	5	21	24	1	-	38,948
Impairments transferred to Revaluation Reserve	(101)	(383)	-	-	(361)	-	-	-	(845)
Impairments transferred to Consolidated Statement of Comprehensive Net Expenditure	(54)	(4,690)	(12)	-	(214)	(1)	-	-	(4,971)
Reclassifications	-	5,523	(869)	1,545	580	(4,083)	(1)	(9,189)	(6,494)
Indexation	483	231,584	10,585	583	71,449	7,814	445	-	322,943
Revaluations	320	(10,942)	-	10	1,413	-	(21)	(2,220)	(11,440)
At 31 March 2023	**396,884**	**3,621,173**	**155,972**	**386,451**	**737,937**	**140,521**	**45,550**	**220,975**	**5,705,463**

5.1 Consolidated Property, plant and equipment 2022-23 (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 2022	-	228,727	10,237	232,938	434,130	83,456	23,498	-	1,012,986
Balancing Adjustment IFRS 16	-	-	-	-	1	-	-	-	1
Opening balance - restated	-	228,727	10,237	232,938	434,131	83,456	23,498	-	1,012,987
Charged in year	618	118,724	5,311	36,646	55,178	12,227	3,049	-	231,753
Disposals	-	(1,803)	-	(6,182)	(24,493)	(9,050)	(61)	-	(41,589)
Transfers	-	7	-	(1)	34	-	(41)	-	(1)
Reversal of impairments (indexation)	-	1,334	61	-	16	13	-	-	1,424
Impairments transferred to Revaluation Reserve	-	(28)	-	-	(300)	-	-	-	(328)
Impairments transferred to Consolidated Statement of Comprehensive Net Expenditure	-	(121)	(1)	-	(172)	(1)	-	-	(295)
Reclassifications	-	(483)	(50)	(22)	(765)	(5,169)	(15)	-	(6,504)
Indexation	-	24,751	1,110	231	51,739	5,020	276	-	83,127
Revaluations	-	(11,769)	-	1	1	-	-	-	(11,767)
At 31 March 2023	**618**	**359,339**	**16,668**	**263,611**	**515,369**	**86,496**	**26,706**	**-**	**1,268,807**
Carrying amount at 31 March 2023	**396,266**	**3,261,834**	**139,304**	**122,840**	**222,568**	**54,025**	**18,844**	**220,975**	**4,436,656**

5.1 Consolidated Property, plant and equipment 2022-23 (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	365,983	2,945,752	139,080	122,840	207,490	54,025	18,844	220,975	4,074,989
Finance leases	30,283	11,991	224	-	3,112	-	-	-	45,610
PFI and other service concession arrangements contracts	-	304,091	-	-	11,966	-	-	-	316,057
Carrying amount at 31 March 2023	**396,266**	**3,261,834**	**139,304**	**122,840**	**222,568**	**54,025**	**18,844**	**220,975**	**4,436,656**
Of the total:									
Department	33,053	2,962	465	-	8,024	-	65	-	44,569
Agencies	-	380	-	8,255	-	-	15	245	8,895
Other designated bodies	363,213	3,258,492	138,839	114,585	214,544	54,025	18,764	220,730	4,383,192
Carrying amount at 31 March 2023	**396,266**	**3,261,834**	**139,304**	**122,840**	**222,568**	**54,025**	**18,844**	**220,975**	**4,436,656**

5.2 Consolidated Property, plant and equipment 2021-22

	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 2021	360,198	2,865,192	127,957	297,656	627,572	222,138	89,049	137,622	4,727,384
Additions	671	108,424	5,273	42,003	48,009	25,886	11,181	50,988	292,435
Donations	-	1,241	-	105	2,472	5	22	2,864	6,709
Disposals	-	(413)	-	(22,202)	(34,826)	(9,717)	(4,041)	-	(71,199)
Transfers	-	2,056	-	602	1,124	3,368	28	(7,136)	42
Reversal of impairments (indexation)	-	15,123	234	1	25	195	1	-	15,579
Impairments transferred to Revaluation Reserve	-	(6)	-	(5)	(230)	(3)	-	-	(244)
Impairments transferred to Consolidated Statement of Comprehensive Net Expenditure	-	(14,180)	(7)	(2,544)	(438)	(5)	(1)	-	(17,175)
Reclassifications	-	151,184	21	(22,693)	(150,334)	906	11	(4,041)	(24,946)
Indexation	-	132,566	6,322	83	26,981	10,162	772	138	177,024
Revaluations	-	(180)	-	-	-	-	-	-	(180)
At 31 March 2022	**360,869**	**3,261,007**	**139,800**	**293,006**	**520,355**	**252,935**	**97,022**	**180,435**	**5,105,429**

5.2 Consolidated Property, plant and equipment 2021-22 (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 2021	-	117,917	5,170	203,230	327,307	144,492	62,643	4,606	865,365
Charged in year	-	101,526	4,629	32,400	38,966	20,237	6,157	201	204,116
Disposals	-	(413)	-	(22,184)	(34,825)	(9,699)	(4,039)	-	(71,160)
Transfers	-	-	-	(18)	(1)	-	-	-	(19)
Reversal of impairments (indexation)	-	5,089	10	-	20	142	1	-	5,262
Impairments transferred to Revaluation Reserve	-	-	-	-	(186)	(2)	-	-	(188)
Impairments transferred to Consolidated Statement of Comprehensive Net Expenditure	-	(23)	-	(1,585)	(297)	(4)	(1)	-	(1,910)
Reclassifications	-	-	-	(20,351)	-	-	-	-	(20,351)
Indexation	-	4,879	428	13	19,114	7,156	417	114	32,121
Revaluations	-	(247)	-	-	-	-	-	-	(247)
At 31 March 2022	**-**	**228,728**	**10,237**	**191,505**	**350,098**	**162,322**	**65,178**	**4,921**	**1,012,989**

5.2 Consolidated Property, plant and equipment 2021-22 (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
Carrying amount at 31 March 2022	**360,869**	**3,032,279**	**129,563**	**101,501**	**170,257**	**90,613**	**31,844**	**175,514**	**4,092,440**
Asset financing:									
Owned	311,000	2,148,204	91,516	96,755	150,576	51,297	17,007	173,894	3,040,249
Finance leases	49,869	595,276	38,047	4,746	2,412	39,316	14,837	1,620	746,123
PFI and other service concession arrangements contracts	-	288,799	-	-	17,269	-	-	-	306,068
Carrying amount at 31 March 2022	360,869	3,032,279	129,563	101,501	170,257	90,613	31,844	175,514	4,092,440
Carrying amount at 31 March 2021	360,198	2,747,275	122,787	94,426	300,265	77,646	26,406	133,016	3,862,019
Of the total:									
Department	32,415	2,250	450	-	7,832	1	70	-	43,018
Agencies	4,050	9,137	-	9,647	-	-	28	236	23,098
Other designated bodies	324,404	3,020,892	129,113	91,854	162,425	90,612	31,746	175,278	4,026,324
Carrying amount at 31 March 2022	360,869	3,032,279	129,563	101,501	170,257	90,613	31,844	175,514	4,092,440

5.3 Consolidated Assets Classified as Held for Sale

	Land		Buildings		Other		Total	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	£000	£000	£000	£000	£000	£000	£000	£000
Opening Balance at 1 April	410	410	-	-	-	-	410	410
AHFS Reclassifications from/(to) Non-current assets	-	-	-	-	1	-	1	-
Disposals of carrying value	-	-	-	-	-	-	-	-
Impairments	-	-	-	-	-	-	-	-
Closing Balance at 31 March	**410**	**410**	**-**	**-**	**1**	**-**	**411**	**410**

6. Intangible Assets

6.1 Consolidated Intangible Assets 2022-23

	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 2022	117,454	250,805	30	247	38,293	406,829
Additions	4,948	15,672	-	-	65,018	85,638
Donations	-	428	-	-	-	428
Disposals	(39)	(2,621)	-	(44)	-	(2,704)
Reclassifications	-	-	-	-	(80)	(80)
Transfers	2,365	1,314	-	-	(4,386)	(707)
Indexation	2,518	1,791	-	7	-	4,316
Impairments transferred to Consolidated Statement of Comprehensive Net Expenditure	-	-	-	-	(1,746)	(1,746)
Revaluations	-	-	-	-	-	-
At 31 March 2023	**127,246**	**267,389**	**30**	**210**	**97,099**	**491,974**
Amortisation						
At 01 April 2022	74,947	124,885	30	218	-	200,080
Charged in year	10,383	33,527	-	11	-	43,921
Disposals	(39)	(2,621)	-	(44)	-	(2,704)
Indexation	1,886	542		-		2,428
Impairments transferred to Consolidated Statement of Comprehensive Net Expenditure	167	-	-	-	-	- / 167
Revaluations	-	-	-	5	-	5
At 31 March 2023	**87,344**	**156,333**	**30**	**190**	**-**	**243,897**

6.1 Consolidated Intangible Assets 2022-23 (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 2023	**39,902**	**111,056**	**-**	**20**	**97,099**	**248,077**
Carrying amount at 31 March 2022	42,507	125,920	-	29	38,293	206,749
Asset financing:						
Owned	39,902	111,056	-	20	97,099	248,077
Finance leased	-	-	-	-	-	-
Carrying amount at 31 March 2023	**39,902**	**111,056**	**-**	**20**	**97,099**	**248,077**
Of the total:						
Department	-	-	-	20	-	20
Agencies	12,097	1,246	-	-	1,927	15,270
Other designated bodies	27,805	109,810	-	-	95,172	232,787
Carrying amount at 31 March 2023	39,902	111,056	-	20	97,099	248,077

6.2 Consolidated Intangible Assets 2021-22

	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 2021	110,369	223,418	30	93	14,844	348,754
Additions	11,087	18,695	-	-	24,186	53,968
Disposals	(3,518)	(2,375)	-	-	-	(5,893)
Reclassifications	-	24,946	-	-	-	24,946
Transfers	593	50	-	-	(737)	(94)
Indexation	(1,077)	(772)	-	4	-	(1,845)
Impairments transferred to Consolidated Statement of Comprehensive Net Expenditure	-	(13,157)	-	-	-	(13,157)
At 31 March 2022	**117,454**	**250,805**	**30**	**97**	**38,293**	**406,679**
Amortisation						
At 01 April 2021	70,973	92,852	30	56	-	163,911
Charged in year	8,238	28,051	-	10	-	36,299
Disposals	(3,518)	(2,375)	-	-	-	(5,893)
Reclassifications	-	20,351	-	-	-	20,351
Transfers	-	1	-	-	-	1
Backlog depreciation	-	-	-	2	-	2
Indexation	(745)	(161)	-	-	-	(906)
Impairments transferred to Consolidated Statement of Comprehensive Net Expenditure	-	(13,834)	-	-	-	(13,834)
Revaluations	(2)	-	-	-	-	(2)

6.2 Consolidated Intangible Assets 2021-22 (continued)

	Information Technology	Software Licences	Websites	Development expenditure	Payments on account & Assets under construction	Total
	£000	£000	£000	£000	£000	£000
At 31 March 2022	**74,946**	**124,885**	**30**	**68**	**-**	**199,929**
Carrying amount at 31 March 2022	**42,508**	**125,920**	**-**	**29**	**38,293**	**206,750**
Carrying amount at 31 March 2021	**39,396**	**130,566**	**-**	**37**	**14,844**	**184,843**
Asset financing:						
Owned	42,508	125,920	-	29	38,293	206,750
Finance leased	-	-	-	-	-	-
Carrying amount at 31 March 2022	42,508	125,920	-	29	38,293	206,750
Of the total:						
Department	-	-	-	29	-	29
Agencies	12,094	1,666	-	-	1,012	14,772
Other designated bodies	30,414	124,254	-	-	37,281	191,949
Carrying amount at 31 March 2022	42,508	125,920	-	29	38,293	206,750

7. Consolidated Impairments

	2022-23 **£000**	2021-22 £000
Impairment charged to Statement of Comprehensive Net Expenditure within Net Expenditure	(30,935)	4,254
Impairment charged to Statement of Comprehensive Net Expenditure as Other Comprehensive Expenditure	517	31
Total Impairment	**(30,418)**	**4,285**

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	**Financial Transactions Capital**	**Total**
	£000	**£000**	**£000**
Balance at 1 April 2021	2,009,000	707	2,009,707
Additions	-	-	-
Repayments and redemptions	-	(512)	(512)
Interest capitalised	-	-	-
Revaluations	-	-	-
Impairments	-	42	42
Balance at 31 March 2022	**2,009,000**	**237**	**2,009,237**
Additions	**-**	-	**-**
Repayments and redemptions	**-**	(49)	**(49)**
Interest capitalised	**-**	-	**-**
Revaluations	**-**	5	**5**
Impairments	**-**	-	**-**
Balance at 31 March 2023	**2,009,000**	**193**	**2,009,193**

Analysis between current and non-current assets

	Investments in Trusts	**Financial Transactions Capital**	**Total**
	£000	**£000**	**£000**
Current assets	-	49	49
Non-current assets	2,009,000	144	2,009,144
Balance at 31 March 2023	**2,009,000**	**193**	**2,009,193**

Departmental group

	Charitable Trust Fund	Financial Transactions Capital	Total
	£000	£000	£000
Balance at 1 April 2021	76,980	707	77,687
Additions	7,519	-	7,519
Disposals	(127)	-	(127)
Repayments and redemptions	-	(512)	(512)
Interest capitalised	566	-	566
Revaluations	4,014	-	4,014
Impairments	-	42	42
Balance at 31 March 2022	**88,952**	**237**	**89,189**
Additions	4,471	-	4,471
Disposals	(5,137)	-	(5,137)
Repayments and redemptions	-	(49)	(49)
Interest capitalised	130	-	130
Revaluations	(5,472)	5	(5,467)
Impairments	-	-	-
Balance at 31 March 2023	**82,944**	**193**	**83,137**

Analysis between current and non-current assets

	Charitable Trust Fund	Financial Transactions Capital	Total
	£000	£000	£000
Current assets	-	49	49
Non-current assets	82,944	144	83,088
Balance at 31 March 2023	**82,944**	**193**	**83,137**

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.

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 2023		31 March 2022		31 March 2021	
	Core Department and Agencies	**Departmental Group**	Core Department and Agencies	Departmental Group	Core Department and Agencies	Departmental Group
	£000	**£000**	£000	£000	£000	£000
Pharmacy supplies	-	31,567	577	28,811	-	26,752
Medical Equipment	-	9,906	-	9,235	-	10,326
Stock held for resale	-	163,016	-	161,404	-	170,463
Fuel	-	1,882	-	2,194	-	1,235
Other	-	9,616	-	12,198	-	12,100
Total	**-**	**215,987**	577	213,842	-	220,876

The Departmental Group inventory figure disclosed as at 31 March is after accounting for a stock provision of £8.1m which is disclosed within goods and services in Note 3b. This includes a provision for slow moving Personal Protective Equipment (PPE) inventory. As the impact of the pandemic and the need for PPE has reduced, naturally demand for PPE products have reduced. The Departmental Group continue to hold a significant volume of PPE stock, the majority of which are deemed to be low or no risk due to long shelf lives, no expiry dates and continuing to be part of day-to-day consumption.

There are a small number of low value products which continue to be held in large volumes and whilst the PPE products are still being issued to customers, the ability to utilise all stock holding within required timeframes presents a level of uncertainty for which the current estimated value of those PPE products with the potential to be at risk are in the region of £43m. Several options for usage and thus mitigating risk of obsolescence are being explored and executed such as working with suppliers to re-life products, selling wider than HSC to external independent markets, repurposing alongside working on solutions and a supporting business case should a future loss materialise. In order to maintain safety in the health environment there remains a need to hold a higher stockpile of PPE goods in the event of increased demand.

11. Cash and cash equivalents

	2022-23		2021-22	
	Core Department and Agencies	**Departmental Group**	Core Department and Agencies	Departmental Group
	£000	**£000**	£000	£000
Balance at 1 April	(9,909)	69,441	(28,758)	17,385
Net change in cash and cash equivalent balances	64,444	50,149	18,849	52,056
Balance at 31 March	**54,535**	**119,590**	(9,909)	69,441
The following balances at 31 March are held at:				
Northern Ireland Banking Pool	(4,897)	(4,897)	(12,922)	(12,922)
Commercial banks and cash in hand	59,432	123,494	3,013	47,386
Bank overdraft - NIFRS	-	(548)	-	(16)
Short term investments	-	1,541	-	34,993
Balance at 31 March	**54,535**	**119,590**	(9,909)	69,441

11.1 Reconciliation of Liabilities arising from financing activities

Core Department & Agencies			Non-Cash Changes				
	2022	Cash flows	Net cash requirement	Acquisition	Change in valuation	Other changes	2023
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Supply	-	*(6,947,351)*	*6,892,989*	-	-	-	*(54,362)*
Lease Liabilities	*640*	*(111)*	-	*813*	*4*	*(275)*	*1,071*
PFI Liabilities	-	-	-	-	-	-	-
Total liabilities from financing activities	***640***	***(6,947,462)***	***6,892,989***	***813***	***4***	***(275)***	***(53,291)***

Departmental group			Non-Cash Changes				
	2022	Cash flows	Net cash requirement	Acquisition	Change in valuation	Other changes	2023
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Supply	-	*(6,947,351)*	*6,892,989*	-	-	-	*(54,362)*
Lease Liabilities	*8,096*	*(4,306)*	-	*7,016*	*6,006*	*119*	*16,931*
PFI Liabilities	*152,840*	*(7,834)*	-	-	*1,667*	-	*146,673*
Total liabilities from financing activities	***160,936***	***(6,959,491)***	***6,892,989***	***7,016***	***7,673***	***119***	***109,242***

12. Trade receivables, financial and other assets

	2022-23		2021-22		2020-21	
	Core Department and Agencies	**Departmental Group**	Core Department and Agencies	Departmental Group	Core Department and Agencies	Departmental Group
	£000	**£000**	£000	£000	£000	£000
Amounts falling due within one year:						
Trade and other receivables:						
Trade receivables	12,212	48,289	8,047	51,238	14,623	52,379
VAT	3,388	73,010	3,345	63,306	2,682	57,146
Deposits and advances	-	36	353	365	259	260
Other receivables	179,997	74,726	174,347	67,478	178,853	78,623
Amounts due from the Consolidated Fund in respect of supply	-	-	10,028	10,028	28,813	28,813
Total Trade and other receivables	**195,597**	**196,061**	196,120	192,415	225,230	217,221
Other current assets:						
Prepayments	562	25,381	313	18,664	129	14,789
Accrued Income	-	1,941	-	1,640	-	1,975
Total Other current assets	**562**	**27,322**	313	20,304	129	16,764
Total Current Assets	**196,159**	**223,383**	196,433	212,719	225,359	233,985
Amounts falling due after more than one year:						
Trade receivables	-	1,998	-	1,861	-	2,201
Accrued income	-	-	-	2	-	-
Total	**-**	**1,998**	-	1,863	-	2,201

13. Trade payables, financial and other liabilities

	2022-23		2021-22		2020-21	
	Core Department and Agencies	**Departmental Group**	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	4,897	5,445	12,922	12,938	30,150	30,150
Other taxation and social security	690	207,255	1,380	130,610	1,142	122,112
Trade payables	78,281	418,607	76,900	437,946	74,768	409,052
Other payables	21,067	292,612	21,997	398,812	19,279	429,164
Accruals	133,502	295,419	142,628	299,973	182,691	319,102
Deferred income	386	3,296	905	5,000	978	4,315
Amounts issued from the Consolidated Fund for supply but not spent at year end	54,362	54,362	-	-	-	-
Consolidated Fund extra receipts due to be paid to the Consolidated Fund:						
received	173	173	119	119	55	55
receivable	-	-	-	-	45	45
Total Trade and other payables	**293,358**	**1,277,169**	256,851	1,285,398	309,108	1,313,995
Other liabilities:						
Current part of imputed finance lease element of PFI contracts and other service concession arrangements	-	8,204	-	7,606	-	7,064
Current part of lease liabilities	302	35,750	-	-	-	-
Current part of long term loans	-	-	-	-	-	6,655
Total Other liabilities	**302**	**43,954**	-	7,606	-	13,719
Total Current Liabilities	**293,660**	**1,321,123**	256,851	1,293,004	309,108	1,327,714
Amounts falling due after more than one year:						
Other payables, accruals and deferred income	-	8,307	-	7,668	-	5,377
Finance Leases	769	12,065	-	-	-	-
Imputed finance lease element of PFI contracts and other service concession arrangement contracts	-	138,469	-	145,234	-	120,532
NLF loans	-	23,737	-	29,840	-	35,843
Total	**769**	**182,578**	-	182,742	-	161,752

14. Provisions for Liabilities and Charges

	Core & Agencies			Departmental Group				
	Clinical Negligence £000	Other £000	**Total £000**	Clinical Negligence £000	Firefighters' Compensation Scheme £000	Pensions £000	Other £000	**Total £000**
Balance at 1 April 2021	23,179	14,604	37,783	422,860	113,010	4,849	57,986	598,705
Provided in the year	8,625	1,510	10,135	200,540	770	452	13,137	214,899
Provisions not required written back	(64)	(207)	(271)	(12,551)	(41,447)	(170)	(2,125)	(56,293)
Provisions utilised in the year	(3,560)	(942)	(4,502)	(35,186)	(3,563)	(73)	(8,050)	(46,872)
Borrowing costs (unwinding of discounts)	(283)	113	(170)	6,458	1,400	(35)	11	7,834
Balance at 31 March 2022	**27,897**	**15,078**	**42,975**	**582,121**	**70,170**	**5,023**	**60,959**	**718,273**
Opening balance adjustment	-	(13,886)	(13,886)	-	-	-	2	2
Provided in the year	6,203	230	6,433	134,239	650	(570)	155,210	289,529
Provisions not required written back	(6,706)	(257)	(6,963)	(149,254)	(44,722)	(868)	(17,753)	(212,597)
Provisions utilised in the year	(893)	(133)	(1,026)	(46,496)	(3,628)	(109)	(8,093)	(58,326)
Borrowing costs (unwinding of discounts)	(980)	-	(980)	(23,187)	1,060	(63)	(304)	(22,494)
Balance at 31 March 2023	**25,521**	**1,032**	**26,553**	**497,423**	**23,530**	**3,413**	**190,021**	**714,387**
Not later than one year	3,082	345	3,427	184,759	2,510	1,976	45,429	234,674
Later than one year and not later than five years	9,387	442	9,829	97,916	9,590	306	122,178	229,990
Later than five years	13,052	245	13,297	214,748	11,430	1,131	22,414	249,723
Balance at 31 March 2023	**25,521**	**1,032**	**26,553**	**497,423**	**23,530**	**3,413**	**190,021**	**714,387**

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.

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. £0.1m (2021-22: £0.2m) represents Northern Ireland's share under the Barnett formula as at 31 March 2023.

DoH has also provided for a lifetime personal injury award of £0.2m (2021-22: £0.3m). The full amount of 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 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:

	2022/23		2021/22
	Core & Agencies	**Departmental Group**	**Departmental Group**
	£'000	**£'000**	**£'000**
Clinical Negligence	247	9,203	10,378
Public Liability	-	375	190
Employer Liability	5	1,310	1,468
Other	-	151	127
Total	**252**	**11,039**	**12,163**

Clinical Negligence Claims

The Department and Public Health Agency have contingent liabilities of £247k and £nil respectively (2021-22: £255k and £5k) representing clinical negligence incidents. The Department is 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 Department's clinical negligence is given in note 14.

Contingent liabilities held by the HSC Trusts, in respect of clinical negligence incidents, total £9m (2021-22: £10.1m).

The Department has entered into the following quantifiable contingent liabilities:

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.

UK Infected Blood

The Department is considering, in collaboration with the other UK nations, the recommendations of the second interim report of the UK infected Blood Inquiry relating to compensation. No decisions have yet been made by UK Government or in NI regarding future compensation payments. It is not possible to provide an estimate on what these costs might be until policy is agreed and modelling is completed.

Other litigation cases

There are three 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.

Four historic asbestos cases have been lodged against the Department. At this stage, it is not possible to determine the amount and timing of any financial impact.

The Department is named as a joint respondent (alongside Belfast Trust and the (former) HSCB) in two applications for judicial review (JR) in respect of excessive waiting times for treatment. Both cases are being heard together and were listed for a leave hearing on 13 January 2021 and were granted leave to proceed to full JR. The Department was also named as a notice party for a further related application for JR in respect of Treatment under S2 arrangements, the joint respondents being the South Eastern Trust and the (former) HSCB. This was also granted leave to proceed to full JR. Until the outcome of the cases are decided, it is not possible to assess any remedy that the Court may order including the possibility of damages to the applicants. 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, Royal Group of Hospitals Managed Equipment Service 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 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.

	2022-23		2021-22	
	NILGOSC	**FF schemes**	NILGOSC	FF schemes
	£000	**£000**	£000	£000
Scheme liability at 1 April	19,998	1,234,292	29,903	1,091,480
Current Service Cost	3,837	32,360	4,155	39,340
Past Service Cost	10,462	-	-	-
Interest charge	518	19,190	611	13,709
Pension benefits paid	(1,629)	(24,666)	-	(27,536)
Pension transfers	-	1,296	(1,554)	196
Pension payments to and on account of leavers	-	(217)	-	-
Actuarial loss/(gain)	(34,937)	(523,733)	(13,117)	117,101
Scheme liability at 31 March	**(1,751)**	**738,522**	19,998	1,234,290

17. Leases

17.1 Quantitative disclosures around right-of-use assets

Consolidated 2022-23

	Core Department and Agencies			Departmental Group		
	Land and Buildings	Other	Total	Land and Buildings	Other	Total
	£000	£000	£000	£000	£000	£000
Cost or valuation						
At 1 April 2022	1,129	-	1,129	8,626	1,633	10,259
Additions	312	-	312	39,916	2,240	42,156
Impairments	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-
Derecognition	-	-	-	-	-	-
Remeasurement	-	-	-	-	-	-
At 31 March 2023	**1,441**	**-**	**1,441**	**48,542**	**3,873**	**52,415**
Depreciation expense						
At 1 April 2022	-	-	-	-	-	-
Recognition	-	-	-	156	-	156
Charged in year	313	-	313	4,548	534	5,082
Transfers	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-
Derecognition	-	-	-	-	-	-
At 31 March 2023	**313**	**-**	**313**	**4,704**	**534**	**5,238**
Carrying amount at 31 March 2023	**1,128**	**-**	**1,128**	**43,838**	**3,339**	**47,177**
Interest charged on IFRS16 leases	16	-	16	451	1	452

17.2 Quantitative disclosures around lease liabilities

Maturity analysis

	31 March 2023		31 March 2022	
	Core Department and Agencies	Departmental Group	Core Department and Agencies	Departmental Group
	£000	£000	£000	£000
Buildings				
Not later than one year	305	4,166	-	-
Later than one year and not later than five years	772	8,057	-	-
Later than five years	-	1,593	-	-
	1,077	13,816	-	-
Less interest element	(6)	(293)	-	-
Present value of obligations	**1,071**	**13,523**	-	-
Other				
Not later than one year	-	1,220	-	-
Later than one year and not later than five years	-	3,575	-	-
Later than five years	-	39,711	-	-
	-	44,506	-	-
Less interest element	-	(216)	-	-
Present value of obligations	**-**	**44,290**	-	-
Total Present value of obligations	**1,071**	**57,813**	-	-
Current portion	302	5,268	-	-
Non-current portion	769	52,545	-	-

17.3 Quantitative disclosures around elements in the Statement of Comprehensive Net Expenditure

	31 March 2023		31 March 2022	
	Core Department and Agencies	Departmental Group	Core Department and Agencies	Departmental Group
	£000	£000	£000	£000
Variable lease payments not included in lease liabilities	95	1,813	-	-
Sub-leasing income	-	(16)	-	-
Expense related to short-term leases	-	1,971	-	-
Expense related to low-value asset leases (excluding short-term leases)	-	2,504	-	-

17.4 Quantitative disclosures around cash outflow for leases

	31 March 2023		31 March 2022	
	Core Department and Agencies	Departmental Group	Core Department and Agencies	Departmental Group
	£000	£000	£000	£000
Total cash outflow for lease	364	7,913	-	-

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 2022-23 or 2021-22.

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 £21,188k (2021-22: £18,658k). 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:

	2022-23 **£000**	2021-22 £000
Minimum lease payments		
Due within one year	19,035	18,668
Due later than one year and not later than five years	68,609	70,848
Due later than five years	197,533	213,288
Total	**285,177**	302,804
Less interest element	138,168	149,585
Present value	**147,009**	153,219
Service elements due in future periods		
Due within one year	13,714	7,174
Due later than one year and not later than five years	38,007	30,821
Due later than five years	126,853	126,697
Total service elements due in future periods	**178,574**	164,692
TOTAL COMMITMENTS	**325,583**	317,911

19 Capital and Other Commitments

19.2 Capital commitments

	2022-23		2021-22	
	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	-	61,173	-	66,794
Intangible assets	-	5,924	-	509
Total	**-**	**67,097**	-	67,303

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.

	2022-23		2021-22	
	Core Department and Agencies	**Departmental Group**	Core Department and Agencies	Departmental Group
	£000	£000	£000	£000
Not Later than one year	1,078	2,004	1,529	2,663
Later than one year and not later than five years	660	747	1,335	1,335
Later than five years	-	-	-	-
Total	**1,738**	**2,751**	2,864	3,998

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.

	2022-23 £000		2021-22 £000	
	Core Department and Agencies	**Departmental Group**	Core Department and Agencies	Departmental Group
Monetary assets such as bank balances and monies on deposit	**-**	**25,867**	-	24,440

22. Entities within the departmental boundary

The entities within the boundary during 2022-23 comprise supply financed agencies and those entities listed in the Designation and Amendment Orders presented to the Assembly. They are:

Supply financed agencies

Health and Social Care Trusts
- Belfast HSC Trust
- Northern HSC Trust
- South Eastern HSC Trust
- Southern HSC Trust
- Western HSC Trust
- Northern Ireland Ambulance Service HSC 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 and 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.

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 7th July 2023.

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