



Department for
Infrastructure

An Roinn

Bonneagair

Department für

Infrastructure

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ANNUAL REPORT + ACCOUNTS

01/04/2024

- 31/03/2025



Department for Infrastructure

ANNUAL REPORT AND ACCOUNTS 2024-25 **For the year ended 31 March 2025**

Laid before the Northern Ireland Assembly under section 10(4) of the Government
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by the Department of Finance
on 4 November 2025



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DEPARTMENT FOR INFRASTRUCTURE

Annual Report and Accounts for the year ended 31 March 2025

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PERFORMANCE REPORT



OVERVIEW

The purpose of this overview is to present a clear picture of the Department for Infrastructure's activities, functions and performance during the year. It sets out the key risks to the achievement of Departmental objectives and provides information for users to form an understanding of the organisation and its performance.

ACCOUNTING OFFICER'S STATEMENT

I am pleased to present the Department for Infrastructure's (DfI) Annual Report and Accounts for the year ending 31 March 2025. This report provides information about the range of activities the Department has engaged in over the past year and its performance against its key objectives and targets.

The year 2024-25 began with a sitting Minister, John O'Dowd MLA, and an Executive in position for the first time in many years. The restoration of the Assembly in February 2024 brought stability to the Department, which was further enhanced by the agreement of a budget later that year. In February 2025, a Programme for Government (PfG) was agreed following public consultation, providing a strong vision for our missions of People, Planet, Prosperity, and Peace. This month also saw a Ministerial reshuffle, with Liz Kimmins MLA appointed Minister for Infrastructure.

The reporting year, 2024-25, was a demanding period for the Department as we responded to numerous challenges. DfI is crucial in providing public services across Northern Ireland, including water, planning, transport and roads, which form the backbone of our communities' economic and social structures. Their efficient and effective delivery is vital for fostering a more prosperous, productive and healthier society.

These services are continuously delivered by dedicated individuals under all kinds of conditions; and whose efforts often go unnoticed until extraordinary circumstances highlight their essential role. For example, the Department's response to various weather events during the year was exemplary. In November, Storm Bert brought over half of the average monthly rainfall in one weekend, leading to flooding in many areas. In December, Storm Darragh brought high winds that affected transport and electricity networks, closing many roads.

However, these events were overshadowed by Storm Éowyn, which hit us on Friday 24 January 2025, following the Met Office's first-ever Red weather warning. DfI's well-rehearsed emergency response procedures, including the Major Emergency Response Plan (MERP) were activated. This unprecedented event led to school and workplace closures and advice not to travel. During this time, DfI staff cleared over 2,300 incidents of obstructions on roads, demonstrating the enormous coordination effort required to ensure public safety.

These storms highlight the critical role the Department plays during severe weather events and the importance of developing infrastructure to adapt to our changing climate. One such piece of this infrastructure, the Belfast Tidal Flood Alleviation Scheme was completed in March 2025. This £33 million scheme provides 8.5km of flood defences along the River Lagan, protecting 3,000 homes

and businesses. Part of the flood defences were deployed as a precaution during Storm Ashley, highlighting this infrastructure's importance in preventing tidal flooding, particularly for Belfast City Centre.

In 2024 the Department relocated from Clarence Court, its headquarters since 1993, to the newly refurbished James House. This move introduced a shift from individual offices to a modern open-plan layout, supporting flexible working practices and reducing office space, and our carbon footprint significantly. Clarence Court was designed in an era of car dependency and had 261 car parking spaces available to staff, but James House reflects the Department's current transport policy and offers virtually none. The relocation prompted a substantial change in commuting habits, encouraging staff to use public transport and active travel options, thereby reducing car dependency.

Road safety remained a key priority for the Department during the year. In 2024-25, 64 people lost their lives on our roads, equating to just over one death per week. These figures are not just statistics; they represent families devastated by the loss of loved ones. Evidence shows that most road deaths are avoidable, with over 90% caused by human error and poor decision-making. The Department continues to prioritise road safety, with the Executive agreeing during the year the Road Safety Strategy and the Department restoring funding for Road Safety Campaigns.

On 8 September 2024, Belfast Grand Central Station opened to the public, with bus operations starting and rail services following on 13 October 2024. This £340 million Executive Flagship project is the largest integrated transport facility on the island of Ireland, catering to around 20 million passenger journeys a year. The station's positive impact is already evident, with early indications showing increases in passenger numbers and footfall within Belfast City Centre.

During the year, the Department announced the next steps for the Belfast Rapid Transit 2 project, which will eventually link all corners of Belfast: North, South, East and West with quality public transport routes. Work has begun on developing the steps to implement the extension of the G2 Glider route from Titanic Quarter to Queen's University and the City Hospital while funding was also announced to support the development of bus priority measures and the construction of key infrastructure like the Bankmore Link in Belfast City Centre and the development of the O'Neill Road Park and Ride site.

In July 2024, the All-Island Strategic Rail Review was launched, setting out a strategic vision for the rail system across Ireland and Northern Ireland up to 2050. The report includes 32 strategic recommendations to enhance and expand the rail system, aligning with net carbon zero commitments. The Department and Translink have already started detailed feasibility studies on these recommendations to examine how this vision can be delivered.

The road network is a critical element of infrastructure that underpins and supports our society and our economic well-being. It is used either directly or indirectly by almost everyone on a daily basis. While the maintenance of the road network will continue to be a challenge, the Department is working on new ways to make the best of what we have. For example, during the year, the Department has been working to develop a new approach to the structural maintenance

programme, focusing on resource allocation, balancing safety and cost-effectiveness, and improving value for money. Work is at an advanced stage, and it is hoped that this new approach will deliver higher quality repairs by the use of modern technology – including Artificial Intelligence – to future-proof our roads.

While this work is ongoing, the Department has continued to deliver a range of structural maintenance schemes. £135.8 million has been invested in resurfacing and road maintenance this financial year resulting in 275 lane km of roads resurfaced. This included the resurfacing of Sydenham Bypass in Belfast, among other locations.

Despite the challenging financial situation, the Department continued to provide significant amounts of resource and capital to its Arms' Length Bodies (ALBs), with nearly £0.5 billion allocated to NI Water, and over £0.3 billion to Translink, which reflects just under 65% of the Department's total opening non ring-fenced budget. Translink also received ring-fenced capital of £80 million in the opening budget to deliver Grand Central Station.

Additional funding was obtained through monitoring rounds and allocated to both ALBs, including £19.5 million capital to fund targeted action to release wastewater constraints, unlocking 2,300 new properties.

To address the current funding shortages for NI Water, particularly in the area of wastewater, the Minister undertook a three-pronged approach: working with Executive colleagues to increase wastewater investment, conducting a public consultation on potential developer contributions, and securing Executive agreement for the Water, Flooding, and Sustainable Drainage Bill to be introduced to the Assembly.

In March 2025, NI Water informed the Department of a forecasted overspend for the financial year 2024-25. To understand the reasons for this overspend and enable better planning, the Department engaged forensic accountancy services to investigate why NI Water has been unable to live within its resource budget.

Planning is a hugely important function in shaping our environment and where we live. It is also a key facilitator for the delivery of housing and infrastructure. In October 2024, as part of the implementation of the Planning Improvement Programme, the Department introduced amendments to the Planning Order 2015 to improve planning performance and processing times. The introduction of validation checklists for planning applications will help inform applicants of the level and type of information required to be submitted with their applications.

More importantly, the Department has been engaging in very open and constructive discussions with Councils and other partners. This approach is intended to ensure that we really understand the issues which have the greatest impact on our processes and to provide the basis of partnership working to address and resolve those issues.

In October 2024, the Executive agreed to progress with the A5 Western Transport Corridor. This decision has since been the subject of a court challenge. The Minister has reaffirmed the need for the Department to continue work on the project while considering the outcome of the judgement.

During the year, other strategically important road schemes also moved forward, including the start of construction of the Narrow Water Bridge, the start of procurement for the A4 Enniskillen Bypass and the A1 Junctions Phase 2 and the completion of the public inquiry for the Cookstown Bypass.

Climate change continues to play a significant role in the work of the Department following the introduction of the Climate Change Act. Achieving net-zero emissions is essential to keep global temperatures from rising beyond 1.5 degrees above pre-industrial levels. Under the Climate Change Act (Northern Ireland) 2022, DfI is the sectoral lead for transport and is responsible for decarbonising surface transport. Work has continued in this area through the ongoing development of Transport Plans and the Transport Sector Plan.

Part of our commitment to reducing carbon emissions has been the transition to zero-emissions vehicles. Good progress has been made with the introduction of the Zero Emissions Vehicle Mandate during the year. The latest data shows that there are now 672 publicly accessible EV charge points available to provide charging opportunities for the 32,000 EVs on our roads.

To encourage more people to walk, cycle and wheel, and as part of our climate change commitments, the Department launched a consultation on the Active Travel Delivery Plan in November 2024. This plan sets out how the Department will prioritise and deliver over 200km of high-quality active travel infrastructure within our urban and rural settlements over the next 10 years. This plan compliments the existing Belfast Cycling Network Delivery Plan and the Strategic Plan for Greenways.


On the ground, the Department has been delivering a range of active travel infrastructure improvements during the year, including the Northwest Greenway Network and the Newtownards to Bangor Greenway. Geotechnical investigation works also started for the Lagan Cycle and Pedestrian Bridge prior to the start of procurement for this strategically important project.

In February 2025, Minister Kimmins outlined seven objectives to underpin the work of the Department going forward. These foundations will help shape a better tomorrow by focusing on delivering positive change for people, the economy, and the environment. The seven foundations are: Climate Change, Cleaner and Greener Transport, Adapting to Climate, Better Roads, Water and Wastewater, Plan to Improve, and Including People. These foundations will help the Department shape its priority areas and will form the basis for the Business Plan for the year 2025-26.

Finally, during the year, we have faced many challenges with the recruitment and retention of our people, leading to a high number of vacancies in the Department. Substantial work has been undertaken to address this, including the establishment of a People Sub Committee of the Departmental board, the launch of a DfI People Strategy and successful delivery of 18 Professional and Technical competitions and a Graduate Skills Academy.

I am acutely aware of the dedication and hard work of the staff who work for the Department, much of which is unseen. With this in mind, I am delighted that the Executive recognised the need for an agreed pay award covering the 18 months from August 2024 to March 2026.

Let me finish by paying tribute to our people across the Department. I continue to be amazed by, and deeply grateful for my colleagues, working in the Department and ALBs for their unwavering professionalism, pride, and dedication to delivering the highest quality of public services in transport, water, and planning. Their commitment shines out, during these unprecedented times, and throughout the entire year. On the basis of the performance I have witnessed, it is my hope and belief that we will continue to work hard to serve our society over the year ahead.

A handwritten signature in black ink, appearing to read 'Dr Denis McMahon'. The signature is fluid and cursive, with a large initial 'D'.

Dr Denis McMahon
Accounting Officer

30 October 2025

NON-EXECUTIVE BOARD MEMBERS' REPORT

The 2024-25 year began with a sitting NI Assembly and Executive Ministers in post. For wider government, this was a much welcome return of decision-making into the hands of duly elected politicians, and the re-establishment of proper democratic scrutiny and oversight processes. With regard to governance within the Department for Infrastructure (DfI), it meant that the department would function from the beginning of the financial year under the direction and control of a Minister for Infrastructure, John O'Dowd MLA, for the first time in a number of years.

In February 2025, Minister O'Dowd moved on to become Minister for Finance, with Liz Kimmins MLA coming in as Minister for Infrastructure. This created additional workload for DfI staff to prepare Ministerial briefings and adjust to Minister Kimmins' priorities, however the department should be commended for managing the transition smoothly.

The return of Ministers and the Assembly meant the extremely challenging financial position faced by the department in recent years was somewhat mitigated through the approval of a budget for the year. Another major achievement was the approval of a Programme for Government in February 2025. This will provide much needed direction and clarity for the department moving into 2025-26, and in the years beyond.

The department's Board understands the vital role it performs for the people of Northern Ireland, with our infrastructure network being an essential part of our daily lives. Recognising that budgetary constraints still remained, difficult decisions were required to be taken throughout the year with regard to prioritising the department's functions and services. The challenges the department faced were complicated further by the high volume of vacancies and the difficulty in filling positions in a highly competitive market.

Severe weather events also presented challenges throughout the year. The severity of Storm Éowyn in January 2025 resulted in the swift activation of the department's Major Emergency Response Plan (MERP), with DfI taking a lead role in responding to the storm and ensuring public safety. The storm highlighted the critical role the department plays during severe weather events and the strategic importance of infrastructure in mitigating the impact. Responding to such an event places a huge challenge on departmental response teams and the lessons learned from previous MERP activations and exercises were evident in how the department managed its responsibilities.

Despite these challenges, the department managed to achieve several key objectives during the year, including the completion of Grand Central Station and the Belfast Tidal Flood Alleviation Scheme.

Arm's Length Bodies

With the return of the Assembly and an approved budget in place, the department was able to provide greater certainty around funding for its Arm's Length Bodies (ALBs). Additional funding was also secured during this period through In-Year Monitoring Rounds, which was largely distributed amongst the department's ALBs. Despite this however, it was concerning to note that Northern Ireland Water overspent against its allocation. We were satisfied with the department's swift response to the overspend and will interrogate the position in detail when the investigation report into the circumstances that led to this outcome becomes available.

Governance

The work of the departmental Board continued throughout the year, providing essential challenge and scrutiny of policies and performance, as well as support and advice to the Permanent Secretary.

The department's Corporate Risk Register remained a key area of focus for the Board and the DARAC throughout the year. The department operates in a very dynamic environment and the Risk Register is subject to continuous review to ensure the effective identification and mitigation of existing and emerging risks. We were pleased to note a particular improvement during the year, both in terms of several risks reducing in severity and/or likelihood, as well as in the department's management of risk – for example, the introduction of an Issues Log which focuses on those risks which have already been realised and tracks the ongoing actions to minimise their impact.

The Board also continued its scrutiny of the department's RHI Action Plan during the year and we noted the good progress being made to implement the remaining recommendations. However, in light of the NIAO's second report on the implementation of the RHI public inquiry recommendations, published in October 2024, further work will now be required to ensure that the department fully implements the Plan.

During the year the various Sub-Committees to the Board assisted in the scrutiny of the work of the department.

The Departmental Audit and Risk Assurance Committee (DARAC) continued to support the Board in its responsibilities for issues of risk control and governance, reviewing the comprehensiveness, reliability and integrity of assurances in meeting the Board's and Principal Accounting Officer's assurance needs. This included review and reporting to the Board on Internal Audit activity, NI Audit Office reports, NI Water and Translink Audit Committee business, Fraud and Raising a Concern updates and progress on the implementation of audit recommendations.

The Major Projects Committee continued to consider and provide assurance to the Accounting Officer and the Board on the oversight of the management of major projects within the department and its Arm's Length Bodies. During the year, Senior Reporting Officer (SRO) reports were updated and scrutinised by the Committee and deep dives were completed on specific projects, including the York Street Interchange, A4 Enniskillen Southern Bypass, and Regional Planning IT projects. A

review of the operation of the Committee is currently underway to consider its structure and scope, with the aim of enhancing the overall effectiveness of the Committee.

Strategic oversight of the department's Health and Safety arrangements continued to be managed by the Health and Safety Committee, which was formed in 2023-24. The Committee also provides assurance on the management of the Health and Safety corporate risk position.

In response to the department's vacancy position, the Permanent Secretary ordered the creation of a People Sub-Committee to the Board. Although there is much work still to be done, the Committee has already played a key role in improving staff capacity, prioritising Dfl's recruitment competitions and developing a Dfl People Strategy. The Committee was also crucial in driving forward development programmes for existing staff, thereby enhancing our staff capability. The Committee will continue to focus on three key areas of Capacity, Capability and Culture to strengthen attraction, development and retention of personnel.

A further Sub-Committee to the Board, the Delivery Board, was also introduced during the year. Its work focuses on delivering the Foundations Programme, which consists of seven Ministerial priorities: Carbon Free; Cleaner and Greener; Adapting to Climate; Better Roads; Waste and Wastewater; Plan to Improve; and Including People.

We, as Non-Executive Board Members (NEBMs), remain committed to monitoring and challenging the department's performance in relation to its strategic plans and delivery objectives. We are also committed to embracing new initiatives and opportunities for the department and look forward to contributing to the excellent work of the department in the future. We continue to have every confidence in the Board's operation and resilience, and the commitment of both the Dfl Senior Leadership Team and wider staff to the essential public services delivered by the department and its Arm's Length Bodies.

PURPOSE AND ACTIVITIES

Through its focus on transport, water and planning, the Department for Infrastructure seeks to maintain and develop sustainable infrastructure that supports our economy, improves the quality of life for all and helps to tackle the climate emergency.

WHO WE ARE

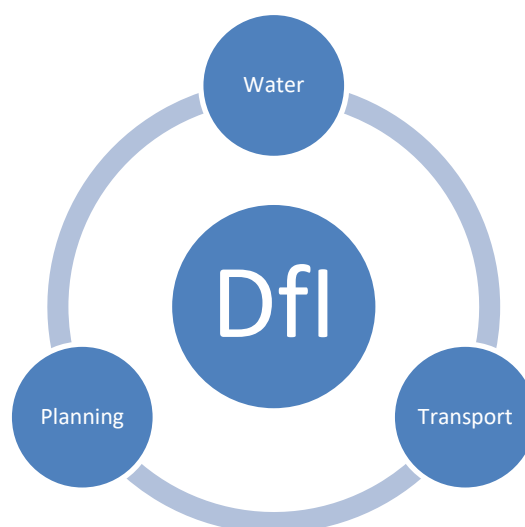
Established in May 2016, the Department amalgamated a range of functions from the former Department of Agriculture, Department for Culture, Arts and Leisure, Department of the Environment, Office of the First and deputy First Ministers and Department for Regional Development. It currently employs approximately 3,000 people, including industrial, professional, and technical staff, as well as engineers, planners, policy makers and administrators.

WHAT WE DO

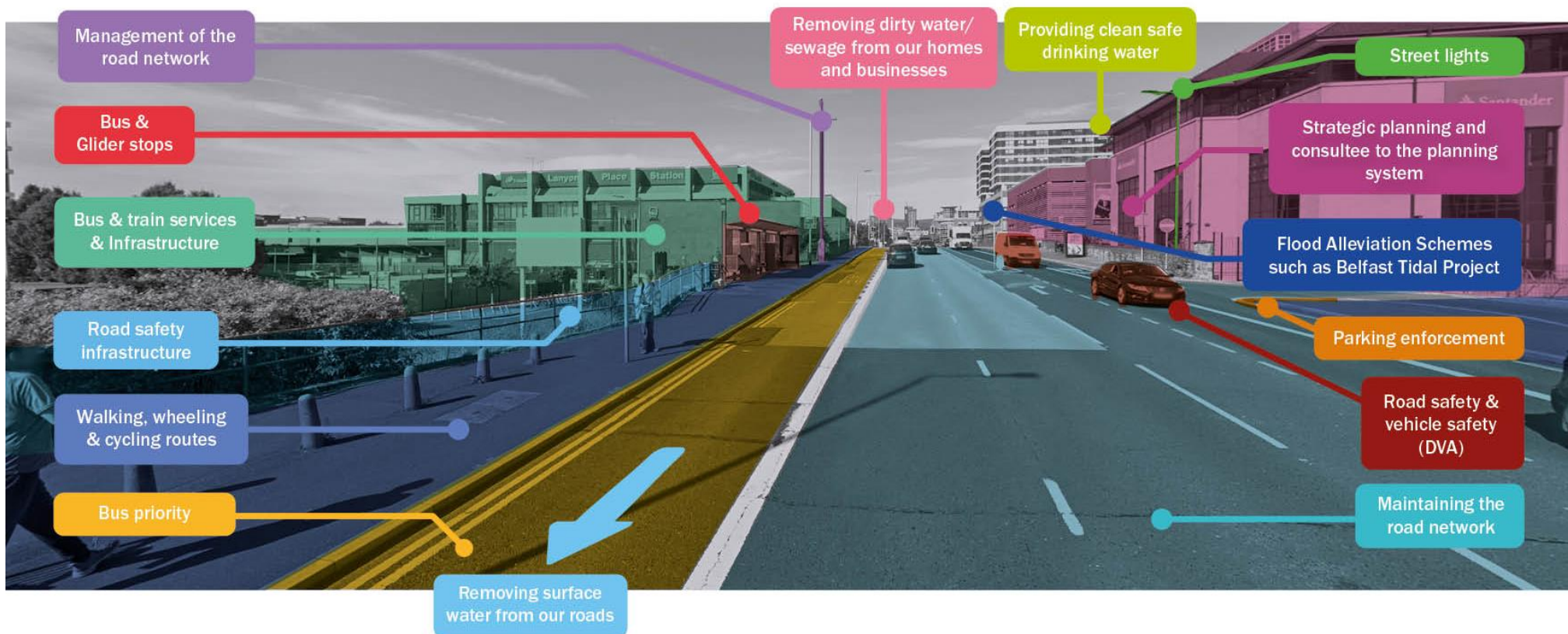
From 3 February 2024 the Department was under the direction and control of the Minister for Infrastructure, John O'Dowd MLA. Following a Ministerial reshuffle, Liz Kimmins MLA was appointed as Minister for Infrastructure on the 3 February 2025.

The Department for Infrastructure is responsible for the maintenance, development and planning of critical infrastructure in Northern Ireland. Through its focus on transport, water and planning, the Department is seeking to manage and protect over £37bn of public assets that improve **people's** quality of life, reduce our impact on the **planet** by living sustainability and decarbonising key services, and building **prosperity** by driving inclusive productivity.

The Department has a vast and wide-ranging remit. Its responsibilities are grouped into three key delivery areas: Transport; Water; and Planning.



Examples of some of our Responsibilities:



The responsibilities of the Department are wide ranging and impact each of us, every day.

Transport

The Department oversees and facilitates surface transport in Northern Ireland. The key components for achieving the Department's transport vision include: developing Transport Policy, managing the Road Network Asset with an emphasis on road safety, and providing funding and sponsorship to Translink for the public transport network.

A new Transport Strategy is currently being developed by the Department, which will outline a fresh vision for our transport system, emphasising climate change and connectivity. This strategy will guide future transport decisions within and beyond government, setting the strategic framework for transport investment. The Transport Strategy will serve as the foundation for the first Transport Sectoral Plan mandated by the Climate Change Act (NI) 2022, a major driver of the strategy.

Additionally, the Department sponsors the NI Transport Holding Company (NITHC), the parent company of Northern Ireland's publicly owned bus and rail company, Translink.

The Department also ensures the operation of the Strangford and Rathlin ferries and oversees certain aspects of Trust Ports governance and airport development.

The Department has several key responsibilities to ensure safe and accessible travel for everyone which include statutory duties to promote road safety, reduce road fatalities, and prevent injuries.

The Driver and Vehicle Agency (DVA), an agency of the Department, also plays a crucial role in road safety, enforcement, and environmental protection by ensuring compliance among drivers, vehicles, and transport operators through testing, licensing, enforcement, and education. As a trading fund, the DVA publishes a separate Business Plan and Annual Report.

Water

The Department sets the strategic direction for water, wastewater, and drainage policy across Northern Ireland. This includes developing legislation on water, flooding, and sustainable drainage, as well as sponsoring NI Water.

NI Water, an arm's length body of the Department and a government-owned company with the Department as the sole shareholder, is the statutory water and sewerage provider for Northern Ireland. It supplies 605 million litres of drinking water daily to 920,000 households and businesses and treats 360 million litres of wastewater before safely returning it to rivers and the sea.

The Department also sponsors Waterways Ireland, one of six North-South Implementation Bodies, which promotes the recreational and navigational use of our waterways.

In managing flood risk, the Department maintains river and sea defences, constructs flood alleviation schemes, informs development decisions, and develops flood maps.

As the lead government department for the strategic coordination of emergency responses to severe weather events, including flooding, the Department develops emergency planning and processes in collaboration with multi-agency partners.

Planning

The Department is responsible for setting the strategic direction and creating regional policies for land use planning. It also develops planning legislation and handles a limited number of regionally significant planning applications and those that may be 'called in.' Additionally, it serves as a statutory consultee for roads and rivers, providing specialised advice on planning applications considered by councils.

The Department collaborates with local councils to lead the two-tier planning system and has a statutory consultee and oversight role in preparing Local Development Plans, which outline councils' long-term visions, objectives, and growth over the plan period. Together with local government and stakeholders, the Department is advancing an ambitious Planning Improvement Programme. An interim Regional Planning Commission has been established to offer advice and support, focusing on various areas such as legislation, policy, practice, resourcing, and governance.

The Department also plays a regeneration role with Crumlin Road Gaol in Belfast and owns lands at the former St Lucia Barracks in Omagh.

By concentrating on transport, water, and planning, the Department maintains a clear understanding of the current state of infrastructure in these key areas, identifies needs, and emphasises the importance of appropriate investment.

OUR PEOPLE

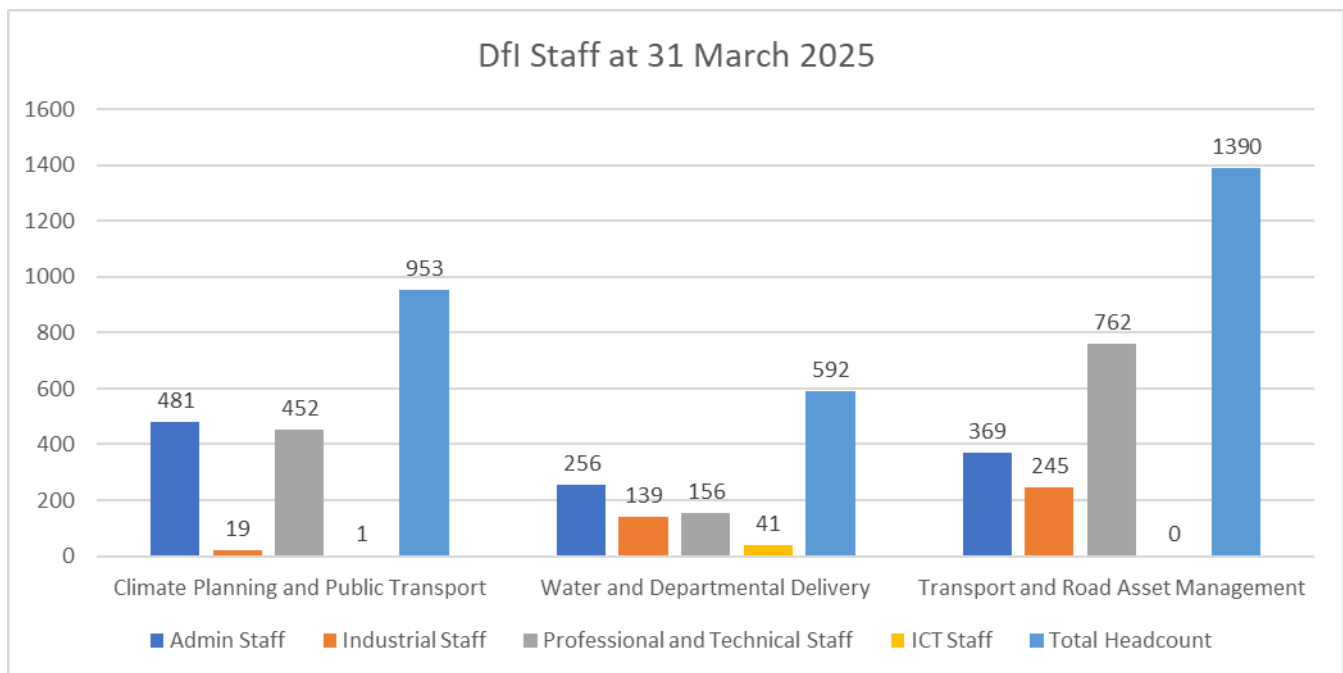
Our people continue to be the Department's greatest asset, particularly in the context of financial constraints, increasing service demands, and evolving public expectations. Recognising the importance of our workforce and adapting to the changing nature of work remains a key priority. We are committed to fostering a departmental culture where individuals are valued, supported, and empowered to realise their full potential.

This commitment is fundamental to the delivery of the essential services provided by the Department for Infrastructure (DfI). DfI plays a critical role in supporting the daily lives of residents, workers, and visitors across Northern Ireland. The Department ensures the safe and efficient movement of people and goods, facilitates economic growth and sustainable development, and contributes to the planning and delivery of well-connected living spaces.

The Department employs approximately 3,000 staff across a diverse range of roles, including industrial, professional, technical, engineering, planning, policy, and administrative functions. Each member of staff plays an integral role in the delivery of our services and the achievement of our strategic objectives.

In response to ongoing challenges in recruitment and retention, the Department established a dedicated People Development and Workforce Planning Directorate. This Directorate has led the development of the **Dfl People Strategy**, which is structured around three strategic priorities: building capacity, supporting capability, and strengthening organisational culture. These priorities are informed by the findings of the 2023 People Survey and are aligned with the wider Northern Ireland Civil Service (NICS) People Strategy. A Workforce Plan has been implemented to address critical staffing needs and support departmental priorities. To date, over 18 professional and technical recruitment competitions have been delivered, with further recruitment activity underway. The Department is also placing a renewed emphasis on leadership development and professional learning and development. In 2024, the Directorate launched a range of focused personal and professional development programmes which include the Evolve Leadership Programme for grades AA to G7 a Programme & Project Management Academy providing training to those who are taking forward large capital programmes and introduced a pilot mentoring programme. The Directorate has also led on the delivery of key staff engagement forums such as the Senior Leadership Forum and the wider staff engagement Council. Through these initiatives, Dfl is committed to becoming an employer of choice - one that values its people, invests in their development, and delivers high-quality services for the public.

Breakdown of Dfl Staff by Group as of 31st March 2025



Administrative Staff	1,106
Industrial Staff	403
Professional and Technical Staff	1,370
ICT Staff	42
Total headcount	2,921

				<h2 style="margin: 0;">DfI Senior Management Team</h2>					
DfI Minister - Liz Kimmins MLA									
DfI Permanent Secretary - Denis McMahon									
 Climate, Planning & Public Transport		 Transport & Road Asset Management		 Water & Departmental Delivery		 People Development			
Deputy Secretary Judith Andrews		Deputy Secretary Colin Woods		Deputy Secretary Declan McGeown					
Regional Planning Governance, Legislation Rosemary Daly		Major Projects Jonathan Saulters		Finance (Including Waterways Ireland Sponsorship) Susan Anderson		Water & Drainage Policy Alison Clydesdale		Patricia McIntyre	
Regional Planning Policy & Casework Dr Kathryn McFerran		Road Engineering, Services & Procurement David Porter		Governance, EU, Facilities and Ministerial Support Donal Moran		Sustainable Drainage Simon Richardson			
DVA Jeremy Logan		Road Asset Development Liam McEvoy		Corporate Strategy & Performance Kiera Lloyd		Rivers Operations Gary Quinn			
Driving and Vehicle Policy Division Chris Hughes		Road Asset Maintenance Colin Sykes		Communications, Public Affairs & Engagement Karen Fullerton		Rivers Development Jonathan McKee			
Public Transport Operations Peter Rice		Transport Planning & Policy Sian Kerr							
Transport Regulation and Public Transport Policy Jackie Robinson		Active Travel Colin Hutchinson							

KEY ISSUES AND RISKS

A number of challenges within our operating environment are outlined below.

CHALLENGE	ASSOCIATED ISSUES
Resourcing & People Management	<ul style="list-style-type: none"> • There have continued to be significant challenges in matching our ambitions for delivery with the funding and availability of staff to deliver on these ambitions. • Despite improvements in recruitment brought about by our People Development team and NICS HR, the attrition figure remains higher than the recruitment figure, indicating ongoing challenges in retaining staff. • Vacancy management issues continue to result in increased workloads for existing staff and impact upon our ability to achieve business objectives.
Health and Safety	<ul style="list-style-type: none"> • Extreme budget pressures and high levels of staff vacancies in key areas throughout the Department have resulted in challenges in managing our significant health and safety obligations, both for the public and our own staff. • Our primary focus is on discharging our statutory duties regarding health and safety and prioritising other areas as appropriate.
Financial	<ul style="list-style-type: none"> • The budget for 2024-25 was agreed by the Executive on 25 April 2024. • The shortfall in the resource allocation meant some difficult decisions had to be taken, including: <ul style="list-style-type: none"> ○ maintaining a limited level of service for essential road maintenance and flood risk management; and ○ reductions/efficiencies to be delivered by Translink and NI Water against forecast requirements.
Safeguarding our Infrastructure	<ul style="list-style-type: none"> • Inadequate funding leads to underinvestment in maintaining our asset base. • There are constraints on new housing and economic development due to wastewater infrastructure being at, or near, full operating capacity. • Funding for our road network is insufficient to maintain the current state of repair. • Our public transport network also requires substantial investment to maintain existing services.

CHALLENGE	ASSOCIATED ISSUES
	<ul style="list-style-type: none"> The impact of climate change has increased the likelihood of extreme weather events which places an additional strain on our Infrastructure.
Technology and data Security	<ul style="list-style-type: none"> Technology continues to be key to transforming public services, improving accessibility for the citizen and increasing staff productivity through flexible working and a strategic approach of leveraging data to improve decision making. This includes the use of Artificial Intelligence. The Department continues to promote Cyber Security awareness through a programme of regular IT system health checks and mandatory Cyber Security training for all staff.
Climate Change	<ul style="list-style-type: none"> Significant additional investment is required across the Department and its Arm's Length Bodies to meet the requirements set out in the Climate Change (Northern Ireland) Act 2022. This includes acquiring additional technical expertise in key areas. Further work is required to raise knowledge and awareness among staff of DfI's duties and responsibilities under the Act and how these relate to their role. Furthermore, some additional work is needed to fully allocate climate-related roles and responsibilities among DfI business areas. There is a lack of clarity around the scope and requirements of Section 52 of the Act.
Reservoirs	<ul style="list-style-type: none"> The absence of full commencement of the Reservoirs Act means that the Department does not have the legislative framework to manage reservoir safety in Northern Ireland and the associated public safety risk.

PERFORMANCE ANALYSIS



APPROX.
5,200
received emails

dealt with in the
Department's main
correspondence mailbox

RESPONDED TO
558
FOI Requests

174
citizens provided
their personal data
upon request

REPAIRED
1.02km
OF CULVERTS AND
16.12km
OF FLUVIAL FLOOD
DEFENCES



1,165,217
vehicle tests
conducted (full & retests)



68,700
driving tests
conducted

300,000
driving licences

8,627

PCN'S WERE ISSUED TO VEHICLES
PARKED IN CONTRAVENTION IN
DISABLED BAYS

MAINTAINED
363

Rural Open Watercourses

82%
OF ALL OF OUR
STREETLIGHTS ARE LED

60,712

Blue Badge
applications
received

PROCESSED

**fifty nine
thousand five
hundred and
forty nine**

Blue Badge
Applications



42,582*

Blue Badges Issued
using shortened
renewal process

22

Cases of Blue Badge
Fraud Detected*

11



NOTIFICATIONS WERE
PROCESSED IN RELATION
TO COUNCIL PLANNING
APPLICATIONS



FLOOD ALLEVIATION

£8.9m

invested and
2,500

properties provided
with enhanced
flood protection
through the
completion of the
Belfast Tidal Project

AS PART OF OUR
10-YEAR CAPITAL
INVESTMENT
PROGRAMME WE
ARE CURRENTLY
PROGRESSING
40 FLOOD ALLEVIATION
PROJECTS WITH AN
ESTIMATED CAPITAL
INVESTMENT OF OVER
£300MILLION



£50million

FUNDED
CONCESSIONARY
FARE JOURNEYS.
INCLUDES FIGURES
FOR SCHOOL CHILDREN
AND REDUCED
ADULT FARES

£5.4m
FOR DEMAND
RESPONSIVE
COMMUNITY
TRANSPORT AND
SHOPMOBILITY
SCHEMES
INCLUDING
ASSISTED RURAL
TRAVEL SCHEME



SUPPORTED

Strangford Ferry
Service to carry

586,682
PASSENGERS

214,359
VEHICLES

Rathlin Ferry
Service to carry

109,305
PASSENGERS

4,236
VEHICLES

Budget Position 2024-25

The Executive agreed the 2024-25 Budget on 25 April 2024, which provided the Department with an opening resource budget allocation of £559.5m, and an opening capital allocation of £820m.

Resource

The Department's opening resource budget allocation when set against the Department's forecast requirements was a shortfall of some £117m.

The then Minister for Infrastructure made difficult decisions to live within the opening resource budget allocation, with reductions applied across the full range of services that the Department delivers, including: limited essential road maintenance and flood risk management; and reduced budgets for public transport and water delivery.

Even with these actions the Department continued to face pressures, including its ability to maintain the roads network, public transport and provision of water and wastewater treatment. The Department was successful in securing additional in-year budget which addressed some of its immediate pressures including the full delivery of a winter service and additional funding towards the maintenance of the road network. Further budget was also allocated towards the delivery of public transport and water delivery.

The Department managed within its resource budget allocation, reporting minimal underspend at provisional outturn.

Capital

The opening Capital Budget enabled the continuation of investment to deliver Departmental priorities. Further budget was also allocated in-year towards the road network, public transport and water and wastewater, including £19.5m to release wastewater constraints.

The Capital budget provided to NI Water enabled it to meet regulatory and environmental obligations, including:

- maintaining 24 Water Treatment Works and 1,027 Wastewater Treatment Works;
- improvements to Wastewater Treatment works;
- improving sewerage infrastructure, for which NI Water's network extends to some 16,500km in length;
- maintaining 27,000km of Watermains; and
- investment in green energy saving projects.

During 2024-25, the Department provided Translink with a capital investment of £248m. This investment delivered a wide range of projects including Belfast Grand Central Station which

opened during the year. In parallel with this the first phase of the Northern Ireland Regional Operating Centre (NIROC) and York Street Station, including a public realm area and cycle shelters, were completed.

This investment also enabled the purchase of zero emission buses and facilitated the continuation of ongoing overhaul and refurbishment programmes for the bus and rail fleets. In addition, the Enterprise Fleet Replacement project, a joint project with Iarnród Éireann and supported by funding from the EU, was progressed.

Capital funding also allowed for work on the latest phase of Coleraine to Derry~Londonderry Track Renewals to continue, alongside design and development work in preparation for the main development phase. Other track, signalling and bridge works to safeguard the existing network were undertaken and investment was made on new technology and systems such as the Future Ticketing System and the Replacement of Rail Validation System.

In relation to strategic road transport the capital funding allowed for the continued development of a number of projects including: - progressing work on the A5 Western Transport Corridor; publishing Draft Orders for the Newry Southern Relief Road: further development work on recommended placemaking and active travel scenarios for York Street Interchange: commencing procurement of A1 Junctions phase 2, A4 Enniskillen Southern Bypass and Lagan Pedestrian and Cycle Bridge; and holding a public inquiry for A29 Cookstown Bypass.

The Department was also able to replace c820 street lighting columns and associated underground cabling during 2024-25.

Expenditure of £135.8m (comprising £107.4m capital and £28.4m resource) on structural maintenance delivered around 275 lane km of road resurfacing and 4.7 million square metres of surface dressing.

Forward Look Financial Position

The Executive has agreed the 2025-26 Budget, and the Department's opening capital and resource budgets are £917m and £637.1m respectively. The Department's resource budget outcome is an increase of £77.6m (13.9%) from its 2024-25 opening budget, and for its capital budget outcome this is an increase of £96.9m compared to 2024-25 (almost 12%). Albeit the position is an improving one into 2025-26 the Department will still not be able to deliver everything it wanted to, and prioritisation will be required.

Programme for Government

The NI Executive's Programme for Government (PfG) 2024-27 'Our Plan: Doing What Matters Most' was published on 3 March 2025. It includes nine high level immediate priorities and recognises the underpinning nature of infrastructure and the importance of funding to address and maintain Northern Ireland's deteriorated critical infrastructure – including our wastewater assets.

DfI is not the lead Department for any of the PfG priorities. It will, however, play a fundamental role as an enabler of several of them: Grow a Globally Competitive and Sustainable Economy; Provide More Social, Affordable and Sustainable Housing; Protecting Lough Neagh and the Environment; and Reform and Transformation of Public Services. The PfG will help shape future programmes and business planning within the Department for the remainder of this Assembly mandate.

Departmental Business Plan 2024-25

The Department developed a Business Plan for the year 2024-25 outlining key actions which the Department then undertook during the year. The business plan was developed at a time when the Department was experiencing a very challenging budget position. The plan focused on the essential service delivery of critical services and infrastructure and 20 actions falling within our three delivery areas of Water, Planning and Transport as well as cross cutting departmental wide.

The Business plan is available on the Departments website at: [DfI Business Plan 2024-25 | Department for Infrastructure](#)

Monitoring of the business plan was undertaken, including both Quarterly and End Year Monitoring Reports. Of the 20 headline actions detailed in the 2024-25 Business Plan, 13 were fully delivered within the reporting year, 5 were either partially delivered or were delivered late and 2 were not delivered.

The full end-year performance report is available on the Department’s website at: <https://www.infrastructure-ni.gov.uk/publications/department-infrastructure-end-year-report-business-plan-actions-2024-25>

Some of the highlights include:

Action	Status as of 31 st March 2025
Take a Statutory Decision on Progress of A5 Western Transport Corridor by 30 September 2024	A decision was taken on the A5 by the Minister on the 2 October 2024. (This has subsequently been the subject of a challenge in court).
Open the new Belfast Grand Central Station (BGCS) by Autumn 2024 and the refurbished York Street Station by 30 April 2024.	BGCS Opened to rail passengers on 13 October 2024 while bus services commenced on 8 September 2024. York Street station opened on 29 April 2024.
Publish an Active Travel Delivery Plan for public consultation by 30 September 2024	The public consultation was launched on the 13 November 2024.

Action	Status as of 31 st March 2025
Complete the construction and handover of the Belfast Tidal Flood Alleviation Scheme by 31 March 2025	Rivers Directorate has recently completed the Belfast Tidal Flood Alleviation Scheme. The construction works have completed in all areas of the scheme. 80% of the temporary barriers have also been delivered with the remaining to be delivered in batches following scheme handover by spring.
Bring forward amending legislation to introduce statutory validation checklists for Councils during 2024-25	Statutory Rule was made and laid 1 Oct 24 and comes into operation on 1 April 2025.
Publish the Road Safety Strategy and associated action plan by 30 September 2024	Launched by Minister on 12 September 2024.

Waterways Ireland

Waterways Ireland is jointly sponsored by the Department for Infrastructure (DfI) and the Department of Housing, Local Government and Heritage (DHLGH). It prepares a high level three-year Corporate Plan and an annual Business Plan. The Plan must have the approval of both Sponsor Ministers, Finance Ministers and the North South Ministerial Council. Waterways Ireland accounts operate on a calendar year with the most recent [Waterways Ireland Corporate Plan 2023-25](#).

The Body employs over 350 permanent staff, located in offices and depots close to inland waterways. A number of seasonal staff are also employed over the spring and summer period.

It is the cross-border navigational authority responsible for the management, maintenance, development and restoration of almost 1,100km of inland navigable waterways and over 600km of Greenways and Blueways, principally for recreational purposes.

Executive Flagship Projects

A6

Following the opening of the A6 Randalstown to Castledawson dual carriageway in May 2021, the Department continued to progress the construction of the A6 Derry to Dungiven Phase 1 dualling scheme. This scheme, between Drumahoe and Dungiven was opened to traffic on 6 April 2023 with contractual Completion being achieved on 30 November 2023.

Together these schemes, which represent an investment of over £440m, are greatly improving the connectivity of the North West, reducing journey times, boosting journey time reliability and improving road safety for all road users. The construction of these schemes secured many jobs in the local construction industry.

A5

The A5 Western Transport Corridor project, on completion, will provide 85km of new high standard dual carriageway between New Buildings and the border just south of Aughnacloy. Like the A6, it will greatly enhance the connectivity of the North West, reduce journey times, boost journey time reliability and improve road safety for all road users.

Following Executive agreement on 2 October 2024, Minister O'Dowd announced his decision to proceed with the length of the A5 Western Transport Corridor project between south of Strabane and Ballygawley (55 of its total 85km length).

On 13 November, the Department received a formal legal challenge to the Minister's decision. A judgement against the decision was made on 23 June 2025 and at the time of writing the Department is considering options for proceeding with the development of the project.

Other Strategic Road Schemes

Work on the Minister's prioritisation of Major Projects concluded in February 2025. Minister O'Dowd announced the progression of A1 Junctions Phase 2 in June 2024 and procurement commenced in December 2024. On 12 March Minister Kimmins announced that development work would recommence on Ballynahinch Bypass with an aim to starting construction in 2028-29. A formal announcement on the remaining schemes is to be made in due course.

Belfast Transport Hub -Grand Central Station and Weavers Cross Regeneration Project

Belfast Grand Central Station (previously referred to as the Belfast Transport Hub) is an Executive Flagship Project to replace the existing Europa and Great Victoria Street bus and rail stations. It is a transport-led regeneration project planned to be a key driver of economic growth and prosperity for Belfast and Northern Ireland. Upon opening in September 2024, Belfast Grand Central Station became the largest fully integrated transport facility on the island of Ireland delivering economic, social and environmental benefits to the region, connecting people with people, place and opportunity.

The station construction and rail works have continued at pace, with the operational opening on 8 September 2024 for bus operations and 13 October for rail operations. The new station will provide greater capacity with an increase to 26 bus stands, eight railway platforms, enhanced walking and cycling connectivity, greater comfort and accessibility encouraging greener, active travel for a healthier, smarter city. The station will encourage more people to choose healthier, cleaner transport within the City of Belfast and Northern Ireland, better connecting communities and assisting in the transition to Net Zero.

Post the operational opening, a substantial scheme of public realm improvements will continue with completion due in 2025. This work will include the completion of the new Saltwater Square public realm space in front of Belfast Grand Station.

The Weavers Cross development will follow on from the completion of Belfast Grand Central Station and will provide an opportunity to 'Regenerate through Reconnection' 1.3+ million square feet of mixed-use space regenerating circa. 8 acres of brownfield land surrounding the new Station.

Funding of the Public Transport Network

The Transport Act (Northern Ireland) 2011 requires the Department to enter into a Public Service Agreement with NITHC/Translink for the delivery of the majority of public transport services here. In 2024-25 the Department funded Translink with £162.9m of revenue support as well as £248.5m in capital support in the delivery of our public transport network. Through the Public Service Agreement, the Department includes a commitment that funding should be maintained at such a level to ensure that the public service obligation activities performed by Translink enable it to maintain its financial viability over the life of the Corporate Plan. In light of this, the Department remains Translink's primary source of capital funding and one of its main sources of revenue income.

The level of annual subsidy provided to Translink to provide the public transport network has led to the organisation sustaining significant losses in recent years and depleting its cash reserves to below the recommended threshold of its external treasury advisors. While the Department has been able to secure Translink's funding position through in year bids, there is still a gap in funding to meet network delivery requirements without incurring a deficit outturn. This challenge has been exacerbated by the legacy impact of COVID-19 and associated change in travel patterns however 2024-25 passenger numbers were budgeted to return to pre-pandemic levels. Recognising the statutory requirements placed on it, the Department continues to work to secure the funding allocations needed to preserve and build on our public transport network.

City and Growth Deals

The Department has continued to play a lead role in supporting the preparation and development of proposals for Northern Ireland to benefit from investment via City and Growth Deals, working collaboratively with other NI Departments, UK Government and local councils.

As part of the Belfast Region City Deal, the Department continued the development of Newry Southern Relief Road, Lagan Pedestrian and Cycle Bridge and Belfast Rapid Transit 2.

Newry Southern Relief Road

The Department published the draft Statutory Orders and the Environmental Impact Assessment on the fixed bridge option. The statutory consultation period concluded on 4 March 2025.

Lagan Pedestrian and Cycle Bridge

Work on the bridge is continuing through the procurement process which commenced in Spring 2024.

Belfast Rapid Transit 2

The Minister announced the next steps for Phase 2 of the Belfast Rapid Transit (BRT2) project on 25 February 2025, which will see the Glider service extended to north and south Belfast. Work will begin on the initial phasing later this year.

The Department has also been working closely with Derry City and Strabane City Deal partners on the development of the Strabane Town Centre Regeneration projects and the Derry Riverfront project, contained in the deal signed off in September 2024.

Two major transport projects are being advanced as part of the Mid-South West (MSW) Growth Deal. The A4 Enniskillen Southern Bypass scheme commenced procurement in April 2024 and this process is ongoing. Statutory consultation on the Environmental Impact Assessment and draft Orders for the A29 Cookstown Bypass commenced in Spring 2024, with a public inquiry taking place in October 2024.

In addition, officials have been engaging with Causeway Coast and Glens on the transport projects they are considering as part of their deal.

Living with Water Programme

In 2023, NI Water informed the Department that the cost estimate of its elements of the Living with Water in Belfast Plan had risen by £700m to £1.9 billion - an increase of over 50% within 2 years of publication - pushing the overall cost estimate of the Plan to £2.1 billion. As a result, an affordability review was undertaken which concluded that the need for the projects within the Plan still exist, however, delivery will take longer than the 12 years originally estimated, and that projects will now be taken forward by NI Water and the Department at a pace and scale achievable within allocated budgets. The formal Living With Water Programme, and associated governance structures, were subsequently stood down in December 2024. Consequently, NI Water has deferred delivery of the major upgrades needed to its wastewater infrastructure around Belfast Lough and will now focus on additional maintenance to ensure that these assets can continue to operate until such times as budget is available to undertake more substantial upgrades.

During the year work continued to deliver some elements of the Plan, with over £36m of investment in projects to help protect Belfast from flooding, provide a cleaner and greener environment, and ensure that the city is open for business and investment. This includes NI Water completing outline business cases for Sydenham Wastewater Pumping Station replacement, Belfast Wastewater Treatment Works (WwTW) Phase 1, Kinnegar WwTW and Whitehouse WwTW.

Work to develop a Living with Water in Derry Plan continued, with the draft “Living With Water in Derry / Londonderry Plan” published for public consultation on 13 January 2025. It is envisaged that the final Derry Plan will be published before the end of 2025.

With the Living With Water Programme being stood down at the end of 2024, the Living With Water Directorate in the Department was restructured to focus resources on developing policy for blue/green infrastructure, including Sustainable Drainage (SuDS) and Natural Flood Management (NFM). As a result, it has been renamed - Sustainable Drainage Directorate.

Maintenance of Infrastructure Assets

The Department is responsible for the upkeep of existing infrastructure valued in excess of £37bn. This includes over 26,000km of roads, 10,000km footways, 5,900 bridges, 300,000 streetlights as well as approximately 426 km of raised flood defences and flood walls, 26km of coastal defences, and 11 control structures, the Department maintains an extensive below ground drainage network of over 366km of culverts. In addition, it is responsible for managing and maintaining 133 hydrometric stations and 5 Rain Gauge sites used to measure and record water levels.

Each asset requires regular, routine, maintenance. Ongoing investment, on an annual basis, is required if the lifespan of our assets is to be maximised. However, it has not always been possible to fund the level of maintenance required. Addressing the backlog of maintenance and avoiding further degradation will require increased investment and an increase in capacity both within the Department and the wider industry. We need to be able to maintain our existing infrastructure before we expand it.

This would lead to assets that deteriorate more quickly and would result in more costly and complex interventions in the future. Put simply, it is better value to maintain the asset well and in a timely fashion. The failure to properly maintain the roads asset is a strategic risk to our future prosperity, safety and well-being.

Flood Alleviation Schemes

The Department's Rivers Directorate has a 10 year capital works programme to help plan the investment in both new flood alleviation schemes and the upgrading of existing flood risk management infrastructure.

Flood alleviation projects are identified either through the Flood Risk Management Planning process, where we have used predictive flood modelling to identify locations that are at most risk of flooding or through our local expert knowledge of places with a history of flooding. Capital flood alleviation projects are then prioritised based on a range of criteria including current level of flood risk, estimated cost of flood alleviation works and benefit to cost ratio of potential works.

Currently the Department has over 50 separate projects on the 10 year programme. Further information on our Flood Alleviation Schemes is available on the Department's website at: [DfI Rivers - Flood Alleviation Schemes](#), including an interactive map detailing each scheme.

Financial Review

Variations between Outturn and Estimate

A detailed analysis of Outturn against Estimate by function can be found in the Statement of Outturn against Assembly Supply (SOAS) within the Accountability Report. The table below summarises Outturn against Estimate and links directly to the SOAS, a key accountability statement which is audited.

	Outturn (£000)	Estimate (£000)	Variance (£000)
Voted Resource	887,173	1,067,955	180,782
Voted Capital	738,995	812,065	73,070
Net Cash Requirement	1,467,016	1,592,441	125,425

Voted Resource

Outturn for the year was 16.9% (£180.8m) less than the Estimate for the year. This was primarily due to depreciation / impairment of the non-trunk road network being less than anticipated. Depreciation is based upon an annual assessment of the condition of the road network along with the capital expenditure on structural maintenance, this can create unpredictable fluctuations in the depreciation charge year on year.

Also, NI Water subsidy required was lower than forecast.

Voted Capital

Outturn for the year was 9% (£73.1m) less than the Estimate for the year. This was due to ring-fenced underspend on the A5 as a result of slippage, and loan notes to NI Water were lower than forecast.

Net Cash Requirement

The Net Cash Requirement shows a variance of 7.9% (£125.4m) against the Estimate for the year. This variance is mainly due to the above capital underspends coupled with the movement in working capital being different from the estimate figures.

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 controls for Executive Departments.

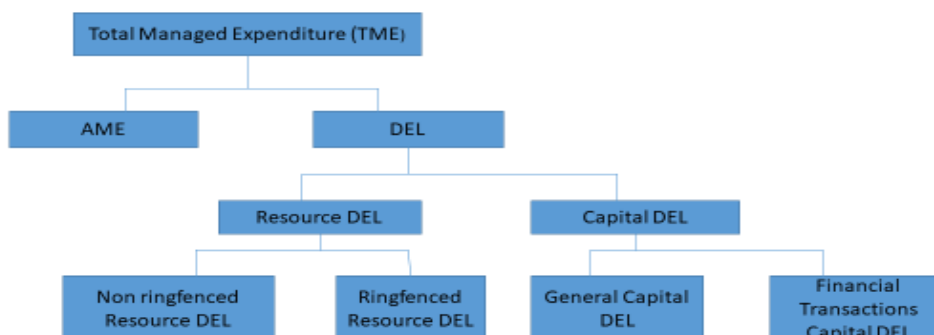
DEL budgets are classified into resource and capital.

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

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

[Consolidated budgeting guidance 2024 to 2025 - GOV.UK](#)

Budget Structure



Budgetary Performance

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

	Final Plan 2024-25 £000	Outturn 2024-25 £000	Underspend / (Overspend) £000
Resource DEL	760,349	756,070	4,279
including			
Non-ringfenced	610,870	610,774	96
Ringfenced depreciation / impairment	149,479	145,296	4,183
Capital DEL	858,424	842,119	16,305
including			
General capital	858,424	842,119	16,305
Total DEL	1,618,773	1,598,189	20,584
AME	331,527	196,385	135,142
including			
AME Resource	235,564	100,575	134,989
AME Capital	95,963	95,810	153
Total Managed Expenditure	1,950,300	1,794,574	155,726

Explanation of Variances

The underspend in DEL resource, £0.1m (0.02%), is minimal and is made up of small underspends across the Department and ALBs.

DEL Resource Ring-fenced includes depreciation and asset impairments. The underspend of £4.2m (2.8%) in the main was as a result of year end accounting process and valuation reports for the road network.

Capital Variances

The capital DEL underspend of £16.3m (1.9%) in the main relates to a ring-fenced underspend on the A5. As this was ring-fenced capital budget it could not be used towards other capital schemes.

AME Variances

AME is expenditure which is outside DEL and reflects highly unpredictable or volatile expenditure. In DFI, AME budget cover is required for accounting entries such as provisions for uncertain liabilities and depreciation for the non-trunk road network. The total underspend in AME was £135.1m, against a total AME budget of £331.5m.

The value of the road network is significant and is determined through an annual condition survey. The outcome of the survey is extremely difficult to predict as there are a number of variables including the sample of roads that are surveyed. The level of deterioration of the network was less than forecast by £156.3m, which together with the recognition of new provisions means the total underspend in AME is £135.1m.

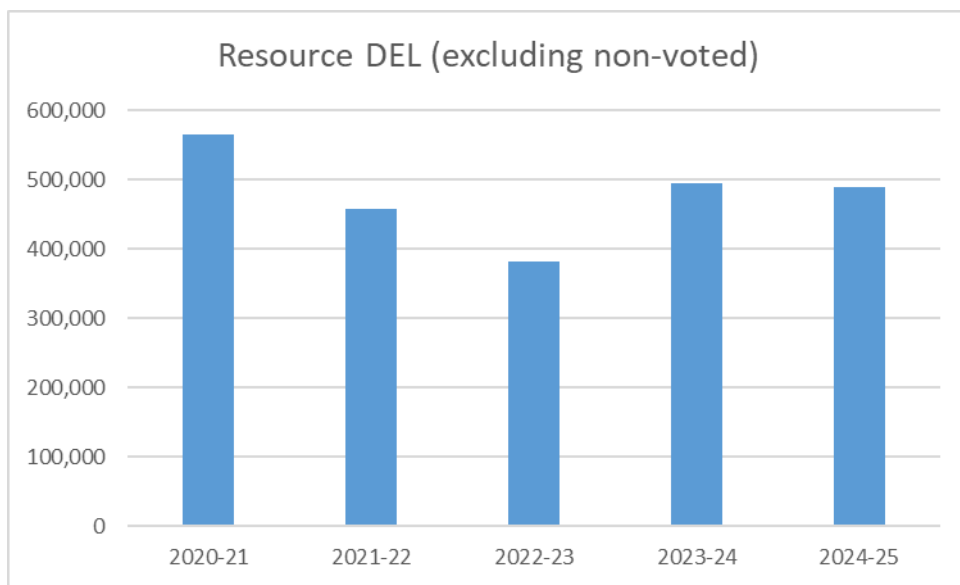
Long Term Expenditure Trends

The following tables and visual illustrations reflect the Departmental spend in the Statement of Assembly Supply (SOAS1.1, page 97 and SOAS 1.2, page 100) excluding non-budget.

	2024-25 £000	2023-24 £000	2022-23 £000	2021-22 £000	2020-21 £000
Total Resource DEL	756,070	768,282	645,017	690,267	799,497
<i>Of which:</i>					
Staff costs	102,517	102,989	93,993	91,288	93,402
Depreciation & impairment	32,951	34,619	31,352	31,882	25,430
Grants	175,239	183,356	103,397	185,048	304,255
Other	203,647	196,474	176,439	167,121	154,901
Income	(24,364)	(22,424)	(23,153)	(18,044)	(13,281)
Non-voted	266,080	273,268	262,989	232,972	234,790
Total Resource AME	100,575	31,373	148,747	87,446	117,177
<i>Of which:</i>					
Depreciation & impairment	59,760	23,430	132,502	4,576	103,610
Other	15,110	92	2,570	(4,880)	(5,597)
Non-voted	25,705	7,851	13,675	87,750	19,164
Total Resource Budget	856,645	799,655	793,764	777,713	916,674
<i>Of which:</i>					
Staff costs	102,517	102,989	93,993	91,288	93,402
Depreciation & impairment	92,711	58,049	163,854	36,458	129,040
Grants	175,239	183,356	103,397	185,048	304,255
Other	218,757	196,566	179,009	162,241	149,304
Income	(24,364)	(22,424)	(23,153)	(18,044)	(13,281)
Non-voted	291,785	281,119	276,664	320,722	253,954
Total Capital DEL	842,119	825,062	796,423	752,734	585,615
<i>Of which:</i>					
Capital grants (net of income)	217,159	244,474	253,240	232,874	145,131
Other	276,215	244,435	244,449	288,887	261,850
Non-voted	348,745	336,153	298,734	230,973	178,634
Other Capital AME	95,810	14,456	(8,794)	(2,552)	506
Total Capital Budget	937,929	839,518	787,629	750,182	586,121
Total Departmental Spending	1,794,574	1,639,173	1,581,393	1,527,895	1,502,795
<i>Of which:</i>					
Total DEL	1,598,189	1,593,344	1,441,440	1,443,001	1,385,112
Total AME	196,385	45,829	139,953	84,894	117,683

Departmental Resource DEL (excluding non-voted) (£000)

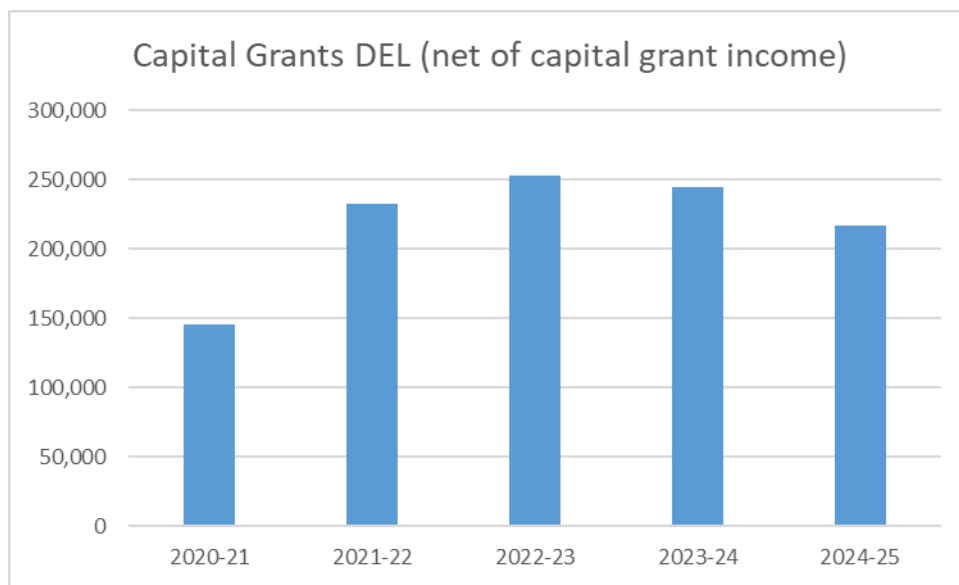
	2020-21 £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000
Resource DEL (excluding non-voted)	564,707	457,295	382,028	495,014	489,990



No significant variance.

Departmental Capital DEL grants (net of capital grant income)

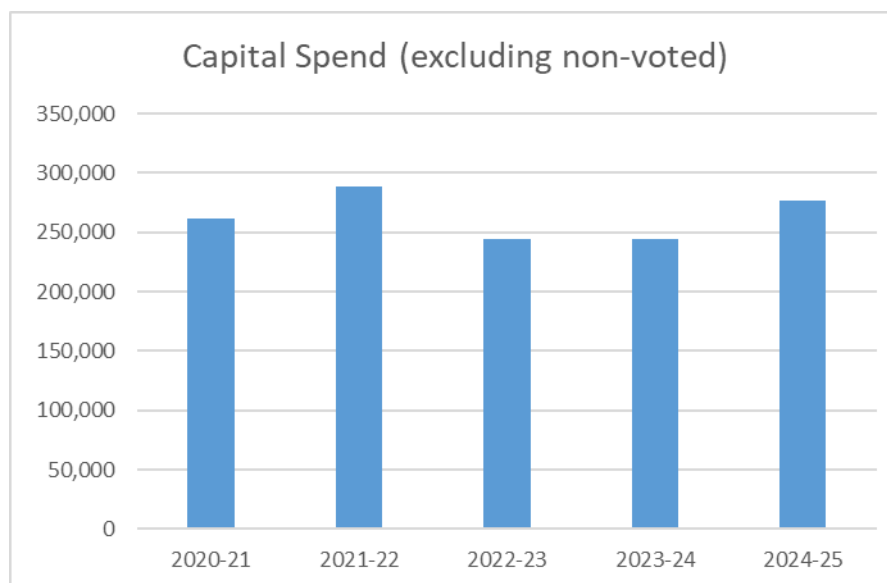
	2020-21 £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000
Departmental Capital DEL grants (net of capital grant income)	145,131	232,874	253,240	244,474	217,159



There was a decrease in capital grants mainly to Translink in particular for NI Railway where the programme of works declined due to lack of funding.

Departmental capital spend (excluding non-voted)

	2020-21 £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000
Departmental Capital spend (excluding non-voted)	261,850	288,887	244,449	244,435	276,215



Capital spend mainly consists of spend on structural maintenance for roads and also spend on Flagship and Road Improvement Schemes.

Sustainability Report

The Department's work is extensive and deeply integrated into our society, influencing nearly every aspect of our daily lives. This integration provides us with a unique opportunity to prioritise sustainability in our initiatives and efforts to fulfil our Climate Change Act obligations. Below is a summary of the actions taken to support the Department's goal of becoming more sustainable and meeting our environmental commitments.

Initiative	Activity in 2024-25
<p>Embedding Sustainability</p>	<p>During the year, Dfl completed its relocation from the Department's former headquarters at Clarence Court (146,967 sq. ft) to two floors (24,940 sq. ft) in its new headquarters at James House. This move has reduced the office footprint by approximately 83% and significantly lowered the building's associated carbon emissions.</p> <p>More information on the move to James House is included within a case study within the sustainability report.</p>
<p>Net Zero Carbon</p>	<p>The Department continues to replace sodium streetlights with low energy LED units with approximately 82% of all of our streetlights now fitted with low energy LED units. It is the intention of the Department to convert the remaining sodium streetlights on its network to LED, depending on the necessary funding being made available.</p>
<p>Ultra Low Emission Vehicles</p>	<p>By March 2025 the Translink fleet had 241 ZE vehicles which will contribute to Translink's aim to migrate all of their fleet to a zero-emission fleet by 2040.</p>
<p>Workplace Transformation</p>	<p>Approximately 600 staff have been relocated from Clarence Court to new accommodation at James House in the Gas Works site. James House footprint is approximately 17% of Clarence Court. This has reduced our floorspace and as a result also reduced the Dfl HQ carbon footprint.</p>

Initiative	Activity in 2024-25
	<p>James House does not provide staff with a car parking facility which was available at Clarence Court – this has reduced carbon emissions and traffic congestion associated with staff travelling to and from work.</p> <p>New Ways of Working also remains in place, more modern recycling facilities, and updated technology, such as more energy efficient lighting/heating systems.</p> <p>In the first significant investment in DVA infrastructure in over 45 years the construction of the new Hydebank Test Centre and Deport nears completion. This will lead to a significant improvement in the environmental sustainability of the test centre. (Please note this is covered in more detail in the DVA Annual Report and Accounts).</p>
<p>Reducing Our Water Use</p>	<p>James House is a more modern, fit for purpose accommodation fitted with the latest technology. Any issues of water wastage, such as leaking/dripping taps are reported and fixed ASAP. Dfl will continue to promote water saving initiatives going forward.</p> <p>The move to James House has also further reduced water use with the introduction of more sustainable toilets which reduce the water usage.</p>
<p>Waste Management and Single-Use Plastic Reduction Action Plan</p>	<p>The Department has continued to promote messages on the single use plastic ban throughout the Departmental. This has included regular communications to staff and placing a number of recycling bins and food waste containers around the building, particularly in kitchens to encourage the recycling of plastic.</p>

Initiative	Activity in 2024-25
<p>Promotion of Resource Efficiency</p>	<p>The Department continues to promote energy efficiency across all its premises.</p> <p>The Department has also a “Do you need to print this” initiative reinforced by posters/stickers located around close to printers and around the building.</p> <p>Whilst the final figures are as yet unknown, it is estimated that the move to James House will reduce the Departments energy usage by approximately 75%</p>
<p>Sustainable Procurement</p>	<p>All new vehicles procured by the Department are HVO (Hydrotreated Vegetable Oil) fuel use compliant and meet the current Euro6 standards of environmental efficiency and will be replacing older vehicles which do not meet these standards therefore helping to improve the environment.</p> <p>As these vehicles will be at end of life by 2032-33 it is expected that, by then, alternative technologies will have advanced to the point of delivering greener options in all categories of vehicle. The Department also expect that retrofitting with hydrogen technology may be an option for any vehicles procured now.</p>
<p>Nature Recovery</p>	<p>The Department for Infrastructure (DfI) is responsible for the maintenance of the public road network and annually cuts about 45,000km of grass verges.</p> <p>To protect the environment the Department has continued its approach to verge management in that it cuts a single swathe along the strategic road network twice per year.</p>

Initiative	Activity in 2024-25
	<p>As existing hedges and trees are a valued element of the environment providing habitats and wildlife corridors, absorbing carbon, and providing pleasing landscapes, and roads schemes attempt to maintain or enhance this valuable resource.</p> <p>An example of this would be the A6 dualling schemes met several landscape objectives such as: screening of residential receptors, framing key views in the landscape, protection of the existing landscape character and existing vegetation, and integrating road junction arrangements into the landscape. These designs included grassed areas, wildflower seeding, hedges, shrubs and trees, all specified to be reflective of local species.</p> <p>Over 1.2million trees have been planted on the A6 road including almost 508,000 trees on the Randalstown to Castledawson dualling scheme and 760,000 trees on the Dungiven to Drumahoe scheme, with an additional 8800 trees planted from the Blue/Green fund from Toome to Randalstown.</p> <p>NI Water has also furthered its commitment to deliver their large-scale tree planting scheme to plant one million trees on over 500 hectares of land by 2030. The scheme is a part of NI Waters plans to help tackle climate change and create a more sustainable future for Northern Ireland.</p> <p>Around 220,000 trees have been planted at Annalong, Fofanny, Dunore and Stoneyford. For the 2024-25 planting season, NI Water have secured funding from DAERA Forest Service to draw down from Forest Expansion Scheme funding to plant around 250,000 across 139</p>

Initiative	Activity in 2024-25
	<p>hectares on land near Woodburn reservoir in Carrickfergus, Co Antrim.</p>
<p>Carbon Reduction through Digital Innovation</p>	<p>The increasing use of digital technology through automation of public services and online access to those services is continuing to reduce the levels of carbon that DfI emits in delivering its operations and services.</p> <p>The Department has ratified its Digital Strategy (2024-30) which sets out the strategic direction for the Department in promoting and delivering digital solutions to support the implementation of environmental bill and climate action plans. The strategy includes several themes to promote sustainability through digital innovation including, improved management of infrastructure assets such as Roads and Rivers, increased digitisation, and increased use of data to drive better decision making.</p>

Case Study: DfI Move to James House

In 2024, the Department for Infrastructure (DfI) moved from its long-time headquarters at Clarence Court to the newly refurbished James House. This transition marked a significant downsizing, shifting from a large seven-storey building with individual offices to a modern, open-plan layout occupying just one and a half storeys in James House. The move was a strategic decision aimed at reducing the Department's carbon footprint and promoting sustainability.

Clarence Court, located in Belfast City Centre, was the headquarters for the Department since 1993 and was a substantial building covering 146,967 sq. ft. Its extensive energy requirements for heating, cooling, and lighting contributed significantly to the Department's carbon emissions. The building had high operating costs and required constant maintenance and repair, with an energy rating of B43.

In contrast, James House is a more compact office space, with DfI occupying just 24,940 sq. ft., an 83% reduction compared to Clarence Court. The building is much more energy-efficient, with an energy rating of B30, and achieved a BREEAM sustainability rating of 'Very Good' upon its refurbishment in 2023. This move aligns with the new working practices of the Northern Ireland Civil Service (NICS) post-COVID, maximising sustainability and efficiency and allowing for new working practices such as hybrid working.

The relocation also supports the Department's policy of promoting public and active travel. Unlike Clarence Court, which had a multi-storey car park with around 261 secure parking spaces, James House has very limited car parking with staff walking, cycling, wheeling or using public transport to get to work, reducing carbon emissions and promoting healthier lifestyles.

Overall, DfI's move to James House is a proactive step towards reducing its carbon footprint and promoting sustainable practices. This decision benefits the environment and sets a positive example for other organisations in Northern Ireland to follow.



Case Study: Grand Central Station

Belfast Grand Central Station is a significant addition to the public transport infrastructure in Northern Ireland and is more than just a transport hub; it's a symbol of Belfast's commitment to enhancing connectivity and promoting sustainable travel.

Officially opened in October 2024, the £340m Executive Flagship project replaced the Great Victoria Street railway station and the Europa Bus centre, creating a modern, integrated transport hub in the heart of the city.

It is the largest integrated transport facility on the island of Ireland, catering for around 20 million passenger journeys a year. The new station provides greater capacity than the previous stations with 26 bus stands and 8 railway platforms and space for parking over 200 bicycles. Once the works in phase 2 are complete, it will also provide enhanced walking and cycling provision encouraging more sustainable travel for a cleaner, healthier city while also helping reach the Executives climate goals.

Grand Central Station in Belfast has a strong focus on sustainability, reflecting Translink's commitment to achieving Net Zero by 2040 and Climate Positive by 2050, with features such as passive ventilation, solar panels and the use of local materials. The station is expected to play a crucial role in promoting sustainable transportation and economic growth in Belfast.

Some key aspects of its sustainable approach include building the station using low-carbon construction methods, for example, the use of 50,000 tonnes of recycled material, which minimised the environmental impact during the building phase. The station also features extensive use of natural light and passive ventilation systems, reducing the need for artificial lighting and mechanical ventilation.

Initial figures indicate that passenger numbers are up significantly since the introduction of the hourly Enterprise service to Dublin in October.



Dr Denis McMahon
Accounting Officer

30 October 2025

ACCOUNTABILITY REPORT



CORPORATE GOVERNANCE REPORT

The purpose of the Corporate Governance Report is to explain the composition and organisation of the Department for Infrastructure's governance structures and outline how they support the achievement of our objectives.

DIRECTORS' REPORT

Details of the Ministers who held the post of Minister for Infrastructure during the reporting year are included on page 73, and an organisational chart of the Department's senior management team is included in the Performance Report, on page 17.

Departmental Accounting Boundary

The Resource Accounts for the Department have been prepared in accordance with the provisions of the Government Financial Reporting Manual.

Waterways Ireland has been consolidated within the Departmental accounting boundary for 2024-25. Details of the governance structure and oversight arrangements in respect of Waterways Ireland are provided at Appendix A.

Entities outside the Departmental Boundary

The following bodies are outside the Departmental resource accounting boundary:

- Driver & Vehicle Agency;
- Northern Ireland Water;
- Northern Ireland Transport Holding Company;
- Northern Ireland Trust Ports.

Details of these bodies, including how the costs associated with them have been reflected in the Department's Resource Accounts, can be found at Appendix B.

Departmental Reporting Cycle

The Departmental Business Plan reflects the Department's three distinct delivery areas and how they are supported through central Departmental actions, each contributing to meeting the Department's vision, objectives and key targets. The Department produces a Main and Spring Supplementary Estimate each year which sets out the detailed spending plans that underpin the resource, capital and

cash provision sought by the Department. The Estimate is structured on an objective and function basis. The Statement of Outturn against Assembly Supply provides a Summary of Resource Outturn for the financial year and compares Outturn with Estimate.

Financial Instruments

Note 10 to the financial statements discloses details of the impact of financial instruments on the Department in accordance with International Financial Reporting Standard 7.

Personal Data Related Incidents

The Department had no breaches of personal data reportable to the Information Commissioner's Office in 2024-25.

Prompt Payment of Suppliers

In 2024-25, the Department, including its Agency (DVA), paid 97.3% of invoices for goods or services within 30 days or by contract terms (compared to 96.5% in 2023-24). 93.2% were paid within 10 days (compared to 91.1% in 2023-24). Further details are available on the Department of Finance website.

Health and Safety

The Department is committed to adhering to all current Health and Safety at Work legislation to enable staff the benefits of a safe working environment and the avoidance of harm to others affected by our undertakings. The Departmental Health and Safety Policy Statement is reviewed annually and when necessary, it and the supporting Policy Statements for each of the three Grade 3 commands, are updated to reflect our individual and joint approaches to Health and Safety and the current legislative requirements. The Departmental Board is made aware of significant matters pertinent to these obligations by the Health and Safety Champion. In 2022-23 the Board authorised the establishment of a Health and Safety sub-committee of the Board comprising all Deputy Secretaries, to support the Champion in this particular work. The first formal meeting was held on 14 June 2023 and the Health and Safety Sub-Committee continues to advance the identified issues on an on-going basis.

The existing Departmental Board Health and Safety Committee will continue to operate and ensure that an appropriate Health and Safety Management System is in place and that it is consistently applied across the Department. This Committee continues to embrace a participatory style of health and safety leadership in response to many challenges, not least the significant pressures on budgets and the high level of staff vacancies being managed within the Department. In this area, we adopt an agile approach to policy development which includes engagement with staff, Trade Unions, external policy experts such as the Public Health Agency and the Health and Safety Executive for Northern Ireland.

Complaints

The Department is committed to providing a high-quality service to the public and, as such, welcomes all feedback, both positive and negative, which is used to assist with the improvement of our services. In 2024-25, 84 formal complaints were received and processed under the Department's complaints procedure (compared to 92 in 2023-2024).

The Department operates a two-stage complaints process which is overseen centrally. The complaints procedure is kept up-to-date and in line with guidance from the NI Public Services Ombudsman's Office (NIPSO). The Complaints Procedure is available on our Internet site ([DfI complaints procedure | Department for Infrastructure - infrastructure-ni.gov.uk](#)). A central complaints register for the Department is maintained, which contains details of complaints received and lessons learned. The information gathered is then used to produce an annual report on complaints handling for the Departmental Board. This report includes details of performance against complaints targets and examples of any lessons learned and any policies or procedures which have been amended as a result of dealing with complaints throughout the year. The Department continues to learn, on an ongoing basis, from the complaints it receives and considers any lessons learnt to improve its procedures and the services that it delivers where possible. The Department has a Customer Charter in place which sets the standards for service delivery and for responding to correspondence.

In addition to the Department's own complaints procedures, the Department received 20 complaints in 2024-25 about the handling of requests for information. These complaints, known as internal reviews, were processed in line with the requirements of the Freedom of Information Act 2000 and Environmental Information Regulations 2004, which require public authorities to process internal reviews within 20 and 40 working days respectively. The outcome of each internal review is reported to Senior Management in the weekly Freedom of Information report.

Raising a Concern

A Raising Concerns team is in place and Donal Moran is the Designated Officer for the Department. The Designated Officer is responsible for overseeing the handling of concerns, including maintaining a record, and reporting to the Departmental Audit and Risk Assurance Committee (DARAC) on a quarterly basis. A Raising Concerns Operational Guidance issued to all staff on 22 August 2024 and the revised Fraud Guidance was uploaded to intranet/internet on 25 September 2024.

A total of 23 raising concerns cases were originally reported to/detected by the Department under the Raising a Concern policy during 2024-25. Investigations are currently ongoing in eight cases and the other cases were closed as no further action was required. In 2024-25 there was a decrease in the number of **concerns** raised, 23 cases this year, down from 50 in 2023-24. The decrease in the number of raising concerns is due to removing the inclusion of fraud cases. It was agreed that fraud cases should no longer be included in the raising concerns register and that fraud cases should remain on the fraud register.

Auditors

The financial statements are audited by the Comptroller and Auditor General for Northern Ireland (C&AG) in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001. She is head of the Northern Ireland Audit Office and she and her staff are wholly independent of the Department and she reports her findings to the Assembly.

The audit of the financial statements for 2024-25 resulted in a notional audit fee of £138,000 and is included in the administration costs in the Statement of Comprehensive Net Expenditure.

Contingent Liabilities

In addition to the contingent liabilities disclosed under International Accounting Standard (IAS) 37 in note 19, there are remote contingent liabilities disclosed in other Assembly Accountability Disclosures.

Going Concern

In common with other government Departments it is considered appropriate to adopt a 'going concern' basis for the preparation of the financial statements as the Department is Supply financed, and draws its funding from the Consolidated Fund. Therefore there is no liquidity risk in respect of the liabilities due in future years.

Events after the reporting period

The increase in the rate of employer National Insurance Contributions (NICs) from 13.8% to 15% on 6 April 2025 is a relevant event after the end of the reporting period for 2024-25, however this is a non-adjusting event. At this time an estimate of the financial effect of this increase cannot be made.

In November 2024 the Department received a formal legal challenge to the decision to proceed with a section of the A5 road scheme. A judgement against the decision was made in June 2025. There are costs already included in the Department's accounts however, this is deemed to be a non adjusting Post Balance Sheet Event.

STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

Under the Government Resources and Accounts (Northern Ireland) Act 2001 (GRANNI), the Department of Finance has directed the Department for Infrastructure to prepare, for each financial year, consolidated resource accounts detailing the resources acquired, held or disposed of, and the use of resources, during the year by the Department and its North South implementation body designated by order made under the GRANNI by Statutory Rule 2024 No. 114, as amended by Statutory Rule 2024 No.217, (together known as the 'Departmental Group', consisting of the Department and Waterways Ireland as listed at note 23 to the accounts).

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

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

- a. observe the Accounts Direction issued by the Department of Finance, including relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- b. ensure that the Department has in place appropriate and reliable systems and procedures to carry out the consolidation process;
- c. make judgements and estimates on a reasonable basis, including those judgements involved in consolidating the accounting information provided by Non-Departmental (and other arm's length) public bodies;
- d. 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;
- e. prepare the accounts on a going-concern basis; and
- f. confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Department of Finance has appointed the Permanent Head of the Department as the Accounting Officer for the Department for Infrastructure.

The Accounting Officer of the Department has also 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 an Accounting Officer is answerable, for keeping proper records and for safeguarding the assets of the Department or Non-Departmental (or other arms's length) public body for which the Accounting Officer is responsible, are set out in Managing Public Money Northern Ireland published by the Department of Finance.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that NIAO 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

As Principal Accounting Officer, I have personal responsibility for maintaining effective governance that supports the achievement of the Department for Infrastructure's policies, aims and objectives, while safeguarding public funds and Departmental assets. This governance statement sets out how I have discharged those responsibilities during 2024-25, including in relation to both corporate governance and risk management.

Our Governance Framework

The Department has in place a Corporate Governance Framework that is available on our website at: <https://www.infrastructure-ni.gov.uk/publications/department-infrastructure-corporate-governance-framework>. This reflects the key principles in '[Corporate governance in central government departments: Code of good practice NI \(2025\)](#)' and sets out details of the Department's corporate governance arrangements.

The key organisational structures which support the delivery of our outcomes and performance measures include the Departmental Board and its committees. Management assurance is a vital element in the internal control framework. It helps me, as Accounting Officer, supported by the Board, to identify potential areas of concern and focus resources to remedy these. The Department's Deputy Secretaries complete twice-yearly assurance statements. I also receive mid and end-year Assurance Statements from the Accounting Officers for DVA, NI Water, NITHC and Waterways Ireland.

The Principal Accounting Officer and the Board are independently advised by an internal audit service operating in accordance with Public Sector Internal Audit Standards. The primary objective of Internal Audit is to provide me, in my capacity as Principal Accounting Officer, the Departmental Audit and Risk Assurance Committee and Management with an independent and objective opinion on risk management, control and governance, by measuring and evaluating their effectiveness in achieving the Department's agreed objectives.

The Departmental Board

The Terms of Reference for the Departmental Board and each of its sub-committees are set out in the Corporate Governance Framework. The Board Operating Model is in full compliance with the role of the Board as set out in '[Corporate governance in central government departments: Code of good practice NI \(2025\)](#)'.

The Departmental Board supports me by contributing to the corporate management of the Department within the strategic policy and resources framework set by the Minister for Infrastructure and the Executive. The Board operates as a collective forum, to manage the Department.

The Board is not the principal policy making body within the Department, as policy is determined by the Minister. However, the Board may discuss policy in the context of monitoring implementation, strategic planning and operational management. In the policy area, the Board operates in an advisory and consultative capacity, offering guidance when sought.

The Board relies on data from a number of sources to inform its work. These include:

- Statistical information;
- Financial information;
- HR data;
- Information provided by its ALBs; and
- Other evidence and data from a range of sources, including internal and external audit, academic research and information provided by professional bodies.

In terms of the quality of data, it takes assurance from the designation of statistical information as 'official statistics' or 'national statistics' and also from the advance scrutiny of other information, particularly HR and financial data by professional staff before it is presented to the Board. It also takes assurance from the validation and test drilling that is carried out by finance, economist and audit teams.

The Board has five sub-committees: the Departmental Audit and Risk Assurance Committee; the Major Projects Committee; the Health and Safety committee, the People Sub-Committee; and the Delivery Board. The People Sub-Committee and Delivery Board were both introduced during 2024-25.

The two Non-Executive Board Members (NEBMs) are Moya Johnston and Professor Frank Kirkland, who offer constructive challenge across the Department's business ensuring that all aspects of strategy and delivery of policy are scrutinised for effectiveness and efficiency. Their appointments were for an initial period of three years, from January 2022, however both extended their appointment until January 2028 during the year. The NEBMs chair several Sub-Committees to the Board.

The Board meets on a bi-monthly basis. The composition of the Departmental Board during the year and its attendance records are set out in the table below:

Name of Board Member	Position	Board Meetings in 2024-25 (Total of 5)
Denis McMahon	Accounting Officer and Chair of Departmental Board	5/5
Declan McGeown	Deputy Secretary Water and Departmental Delivery	5/5
Colin Woods	Deputy Secretary Transport and Road Asset management	4/5
Julie Thompson	Deputy Secretary Climate, Planning and Public Transport <i>*Up to September 2024</i>	2/2
Judith Andrews	Acting Deputy Secretary Climate Planning and Public Transport <i>*From September 2024</i>	2/3
Donal Moran	Director of Governance, EU, Facilities and Ministerial Support	5/5
Susan Anderson	Finance Director	5/5
Frank Kirkland	Non-Executive Board Member	4/5
Moya Johnston	Non-Executive Board Member	5/5

The Department manages perceived or actual conflicts of interest in line with its ‘Conflicts of Interest’ policy, which complies with guidance produced by the Department of Finance. A Register of Interests is maintained for the members of the Departmental Board. The Register of Interests is available [here](#). In line with the current Conflicts of Interests policy for special advisers, there is a requirement to declare any relevant interests or provide confirmation that no relevant interests exist. Returns for DfI have been considered and provided to the Department of Finance. A Register of Ministers’ and Special Advisers’ Interests across all NICS Departments is available on the DoF website [here](#).

Departmental Board Performance and Effectiveness

The [Board Operating Framework](#), in line with the [Corporate Governance in Central Government Departments: Code of good practice NI 2025](#), states that the Board will conduct a formal annual evaluation of its performance and, at least every third year, the evaluation will be undertaken with independent input.

An independent external review is due to be carried out on this occasion. The previous Review was conducted in December 2023 and, therefore, the latest Review was initially scheduled to take place in early 2025. However, due to the challenging budget position, low-cost options are being thoroughly investigated before proceeding to ensure value for money is maximised. Once completed, the results of the Review will be collated and presented for discussion by the Board.

As well as formal Effectiveness Reviews, the Board continuously seeks to improve its performance. On 1 May 2024, the a workshop was held for Board members to evaluate the processes and operation of the Board, resulting in several improvements, including amendments to the format of meetings. Several other tweaks were made during the year with the aim of increasing transparency and staff awareness of the work of the Board.

Committees of the Departmental Board

The Departmental Audit and Risk Assurance Committee (DARAC) is a committee of the Board with no executive powers. The role of the Audit and Risk Assurance Committee is to support the Board in its responsibilities for issues of risk control and governance. This includes reviewing the comprehensiveness of assurances in meeting the Board's and Principal Accounting Officer's assurance needs and reviewing the reliability and integrity of these assurances. The DARAC is chaired by a Non-Executive Board member and the remaining members include the other Non-Executive Board member and two additional Independent Members with the relevant skills and expertise, appointed from other Government Departments.

During the year, DARAC work included review of Internal Audit activity, NI Audit Office reports, NI Water and NITHC Audit Committee business, Fraud and Raising a Concern and progress on the implementation of both Internal Audit recommendations and recommendations from the Public Accounts Committee through the Accountability Grid system. The DARAC also considered the Dfl Annual Report & Accounts as well as the ALB's Accounts. The Accounting Officer attended each DARAC meeting and the Departmental Board received an Annual report on the work of the DARAC.

The Department's Corporate Risk Register was subject to particular focus and consideration during the year with the challenge to fully understand the definition, scope and essence of each risk, the impact of the mitigation measures and how the risk should be addressed.

In 2024-25 a review and updating of the Department's risk management system was undertaken to incorporate a Risk Register and an Issues Log.

The Risk Register focuses on risks, where a risk involves a threat and the possibility of suffering harm or loss (as well as opportunities in line with good practice in corporate governance). The Issues Log is focused on those risks that have already been realised together with any ongoing actions to minimise impact. The Committee also scrutinised the risk scores of the corporate risks to ensure alignment with mid and end-year assurance statements.

In 2024-25, a total of 408 new cases of **attempted, suspected or actual fraud** relating to the Department and its ALBs were notified to the NIAO. Of these new cases, 58 related to the Department (including Driver Vehicle Agency (DVA)), 108 to NI Water (relating primarily to water connection fraud), 242 to Translink (relating primarily to MLink fraud) and 0 for Waterways Ireland.

In October 2024, NIAO published the 2022-24 NFI Report. The Report advised that over the reporting period from 1 April 2022 to 31 March 2024, c£3.7m of fraud and error was detected through NFI data matching across 82 public bodies. In terms of the Department, the only fraud reported related to the use of concessionary travel passes after the death of the pass holder - 16 passes had recorded usage amounting to £349.

The 2024-26 NFI exercise was commissioned in July 2024, with data upload in October 2024, data matches released in January 2025 and investigations to be completed by March 2026. Participation in the NFI exercise provides assurance that controls within the Department and its ALBs are effective in detecting fraud and duplicate payments.

In December 2024, the NIAO published its 'Road Openings by Utilities' report which made 7 recommendations designed to improve the Department's processes and testing in regard to road openings by utilities companies. DfI responded in January 2025, accepting 5 of the recommendations and partially accepting the remaining 2. Work to implement the accepted recommendations is ongoing and their achievement will be monitored by the DARAC.

Raising a concern statistics for 2024-25 can be found above under 'Raising a Concern'.

The role of the Major Projects Committee is to consider and provide assurance to the accounting officer and the Board on the oversight of the management of major projects within the Department and its arm's length bodies. It discusses and considers issues associated with existing and proposed major projects being taken forward by the Department. This process ensures that a strategic approach is taken to management of capital projects and that the Board is fully aware of any major risks that would potentially impact on project delivery. The Committee is responsible and accountable at all times and in all decisions to the Departmental Board as a whole. Reflecting the role of the Committee in providing assurance to the Accounting Officer, the Committee is chaired by one of the Department's Non-Executive Board Members and its members include the Department's other Non-Executive Board Member and the relevant senior officers.

During the year the Major Projects Committee focused on those projects which fell within the definition of a major project as defined within the terms of reference of the Committee. An update was provided for each major project at each Committee meeting.

The purpose of the Departmental Board Health and Safety Committee [DB HSC] is to deliver strategic oversight of the Department for Infrastructure's approach to Health and Safety management and assurance on the management of the associated corporate risk position. The membership of this Committee consists of the three Deputy Secretaries with the Dfl Health & Safety Champion (currently the Deputy Secretary for Transport & Road Asset Management) chairing the Committee. A member of staff, with significant responsibility for Health and Safety, from each of the three Groups attends the meetings.

The DB HSC ensures that the Departmental Health and Safety Policy Statement is prepared, signed by the Permanent Secretary, and revised as necessary. In addition, the Committee ensures that each Deputy Secretary has a current Health and Safety Policy Statement for their Group, along with a means of discharging the identified responsibilities.

The Committee ensures that the Department's Health & Safety arrangements are reviewed and updated on a regular basis. It actively encourages managers in all Groups to ensure that their staff are fully aware of their Health and Safety responsibilities.

The People Sub-Committee (PSC) provides assurance to the Board and Accounting Officer on the development and delivery of a programme of work to improve the capacity, capability and culture of the Department. The Committee's role in the strategic oversight of the Department's resource, in terms of people and financial planning, is key to ensuring the Department has the right people (capacity) within the anticipated timeframes with the right skills and talent at the required levels (capability), which are needed to deliver on Departmental objectives. To achieve this, a Dfl People Strategy has been developed and published which sets out the key people priorities and working principles.

During the year the Committee focused on developing and monitoring a workforce plan to ensure that there was alignment between Dfl and NICSHR on priority recruitment competitions. The workforce plan has initially focused on prioritising competitions for Professional & Technical (P&T) Specialist grades, where there are significant gaps in current supply. The focussed effort has resulted in progressing circa 13 Professional & Technical recruitment campaigns recruiting circa 300 Professional & Technical employees.

The Committee has played a crucial role in renewing our commitment to the learning and development of our people. To date, learning and development opportunities focusing on leadership and development and programme and project management programmes have been delivered to 522 Dfl participants.

The Departmental Delivery Board has been established to focus on opportunities to achieve significant region-wide outcomes through strategic interventions. The Delivery Board's main focus is on seven initial Ministerial priorities (Carbon Free, Cleaner and Greener, Adapting to Climate, Better Roads, Waste and Wastewater, Plan to Improve, and Including People). The Delivery Board is Chaired by the Permanent Secretary and provides a support and challenge function to each stream of work to ensure that a strategic approach will be taken to decisions around delivery.

Details of members and attendance records for each of the committees is provided in the tables below:

Audit & Risk Assurance Committee			
Name of Committee Member	Attendance in 2024-25 (Total of 5)	Name of Committee Member	Attendance in 2024-25 (Total of 5)
Moya Johnston (Chair)	5/5	Jason Foy (DAERA)	5/5
Frank Kirkland	3/5	Lisa Rocks (DoJ)	4/5

Major Projects Committee			
Name of Committee Member	Attendance in 2024-25 (Total of 2)	Name of Committee Member	Attendance in 2024-25 (Total of 2)
Frank Kirkland (Chair)	2/2	Declan McGeown	2/2
Moya Johnston	2/2	Colin Woods	1/2
Susan Anderson	2/2	Julie Thompson	1/1
Judith Andrews	1/1		

Health and Safety Committee			
Name of Committee Member	Attendance in 2024-25 (Total of 3)	Name of Committee Member	Attendance in 2024-25 (Total of 3)
Colin Woods (Chair)	3/3	David Porter	3/3
Declan McGeown	3/3	Gary Quinn	3/3
Judith Andrews	3/3	PPTO SHEPE	3/3

People Sub Committee			
Name of Committee Member	Attendance in 2024-25 (Total of 4)	Name of Committee Member	Attendance in 2024-25 (Total of 4)
Moya Johnston (Chair)	4/4	Colin Woods	3/4
Denis McMahon	4/4	Susan Anderson	2/4
Declan McGeown	3/4	Patricia McIntyre	4/4
Judith Andrews	2/4	Frank Kirkland	3/4
Julie Thompson	2/4		

Departmental Delivery Board			
Name of Committee Member	Attendance in 2024-25 (Total of 3)	Name of Committee Member	Attendance in 2024-25 (Total of 3)
Denis McMahon (Chair)	3/3	Susan Anderson	2/3
Declan McGeown	3/3	Patricia McIntyre	3/3
Judith Andrews	2/3	Frank Kirkland	3/3
Colin Woods	2/3		

Ministerial Directions

As part of my Governance Statement, I am required to provide details of any Ministerial Directions. During the financial year, I neither sought or received any Ministerial Directions.

Equality and Section 75 Duties

The Department’s revised Equality Scheme was published in 2021. The Scheme sets out how we propose to fulfil the two statutory duties as stipulated in Section 75 of the Northern Ireland Act 1998. Section 75 requires public authorities, in carrying out their functions relating to Northern Ireland, to have due regard to the need to promote equality of opportunity and regard to the desirability of promoting good relations across a range of groups outlined in the Act. DfI has a specialised Equality Unit which is responsible for providing advice on, and further embedding, the Equality Scheme within the Department.

In complying with its Section 75 duties the Department provides an annual progress report to the Equality Commission for Northern Ireland (ECNI) setting out how we comply with the arrangements outlined in the DfI Equality Scheme. This report is approved by the Departmental Board and is published on the DfI website. The Board also receives biannual updates monitoring the Department’s equality performance, including the screening of new or revised policies/schemes, Section 75 training and equality related complaints.

North/South Bodies

It is a legislative requirement under the North/South Co-operation (Implementation Bodies) (Northern Ireland) Order 1999 that any grants paid to bodies by a Northern Ireland Sponsor Department must be approved by DoF. Where such an approval is absent, any expenditure is illegal, and retrospective consent cannot confer legality. No grant payments were made in the 2024-25 (2023-24: £0) financial year without DoF approval.

Budget Position and Authority

The Budget Act (Northern Ireland) 2025, which received Royal Assent on 6 March 2025, together with the Northern Ireland Spring Supplementary Estimates 2024-25 which were agreed by the Assembly on 17 February 2025, provide the statutory authority for the Executive's final 2024-25 expenditure plans. The Budget Act (Northern Ireland) 2025 also provides a Vote on Account to authorise expenditure by departments and other bodies into the early months of the 2025-26 financial year.

Risks and Challenges

The Department's Risk Policy and Framework for Risk Management was updated in May 2021 and details the Department's approach to risk management, including risk appetite; the hierarchy for managing risks; the risk identification and escalation process; and the roles and responsibilities of the various levels of management. This approach allows risks to be identified and managed at all levels and to be escalated as appropriate.

The Departmental Board provides leadership and direction in managing the risk environment in which the Department operates. Each Deputy Secretary maintains a Group Risk Register from which corporate risks are identified and escalated to the Corporate Risk Register as appropriate. They provide leadership to the risk management process in their particular areas of responsibility, as well as corporately through their involvement in the Departmental Board, the Departmental Audit and Risk Assurance Committee and local management meetings.

Each business area assesses its own risks, and these are included within Directorate Risk Registers. Any risks which require escalation to the Group or Corporate Risk Register are agreed with the appropriate Deputy Secretary before escalation. The Departmental Audit and Risk Assurance Committee obtains assurances on the risk management and internal control framework. It is not responsible for the management of Corporate Risks – this role is undertaken by the Departmental Board.

During 2024-25 the Department also continued to engage with The Executive Office as part of a process to finalise a Northern Ireland Civil Contingencies Risk Register.

The Corporate Risks contained within the Corporate Risk Register actively monitored and managed by the Departmental Board throughout 2024-25 include the following:

Risk Area	Brief description
Health and Safety	<ul style="list-style-type: none"> • Risk that DfI does not make reasonable decisions to sufficiently: <ul style="list-style-type: none"> (a) prioritise existing resources into health and safety activities; or (b) embed a health and safety culture at the heart of the organisation. This, in turn, could result in injury, death or a breach of relevant law and guidance – including the Health and Safety at Work (NI) Act 1978.
People - Capacity and Capability	<ul style="list-style-type: none"> • Risk that our workforce does not have the capacity and / or capability to deliver services, including statutory duties and Ministerial priorities as set out in the Departmental Business Plan. • Vacancy management issues leading to difficulty in filling posts, particularly for specialist grades.
Cyber	<ul style="list-style-type: none"> • Risk our workforce is not able to access IT network or applications due to cyber-attack. • Ineffective backup of servers / cloud etc.
Technology and data Security	<ul style="list-style-type: none"> • Risk of loss of personal data by DfI. • Risks relating to the switch off of the Public Switched Telephone Network (PSTN) in December 2025.
Financial - Budget	<ul style="list-style-type: none"> • Risk that our 2024-25 capital and resource budgets are not managed effectively. • Failure to live within budget/financial planning scenarios specifically due to unprecedented volatility in energy and fuel prices. • Risk of insufficient funding to meet the Department’s legal and contractual obligations to fund the public transport network impacting on the going concern status of Translink. • Risk of insufficient funding for NI Water to safely deliver water and wastewater services in line with its statutory duties. • NI Water fail to live within budget due to a range of volatile cost pressures.
Strategic Asset Management	<ul style="list-style-type: none"> • The risk of sub optimal strategic planning in some areas leading to an inability to adequately maintain and develop strategic assets.

Risk Area	Brief description
	<ul style="list-style-type: none"> • The risk of sub optimal strategic asset management in some areas leading to reduced economic growth. • The risk of serious asset failure or failing to provide infrastructure leading to risk to life, damage to property, reputational damage, financial loss and other adverse health and safety impacts. • The risk that delivery of key infrastructure projects is delayed or cannot proceed leading to failure to deliver PfG Commitments, reputational damage and financial loss.
Operational – Reservoirs	<ul style="list-style-type: none"> • The Department is unable to take adequate action to regulate reservoir safety. As a result, a preventable failure of a controlled reservoir and risk to life and property could occur • Approval of a reservoir safety framework by the Executive on 17 October 2024 means the Department can now bring the five necessary pieces of secondary legislation into operation to establish a framework for controlled reservoirs under the Reservoirs Act (Northern Ireland) 2015 (the Act).
Operational – Emergency Response	<ul style="list-style-type: none"> • Severe weather emergency of such a magnitude that it overwhelms infrastructure and the Departments capacity to adequately respond to emergency events leading to loss of life, damage to property or critical infrastructure and to consequential financial loss and reputational damage.
Climate Change	<ul style="list-style-type: none"> • Risk of failure to deliver on the DFI actions or interventions (as set out in draft CAP) to achieve reductions in carbons emissions leading to adverse impact on the overall NICS GHG zero emission reduction target as set out in NI Climate Change Act 2022. • Risk of failure to deliver on the actions or interventions in the suite of Green Growth strategies. This includes environmental compliance (environmental statements) and air quality. • Legal and reputational risk associated with non-compliance with duty on Department to exercise its functions, as far as is possible to do so, in a manner consistent with the achievement of the targets of the Act and carbon budgets set under it.

This continuous review of DFI’s Risk Management System by the Board has resulted in the separation of Risks & Issues.

The Corporate Issues contained within the Corporate Issues Log which were actively monitored and managed by the Departmental Board throughout 2024-25 included the following:

Health & Safety	<ul style="list-style-type: none">• Inherent Hazard: There are inherent hazards in the development and use of large-scale infrastructure, which mean that health and safety can never be absolutely assured.• Capacity and Capability: Financial constraints and NICS recruitment, retention and pay policies have resulted in insufficient capacity and capability across the Department and wider NICS to fulfil all of our statutory duties. This limits the Department's ability to manage operational health and safety risk and increases the inherent risk of danger to life and property set out above.• Under-investment in assets: Historic under-investment in assets, exacerbated in recent times by general inflation and construction inflation. In recent years DfI has consistently failed to secure the capital allocations needed.
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New and Particularly Challenging Risks and Issues

As part of my governance and risk management arrangements, there were some risks that proved particularly challenging to manage during 2024-25. These are summarised below.

Budget

The Department for Infrastructure has, historically, operated within a constrained resource budget, with the opening baseline insufficient to meet minimal service levels. In-year funding has therefore been relied on to deliver core services.

The Executive agreed the 2024-25 Budget, which provided each Department with a resource and capital budget allocation. The Department's 2024-25 opening resource budget allocation was £559.5m, which when set against the Department's forecast requirements was a shortfall of some £117m. The opening capital allocation was £820m, however the Department submitted capital bids of £1.12bn to progress delivery of capital schemes and enhancing infrastructure.

The then Minister for Infrastructure made considerable efforts to live within the opening resource budget allocation, with reductions applied across the full range of services that the Department delivers, including: limited essential road maintenance and flood risk management; and reduced budgets for public transport and water delivery. In relation to the Department's capital budget outcome this enabled some key schemes to progress, for example the Belfast Transport Hub; A5; A4; A29 Cookstown Bypass; Newry Southern Relief Road (NSRR); Phase 3 Derry to Coleraine track improvements; essential rail and bus safety works; and some structural maintenance of our road network, however difficult decisions were taken in relation to which schemes could progress, resulting in the delay on progress for some schemes.

Even with these actions the Department continued to face pressures, including its ability to maintain the roads network, public transport and provision of water and wastewater treatment. The Department was successful in securing additional in-year budget which addressed some of its immediate pressures including the full delivery of a winter service and additional funding towards the maintenance of the road network. Further budget was also allocated towards the delivery of public transport and water delivery, including £19.5m to the releasing of wastewater constraints.

Network Assets

The NI Comptroller and Auditor General (C&AG) qualified her true and fair audit opinion on the Department's 2023-24 financial statements due to a limitation in the scope of her audit work on the valuation of Network Assets within the financial statements at 31 March 2024. For the valuation at 31 March 2025, the Department has provided the C&AG with evidence that the impact of using provisional indices did not result in a material misstatement in the 2023-24 financial statements. In addition, the Department's valuation experts have provided a professional opinion on the likelihood of a material change between the provisional indices used for the 2024-25 valuation and final indices. This has provided the C&AG with sufficient assurance over the material accuracy of the valuation of Network Assets at 31 March 2025.

Receivable

The Department has recognised a receivable relating to the expected recovery of what the Department considers to be previous overpayments made to a major road scheme contractor. Such overpayments were made within the terms of a contract during its delivery, with a further contractual mechanism providing for their later recovery. The NI Comptroller and Auditor General (C&AG) qualified her true and fair audit opinion on the Department's 2024-25 financial statements due to a limitation in the scope of her audit work relating to her ability to obtain adequate evidence to support the valuation of this balance within the financial statements. Currently the extent of the debt is contested by the contractor, and this dispute will be subject to formal dispute resolution processes.

ONS Indices

The Department for Infrastructure apply indexation to its non-current assets as appropriate, and in line with IFRS requirements. In March 2025, ONS issued a statement indicating that they had identified a problem with the chain-linking methods used to calculate their Producer Price Indices, affecting the years from 2008 onwards, and that they would consequently be pausing publication of Producer Price Index data while the issue is rectified.

At the time these accounts are being prepared, it has not been possible to ascertain the potential impact of this issue. The impacted sectors have not been disclosed by ONS at this time, but it is considered likely that historic costs of manufactured goods and construction materials will have been impacted. It is anticipated that ONS will recommence publication of the Producer Price Indices at some point during the 2025-26 financial year and the indexation of non-property assets will be brought up to date in the 2025-26 accounts

Climate Change Legislation

The Climate Change Act (Northern Ireland) 2022 (the 2022 Act) commits Northern Ireland to: achieving net zero emissions by 2050; developing and publishing Climate Action and Sectoral Plans for a just transition to net zero with interim targets and carbon budgets; and monitoring and reporting on progress in emissions mitigation and climate adaptation. Section 52 of the Act sets out the duties of all Northern Ireland Departments to exercise their functions, as far as is possible to do so, in a manner consistent with the achievement of the targets of the Act, and carbon budgets set under it. Section 29 of The Act requires DAERA to prepare and publish a Climate Action Plan (CAP) for meeting the carbon budget for that period: the first Carbon Budget period is 2023-27. Within the draft CAP, DfI is Sector Lead for Transport and Infrastructure. The draft Climate Action Plan (2023-27), which includes the policies required to reduce emissions in the transport sector, is likely to issue for consultation early in 2025-26.

The Climate Change Act 2008 (the 2008 Act) places a statutory duty on NI Executive Departments to lay programmes, before the NI Assembly, which set out their objectives, policies and proposals in response to the most recent UK Climate Change Risk Assessment (CCRA). To fulfil this legal requirement, DAERA has led on the development of a series of single coordinated adaptation programmes, which are known as the Northern Ireland Climate Change Adaptation Programme (NICCAP), since the 2008 Act came into effect. DAERA is currently consulting on the draft third iteration of these programmes (NICCAP3) which has been developed, with input from the Department, in response to the latest Third UK Climate Change Risk Assessment (CCRA3). Consultation on NICCAP3 is due to issue early in 2025-26.

HR / Staff

The Department faced significant workforce challenges during 2024-25 due to a number of factors, including unprecedented budget pressures (as allocations over a number of years have been far from sufficient to meet the Department's needs), and NICS-wide recruitment and retention issues, which were particularly difficult in respect of specialist roles across the Department.

The Department has established a People Sub-Committee to ensure that the strategies are effectively executed and aligned with the Department's goals. Recognising the gaps in Professional & Technical (P&T) Specialist grades, the DfI Workforce plan has focused on prioritising these competitions.

The Department has undertaken several initiatives to improve the recruitment and retention of staff, including a bespoke Skills Academy to recruit specialist staff on the Civil Engineering career path. Despite improvements in recruitment, the attrition figure remains higher than the recruitment figure, indicating ongoing challenges in retaining staff. It is recognised that pay parity with the Private Sector will continue to challenge the recruitment and retention of specialist staff. It is hoped that the NICS Pay Review will go some way to mitigate this challenge going forward.

Aligning with the recently launched NICS wide Strategy, the Department has launched the DfI People Strategy which aims to create a culture of compassionate and inclusive leadership, support the health and wellbeing of employees, and invest in their development to reach their full potential. The strategy

emphasises creating an environment where innovative people can perform at their best and fostering a growth mindset.

Health and Safety

The Department continues to manage its significant health and safety obligations, both for the public and its own staff, in the context of extreme budget pressures and high levels of vacancies in key areas throughout the Department.

The Departmental Board was appropriately focussed on health and safety during the year, seeing it as of paramount importance. The Committee provides leadership on health and safety issues, oversees performance monitoring of health and safety related work and seeks to further promote and embed the Department's health and safety policies and practices. Work carried out during the year has led to a reduction in the associated risk rating in the Corporate Risk Register.

Cyber Security

With the continued threat from state actors and criminal organisations there is an increasing level of sophisticated cyber-attack attempts on all organisations which necessitates a continued and increasing focus across the Department on securing the IT Infrastructure and addressing potential vulnerabilities. The Department continues to improve awareness of cyber threats through a programme of assessments, training, and robust incident response plans. Furthermore, the Department works with colleagues across NICS to coordinate responses and mitigate against threats to its business from cyber incidents.

Reservoir Safety

The absence of a complete legislative framework to deal with reservoir safety issues is a significant risk that continues to be managed. This risk is reflected in the risk register with short term actions being progressed to help ensure that the safety of controlled reservoirs continues to be closely monitored. The Department during 2024-25 is actively pursuing further implementation of The Reservoirs Act (Northern Ireland) 2015 through secondary legislation to enhance reservoir safety measures.

NI Water Overspend

The Departmental Board receives assurance regarding the effective management of NI Water and its compliance with corporate governance controls via a number of channels, including biannual assurance statements and briefings from the sponsor team. These channels were utilised during the year to make the Board aware of the potential overspend, which subsequently materialised at year end.

On 25th March 2025 the Minister for Infrastructure made an Oral Statement to the NI Assembly advising of her decision to start the process to engage forensic accountant services to investigate the reasons why NI Water has been unable to live within its resource budget allocation during the 2024-25 financial year. This was considered a necessary step and any learning will be useful to help prevent such an occurrence in future years.

The report was published in July 2025 and highlighted a number of opportunities where NI Water could have managed its spend more effectively. NI Water will be expected to reflect on these observations for future financial years.

Emergency Planning

The Department is the designated lead NI Government Department for a number of weather related risks identified in the NI Risk Register. The impact of climate change has increased the risk of a Severe weather emergency of such a magnitude that it overwhelms infrastructure and our capacity to adequately respond to emergency events leading to loss of life, damage to property or critical infrastructure and to consequential financial loss and reputational damage. The Departments emergency response mechanisms were most recently activated during Storm Éowyn. The storm highlighted the critical role the Department plays during severe weather events and the importance of developing infrastructure to assist adaptation to our changing climate.

Out of Hours Allowances

The out of hours payment allowances for staff involved in the delivery of emergency and winter service has now been agreed with NICSHR and TUS and was implemented for the 2024-25 season. For Duty Controllers the changes were introduced for the 2024-25 winter season with an agreement to review these with NICSHR and TUS at the end of the season.

Based on current information, it appears the average reduction in Duty Controller overtime cost was some 10% (according to sampling completed by NICS HR) as a comparison between the 2023-24 and 2024-25 winter seasons however it is difficult to make a direct comparison between one season's figures and another as costs can change for several reasons between one season and another not least because of weather conditions experienced from one winter to the next.

Procurement Enhancement Programme

In March 2023, the Department published the strategy developed by the Procurement Enhancement Programme (PEP). The document is available at [Procurement Enhancement Programme - Final Procurement Strategy](#). Work to implement this strategy has commenced with the first Road Asset Management - Surfacing Framework to be awarded in April 2025, supported with a new Contract Management Module.

A5 Western Transport Corridor

The A5 Western Transport Corridor project (A5WTC), an Executive Flagship Project, was approved by the Minister on 2 October 2024. On 13 November, the Department received a formal legal challenge to the Minister's decision and a judgement against the decision was made on 23 June 2025. The court ruled that the Orders including the Vesting Order (VO) would be quashed. The Court Order was filed on 27 June 2025, and ownership of vested lands reverted to the original landowners with effect from that date. The Department has formally served a Notice of Appeal against the High Court judgment and awaits the outcome.

A Ministerial Direction was issued in September 2025 to proceed to provide a payment by way of a forward-looking licence fee to A5 landowners, to secure the works already carried out and potentially avoid the significant costs of “undo” and “redo” works on land previously vested for the A5WTC. It is estimated that the total cost of the payments could be in the region of £1.3 million.

Effectiveness of Internal Control

A key element of internal control is the Assurance Statement process which provides biannual assurance statements as a basis for the authorisation of the annual Governance Statement. These statements are undertaken each year in April and October and brought to the relevant DARAC meeting for discussion. Assurance statements for the following Deputy Secretary groups within DfI also cover the ALBs that they sponsor (outlined below):

- Climate, Planning and Public Transport Group (includes DVA and Translink);
- Transport and Road Asset Management; and
- Water and Departmental Delivery Group (includes NI Water and Waterways Ireland).

Based on the assurance provided by my Deputy Secretaries, I am content that the Department’s governance structures and procedures are operating effectively. However, I note the following control issues which were highlighted in year-end Assurance Statements:

- The lack of full commencement of the Reservoir Act and the legislative framework to manage reservoir safety;
- NI Water overspent against its resource budget allocation for 2024-25 – this was subsequently regularised by the department;
- Translink cash reserves being below the recommended level;
- Concerns around demonstrating legislative compliance in Transport and Road Asset Management due to constrained financial and staff capacity;
- The controls may not be sufficiently robust enough to manage the risks to safeguard the Department with regard to Crumlin Road Goal; and
- Lack of staff resources impacting on the delivery of road safety actions.

Mitigating actions are being taken to address the control issues above, therefore, I am reasonably assured as to the overall effectiveness of internal control and the measures in place to mitigate risk.

In 2024-25, Internal Audit issued one ‘limited’ opinion report on Raising Concerns, however this report was subsequently raised to ‘satisfactory’ following the implementation of all recommendations made in the initial report. Follow-up audits into Cyber Security, Business Continuity and Knowledge Transfer all produced ‘satisfactory’ reports.

Many of the audits that were completed during the year contained recommendations for the Department. The Departmental Audit and Risk Assurance Committee regularly reviews the implementation of audit recommendations, re-assuring me that our controls are updated in line with guidelines and best practices.

For 2024-25, Internal Audit has provided an overall 'satisfactory' audit opinion, in respect of the adequacy and effectiveness of the Department's framework of governance, risk management and control. The overall opinion on DfI's framework of governance, risk management and control is based mainly on the results of the internal audit activity carried out during 2024-25 and cumulative assurances derived from the internal audit activity during the previous three years. Account is also taken of the wider control framework in place throughout DfI, its Agency and its Arm's Length Bodies.

I also rely on the DoF Head of Internal Audit (HIA) to provide an annual inter-departmental assurance report for the services provided to DfI including Account NI, NICS HR and Digital shared services. The HIA has advised that five satisfactory reports and four limited reports (including a limited opinion resulting from a follow-up audit) were issued in 2024-25 in relation to DoF's Shared Services. The HIA also advised that three limited opinions remain from previous years, with follow-ups planned for 2025-26.

DVA

Internal Audit has provided an overall 'satisfactory' audit opinion in respect of the adequacy and effectiveness of the Agency's framework of governance, risk management and control. This opinion is based mainly on the results of the internal audit activity carried out during 2024-25 and cumulative assurances derived from the previous three years 2021-24.

The Public Accounts Committee (PAC) published its report on DVA 2019-20 in June 2021 and the three recommendations within the report have been completed. As part of the recommendation in relation to a review of the arrangements for the Agency including assessing effectiveness of customer service, the Department commissioned an external review and this was completed in 2022-23. There were a number of recommendations made and progress on these is ongoing.

The Public Accounts Committee published a report in 2009 on the PFI Contract for Northern Ireland's New Vehicle Testing Facilities and the recommendation stemming from the report regarding the diesel smoke and catalytic converter test being fully EC compliant remains partially implemented.

Friends of the Earth along with The Public Interest Litigation Support were granted permission from the High Court to bring a legal challenge against the Department for failing to conduct a fully compliant diesel emissions test for diesel cars and light goods vehicles. The Judicial Review hearing took place on 21 September 2023 and 1 March 2024 and the Agency is awaiting the judgement for this case.

Following successful Particle Number (PN) test trials and a public consultation on changing the emission test for light diesel vehicles, which concluded on 18 September 2024, the Agency is progressing plans to introduce a fully compliant diesel emissions test for cars and light vehicles at the earliest opportunity. This includes a combination of PN emissions testing for younger vehicles first registered from 1 January 2013 at existing test centres and diesel smoke testing for older vehicles at newly constructed test centres at Hydebank and Mallusk, which will have the facilities to safely conduct these tests. Additionally, preparatory work for investment in two further new test centres (subject to funding availability) are being progressed.

In March 2019, the Agency entered into a contract for the supply and installation of new vehicle testing equipment and associated hardware and software in its test centres. During 2021-22, the Agency was concerned about the contractor's ability to deliver the contract and issued a Notice of Termination (NoT) to the contractor. The contractor subsequently sought an injunction contesting the legality of the termination and the judgement, which was upheld by the Court in its judgement which was handed down on 22 August 2022. On 10 October 2022, the Agency re-engaged with the contractor however, following further issues, the Agency issued a NoT to the contractor on 9 October 2024, bringing an end to the contract. The contractor subsequently issued a writ seeking an Injunction requesting the Court to declare the termination invalid. The High Court case was listed for hearing in January 2025 however, following an approach by Counsel for the contractor, that hearing was then adjourned to allow both parties to explore the possibility of settlement. The Writ was subsequently dismissed by the Court on 11 April 2025, following the parties' agreement to terminate the contract by mutual consent. A negotiated settlement payment of £1.5m was agreed which has been accounted for in the Driver & Vehicle Agency 2024-25 accounts and disclosed as a fruitless payment. An open procurement competition for a new Vehicle Testing Solution was advertised on 30 April 2025 and it is anticipated that the Agency will award the new contract in 2025.

Over the years 2018-19 to 2024-25 an estimated amount of £3.6m of expenditure has been incurred by the Agency which is attributable to the vehicle testing equipment project and associated issues, this is recorded in the DVA Annual Report and Accounts as a constructive loss.

REMUNERATION AND STAFF REPORT

Remuneration Policy

The pay remit for the Northern Ireland Civil Service, including senior civil servants (SCS), is normally approved by the Minister of Finance. Following approval of the 2024-25 Budget in the Assembly, on 28 May 2024, in which the Finance Minister outlined the overarching approach to public sector pay, the NI public sector pay policy guidance was published on 31 May 2024 in FD (DoF) 07/24.

Annual NICS pay awards are made in the context of the wider public sector pay policy. Subject to satisfactory testing, we aim to pay the award effective from 1 August 2024, for NICS non-industrial and industrial staff, including SCS, in the May 2025 payroll.

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

Service Contracts

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

Unless otherwise stated, the officials covered by this report hold appointments that are open-ended. Early termination, other than for misconduct, would result in consideration of the individual receiving compensation as set out in the Civil Service Compensation Scheme¹.

¹ [Civil Service Commissioners for Northern Ireland \(nicscommissioners.org\)](https://www.nicscommissioners.org)

Remuneration 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 (this information is subject to audit)

Ministers	Salary £		Benefits in kind (to nearest £100)		Pension Benefits * (to nearest £1000)		Total (to nearest £1000)	
	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
Minister Liz Kimmins MLA (03/02/2025 – 31/03/2025)	6,107	N/A	Nil	N/A	1	N/A	7	N/A
Minister John O’Dowd MLA (03/02/2024 – 02/02/2025)	31,893	6,006	Nil	Nil	5	1	37	7

* 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 (this information is subject to audit)

Officials	Salary £’000		Benefits in kind (nearest £100)		Pension Benefits * (nearest £1000)		Total £’000	
	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24 ***	2024-25	2023-24
Denis McMahon Permanent Secretary	145-150	75-80 (full year equivalent 130-135)	Nil	Nil	51	-15	200-205	60-65 (full year equivalent 115-120)
Declan McGeown Deputy Secretary- Water & Departmental Delivery	110-115	95-100	Nil	Nil	83	-4	190-195	95-100
Colin Woods Deputy Secretary – Transport & Road Asset Management	105-110	95-100	Nil	Nil	74	-1	180-185	95-100
Julie Thompson Deputy Secretary – Climate, Planning & Public Transport (until 30 Aug 24)	50-55 (full year equivalent 110-115)	105-110	Nil	Nil	-3	-13	45-50 (full year equivalent 110-115)	95-100
Judith Andrews Acting Deputy Secretary – Climate, Planning & Public Transport (from 2 Sept 24)	55-60 (full year equivalent 100-105)	N/A	Nil	N/A	-11	N/A	45-50 (full year equivalent 90-95)	N/A
Susan Anderson Departmental Director of Finance	85-90	75-80	Nil	Nil	61	32	145-150	110-115

Officials	Salary ** £'000		Benefits in kind (nearest £100)		Pension Benefits * (nearest £1000)		Total £'000	
	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
Donal Moran Director of Governance, EU, Facilities & Ministerial Support	85-90	75-80	Nil	Nil	69	-4	155-160	75-80
Moya Johnston Non-Executive Director	10-15	5-10	Nil	Nil	N/A	N/A	10-15	5-10
Frank Kirkland Non-Executive Director	5-10	5-10	Nil	Nil	N/A	N/A	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.

**The salary bands of senior officials does not include an accrual for pay awards not paid as at 31 March 2025, as individual payment amounts are not known.

***Accrued pension benefits included in this table for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the legacy scheme for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the relevant legacy scheme for the Remedy Period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the alpha scheme for the period from 1 April 2015 to 31 March 2022.

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 for Infrastructure and thus recorded in these accounts.

The Department for Infrastructure was under the direction and control of Minister John O'Dowd (until 02/02/2025) and Minister Liz Kimmins (from 03/02/2025) during the financial year. Their 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

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 in the financial year 2024-25 £140,000 - £145,000 (2023-24, £130,000 - £135,000). The relationship between the mid-point of this band and the remuneration of the organisation's workforce is disclosed below.

The change in the banding of the highest paid director was due to the appointment of a new Permanent Secretary.

2024-25	25 th percentile	Median	75 th percentile
Total remuneration (£)	26,969	34,073	43,825
Pay ratio	5.3:1	4.2:1	3.3:1

2023-24	25 th percentile	Median	75 th percentile
Total remuneration (£)	25,438	32,880	42,227
Pay ratio	5.2:1	4:1	3.1:1

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. Total remuneration does not include an accrual for pay awards not paid as at 31 March 2025, as individual payment amounts are not known.

For 2024-25, the 25th percentile, median and 75th percentile remuneration values consisted solely of salary payments.

In 2024-25, 0 (2023-24, 0) employees received remuneration in excess of the highest-paid director.

Remuneration ranged from £23,000 to £144,000 (2023-24, £20,000 to £134,000).

Percentage Change in Remuneration

Reporting bodies are also required to disclose the percentage change from the previous financial year in the salary and allowances of the highest paid director and of their employees as a whole.

The percentage changes in respect of the Department for Infrastructure 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:	2024-25 v 2023-24	2023-24 v 2022-23
Average employee salary and allowances	4.68%	4.05%
Highest paid director's salary and allowances	7.3%	7.52%

No performance pay or bonuses were payable to the highest paid director in these years.

Pension Entitlements – Minister (this information is subject to audit)

Ministers	Accrued pension at pension age as at 31/3/25 and related lump sum £'000	Real increase in pension and related lump sum at pension age £'000	CETV at 31/3/25 £'000	CETV at 31/3/24 £'000	Real increase in CETV £'000
Minister Liz Kimmins (from 03/02/25)	0-2.5	0-2.5	3	2	1
Minister John O'Dowd (until 02/02/25)	5-10	0-2.5	109	97	6

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 and rename the panel, although started, was not completed before the dissolution of the Assembly on 28 March 2022. Following the election in May 2022, as no Speaker was elected, full Assembly Business could not recommence. Therefore, progress on the legislation and the appointment of a new Panel was further delayed. The Assembly Members (Remuneration Board) Bill was introduced in the Assembly on 4 February 2025 and is currently being considered at the Committee stage of the legislative process.

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 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 the new Remuneration Board once it is established.

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.

Pension benefits for Ministers are payable at the same time as MLA's pension 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 2023 triennial valuation of the AMPS by the Government Actuary's Department, the employer contribution rate remained unchanged and continues to be paid at 17.1%. The accrued pension quoted is the pension the Minister is entitled to receive when they reach normal 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).

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 Entitlements - Officials (this information is subject to audit)

Officials	Accrued pension at pension age as at 31/3/25 (or leaving date) and related lump sum £'000	Real increase in pension and related lump sum at pension age £'000	CETV at 31/3/25 or leaving date £'000	CETV at 31/3/24 £'000	Real increase in CETV £'000	Employer contribution to partnership pension account (nearest £100)
Denis McMahon Permanent Secretary	35 - 40	2.5 - 5	745	672	34	Nil
Declan McGeown Deputy Secretary - Water & Departmental Delivery	40 - 45 plus a lump sum of 100 - 105	2.5 - 5 plus a lump sum of 5 - 7.5	874	770	67	Nil
Colin Woods Deputy Secretary - Transport & Road Asset Management	35 - 40	2.5 - 5	639	561	49	Nil
Julie Thompson Deputy Secretary - Climate, Planning & Public Transport (until 30 Aug 24)	45 - 50	0 - 2.5	935	914	-10	Nil
Judith Andrews Acting Deputy Secretary - Climate, Planning & Public Transport (from 2 Sept 24)	30 - 35 plus a lump sum of 100 - 105	0 plus a lump sum of 0	851	854	-12	Nil
Susan Anderson Director of Finance	30 - 35	2.5 - 5	583	513	44	Nil
Donal Moran Director of Governance, EU, Facilities & Ministerial Support	35 - 40 plus a lump sum of 85 - 90	2.5 - 5 plus a lump sum of 2.5 - 5	812	718	60	Nil

Northern Ireland Civil Service (NICS) Pension Schemes

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

The alpha pension scheme was initially introduced for new entrants from 1 April 2015. The alpha scheme and all previous scheme arrangements are unfunded with the cost of benefits met by monies voted each year. The majority of members of the Classic, Premium, Classic Plus and Nuvos pension

arrangements (collectively known as the Principal Civil Service Pension Scheme (Northern Ireland) [PCSPS(NI)]) also moved to alpha from that date. Transitional protection measures introduced alongside these reforms meant any members who on 1 April 2012 were within 10 years of their normal pension age remained in their previous scheme arrangement (full protection) and those who were between 13.5 years and 10 years of their normal pension age were given a choice between moving to alpha on 1 April 2015 or at a later date determined by their age (tapered protection).

McCloud Judgment and 2015 Remedy

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

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

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

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

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

Eligible members with relevant service between 1 April 2015 and 31 March 2022 (the Remedy Period) will now be entitled to a choice of alternative pension benefits in relation to that period. i.e. calculated under the pre-reformed PCSPS(NI) 'Classic', 'Premium' or 'Nuvos' rules or alternatively calculated under the reformed alpha rules. As part of this 'retrospective' remedy most active members will now receive a choice about their Remedy Period benefits at the point of retirement. This is known as the Deferred Choice Underpin (DCU). For those members who already have pension benefits in payment in relation to the Remedy Period, they will receive an Immediate Choice. There are a significant number of Immediate Choice Remediable Service Statement (RSS) packs to issue. This process involves complex calculations to provide members with individually tailored statements. Due to the complexity of the calculations and some prolonged work to finalise policy elements of the remedy, not all Immediate Choice packs will issue by 31 March 2025 as originally planned. The legislation for the 2015 Remedy provides discretion which allows the Scheme Manager to extend beyond this date so it has become necessary to engage this discretion.

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>.

As part of the remedy involved rolling back all remediable service into the relevant legacy PCSPS(NI) arrangement for the 7-Year Remedy Period, the value of pension benefits for the 2024-25 pension disclosures for affected members continue to be based on the rolled back position.

Alpha

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

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

Information on the PCSPS(NI) – Closed Scheme

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

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

Benefits in Classic 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.

Partnership Pension Account

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

Pension Increases

All pension benefits are reviewed annually in line with changes in the cost of living. Any applicable increases are applied from April and are determined by the Consumer Prices Index (CPI) figure for the preceding September. The CPI in September 2023 was 6.7% and HM Treasury has announced that public service pensions will be increased accordingly from April 2024.

Employee Contribution Rates

Employee contribution rates for all members for the periods covering 1 April 2024 – 31 March 2025 and 1 April 2025 – 30 June 2025 are as follows²:

Annualised Rate of Pensionable Earnings (Salary Bands) 1 April 2024 to 31 March 2025		Annualised Rate of Pensionable Earnings (Salary Bands) 1 April 2025 to 30 June 2025		Contribution rates – All members
From	To	From	To	
£0	£26,302.49	£0	£27,091.99	4.6%
£26,302.50	£59,849.99	£27,092.50	£61,645.99	5.45%
£59,850.00	£160,964.99	£61,646.00	£165,793.99	7.35%
£160,965.00 and above		£165,794.00 and above		8.05%

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

² Rates are expected to change mid-year as a result of the outcome of the consultation on Scheme Yield and Member Contributions, available at www.finance-ni.gov.uk/consultations/northern-ireland-civil-service-pension-scheme-consultation-scheme-yield-member-contributions.

arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost.

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

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

Real increase in CETV

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

Compensation for loss of office

There was no compensation for loss of office paid in 2024-25.

STAFF REPORT (this information is subject to audit)

Staff Costs

				2024-25 £000	2023-24 £000
	Permanently employed staff*	Others	Minister	Total	Total
Wages and salaries	79,354	2,747	38	82,139	84,689
Social security costs	8,564	-	5	8,569	8,139
Other pension costs	27,079	-	6	27,085	23,290
Other staff costs	398	-	-	398	323
Sub Total	115,395	2,747	49	118,191	116,441
Less recoveries in respect of outward secondments	-	-	-	-	-
Total net costs**	115,395	2,747	49	118,191	116,441

Analysed as:		
Administration costs -	81,884	83,106
Programme costs -	21,219	20,068
Minister's Salary***	49	8
	103,152	103,182
Capitalised	15,039	13,259
	118,191	116,441

Of which:

	2024-25	2023-24
Department	114,136	112,684
Waterways Ireland	4,055	3,757
Total	118,191	116,441

* Permanently employed staff includes the cost of the Department's Special Adviser who was paid in the pay band £55,000 - £69,999 (2023-24 £55,000 - £69,999).

** Of the total, £15,039k has been charged to capital. (2023-24 £13,259k)

*** Minister's salary hard charged in 2024-25 & 2023-24.

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

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

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

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

For 2024-25, employers' contributions of £25,192,107 were payable to the NICS pension arrangements at a flat rate of 34.25% of pensionable pay, for all salaries (2023-24 £20,325,613 at one of three rates in the range 28.7% to 34.2%).

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £50,796 (2023-24 £49,222) 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% (2023-24, 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 £1,573, 0.5% (2023-24 £1,613, 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.

12 persons (2023-24: 25 persons) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £50,201 (2023-24: £83,580).

Waterways Ireland staff are part of a separate pension scheme consisting of a number of sections with different benefit structures. For further information see Waterways Ireland Annual Report.

Average number of persons employed (Including Waterways Ireland)

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.

					2024-25 Number	2023-24 Number
Objective	Permanent staff	Others	Minister	Special Adviser	Total	Total
A	1,843	97	1	1	1,942	1,923
Staff engaged on capital projects	287	-	-	-	287	270
Total	2,130	97	1	1	2,229	2,193

Ministers salary is paid to NI Assembly and not included on HR reports

Of which:

	2024-25	2023-24
Department	2,173	2,140
Waterways Ireland *	56	53
Total	2,229	2,193

* This represents 15% of Waterways Ireland Staff

Staff Composition

The actual staff numbers as at 31 March 2025 can be broken down as follows:

	2024-25			2023-24		
	Male	Female	Total	Male	Female	Total
Minister	-	1	1	1	-	1
Senior Civil Service	11	9	20	11	8	19
Other Employees	1,585	589	2,174	1,570	572	2,142
Total	1,596	599	2,195	1,582	580	2,162

Staff Turnover

The Department for Infrastructure Staff Turnover percentage (the total number of people that have left the Dept/Agency including those who have moved within the NICS) for 2024-25 is 7.1%, and the general turnover percentage (the people who have left the Dept / Agency and have not gone elsewhere in the NICS) is 6.4%. This has been calculated by NICSHR based on the Cabinet Office Guidance on calculations for Turnover in the Civil Service.

Seconded Staff

There were no new staff members seconded from the Department and no staff seconded from Waterways Ireland during the 2024-25 year.

Reporting of compensation and exit packages for all staff

The following section is subject to audit

Exit package cost band	2024-25			2023-24		
	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	-	2	2	-	-	-
£10,000 - £25,000	-	-	-	-	3	3
£25,000 - £50,000	-	3	3	-	3	3
£50,000 - £100,000	-	1	1	-	1	1
£100,000 - £150,000	-	-	-	-	-	-
Total number of exit packages	-	6	6	-	7	7
Total resource £'000	-	197	197	-	273	273

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme (Northern Ireland), a statutory scheme made under the Superannuation (Northern Ireland) Order 1972. The table above (including Waterways Ireland) shows the total cost of exit packages agreed and accounted for in 2024-25 and 2023-24. £322k exit costs were paid in 2024-25, the year of departure (2023-24 £135k). 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.

Off payroll payments

The Department (including Waterways Ireland) did not have any off payroll engagements during the 2024-25 year.

External Consultancy costs (includes Waterways Ireland)

£256,141 was spent on external consultancy during 2024-25 year (2023-24: £201,158 - Waterways Ireland amount restated).

	2024-25	Restated 2023-24
Department	25,619	67,140
Waterways Ireland	230,522	134,018
Total	256,141	201,158

Senior Civil Service pay band

Actual staff numbers of Senior Civil Service by pay band for the Department as at 31st March 2025 are as follows (DfI only):

Pay band – assessed each pay period		Actual staff numbers as at 31 March 2025
From	To	
£79,237	£88,908	21
£101,558	£113,524	3
£131,076	£149,539	1
£176,800	£202,239	-

Remuneration Policy

The pay remit for the Northern Ireland Civil Service, including senior civil servants (SCS), is normally approved by the Minister of Finance. Following approval of the 2024-25 Budget in the Assembly, on 28 May 2024, in which the Finance Minister outlined the overarching approach to public sector pay, the NI public sector pay policy guidance was published on 31 May 2024 in FD (DoF) 07/24.

Annual NICS pay awards are made in the context of the wider public sector pay policy. Subject to satisfactory testing, we aim to pay the award effective from 1 August 2024, for NICS non-industrial and industrial staff, including SCS, in the May 2025 payroll.

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

Employee Engagement

When launching the 2023 NICS People Survey in April 2023, the Head of the Civil Service issued a message that the frequency of the Survey was changing from yearly to every other year to allow for proper targeting of actions. The 2025 NICS People survey was launched on 29 April 2025 and the results will be available Autumn 2025.

The 2023 NICS People Survey is therefore the most recent survey and was conducted by NISRA across the nine NICS ministerial Departments as well as the Public Prosecution Service and the Health & Safety Executive for NI. All staff working in these organisations were invited to take part in the survey. For DfI there were 2,990 (2021: 3,125) permanent staff invited to complete the survey, of which 1,088 (2021: 1,361) participated, a response rate of 35.4% (2021: 44%). The Employee Engagement Index (EEI) is the weighted average of the responses to the five employee engagement questions, and it ranges from 0% to 100%. DfI responses indicated an Employee Engagement Index of 51% (2021: 53%), compared to the NICS average of 54% (2021: 57%). The 2023 full survey is available at <https://www.finance-ni.gov.uk/publications/nics-people-survey-results>, and the 2025 full survey will be available at this same link when issued in Autumn 2025.

Sickness Absence Data

The Department had an overall sickness absence rate of 16.6 days lost per employee in 2023-24. Annual sickness absence figures can be found in the “Sickness Absence in the Northern Ireland Civil Service 2023-24” report at www.nisra.gov.uk/publications/sickness-absence-northern-ireland-civil-service-202324. The 2024-25 sickness absence data is not currently available and will be published later this year.

Employment, training and advancement of disabled persons

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

The NICS delivers an annual programme of communications and training on disability awareness and has policies in place to support inclusive workplaces. A review of the NICS reasonable adjustment process for in-work support, and for its recruitment selection and onboarding processes, progressed in 2024, which will deliver improvements to the process with implementation anticipated in 2025-26, subject to Ministerial approval and Trade Union consultation. Colleagues with lived experience and external independent advocates have been stakeholders in the reasonable adjustment review.

The NICS is committed to the employment of disabled people and offers work experience for disabled people through the [NICS Work Experience Scheme for Disabled People](#) and participation in International Job Shadow Day (IJSB)

To encourage job applications from disabled people, positive action advertising and targeted advertising alongside a programme of outreach are used. The NICS operates a Guaranteed Interview Scheme (GIS) which ensures a guaranteed number of disabled applicants who meet the minimum

essential eligibility criteria for the role they have applied for, are offered an interview. Further information can be found on the “Information for disabled applicants” section of the [NICS recruit website](#).

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

Learning & Development

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

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

During 2024-25, the generic Learning and Development portfolio was updated to include new products, including 16 new classroom products, 11 new eLearning products, five new online resources and 24 product reviews.

A new NICSHR L&D Portfolio is now available showing the comprehensive range of learning available, grouped under six core product areas:

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

Leadership development is a key priority within the NICS and NICSHR L&D offer a suite of products aimed at leadership from EO2 to SCS grades. Development of four new leadership products commenced this year, with 2025-26 launch dates. Topics will cover Inclusive Leadership, Entrepreneurial Leadership, Collective and Compassionate Leadership and Digital Leadership. During 2024-25 a Grade 3 Senior Leadership programme was developed and launched in collaboration with University of Ulster, QUB and the William J.Clinton Leadership Institute.

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

NICSHR continues to develop further leadership products, including a Grade 5 Alumni programme, with events and further resources available within the Leadership Toolkit on [LnKS](#).

Application of Business Appointment Rules (BARs)

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

In compliance with Business Appointment rules, the Department is transparent in the advice given to individual applications for senior staff, including special advisers. Advice regarding specific business appointments has been published on the Department’s website at www.infrastructure-ni.gov.uk.

BAR Disclosures

	SCS	Other	Total
Number of exits from the Civil Service			152
Number of BARs applications assessed by the Department over the year (by grade)	-	-	-
Number of BARs applications where conditions were set (by grade)	-	-	-
Number of applications that were found to be unsuitable for the applicant to take up (grade)	-	-	-
Number of breaches of the Rules in the preceding year	-	-	-

Employee Consultation and Trade Union Relationships

The Department of Finance is responsible for the NICS Trade Union Arrangements Policy. People & Organisational Development consults and/or negotiates with the NICS recognised trade unions on matters such as pay, promotion, and annual leave which are relevant across the NICS. Arrangements also exist to consult on matters specific to each Department. In DfI, we have a Departmental Whitley Council which is supplemented by three business area Committees for: DVA; Transport & Road Asset Management; and Water & Drainage – there are plans to introduce a fourth business area Committee in respect of Planning during 2025-26. The Whitley Council and Committees provide an agreed forum for discussion and are attended by both employer and trade union representatives. In this way staff views are represented and information for employees is promulgated. Local issues relevant only to a particular office or area of work is handled by local managers, and branch trade union representatives, through the agreed Whitley procedures/constitutions.

The Department has established a Staff Engagement Council. The DfI Engagement Council provides a platform for colleagues to meet regularly, either face-to-face or online, to discuss matters of interest and importance to staff. The Council consists of volunteers from across DfI who serve as Engagement Champions, representing all staff within the Department, including various grades, genders, disciplines, and representatives from both industrial and non-industrial sectors.

Equality, Diversity and Inclusion

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

The NICS 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+. The network alongside the NICS corporate HR function, People and Organisational Development, developed and delivered a [NICS Diversity Action Plan 2024/25](#), which set out 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 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 [Northern Ireland Statistics and Research Agency \(NISRA\)'s website](#).

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

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 <https://www.infrastructure-ni.gov.uk/dfi-equality-scheme>.

Statement of Outturn against Assembly Supply (SOAS) (this information is subject to audit)

In addition to the primary statements prepared under IFRS, the Government Financial Reporting Manual (FRM) requires the Department for Infrastructure 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 their Supply Estimate, called control limits, their 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 (SOAS 1); a reconciliation of outturn to net operating expenditure in the SOCNE, to tie the SOAS to the financial statements (SOAS 2); a reconciliation of net resource outturn to net cash requirement (SOAS 3) and an analysis of income payable to the Consolidated Fund (SOAS 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 on page 31, in the financial review 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 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.

Summary Table 2024-25

		2024-25 £000								2023-24 £000
Type of Spend	Note	Outturn			Estimate			Outturn vs Estimate, saving/ (excess) Total		Prior Year Outturn Total
		Voted	Non-Voted	Total	Voted	Non-Voted	Total	Voted	Total	
Departmental Expenditure Limit										
Resource	SOAS1.1	489,990	266,080	756,070	496,996	274,621	771,617	7,006	15,547	768,282
Capital	SOAS1.2	493,185	348,934	842,119	554,352	361,072	915,424	61,167	73,305	825,062
Total		983,175	615,014	1,598,189	1,051,348	635,693	1,687,041	68,173	88,852	1,593,344
Annual Managed Expenditure										
Resource	SOAS1.1	74,870	25,705	100,575	226,707	8,857	235,564	151,837	134,989	31,373
Capital	SOAS1.2	95,810	-	95,810	95,963	-	95,963	153	153	14,456
Total		170,680	25,705	196,385	322,670	8,857	331,527	151,990	135,142	45,829
Total Budget										
Resource	SOAS1.1	564,860	291,785	856,645	723,703	283,478	1,007,181	158,843	150,536	799,655
Capital	SOAS1.2	588,995	348,934	937,929	650,315	361,072	1,011,387	61,320	73,458	839,518
Total		1,153,855	640,719	1,794,574	1,374,018	644,550	2,018,568	220,163	223,994	1,639,173
Non-Budget										
Resource	SOAS1.1	322,313	-	322,313	344,252	-	344,252	21,939	21,939	309,523
Capital	SOAS1.2	150,000	-	150,000	161,750	-	161,750	11,750	11,750	215,000
Total		472,313	-	472,313	506,002	-	506,002	33,689	33,689	524,523
Total Budget and Non-Budget		1,626,168	640,719	2,266,887	1,880,020	644,550	2,524,570	253,852	257,683	2,163,696

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

Net cash requirement 2024-25

		2024-25 £000			2023-24 £000
Item	Note	Outturn	Estimate	Outturn vs Estimate, saving/ (excess)	Prior Year Outturn
Net cash requirement	SOAS3	1,467,016	1,592,441	125,425	1,451,268

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

Administration costs 2024-25

					2024-25 £000	2023-24 £000
Type of spend	Note	Outturn	Estimate	Outturn vs Estimate, saving / (excess)	Prior Year Outturn	
Administration costs	SOAS1.1	96,248	99,010	2,762	96,829	

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

The notes on pages 97 to 109 and on pages 128 to 182 form part of the financial statements.

Notes to the Statement of Outturn against Assembly Supply 2024-25

SOAS 1 Outturn detail, by Estimate line

SOAS 1.1 Analysis of resource outturn by Estimate line

												2024-25	2023-24	
												£000	£000	
Type of Spend (Resource)		Resource Outturn						Estimate			Outturn v Estimate (inc virements), saving / (excess)	Prior Year Outturn Total		
		Administration			Programme			Total	Total	Virements*			Total Inc virements	
		Gross	Income	Net	Gross	Income	Net							
Spending in Departmental Expenditure Limits (DEL)														
Voted Expenditure														
1. Roads, Rivers and Waterways		75,547	-	75,547	232,018	(18,096)	213,922	289,469	294,104	(1,236)	292,868	3,399	286,131	
Of which:	Roads	72,072	-	72,072	207,427	(16,430)	190,997	263,069	266,339	(1,236)	265,103	2,034	263,775	
	Rivers	-	-	-	20,778	(193)	20,585	20,585	21,344	-	21,344	759	18,536	
	Ferry Services	-	-	-	1,443	(1,473)	(30)	(30)	14	-	14	44	(68)	
	Inland Waterways	-	-	-	60	-	60	60	470	-	470	410	70	
	Central Policy and Other Services	3,475	-	3,475	2,310	-	2,310	5,785	5,937	-	5,937	152	3,818	
2. Waterways Ireland (ALB – Net)		1,816	-	1,816	3,246	-	3,246	5,062	6,482	-	6,482	1,420	5,813	
Of which:	Waterways Ireland	1,816	-	1,816	3,246	-	3,246	5,062	6,482	-	6,482	1,420	5,813	
3. Bus, Rail and Ports		7,810	-	7,810	174,458	(314)	174,144	181,954	181,362	592	181,954	-	182,119	
Of which:	Ferry Services, Air and Sea Ports	-	-	-	4,258	-	4,258	4,258	4,145	-	4,145	(113)	1,163	
	Railway Services	-	-	-	78,948	-	78,948	78,948	77,393	592	77,985	(963)	71,591	
	Road Passenger Services	7,810	-	7,810	91,252	(314)	90,938	98,748	99,824	-	99,824	1,076	109,365	
	EU Interreg	-	-	-	-	-	-	-	-	-	-	-	-	
	Support for Taxi and Coach Industries	-	-	-	-	-	-	-	-	-	-	-	-	

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												2024-25	2023-24
												£000	£000
Type of Spend (Resource)		Resource Outturn						Estimate			Outturn v Estimate (inc virements), saving / (excess)	Prior Year Outturn Total	
		Administration			Programme			Total	Total	Virements*			Total inc virements
		Gross	Income	Net	Gross	Income	Net						
4. Road Safety Services including DVA		3,354	(1,354)	2,000	3,971	(3,792)	179	2,179	5,615	(1,249)	4,366	2,187	12,115
Of which:	Road Safety Services	3,354	(1,354)	2,000	3,406	(973)	2,433	4,433	7,823	(1,249)	6,574	2,141	4,394
	Driver and Vehicle Agency	-	-	-	565	(2,819)	(2,254)	(2,254)	(2,208)	-	(2,208)	46	7,721
5. Planning and Legacy Sites		2,307	-	2,307	6,335	(399)	5,936	8,243	7,007	1,236	8,243	-	6,804
Of which:	Planning and Policy	2,307	-	2,307	4,446	(130)	4,316	6,623	6,513	-	6,513	(110)	6,442
	Reinvestment and Reform	-	-	-	1,889	(269)	1,620	1,620	494	1,236	1,730	110	362
6. Water and Sewerage		3,036	-	3,036	47	-	47	3,083	2,426	657	3,083	-	2,032
Of which:	Water and Sewerage	3,036	-	3,036	47	-	47	3,083	2,426	657	3,083	-	2,032
Total Voted DEL		93,870	(1,354)	92,516	420,075	(22,601)	397,474	489,990	496,996	-	496,996	7,006	495,014
Non-Voted Expenditure													
7.	Consolidated Fund Extra Receipts (CFERs)	-	(3)	(3)	-	(74)	(74)	(77)	(79)	-	(79)	(2)	(187)
8.	National Fund Loan	-	-	-	125	(125)	-	-	-	-	-	-	-
9.	Northern Ireland Water Limited	-	-	-	406,061	(139,904)	266,157	266,157	274,700	-	274,700	8,543	273,455
Total Non-Voted DEL		-	(3)	(3)	406,186	(140,103)	266,083	266,080	274,621	-	274,621	8,541	273,268
Total Spending in DEL		93,870	(1,357)	92,513	826,261	(162,704)	663,557	756,070	771,617	-	771,617	15,547	768,282
Spending in Annually Managed Expenditure (AME)													
Voted Expenditure													
10.	Depreciation & Impairment Costs	2,238	-	2,238	57,522	-	57,522	59,760	219,312	(7,715)	211,597	151,837	23,430

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												2024-25	2023-24
												£000	£000
Type of Spend (Resource)		Resource Outturn						Estimate			Outturn v Estimate (inc virements), saving / (excess)	Prior Year Outturn Total	
		Administration			Programme			Total	Total	Virements *			Total inc virements
		Gross	Income	Net	Gross	Income	Net						
11.	Provisions	1,497	-	1,497	12,977	-	12,977	14,474	6,759	7,715	14,474	-	(100)
12.	Waterways Ireland (ALB – Net)	-	-	-	636	-	636	636	636	-	636	-	192
Total Voted AME		3,735	-	3,735	71,135	-	71,135	74,870	226,707	-	226,707	151,837	23,522
Non-Voted Expenditure													
13.	Northern Ireland Water Limited	-	-	-	25,705	-	25,705	25,705	8,857	-	8,857	(16,848)	7,851
Total Non-Voted AME		-	-	-	25,705	-	25,705	25,705	8,857	-	8,857	(16,848)	7,851
Total Spending in AME		3,735	-	3,735	96,840	-	96,840	100,575	235,564	-	235,564	134,989	31,373
Non-Budget Spending													
Voted Expenditure													
14.	Northern Ireland Water Limited	-	-	-	424,819	(102,506)	322,313	322,313	344,252	-	344,252	21,939	308,025
	Prior Period Adjustment	-	-	-	-	-	-	-	-	-	-	-	1,498
Total Non-Budget Spending		-	-	-	424,819	(102,506)	322,313	322,313	344,252	-	344,252	21,939	309,523
Total Resource		97,605	(1,357)	96,248	1,347,920	(265,210)	1,082,710	1,178,958	1,351,433	-	1,351,433	172,475	1,109,178
Of which:													
Voted Expenditure		97,605	(1,354)	96,251	916,029	(125,107)	790,922	887,173	1,067,955	-	1,067,955	180,782	828,059
Non-Voted Expenditure		-	(3)	(3)	431,891	(140,103)	291,788	291,785	283,478	-	283,478	(8,307)	281,119

SOAS 1.2 Analysis of capital outturn by Estimate line

								2024-25 £000	2023-24 £000
Type of Spend (Capital)		Outturn			Estimate			Outturn v 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. Roads, Rivers and Waterways		262,200	(37,824)	224,376	258,010	-	258,010	33,634	196,521
Of which:	Roads	240,549	(37,649)	202,900	236,540	-	236,540	33,640	176,062
	Rivers	21,651	(175)	21,476	21,360	-	21,360	(116)	20,459
	Ferry Services	-	-	-	-	-	-	-	-
	Inland Waterways	-	-	-	110	-	110	110	-
	Central Policy and Other Services	-	-	-	-	-	-	-	-
2. Waterways Ireland (ALB – Net)		2,405	-	2,405	2,425	-	2,425	20	2,088
Of which:	Waterways Ireland	2,405	-	2,405	2,425	-	2,425	20	2,088
3. Bus, Rail and Ports		264,376	324	264,700	291,133	-	291,133	26,433	288,537
Of which:	Ferry Services, Air and Sea Ports	719	-	719	1,030	-	1,030	311	372
	Railway Services	196,787	15	196,802	222,005	-	222,005	25,203	241,420
	Road Passenger Services	67,233	-	67,233	68,093	-	68,093	860	44,270
	EU Interreg	(363)	309	(54)	5	-	5	59	2,475
	Support for Taxi and Coach Industries	-	-	-	-	-	-	-	-
4. Road Safety Services including DVA		1,279	-	1,279	1,571	-	1,571	292	419
Of which:	Road Safety Services	124	-	124	916	-	916	792	419
	Driver and Vehicle Agency	1,155	-	1,155	655	-	655	(500)	-

								2024-25 £000	2023-24 £000
Type of Spend (Capital)		Outturn			Estimate			Outturn v Estimate (inc virements), saving / (excess)	Prior Year Outturn Total
		Gross	Income	Net	Total	Virements*	Total inc virements		
5. Planning and Legacy Sites		55	-	55	463	-	463	408	301
Of which:	Planning and Policy	(29)	-	(29)	280	-	280	309	300
	Reinvestment and Reform	84	-	84	183	-	183	99	1
6. Water and Sewerage		370	-	370	750	-	750	380	1,042
Of which:	Water and Sewerage	370	-	370	750	-	750	380	1,042
Total Voted DEL		530,685	(37,500)	493,185	554,352	-	554,352	61,167	488,908
Non-Voted Expenditure									
7.	Consolidated Fund Extra Receipts (CFERs)	-	-	-	-	-	-	-	(105)
8.	National Fund Loan	891	(891)	-	-	-	-	-	(1,062)
9.	Northern Ireland Water Limited	380,562	(31,628)	348,934	361,072	-	361,072	12,138	337,321
Total Non-Voted DEL		381,453	(32,519)	348,934	361,072	-	361,072	12,138	336,154
Total Spending in DEL		912,138	(70,019)	842,119	915,424	-	915,424	73,305	825,062
Spending in Annually Managed Expenditure (AME)									
Voted Expenditure									
10.	Depreciation & Impairment Costs	-	-	-	-	-	-	-	-
11.	Provisions	95,810	-	95,810	95,963	-	95,963	153	14,456
12.	Waterways Ireland (ALB – Net)	-	-	-	-	-	-	-	-
Total Voted AME		95,810	-	95,810	95,963	-	95,963	153	14,456

								2024-25 £000	2023-24 £000
Type of Spend (Capital)		Outturn			Estimate			Outturn v Estimate (inc virements) , saving / (excess)	Prior Year Outturn Total
		Gross	Income	Net	Total	Virements *	Total Inc virements		
Non-Voted Expenditure									
13.	Northern Ireland Water Limited	-	-	-	-	-	-	-	-
Total Non-Voted AME		-	-	-	-	-	-	-	-
Total Spending in AME		95,810	-	95,810	95,963	-	95,963	153	14,456
Non-Budget Spending									
Voted Expenditure									
14.	Northern Ireland Water Limited	150,000	-	150,000	161,750	-	161,750	11,750	215,000
Total Non-Budget Spending		150,000	-	150,000	161,750	-	161,750	11,750	215,000
Total Capital		1,157,948	(70,019)	1,087,929	1,173,137	-	1,173,137	85,208	1,054,518
Of which:									
Voted Expenditure		776,495	(37,500)	738,995	812,065	-	812,065	73,070	718,364
Non-Voted Expenditure		381,453	(32,519)	348,934	361,072	-	361,072	12,138	336,154

* 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.

SOAS 2 Reconciliation of Outturn to Net Operating Expenditure

		2024-25 £000	2023-24 £000
	Note	Outturn	Prior Year Outturn
Total Resource Outturn	SOAS1.1	1,178,958	1,109,178
Add: Capital grants		217,159	244,477
Other		-	-
Less: Income payable to the Consolidated Fund (CFERs)		(77)	(293)
Non-voted expenditure		(291,785)	(281,119)
Prior Period Adjustment *	6	-	(1,498)
Net Expenditure in Consolidated Statement of Comprehensive Net Expenditure	SoCNE	1,104,255	1,070,745

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 operating expenditure, linking the SOAS to the financial statements.

* The prior period adjustment relates to the revaluation of both the Spirit of Rathlin and Strangford II ferry vessels. Professional valuations should have been carried out in a previous year.

SOAS 3 Reconciliation of Net Resource Outturn to Net Cash Requirement

	Note	Outturn £000	Estimate £000	Outturn vs Estimate, saving / (excess) £000
Total Resource Outturn	SOAS 1.1	1,178,958	1,351,433	172,475
Total Capital Outturn	SOAS 1.2	1,087,929	1,173,137	85,208
Adjustments for ALBs:				
Remove voted resource and capital		(8,104)	(9,543)	(1,439)
Add cash grant in aid		7,091	7,768	677
Adjustments to remove non-cash items:				
Depreciation, impairments and revaluations	3,4	(91,923)	(253,740)	(161,817)
New provisions and adjustments to previous provisions (Capital)	18	(109,307)	-	109,307
New provisions and adjustments to previous provisions (Revenue)	3,4	(24,479)	(137,370)	(112,891)
Prior Period Adjustment		-	-	-
Other non-cash items	3,4	189	-	(189)
Adjustments to reflect movement in working balances:				
Changes in working capital other than cash	SOAS 3.1	35,338	65,040	29,702
Changes in payables falling due after more than one year	16	7,538	12,971	5,433
Use of provision	18	24,505	27,295	2,790
Total		2,107,735	2,236,991	129,256
Removal of non-voted budget items:				
Other adjustments		(640,719)	(644,550)	(3,831)
Total		(640,719)	(644,550)	(3,831)
Net Cash Requirement		1,467,016	1,592,441	125,425

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 3.1 Movements in working capital used in the Reconciliation of Resources to Net Cash Requirement

		2024-25 £000
	Note	
Increase/(decrease) in inventories	13	(51)
Increase/(decrease) in receivables	15	(26,032)
Adjustments to movements in receivables		
Movement in CFER related receivables	15	15,003
Movement in provision for bad debts	15	7,978
(Increase)/decrease in payables less than 1 year	16	38,793
Adjustments to movements in payables less than 1 year		
Increase/(decrease) in amounts due to the Consolidated Fund	16	(353)
Net increase/(decrease) in working capital other than cash recognised in Statement of Assembly Supply		35,338

SOAS 4 Analysis of income payable to the Consolidated Fund

In addition to Accruing Resources, the following income relates to the Department and is payable to the Consolidated Fund (cash receipts being shown in italics):

		Outturn Total 2024-25 £000		Prior Year 2023-24 £000	
	Note	Accruals	<i>Cash basis</i>	Accruals	<i>Cash basis</i>
Income outside the ambit of the Estimate (resource)		77	<i>436</i>	188	<i>188</i>
Income outside the ambit of the Estimate (capital)		-	<i>-</i>	105	<i>-</i>
Sub-total		77	<i>436</i>	293	<i>188</i>
Excess cash surrenderable to the Consolidated Fund		-	<i>-</i>	-	<i>-</i>
Total amount payable to the Consolidated Fund		77	<i>436</i>	293	<i>188</i>

Other Assembly Accountability Disclosures (this information is subject to audit)

(i) Losses and special payments

Losses Statement

	2024-25		2023-24	
	Cases	£000	Cases	£000
Stores and plant losses	30	5	7	11
Abandoned Claims	4,662	547	11,213	1,365
Fruitless Payments	-	-	-	-
Foreign exchange losses	9	121	4	24
Other cash losses	-	-	-	-
Administrative Write Offs	1	-	-	-
Total	4,702	674	11,224	1,400

*Losses value less than £1,000

Details of cases over £300,000

There were no individual losses exceeding £300,000 however the Department incurred losses relating to penalty charge notice debt of £479,413 (2023-24: £1,306,542) during the financial year. The penalty charge notices were all more than 6 months old and all steps possible to recover the debt were taken. The loss was categorised as 'claims waived or abandoned' in accordance with Managing Public Money (NI).

Special Payments

	2024-25	2023-24 (restated)
Total number of special Payments	3,974	4,141
Total value of special Payments £000	13,402	9,561

Special Payments includes compensation payments including those arising from Public and Employer Liability Claims and ex gratia payments. The value of the 2023-24 special payments have been restated to remove DSO fees from the Public and Employer liability payments. There was one payment greater than or equal to £300,000.

(ii) **Business activities attracting fees and charges**

	2024-25 £000			2023-24 £000
	Income	Cost	Surplus/(deficit)	Surplus/(deficit)
Car Parks	11,766	(14,208)	(2,442)	(1,882)
Strangford Ferry	1,667	(4,045)	(2,378)	(2,086)
Total	13,433	(18,253)	(4,820)	(3,968)

This note is provided for fees and charges purposes and not for the International Financial Reporting Standard (IFRS) 8 purposes.

The financial target for car parking services in 2024-25 is 100% recovery (2023-24: 100%) of the full cost of providing, updating and maintaining the services. The actual percentage recovery achieved was 83% (2023-24: 87%). Cost recovery has decreased for 2024-25 mainly due to loss of income from local government for car park enforcement.

The financial target for the ferry service in 2024-25 is 40% (2023-24: 40%) recovery of the full cost of providing, updating and maintaining the services. The actual percentage recovery achieved was 41% (2023-24: 41%).

Remote Contingent Liabilities

Contingent Liabilities not required to be disclosed under International Accounting Standard (IAS 37) but included for Assembly reporting and accountability purposes

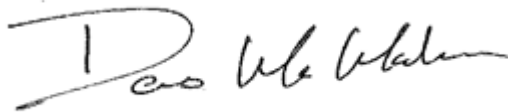
Such contingent liabilities, whether quantifiable or unquantifiable, arise through specific guarantees, indemnities or by the giving of letters of comfort. None of these are contingent liabilities within the meaning of IAS 37 since the likelihood of transfer of economic benefits in settlement is too remote.

On 29 March 2017, the UK Government submitted its notification to leave the EU in accordance with Article 50. On 31 January 2020, the Withdrawal Agreement between the UK and the EU became legally binding and the UK left the EU.

Should any subsequent changes in legislation, regulation and funding arrangements occur, consequential (and currently unquantifiable) contingent liabilities could materialise.

Reconciliation of contingent liabilities included in the Supply Estimate to the Accounts

Quantifiable Contingent Liabilities			
Description of Contingent Liability	Supply Estimate (£000)	Amount disclosed in ARA (£000)	Variance (Estimate – Amounts disclosed in the ARA, £000)
Public and Employers Liability	17,815	14,548	3,267
Dismissal cases	-	-	-
Legal claims	-	112	(112)
Contractor legal cases	640	1,720	(1,080)
Land for schemes	2,020	-	2,020



Dr Denis McMahon
Accounting Officer

30 October 2025

DEPARTMENT FOR INFRASTRUCTURE

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

Qualified Opinion on financial statements

I certify that I have audited the financial statements of the Department for Infrastructure and of its Departmental Group for the year ended 31 March 2025 under the Government Resources and Accounts Act (Northern Ireland) 2001. The Departmental Group consists of the Department for Infrastructure and Waterways Ireland, as a body 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 2025;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year ended 31 March 2025; and
- the related notes including the significant accounting policies.

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

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

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

- give a true and fair view of the state of the Department and the Departmental Group's affairs as at 31 March 2025 and of their net 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 2025 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

At Note 15 to the financial statements, the Department has recognised a £38 million receivable balance relating to the expected recovery of what the Department considers to be previous overpayments made to a major road scheme contractor.

As a result of an ongoing formal dispute resolution process the Department has recognised a doubtful debt provision of £6 million, against their receivable balance of £38 million, reflecting its assessment of the minimum amount it is likely to receive in relation to this balance.

I have not been able to gather sufficient appropriate audit evidence to confirm the completeness and accuracy of the valuation of either the receivable balance or the provision for doubtful debt. There were no additional procedures that I could undertake to provide me with assurance on the valuation of either figure. The scope of my audit was limited in this regard.

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

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

Other Information

The other information comprises the information included in the annual report other than the financial statements, the parts of the Accountability Report described in that report as having been audited, and my audit certificate 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 certificate, I do not express any form of assurance conclusion thereon.

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

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

I have nothing to report in this regard.

Opinion on other matters

In my opinion, 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

Except for information related to the limitation of scope on the value of a receivable balance with a contractor which has impacted my true and fair qualified opinion on the financial statements, and in the light of the knowledge and understanding of the Department for Infrastructure and its Group and their environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and Accountability Report.

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

- adequate accounting records have not been kept; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records; or
- certain disclosures of remuneration specified by the Government Financial Reporting Manual are not made; or
- 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;

- ensuring such internal controls as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- ensuring the annual report, which includes the Remuneration and Staff Report, is prepared in accordance with the applicable financial reporting framework; and
- assessing the Department for Infrastructure 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 the Department for Infrastructure 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 for Infrastructure and its Group through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included the Government Resources and Accounts Act (Northern Ireland) 2001;
- making enquires of management and those charged with governance on Department for Infrastructure 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 for Infrastructure and its Group's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, expenditure recognition, posting of unusual journals and estimation techniques;
- 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; and
- addressing the risk of fraud as a result of management override of controls by:
 - performing analytical procedures to identify unusual or unexpected relationships or movements;
 - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
 - assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and

- investigating significant or unusual transactions made outside of the normal course of business.

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

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

Report

I am required to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001.

I have qualified my true and fair opinion on the Department's 2024-25 financial statements due to a limitation in the scope of my audit work on the valuation of a receivable balance and a provision for doubtful debt within the financial statements at 31 March 2025.

At Note 15 to the financial statements, the Department has recognised a £38 million receivable relating to the expected recovery of what the Department considers to be previous overpayments made to a major road scheme contractor. This amount is within the 'Amounts falling due after more than one year: other receivables' figure of £39.065 million. Such overpayments were made within the terms of a contract during its delivery, with a further mechanism providing for their later recovery.

Currently, the other party to this contract does not accept that the Department's assessment of the amount owed to it is accurate and does not agree that it owes the Department any payment. A mediation exercise in November 2024 was not successful in securing an agreement as to the extent of any debt, and the dispute will be subject to formal dispute resolution proceedings.

Under the Department's accounting policy, it is required to disclose trade receivables at their fair value. That is the price that would be received were the department to sell this asset in an orderly transaction between market participants.

At this point I consider there to be significant uncertainty relating to the fair value of this receivable asset. The Department has stated to me that it expects to receive the full amount of £38 million that it

considers owed to it. However, the Department has also recognised a doubtful debt provision of £6 million in order that the financial statements prudently reflect what it considers to be the minimum amount it will receive.

The Department has advised that there are a wide range of potential outcomes that may result from the formal dispute resolution process. There were no additional procedures that I could undertake to confirm the accuracy and completeness of the valuation of receivables. The scope of my audit was limited in this regard.



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

31 October 2025

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FINANCIAL STATEMENTS



Statement of Comprehensive Net Expenditure

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.

For the year ended 31 March 2025

		2024-25		2023-24	
		Core Dept £000	Group £000	Core Dept £000	Group £000
	Note				
Revenue from contracts with customers		(20,967)	(20,967)	(24,087)	(24,087)
Other operating income		(142,647)	(143,056)	(136,902)	(137,124)
Total Operating Income	5	(163,614)	(164,023)	(160,989)	(161,211)
Grants	4	861,383	854,292	879,269	874,352
Staff Costs	3,4	99,097	103,152	99,425	103,182
Purchase of goods and services	3,4	129,875	130,327	118,672	119,547
Other operating expenditure	3,4	5,921	6,699	4,272	4,923
Depreciation, impairment charges and profit/loss on disposal of assets	3,4	91,905	92,711	57,157	58,050
Provision expense	3,4	24,479	24,496	17,397	17,448
Total Operating Expenditure		1,212,660	1,211,677	1,176,192	1,177,502
Net Operating Expenditure		1,049,046	1,047,654	1,015,203	1,016,291
PPP Expense	4	56,601	56,601	54,454	54,454
Net Expenditure for the year		1,105,647	1,104,255	1,069,657	1,070,745
Notional audit costs	4.1	138	138	124	124
Other notional costs	4.1	10,820	10,820	13,160	13,160
Total Notional Costs		10,958	10,958	13,284	13,284
Net Expenditure for the year including notionals		1,116,605	1,115,213	1,082,941	1,084,029

		2024-25		2023-24	
		Core Dept £000	Group £000	Core Dept £000	Group £000
	Note				
Net Expenditure for the year including notionals		1,116,605	1,115,213	1,082,941	1,084,029
Other Comprehensive Net Expenditure					
Items that will not be reclassified to net operating expenditure:					
- Net (gain)/loss on revaluation of Property, Plant and Equipment (PPE)	6	179,204	179,204	661,502	661,502
- Net (gain)/loss on revaluation of intangibles	7	(68)	(68)	(122)	(122)
Items which may be reclassified to net operating expenditure:					
- Adjustment to Property, Plant and Equipment (PPE) opening balance	6	(615)	(615)	13,718	13,718
- Adjustment to Intangibles opening balance	7	-	-	-	-
Comprehensive Net Expenditure for the year		1,295,126	1,293,734	1,758,039	1,759,127

The notes on pages 128 to 182 form part of the financial statements.

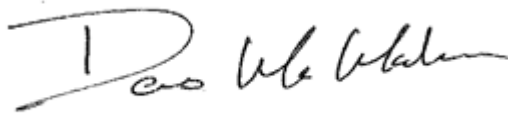
Statement of Financial Position

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

As at 31 March 2025

		31 March 2025		31 March 2024	
		Core Dept £000	Group £000	Core Dept £000	Group £000
	Note				
Non-current assets:					
Property, plant and equipment	6	37,134,123	37,162,194	37,034,730	37,061,533
Intangible assets	7	4,727	4,727	4,943	4,943
Financial assets	11	2,636,664	2,636,664	2,486,664	2,486,664
Trade and other receivables	15	39,065	39,070	39,031	39,034
Total non-current assets		39,814,579	39,842,655	39,565,368	39,592,174
Current assets:					
Assets classified as held for sale	12	200	200	200	200
Inventories	13	2,557	2,630	2,608	2,677
Trade and other receivables	15	40,878	41,311	66,944	67,289
Cash and cash equivalents	14	13	1,412	7	1,749
Total current assets		43,648	45,553	69,759	71,915
Total assets		39,858,227	39,888,208	39,635,127	39,664,089
Current liabilities:					
Trade and other payables	16	(267,114)	(268,094)	(320,551)	(321,657)
Provisions	18	(15,518)	(15,545)	(20,101)	(20,152)
Total current liabilities		(282,632)	(283,639)	(340,652)	(341,809)
Total assets less current liabilities		39,575,595	39,604,569	39,294,475	39,322,280
Non-current liabilities:					
Other payables	16	(246,625)	(246,728)	(254,163)	(254,264)
Pension liability	17	-	(15,533)	-	(16,042)
Provisions	18	(124,720)	(124,720)	(18,834)	(18,834)
Total non-current liabilities		(371,345)	(386,981)	(272,997)	(289,140)
Total assets less total liabilities		39,204,250	39,217,588	39,021,478	39,033,140

		31 March 2025		31 March 2024	
		Core Dept £000	Group £000	Core Dept £000	Group £000
	Note				
Taxpayers' equity and other reserves					
General fund		18,628,046	18,641,384	18,239,870	18,251,532
Revaluation reserve		20,576,204	20,576,204	20,781,608	20,781,608
Total taxpayers' equity		39,204,250	39,217,588	39,021,478	39,033,140



Dr Denis McMahon
Accounting Officer

30 October 2025

The notes on pages 128 to 182 form part of the financial statements.

Statement of Cash Flows

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 Departments' future public service delivery.

For year ended 31 March 2025

		2024-25		2023-24	
		Core Dept £000	Group £000	Core Dept £000	Group £000
	Note				
Cash flows from operating activities					
Net operating expenditure		(1,116,605)	(1,115,213)	(1,082,941)	(1,084,029)
Adjustments for non-cash transactions	4.3	90,485	91,389	53,847	57,252
(Increase)/decrease in trade and other receivables	15	26,032	25,942	(37,677)	(37,615)
<i>less movements in receivables relating to items not passing through the Net Operating Expenditure</i>					
(Increase)/ decrease in amounts due from the Consolidated fund	15	(14,644)	(14,644)	20,106	20,106
Movement in provision for bad debt	15	(7,978)	(7,978)	(1,095)	(1,095)
Receivables due from other department re CFER non cash	15	-	-	-	-
(Increase)/decrease in inventories	13	51	47	(12)	(17)
Increase/(decrease) in trade and other payables	16	(46,331)	(46,455)	35,916	35,949
<i>less movements in payables relating to items not passing through the Net Operating Expenditure</i>					
(Increase)/decrease in amounts due to Consolidated Fund	16	353	353	2,401	2,401
Decrease/(increase) in amounts due to capital retentions/accruals		473	473	204	204
Decrease / (increase) in amounts due to imputed loan on PPP contracts		12,311	12,311	11,525	11,525
Bad debt provision	15	(547)	(547)	(1,362)	(1,362)
Use of other revenue provisions	18	(9,917)	(9,933)	(16,159)	(16,159)
Net cash outflow from operating activities		(1,066,317)	(1,064,255)	(1,015,247)	(1,012,840)

		2024-25		2023-24	
		Core Dept £000	Group £000	Core Dept £000	Group £000
Cash flows from investing activities					
Purchase of property, plant and equipment	6	(238,105)	(240,510)	(208,585)	(210,673)
Purchase of intangible assets	7	(1,046)	(1,046)	(1,567)	(1,567)
Purchase of assets held of sale		-	-	-	-
Proceeds of disposal of property, plant and equipment	6	1,168	1,168	-	-
Proceeds of disposal of assets held for resale	12	31	31	844	844
Repayments from other bodies		-	-	-	-
Investment additions	11	(150,000)	(150,000)	(215,000)	(215,000)
Net cash outflow from investing activities		(387,952)	(390,357)	(424,308)	(426,396)
Cash flows from financing activities					
From the Consolidated Fund (Supply) – current year		1,461,554	1,461,554	1,428,468	1,428,468
From the Consolidated Fund (Supply) – prior year		20,106	20,106	-	-
On Balance Sheet PFI Contracts		(12,311)	(12,311)	(11,525)	(11,525)
Net financing		1,469,349	1,469,349	1,416,943	1,416,943
Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund		15,080	14,737	(22,612)	(22,293)
Payments of amounts due to the Consolidated Fund		(430)	(430)	-	-
Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund		14,650	14,307	(22,612)	(22,293)
Cash and cash equivalents at the beginning of the period	14	(18,407)	(16,665)	4,205	5,628
Cash and cash equivalents at the end of the period	14	(3,757)	(2,358)	(18,407)	(16,665)

The notes on pages 128 to 182 form part of the financial statements.

Statement of Changes in Taxpayers' Equity

This statement shows the movement in the year on the different reserves held by the Department, 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.

For year ended 31 March 2025

	Note	General Fund £000	Revaluation Reserve £000	Taxpayers' Equity £000
Balance at 31 March 2024		18,251,532	20,781,608	39,033,140
Adjustment to Opening Balance *		-	615	615
Net gain/(loss) on revaluation of property, plant and equipment		-	(179,203)	(179,203)
Net gain/(loss) on revaluation of intangible assets		-	68	68
Net Assembly Funding - drawn down		1,461,554	-	1,461,554
Net Assembly Funding - deemed		-	-	-
Supply (payable)/receivable - current year	15	5,462	-	5,462
CFERs - other		(77)	-	(77)
CFERs - Excess Accruing Resources		-	-	-
CFERs - EU capital funding		-	-	-
Comprehensive net expenditure for the year	CSoCNE	(1,115,213)	-	(1,115,213)
Non-Cash Adjustments:				
Non-cash charges - notional cost	4.1	10,820	-	10,820
Non-cash charges - auditor's remuneration	4.1	138	-	138
Non-cash charges - foreign exchange CFER		-	-	-
Movement in Reserves:				
Transfers between reserves		26,884	(26,884)	-
Other		284	-	284
Balance at 31 March 2025		18,641,384	20,576,204	39,217,588

Revaluation Reserve

Opening balance adjustment on Network Assets relates to valuation reports received in line with the infrastructure valuation methodology.

	Note	General Fund £000	Revaluation Reserve £000	Taxpayers' Equity £000
Balance at 31 March 2023		17,853,919	21,471,508	39,325,427
Adjustment to Opening Balance *		(606)	(13,112)	(13,718)
Net gain/(loss) on revaluation of property, plant and equipment		-	(661,503)	(661,503)
Net gain/(loss) on revaluation of intangible assets		-	122	122
Net Assembly Funding - drawn down		1,428,468	-	1,428,468
Net Assembly Funding - deemed		2,694	-	2,694
Supply (payable)/receivable - current year	15	20,106	-	20,106
CFERs - other		(293)	-	(293)
CFERs - Excess Accruing Resources		-	-	-
CFERs - EU capital funding		-	-	-
Comprehensive net expenditure for the year	CSoCNE	(1,084,029)	-	(1,084,029)
Non-Cash Adjustments:				
Non-cash charges - notional cost	4.1	13,160	-	13,160
Non-cash charges - auditor's remuneration	4.1	124	-	124
Non-cash charges – foreign exchange CFER		-	-	-
Movement in Reserves:				
Transfers between reserves		15,407	(15,407)	-
Other		2,582	-	2,582
Balance at 31 March 2024		18,251,532	20,781,608	39,033,140

Revaluation Reserve

Opening balance adjustments of £13.1m, whilst being largely made up of changes in Network Asset values derived from valuation reports received in line with the infrastructure valuation methodology, but also includes £1.9m for a Prior Period Adjustment in respect of the Departments Ferry.

The notes on pages 128 to 182 form part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Statement of Accounting Policies

These financial statements have been prepared in accordance with the 2024-25 Government Financial Reporting Manual (FReM) issued by Department of Finance (DoF). 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 for Infrastructure 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.

In addition to the primary statements prepared under IFRS, the FReM also requires the Group to prepare one additional primary statement. The Statement of Outturn against Assembly Supply and supporting notes show outturn against Estimate in terms of the net resource requirement and the net cash requirement.

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, inventories and certain financial assets and liabilities.

1.2 Basis of consolidation

These accounts comprise a consolidation of the core Department, its Departmental Agencies, and other bodies listed in note 23, 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 either the FReM or in accordance with Financial Reporting Standards (FRS 102) and North/South Body Guidance. 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.

North South Body (Waterways Ireland)

As permitted by IFRS 10 Consolidated Financial Statements, the results and the financial position of Waterways Ireland have been consolidated as at 31 December 2024, which is within three months of the Group's year-end. There have been no material transactions requiring adjustment to the Group accounts between 31 December 2024 and 31 March 2025. Waterways Ireland is an immaterial component of the DfI Group and has been consolidated in line with DoF Guidance.

Northern Ireland Water (NIW)

NIW is an Arm's Length Body of the Department, it is not currently within the Departmental Boundary, however this will be kept under review.

1.3 Property, plant and equipment

The minimum level for capitalisation of property, plant and equipment is £500 for IT equipment and £1,000 for all other assets, except for land for which there is no threshold, and car park additional works where the threshold is £5,000. Where material, assets have been grouped so as to reflect property, plant and equipment holdings more accurately.

Maintenance which replaces or enhances the service potential of the road network is capitalised. This includes reconstruction and resurfacing costs, together with any other spend directly leading to the enhancement of the service potential of the road surface. Staff costs directly attributable to these maintenance activities are capitalised.

On initial recognition property, plant and equipment is measured at historic cost including any costs, such as installation, directly attributable to bringing it into working condition. With the exception of items under construction, all property, plant and equipment is carried at fair value.

Property, plant and equipment, together with its valuation basis, comprises the following:

Land

Land is valued by Land and Property Services and is updated annually to reflect both subsequent expenditure and the movement in appropriate published indices. DfI aims to have land and buildings valued by LPS every five years. The most recent valuation was carried out on 1 April 2021 with indices used to update the valuation as at 31 March 2025. The exception to this is Crumlin Road Gaol which is valued by Land and Property Services every year because no suitable indices exist for this type of asset.

Network Assets – Roads and Structures

The road network is held at its Depreciated Replacement Cost (DRC), in accordance with the guidance provided by the FReM; based on service potential and classed as a specialist asset for which a market valuation is not available. The structures and communications are also held at DRC. The valuation for these classes of Network Assets has been prepared by in-house professionally qualified engineers, supported by external valuers.

The road pavement, structures and communications elements are valued using agreed rates determined to identify the gross replacement cost of applicable types of road³, structure or communications on the basis of a new construction on a greenfield site.

Due to the limited range of new scheme information the last full revaluation of Network Assets (Roads & Bridges) was completed for the 2015-16 accounts. These rates have been re-valued annually using

³ There are 31 road types in Northern Ireland

a weighted range of Price Adjustment Formulae Indices (PAFI, commonly referred to as the Baxter Indices) to reflect current prices, a revaluation using local data will be undertaken when new construction costs become available as comparators to the costs previously identified for specific road types.

The Department applies indexation to its assets. The PAFI grouping is produced by Building Construction Information Service (BCIS), who utilise, as part of their considerations, the Producer Price Indices (PPI). These indices are impacted by an issue at the Office of National Statistics (ONS) however, it is not possible at this time to be conclusive on the impact to PAFI.

Infrastructure construction involves volatile costs and the PAFI indices provide a transparent and standardised method to adjust for volatility and fluctuations. Until PPI publication resumes, BCIS is using internal PPI modelling to estimate provisional values and maintain consistency in cost tracking.

Network Assets – Flood Defence Assets and Culverts

Rivers assets are extremely specialised in nature, location and function. There are three categories of asset; below ground, above ground and hydrometric assets.

A revaluation of the flood defence assets was carried out as at 31 March 2022, with Baxter indices used to update the valuation as at 31 March 2025. Assets are held at Depreciated Replacement Cost (DRC) in the Statement of Financial Position.

Car Parks and Buildings

Car parks and buildings were valued by Land and Property Services at 1 April 2023. These are then updated annually to reflect both subsequent expenditure and, as above, the movement in appropriate published indices.

Plant and Machinery

Plant and machinery is valued at depreciated replacement cost or at open market value where obtainable and restated for inflation by appropriate inflation indices.

Information Technology & Furniture and Fittings

Information Technology and Furniture and Fittings assets are valued at depreciated replacement cost and restated for inflation by appropriate indices.

Surpluses arising on revaluation are taken to the relevant reserve. Losses on revaluation are debited to the relevant reserve to the extent that revaluation gains have been recorded previously, otherwise they are debited to the Statement of Comprehensive Net Expenditure. In accordance with International Accounting Standard (IAS) 16, staff costs directly attributable to capital schemes are included in additions to property, plant and equipment.

Harbours; Jetties; Quays; Dry Docks; Floating Jetties; and Trackline (Waterways Ireland Only)

Assets acquired prior to 2003 were internally valued in 2003 using replacement cost. Assets acquired since 2003 are initially measured at the cost incurred by Waterways Ireland in acquiring the asset.

The value of all assets (irrespective of year of acquisition) is indexed internally in line with construction inflation each year.

The valuations are also updated internally to take account of new information from surveys including exact dimensions.

Standard costs include integral elements of structures, fencing, bollards, sluices etc. With the exception of floating jetties, 25 years, life is estimated at 500 years based on regular repairs and maintenance and taking into consideration their existing age.

Structures on non-operational navigations are deemed to have no value since there is no economic benefit, only land footprint is valued.

1.4 Depreciation

Property, plant and equipment is depreciated at rates calculated to write down to estimated residual value on a straight-line basis over its estimated useful lives. Depreciation is charged in the month of acquisition. Payments on account and assets in the course of construction are depreciated from the point at which the asset is brought into use. No depreciation is provided on freehold land as it has an unlimited or very long estimated useful life.

Depreciation is calculated as follows:

- Freehold Land – not depreciated.
- Buildings, Operating Assets and Information Technology are depreciated on a straight-line basis over their useful lives. Estimated useful lives by asset category are as follows:

Freehold Buildings	10 – 100 years
Leasehold Buildings	Length of lease
Plant and Machinery	3 - 40 years
Information Technology	3 - 17 years
Furniture & Fittings	3 - 22 years

- Assets in the course of construction are not depreciated until they have been brought into use. Departmental assets, included the network assets, which are deemed in the course of construction, are capitalised at actual cost with no indexation or depreciation applied until such time as they become operational in line with IAS16 requirements.

- Road network assets – depreciation is the value of the service potential replaced through the maintenance programme. As the value of the network is enhanced by carrying out maintenance, the element being replaced is removed from the infrastructure value. The value of the replaced part is approximated to the value of the enhanced part and is written off as depreciation. The depreciation charge is adjusted by the output of an annual condition survey.
- Rivers network assets are depreciated over their useful economic life being 120 years for below ground, 50 years for above ground and 20 years for hydrometric assets. The depreciation charge is adjusted by the output of annual condition surveys.

The majority of Waterways Ireland depreciation is calculated within the above stated ranges. However there are a number of specific policies relating to assets only held in Waterways Ireland, these are as follows:

Locks, Fixed Mooring	60 - 500 years
Lockhouses	50 years
Depots, Service Blocks	50 years
Floating Moorings	25 years
Bridges, Aqueducts, Culverts, Weirs	25 - 500 years

For more detail on Waterways Ireland Depreciation policies please refer to its published accounts at [Waterways Ireland Annual Reports](#).

1.5 Assets adopted from developers

Assets adopted from developers are capitalised at their current value on receipt and this value is credited to the Statement of Comprehensive Net Expenditure in accordance with IFRS 15.

1.6 Intangible assets

Intangible assets are capitalised where expenditure of £1,000 or more is incurred.

(a) Intangible assets acquired separately

Intangible assets acquired separately are reported at cost less accumulated amortisation and impairment losses. Amortisation is charged to the Statement of Comprehensive Net Expenditure on a straight-line basis over their estimated useful lives.

Provided reliable evidence of current value can be readily ascertained, these are restated to current value each year in accordance with the movement in the Retail Price Index. Software licences are capitalised when the licence is perpetual, that is purchased one time only and can be used indefinitely. Subscription, or term licenses, e.g. those that are renewed annually, are expensed, and amortized over the term of the subscription. Software as a Service (SaaS) is in general expensed, however, where

material personalisation is required, the initial development costs of this are capitalised. Other intangible assets are amortised over 2-15 years.

(b) Internally-generated intangible assets

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria.

Following recognition, internally-generated intangible assets valuation is the sum of subsequent directly attributable expenditure incurred to create, produce and prepare the asset so that it is capable of operating in the manner intended by management.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses.

1.7 Impairment of tangible, intangible and financial assets

At each Statement of Financial Position date, a review is undertaken to determine whether there is any indication that assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the impairment of an asset on an individual basis, the Department will estimate the impairment to the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Comprehensive Net Expenditure, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease through the Revaluation Reserve to the extent of previous gains recognised in the reserve.

However, any impairments resulting from the consumption of economic benefit will be charged to the Statement of Comprehensive Net Expenditure.

An impairment of a networked asset is defined as the loss of service potential for more than one year.

In the case of the Department's shareholding and loan interests in NI Water, a review of indications that assets may have suffered an impairment loss is carried out under IAS 36, particularly paragraph 11. As part of this review the Department considers the views of NI Water on whether there is an indication that its assets may have suffered an impairment loss. The company's review includes consideration of its projected discounted cashflows.

1.8 Non-current assets held for resale

The Department classifies a non-current asset as held for sale where its 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 classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

1.9 Inventories

Inventories are valued at the lower of cost or net realisable value. Cost includes labour, material, transport and an element of overheads, with the majority being valued on a first-in, first-out basis.

Work in progress is valued at the lower of cost, including appropriate overheads, and net realisable value.

1.10 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.

A financial instrument is recognised when, and only when, the entity becomes a party to the contractual provisions of the instrument. A previously recognised financial asset is derecognised when, and only when, either the contractual rights to the cash flows from that asset expire, or the entity transfers the asset such that the transfer qualified for derecognition, i.e. it has transferred substantially all the risks and reward of the asset. A financial liability is derecognised when, and only when, it is extinguished.

The Group has the following financial instruments:

Trade Receivables

Trade receivables are recognised and carried at fair value less any provision for impairment. A provision for impairment is established when the probability of recovery is assessed as being remote. The Department applies the simplified approach for expected credit losses as permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivable.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand and balances at commercial banks.

Trade payables

Trade payables are not interest bearing and are recognised initially at fair value.

Shareholding in NI Water and loans issued to NI Water

The FReM states that loans and investments in public bodies outside the Departmental boundary should be reported in line with IFRS 9. However, in accordance with DoF guidance the Department's shareholding in NI Water and the loans issued to NI Water continue to be carried at historical cost, less any impairment.

Public dividend capital and loans in DVA

Under Article 5(2) of the Driver & Vehicle Agency Trading Fund Order (Northern Ireland) 1996, Public Dividend Capital (PDC) was created in the old Department of the Environment in order to facilitate commencement of operations of the Driver & Vehicle Testing Agency. On 1 April 2016 DVA transferred to the Department for Infrastructure as a result of the reorganisation of the Departments. It also became a full Trading Fund at that point under the Driver & Vehicle Agency Trading Fund Order (Northern Ireland) 2016. Additional PDC and loans were created to facilitate an extension of operations.

The Northern Ireland Guide to the Establishment and Operation of Trading Funds states that the opening net assets of a Trading Fund are funded by a combination of loan capital, public dividend capital and reserves. The Guide also states that the general policy is for loan capital to represent at least 50% of the opening value of net assets with reserves and PDC together forming the remaining 50%.

The loan was repaid during 2022-23 and the PDC is reported at historic cost less impairment in line with DoF guidance.

Deeds of Guarantee

In accordance with IFRS 9 the Department's deeds of guarantee in respect of PPP contracts held by NI Water are held at fair value.

1.11 Grant funding (including EU funding)

Unconditional Grants received are recognised in the Statement of Comprehensive Net Expenditure so as to match them with the expenditure towards which they are intended to contribute.

Conditional Grants will be treated as Deferred Income and credited to Statement of Comprehensive Net Expenditure when all conditions have been met.

1.12 Operating income

Operating income relates directly to the operating activities of the Group. It principally comprises fees and charges for services provided on a full-cost basis to external customers, as well as public repayment work, but it also includes other income such as that from investments. It includes both income appropriated-in-aid of the Estimate and income payable to the Consolidated Fund. Operating income is stated net of VAT. IFRS 15 has not resulted in any changes for the Department. Revenue is recognised when the Department has satisfied its performance obligations in respect of the contract with the customer.

1.13 Administration and programme expenditure

The Statement of Comprehensive Net Expenditure is analysed between administration and programme income and expenditure. The classification of expenditure and income as administration or as programme follows the definition of administration costs set out in the most recent guidance on Estimates issued by DoF.

1.14 Foreign exchange

Transactions that are denominated in a foreign currency are translated into sterling at the exchange rate ruling on the date of each transaction. At the end of the reporting period monetary items are translated at the closing rate applicable at the statement of financial position date.

1.15 Employee benefits including pensions

Staff costs

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. This cost has been estimated using staff salaries at March 2024 applied to the untaken leave balance at 31 March 2025 as recorded in the payroll system.

Pensions

Past and present employees are covered by the provisions of the Northern Ireland Civil Service Pension Scheme which is a defined benefit scheme and is unfunded. The 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 Northern Ireland Civil Service Pension Scheme of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the Northern Ireland Civil Service Pension Scheme. Staff in post prior to 30 July 2007 may be in one of three statutory based "final salary" defined benefit schemes (classic, premium and classic plus). From April 2011 pensions payable under classic, premium and classic plus are increased annually in line with changes in the Consumer Price Index (CPI). Prior to 2001, pensions were increased in line with Retail Price Index (RPI). New entrants joining on or after 1 October 2002 and before 30 July 2007 could choose between membership of premium or joining good quality "money purchase" stakeholder based arrangement with a significant employer contribution (partnership pension account). New entrants after 30 July 2007 are eligible for membership of nuvos arrangement or they can opt for a partnership pension account. Nuvos 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.

A new pension scheme, alpha, was introduced for new entrants from 1 April 2015. The majority of existing members of the NICS pension arrangements have also moved to alpha from that date. Members who on 1 April 2012 were within 10 years of their normal pension age will not move to alpha 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. Alpha is also a 'Career Average Revalued Earnings' (CARE) arrangement.

In respect of the defined contribution scheme, the Department recognises the contributions payable for the year.

More information about the pension schemes can be found in the accounts of Waterways Ireland, and on the Northern Ireland Civil Service Pension Scheme in the Remuneration Report pages 77 to 83, and of the pension scheme themselves.

Early departure costs

The Department is required to meet the cost of paying the pensions of employees who retire early from the date of their retirement until they reach normal pensionable age. The Department provides in full for the cost of meeting pensions up to normal retirement age in respect of early retirement programmes announced in the current or previous years by establishing a provision for the estimated payments. The provision is discounted by the Treasury discount rate of 2.40% in real terms. In past years, the Department settled some or all of its liability in advance by making a payment to the DoF Superannuation Vote. The amount provided is shown net of any such payments.

1.16 Leases

Initial recognition

On transition to IFRS 16, the Group is subject to the requirements in paragraph 28 of IAS 8. Paragraph 28(f) of IAS 8 is not required and is substituted by a requirement to disclose the weighted average lessee incremental borrowing rate applied on transition.

At the commencement of a lease the Group recognises a right-of-use asset and a lease liability. The lease liability is measured at the payments for the remaining lease term, excluding value added tax, discounted by HM Treasury incremental cost of borrowing rate. The incremental cost of borrowing rate required to be applied by HM Treasury for leases commencing or being remeasured in the 2024 calendar year under IFRS 16 was 4.72%, and for calendar year 2025 are 4.81%. The lease liability is presented within Note 20.

The right-of-use asset is measured at the value of the liability, adjusted for any payments made or amounts accrued before the commencement date.

Subsequent measurement

Where the lease is subsequently measured the liability is adjusted for the accrual of interest, repayments, and reassessments and modifications. These are measured by rediscounting the revised cash flows; the impact is reflected in the lease liability and a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is charged to the Statement of Comprehensive Net Expenditure.

Lease expenditure

Expenditure includes interest and straight-line depreciation. Lease payments are debited against the liability. The interest element of the finance lease payment is charged to the Statement of Comprehensive Net Expenditure over the period of the lease at a constant rate in relation to the balance outstanding.

Short term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value items and short term leases. The Group recognises the lease payments associated with these leases as a charge to the Statement of Comprehensive Net Expenditure on a straight-line basis over the term of the lease.

1.17 Public Private Partnership (PPP) Transactions

The Department's PPP transactions are accounted for in accordance with International Financial Reporting Interpretations Committee (IFRIC) 12 'Service Concession Arrangements'.

Where the balance of risks and rewards of ownership of the PPP property is borne by the Department, the property is recognised as a non-current asset and the liability to pay for it accounted for as an imputed loan, from the point at which the asset is available for use. Contract payments to the PPP provider are apportioned between the element associated with the repayment of the imputed loan and the level of service provided.

Where the balance of risks and rewards of ownership of the PPP property are borne by the PPP operator, the PPP payments are recorded as an operating cost. Where the Department has contributed assets, a prepayment for their fair value is recognised and subsequently charged as an operating cost over the life of the PPP contract. Where at the end of the PPP contract all or part of the property reverts to the Department, the difference between the expected fair value of the residual on reversion and any agreed payment on reversion is built up over the life of the contract by capitalising part of the unitary charge each year.

1.18 Grants and subsidies payable

The Department recognises such expenditure in the period in which the recipient carries out the activity which creates an entitlement to the grant support or subsidy, in so far as is practicable to do so.

1.19 Provisions

The Department provides for legal or constructive obligations which are of uncertain timing or amount at the Statement of Financial Position date on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the real rate set by Treasury.

1.20 Contingent liabilities

In addition to contingent liabilities disclosed in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, the Department 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 NI Assembly in accordance with 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 Parliament 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 Value Added Tax

VAT is recovered centrally by the Department from DoF. The Statement of Comprehensive Net Expenditure is stated net of VAT. Any amounts of irrecoverable VAT is charged to the relevant expenditure category.

1.22 Funding from Assembly Supply

Supply funding is not treated as income on the face of the Statement of Comprehensive Net Expenditure, but is credited to the General Fund.

1.23 Notional costs

Since Resource Accounts are required to show the full economic cost of delivery of public services, the Statement of Comprehensive Net Expenditure includes certain notional items of expenditure.

1.24 Vesting of property

In certain instances the Department will vest property. In such circumstances the Department assumes ownership at the date of which the vesting order becomes operative and hence the property is capitalised.

1.25 Estimation techniques

As a result of the 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.

The significant estimation techniques for the Department include the valuation of the road network and land acquisition for schemes values.

For the road network valuation a condition survey is undertaken. For the motorway and trunk road network and the rest of the "A" class roads this condition survey is a machine based survey (Deflectograph) carried out as a three year rolling programme. On the non-trunk roads, the condition survey comprises two survey types; a machine based survey (SCANNER) carried out as a rolling programme over four years on the "B" and "C" and rural Unclassified roads and a visual survey (Coarse Visual Inspection (CVI)) carried out on urban Unclassified roads. An independent consulting engineer's opinion is sought on the output from the CVI survey and on the methodology used to calculate the condition assessment.

Land acquisition values are provided for when it is probable that a future payment will be made. This will be when the vesting order becomes operative. Advice on the value of the claim is obtained from professional valuers within Land and Property Services.

Rivers network valuation is updated to reflect the findings from annual condition surveys in relation to below and above ground assets.

The estimation technique employed in the calculation of provisions is disclosed in note 1.19

1.26 Impending application of newly issued accounting standards not yet effective

The International Accounting Standards Board has issued new and amended standards that are effective for the first time in 2024-25. These have been reviewed and the assessment is that their adoption has not had any significant impact on the amounts reported in these financial statements. There have been no substantial updates to the FReM as a result of these changes.

Management has also reviewed new accounting standards that have been issued but are not yet effective, nor adopted early for these accounts.

IFRS 17 Insurance Contracts

IFRS 17: Insurance Contracts replaces IFRS 4: Insurance Contracts and is to be included in the FReM for mandatory implementation from 2025-26. It establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of this Standard.

IFRS 17 requires insurance contracts, including reinsurance contracts, to be recognised on the statement of financial position as the total of the fulfilment cashflows and the contractual service margin (CSM).

The fulfilment cashflows consist of the present value of future cash flows calculated using best estimate assumptions with an explicit risk adjustment for non-financial risk.

The risk adjustment is released to the SoCNE as risk expires. The CSM is the unearned profit on insurance contracts and is released to the SoCNE over the insurance contract period as insurance services are provided. Where an insurance contract is onerous, it will have no CSM and the onerous element of the insurance contract will be recognised immediately in the SoCNE.

The financial impact of applying IFRS 17 will not have a significant impact in the account in the period of initial application.

Non-investment asset valuations

In December 2023 Treasury released an exposure draft on potential changes to make to valuing and accounting for non-investment assets (e.g. PPE, intangible assets). The following changes to the valuation and accounting of non-investment assets is to be included in the 2025-26 FReM for mandatory implementation:

References to assets being held for their 'service potential' and the terms 'specialised/ non-specialised' assets are being removed from the FReM. Non-investment assets are instead described as assets held for their 'operational capacity'. This change has no impact on the valuation basis of non-investment assets, which remains Existing Use Value (EUV).

An adaptation to IAS 16 will be introduced to withdraw the requirement to revalue an asset where its fair value materially differs from its carrying value. Assets are now valued using the one of the following processes:

- A quinquennial revaluation supplemented by annual indexation.
- A rolling programme of valuations over a 5-year cycle, with annual indexation applied to assets during the 4 intervening years.
- For non-property assets only, appropriate indices.
- In rare circumstances where an index is not available, a quinquennial revaluation supplemented by a desktop revaluation in year 3.

IFRS 18

IFRS 18 Presentation and Disclosure in Financial Statements will replace IAS 1 Presentation of Financial Statements and is effective for annual reporting periods beginning on or after the 1 January 2027 in the private sector. The Public Sector implementation date is not yet confirmed. The impact of IFRS 18 on the Public Sector is still being assessed.

2. Statement of Operating Expenditure by Operating Segment

During 2024-25 the Department's operating segments reflected the basis of bi-monthly financial reporting to the Departmental Board.

The financial information presented to the Board was based on the Outturn at budget category level.

During 2024-25 the reporting groups were:

- Climate, Planning and Public Transport;
- Transport and Road Asset Management; and
- Water and Departmental Delivery.

When reporting to the Departmental Board the financial information was broken down into the following groups:

Climate, Planning and Public Transport

Planning

Strategic Planning Directorate is responsible for Local Development Plans; Casework; and Planning Improvement/Decisions on key regional cases.

Regional Planning, Governance and Legislation Directorate is responsible for updated planning legislation; the Planning Portal; and Planning Improvement, Governance and Rathlin Island.

Driving, Vehicle and Road Safety Policy Division

Responsible for Policy Legislation; Promotion for Road and Rail Safety; and Transport Regulation Policy and Legislation for Vehicles and Drivers.

Public Transport Operations

Public Transport Operations are responsible for Translink; Accessible and Community Transport; Strangford and Rathlin Ferries; and effective Public Service Agreement with Translink.

Transport Regulation and Public Transport Policy

Responsible for Climate Coordination, Freight and Community Transport Policy; Public Transport Strategy; Rail Safety; Taxi and Bus Policy; and Transport Regulation.

DVA

The Driver and Vehicle Agency (DVA) is the Department's only agency. The agency aims to deliver improved road safety and better regulation of the transport sector. Responsibilities include driver

licensing, vehicle and driver testing, responsibility for those who drive for a living and roadside enforcement.

Transport and Road Asset Management

Roads

Responsibility for maintaining, managing and improving the road network to keep it safe, effective and reliable.

Transport Planning and Policy

Responsible for Transport Strategy for Northern Ireland; Transport planning and modelling including regional and sub-regional Transport Plans; Transport decarbonisation; EV Infrastructure Plan; and Ports and Airports.

Water and Departmental Delivery

Rivers

Rivers Development are responsible for Capital works; Asset Management; Planning Consultations; and Flood Mapping Modelling.

Rivers Operations are responsible for Operational Offices; Statutory Approvals; Flood Emergency Planning and Response; LGD Expertise and Reservoirs Operations; and Living With Water Programme Rivers Delivery.

Living with Water Programme and Power of Water

The Living with Water Programme was established in 2015 as a multi-agency initiative led by the Department to take a new integrated, strategic and long-term approach to drainage provision. The Living with Water Programme stood down at the end of 2024 and the Living with Water Directorate was restructured to focus resources on developing policy for blue/green infrastructure, including Sustainable Drainage (SuDS) and Natural Flood Management (NFM). As a result from 1 April 2025 it has been renamed – Sustainable Drainage Directorate.

Water and Drainage Policy

Responsible for advising ministers on policy in relation to the water and sewerage industry and for carrying out the Department for Infrastructure's statutory and other duties under the Water & Sewerage Services (NI) Order 2006.

Governance, EU, Facilities and Ministerial Support

Responsible for DfI legislation programme including EU Exit; EU Future Relations; COVID Inquiry and Emergency Planning; Corporate Governance; Facilities Management and Private Office and Assembly Business Unit.

Corporate Policy, Finance & IT

Responsible for a range of corporate services, which includes digital and information services, finance and equality issues.

Waterways Ireland

The Department co-sponsor 15% of Waterways Ireland a North/South body .

Summary of Operating costs by Operating Segments

			2024-25 £'000
Division	Gross Expenditure	Income	Net Expenditure
Roads	306,646	(53,433)	253,213
Rivers	32,000	(220)	31,780
Planning	7,826	(399)	7,427
Transport Planning & Policy	6,364	-	6,364
Driving, Vehicle and Road Safety Policy	1,804	-	1,804
DVA	1,720	(2,819)	(1,099)
Public Transport Operations	425,485	(1,458)	424,027
Transport Regulation & Public Transport Policy	3,176	(658)	2,518
Water & Drainage Policy	457,769	(102,506)	355,263
Living with Water & Power	858	-	858
Governance, EU, Facilities & Ministerial Support	4,680	(448)	4,232
Corporate Policy, Finance & IT	24,800	(1,673)	23,127
Waterways Ireland	6,108	(409)	5,699
Total Net Expenditure per SoCNE	1,279,236	(164,023)	1,115,213

			2023-24 £'000
Division	Gross Expenditure	Income	Net Expenditure
Roads	282,417	(52,436)	229,981
Rivers	28,235	(186)	28,049
Planning	6,518	(1,018)	5,500
Transport Planning & Policy	3,180	-	3,180
Safe & Accessible Travel	3,652	(669)	2,983
DVA	7,721	-	7,721
Public Transport Operations	454,479	(1,392)	453,087
Public Transport Policy & Climate Change	2,104	-	2,104
Water & Drainage Policy	399,321	(89,669)	309,652
Living with Water & Power	89	-	89
Governance, EU, Facilities & Ministerial Support	20,012	(14,025)	5,987
Corporate Policy, Finance & IT	31,285	(1,594)	29,691
Waterways Ireland	6,227	(222)	6,005
Total Net Expenditure per SoCNE	1,245,240	(161,211)	1,084,029

3. Other administration costs

	2024-25		2023-24	
	Core Dept £000	Group £000	Core Dept £000	Group £000
Staff Costs⁴:				
Wages and salaries	51,352	53,330	56,383	57,736
Social security costs	6,744	6,973	6,571	6,728
Other pension costs	21,232	21,232	18,327	18,327
Other staff costs	398	398	323	323
Total staff costs	79,726	81,933	81,604	83,114
Purchase of goods and services	8,017	8,077	7,460	7,549
Other operating expenditure:				
Rentals under operating leases – land and buildings	-	-	-	-
Rentals under operating leases – other	49	49	60	60
Other expenditure ⁵	4,597	5,375	4,046	4,697
Less: Own work Capitalised	(1,597)	(1,597)	(1,954)	(1,954)
Total other operating expenditure	3,049	3,827	2,152	2,803
Non-cash items				
Depreciation, impairment charges and profit/loss on disposal of assets:				
Depreciation of property, plant and equipment	1,717	1,717	1,624	1,624
Amortisation of intangibles	387	387	460	460
Revaluation charge to Statement of Comprehensive Net Expenditure	267	267	2,134	2,134
Impairment of asset	-	-	-	-
(Profit)/Loss on disposal of assets (non-cash)	-	-	-	-
Total Depreciation, impairment charges and profit/loss on disposal of assets	2,371	2,371	4,218	4,218
Increase/Decrease in Provisions	2,207	2,207	670	670
Total Administration Costs	95,370	98,415	96,104	98,354

⁴ Further analysis of staff costs is located in the Staff Report in the Accountability Section

⁵ Included within other expenditure is Waterways Ireland Audit Fee of £64k of which 15% is consolidated into these accounts

4. Programme costs

	2024-25		2023-24	
	Core Dept £000	Group £000	Core Dept £000	Group £000
Grants:				
Current grants and subsidies	605,271	598,180	584,017	579,100
Capital grants and subsidies	256,112	256,112	295,252	295,252
Total grants	861,383	854,292	879,269	874,352
Staff Costs⁶:				
Wages and salaries	13,312	13,770	12,809	13,694
Social security costs	1,543	1,596	1,308	1,411
Other pension costs	4,516	5,853	3,704	4,963
Other staff costs	-	-	-	-
Total staff costs	19,371	21,219	17,821	20,068
Purchase of goods and services	121,858	122,250	111,212	111,998
Other operating expenditure:				
Rentals under operating leases – land and buildings	39	39	54	54
Rentals under operating leases – other	35	35	10	10
Exchange loss / (gain)	580	580	52	52
Other expenditure	2,218	2,218	2,004	2,004
Total other operating expenditure	2,872	2,872	2,120	2,120
Non-cash items				
Depreciation, impairment charges and profit/ loss on disposal of assets:				
Depreciation of property, plant and equipment	84,132	84,938	50,788	51,681
Amortisation of intangibles	943	943	1,110	1,110
Revaluation charge to Statement of Comprehensive Net Expenditure	3,388	3,388	1,041	1,041
Impairment of asset	1,089	1,089	-	-
(Profit)/loss on disposal of assets	(18)	(18)	-	-
Total Depreciation and impairment charges	89,534	90,340	52,939	53,832
Provision expense:				
Provided in year	13,747	13,764	14,270	14,321
Borrowing costs on provisions	-	-	-	-
Provision for bad debts	8,525	8,525	2,457	2,457
Total Provision expense	22,272	22,289	16,727	16,778

⁶ Further analysis of staff costs is located in the Staff Report in the Accountability Section

PPP expense:				
PPP service charge	40,340	40,340	37,406	37,406
PPP interest on loan	16,261	16,261	17,048	17,048
Total other operating expenditure	56,601	56,601	54,454	54,454
Total Programme Costs	1,173,891	1,169,863	1,134,542	1,133,602

4.1 Notional charges

	2024-25		2023-24	
	Core Dept £000	Group £000	Core Dept £000	Group £000
Notional charges:				
Notional accommodation	2,987	2,987	5,397	5,397
NIAO auditors' remuneration	138	138	124	124
Other notional costs	7,833	7,833	7,763	7,763
Total notional charges	10,958	10,958	13,284	13,284

4.2 Total Operating Expenditure Reconciliation

	Administration Costs £000	Programme Costs £'000	Notional Charges £'000	2024-25 Total £000
Grants	-	854,292	-	854,292
Staff costs	81,933	21,219	-	103,152
Purchase of goods and services	8,077	122,250	-	130,327
Other operating expenditure	3,827	2,872	-	6,699
Depreciation, impairment charges and profit/loss on disposal of assets	2,371	90,340	-	92,711
Provision expense	2,207	22,289	-	24,496
Notional charges	-	-	10,958	10,958
PPP expense	-	56,601	-	56,601
Total	98,415	1,169,863	10,958	1,279,236

	Administration Costs £000	Programme Costs £000	Notional charges £000	2023-24 Total £000
Grants	-	874,352	-	874,352
Staff costs	83,114	20,068	-	103,182
Purchase of goods and services	7,549	111,998	-	119,547
Other operating expenditure	2,803	2,120	-	4,923
Depreciation, impairment charges and profit/loss on disposal of assets	4,218	53,832	-	58,050
Provision expense	670	16,778	-	17,448
Notional charges	-	-	13,284	13,284
PPE expense	-	54,454	-	54,454
Total	98,354	1,133,602	13,284	1,245,240

4.3 Analysis of non-cash items for Statement of Cash Flows and Statement of Assembly Supply

	2024-25		2023-24	
	Core Dept £000	Group £000	Core Dept £000	Group £000
Staff costs	-	-	-	-
Non-staff administration costs (see Note 3)	15,536	15,536	18,172	18,172
Programme costs – (see Note 4)	111,806	112,629	69,666	70,610
Non-cash transfer from NDPB	-	81	-	2,461
Non-cash capital grant / capital grant income	(36,857)	(36,857)	(33,991)	(33,991)
Non-cash transactions (Statement of Cash Flows)	90,485	91,389	53,847	57,252
Adjust for capital provisions (see note 18)	109,307	109,307	14,891	14,891
Notional costs	(10,958)	(10,958)	(13,284)	(13,284)
Non-cash proceeds for capital grant /capital grant income	36,857	36,857	33,991	33,991
Profit / loss on disposal	18	18	-	-
Adjustment for non-voted	(189)	(189)		
Non-cash transfer from NDPB	-	(81)	-	(2,461)
Non-cash transactions (Statement of Outturn against Assembly Supply)	225,520	226,343	89,445	90,389

5. Income

	2024-25		2023-24	
	Core Dept £000	Group £000	Core Dept £000	Group £000
Revenue from Contracts with Customers				
Administration Income				
Other	1,670	1,670	1,588	1,588
Other grant income – Asset transfers from DoF	-	-	1,700	1,700
Programme Income				
Car park receipts and penalty charge notices income	12,973	12,973	12,262	12,262
Recoverable works	1,032	1,032	1,202	1,202
Planning fees	119	119	247	247
Developers contributions	68	68	359	359
Other	5,105	5,105	6,729	6,729
Sub-total	20,967	20,967	24,087	24,087
Other Operating Income				
Other capital grant income – Developer contributions	36,858	36,858	30,601	30,601
Capital grant – Park & Ride / Share sites	-	-	1,688	1,688
Loan interest from NI Water	78,506	78,506	68,669	68,669
Dividend income from NI Water	24,000	24,000	21,000	21,000
EU grant income – Accruing Resources income	141	141	14,131	14,131
EU grant income – CFER income	-	-	-	-
Public Dividend Capital – dividend receivable	2,819	2,819	-	-
Other Grant Income	323	323	813	813
Interest from DVA	-	-	-	-
Other income	-	409	-	222
Sub-total	142,647	143,056	136,902	137,124
Total income	163,614	164,023	160,989	161,211

6. Property, plant and equipment

Consolidated

	Land & Buildings £000	Network Assets £000	Plant and Machinery £000	Information Technology & Furniture and Fittings £000	Payments on Account and Assets under Construction £000	Total £000
Cost or valuation						
At 1 April 2024	133,466	41,300,201	96,911	1,592	655,181	42,187,351
Opening balance adjustment*	(34)	162,175	41	1	(172,831)	(10,648)
Additions	114,543	142,487	8,815	216	69,242	335,303
Developer Contributions	-	36,611	-	-	-	36,611
Disposals	(1,150)	-	-	-	-	(1,150)
Transfers	-	-	-	-	-	-
Revaluations	350	(265,963)	(1,193)	(66)	(9,975)	(276,847)
Reclassification **	1,089	282,738	-	12	(283,839)	-
Impairments	(1,089)	-	-	-	-	(1,089)
Revaluation/indexation charge to the Statement of Comprehensive Net Expenditure	(954)	-	(267)	-	(3,187)	(4,408)
At 31 March 2025	246,221	41,658,249	104,307	1,755	254,591	42,265,123
Depreciation						
At 1 April 2024	3,926	5,068,279	52,250	1,363	-	5,125,818
Opening balance adjustment*	(1)	(10,931)	-	-	-	(10,932)
Charged in year	2,900	77,998	5,595	162	-	86,655
Disposals	-	(216)	-	-	-	(216)
Revaluations	(549)	(94,892)	(2,134)	(68)	-	(97,643)
Revaluation/indexation charge to the Statement of Comprehensive Net Expenditure	(494)	-	(259)	-	-	(753)
At 31 March 2025	5,782	5,040,238	55,452	1,457	-	5,102,929
Carrying Amount at 31 March 2025	240,439	36,618,011	48,855	298	254,591	37,162,194
Carrying Amount at 1 April 2024	129,540	36,231,922	44,661	229	655,181	37,061,533
Asset financing:						
Owned	240,439	36,275,670	48,855	298	254,591	36,819,853
On-statement of financial position of PFI contracts	-	342,341	-	-	-	342,341
Carrying Amount at 31 March 2025	240,439	36,618,011	48,855	298	254,591	37,162,194
Of the total:						
Core Department	237,548	36,599,634	48,294	270	248,377	37,134,123
Other designated bodies	2,891	18,377	561	28	6,214	28,071
Carrying Amount at 31 March 2025	240,439	36,618,011	48,855	298	254,591	37,162,194

* The opening balance adjustment on the Network Assets relates to valuation reports received in line with the infrastructure valuation methodology.

** Reclassification of infrastructure network assets, which had previously been treated as Assets Under Construction (AUC), which were identified as complete are taken to Network Assets at their historic cost and revalued to depreciated replacement cost in the following year.

Property, plant and equipment
Consolidated

	Land & Buildings £000	Network Assets £000	Plant and Machinery £000	Information Technology & Furniture and Fittings £000	Payments on Account and Assets under Construction £000	Total £000
Cost or valuation						
At 1 April 2023	119,679	42,137,744	91,820	1,794	452,708	42,803,745
Opening balance adjustment*	-	(187,811)	3,300	-	169,255	(15,256)
Additions **	10,935	164,780	2,254	(56)	46,260	224,173
Developer Contributions	-	29,758	-	-	-	29,758
Disposals	-	-	-	1	-	1
Transfers ***	3,188	-	-	-	-	3,188
Revaluations	3,844	(856,493)	54	(146)	(473)	(853,214)
Reclassification ****	-	12,223	-	-	(12,223)	-
Revaluation/indexation charge to the Statement of Comprehensive Net Expenditure	(4,180)	-	(517)	(1)	(346)	(5,044)
At 31 March 2024	133,466	41,300,201	96,911	1,592	655,181	42,187,351
Depreciation						
At 1 April 2023	9,778	5,206,971	49,557	1,325	-	5,267,631
Opening balance adjustment*	-	(40)	(1,498)	-	-	(1,538)
Charged in year	2,676	45,244	5,203	182	-	53,305
Disposals	-	-	-	1	-	1
Revaluations	(7,095)	(183,896)	(576)	(145)	-	(191,712)
Revaluation/indexation charge to the Statement of Comprehensive Net Expenditure	(1,433)	-	(436)	-	-	(1,869)
At 31 March 2024	3,926	5,068,279	52,250	1,363	-	5,125,818
Carrying Amount at 31 March 2024	129,540	36,231,922	44,661	229	655,181	37,061,533
Carrying Amount at 1 April 2023	109,901	36,930,773	42,263	469	452,708	37,536,114
Asset financing:						
Owned*****	129,540	35,889,581	44,661	229	655,181	36,719,192
On-statement of financial position of PFI contracts	-	342,341	-	-	-	342,341
Carrying Amount at 31 March 2024	129,540	36,231,922	44,661	229	655,181	37,061,533
Of the total:						
Core Department	126,919	36,212,606	44,249	202	650,754	37,034,730
Other designated bodies	2,621	19,316	412	27	4,427	26,803
Carrying Amount at 31 March 2024	129,540	36,231,922	44,661	229	655,181	37,061,533

* The opening balance adjustment on the Network Assets relates to valuation reports received in line with the infrastructure valuation methodology.
 * The opening balance adjustment on Plant and Machinery relates to the revaluation of both the Spirit of Rathlin and Strangford II ferry vessels. Professional valuations should have been carried out in a previous year.
 ** Included in the negative additions figure is the reversal of accruals no longer required.
 *** Transfers include an amount of £1,500k for a building in Corporation Street that transferred from DoF. It also includes an amount of £1,688k for Park & Ride / Share Sites that were identified as part of the quinquennial review of such assets.
 **** Reclassification of infrastructure network assets, which had previously been treated as Assets Under Construction (AUC), which were identified as complete are taken to Network Assets at their historic cost and revalued to depreciated replacement cost in the following year.
 ***** The figure for Network Assets was incorrectly included in 2023-24 accounts as £36,085,289.

Waterways Ireland assets located in Northern Ireland have been included in the above tables.

The following valuers have been involved in valuing the property, plant and equipment at the dates specified:

Asset category	Valuer name and qualifications	Date of last Valuation	Valuation method in intervening years
Network Assets - Land	Land & Property Services (LPS)	N/A	Indicative Land Indices (LPS)
Land for schemes	Land & Property Services (LPS)	1 April 2021 – DfI Assets Various dates – transferee assets	Indicative Land Indices (LPS)
Car Parks	Land & Property Services (LPS)	01 April 2023	Indicative Land Indices (LPS) & BCIS Index (LPS)
Buildings: Depots & Section offices	Land & Property Services (LPS)	01 April 2023	LPS Area Office Index
Networked Assets	Roads and Structures - AtkinsRéalis (Asset Management Consultants) and David A B Hughes BSc PhD CEng MICE MIEI FCIHT	31 March 2016	Roads and Structures - Baxter Index (Provisional)
	Flood Defences & Culverts – AtkinsRéalis (Asset Management Consultants)	31 March 2022	Flood Defences & Culverts – Atkins (Asset Management Consultants) Baxter Index
Plant and Machinery -Ferry	Vectis Marine Design	31 March 2024	Index provided by Marine Consultants
Plant and Machinery - Vehicles	N/A	N/A	Adjusted National Statistics Office SIC 2007
Plant and Machinery - General	N/A	N/A	Adjusted National Statistics Office SIC 2007
Furniture and Fittings	N/A	N/A	Retail Price Index
Information Technology	N/A	N/A	Adjusted National Statistics Office SIC 2007

All property, plant and equipment are restated to fair value each year except for assets in the course of construction.

Departmental assets, including the network assets, which are deemed in the course of construction, are capitalised at actual cost with no indexation or depreciation applied until such time as they become operational in line with IAS16 requirements.

The roads and structures infrastructure valuation was performed on a depreciated replacement cost basis as at 31 March 2025, using the ‘Baxter Index’ for construction in England, Wales and Northern Ireland and revalued unit rates for roads and structures. For 2024-25 a provisional index to 31

December 2024 was applied, as this was the most up to date available at the time of the production of the valuation.

Flood defences and culverts are also valued on a depreciated replacement cost basis.

Every five years Dfl aims to carry out a review of the unit rates used to value roads and structures. These rates are built up from the actual outturn costs of new construction schemes. Due to the limited range of new scheme information the last full revaluation of roads and structures was completed for the 2015-16 accounts. These rates are re-valued annually using a weighted range of Price Adjustment Formulae (commonly referred to as the Baxter Indices) to reflect current prices and will be updated when new construction costs become available as comparators to the costs previously identified for specific road types.

The valuation of plant and machinery, furniture and fittings and information technology has been indexed using the appropriate indices as outlined in the above table.

The NIAO provided a qualified opinion on the Network Valuation for 2023-24 because a provisional rate was used and they could not confirm that as at 31 March the rate would be materially different.

The Department engaged its Network valuation experts, Atkins Réalis to undertake a materiality test once the appropriate indexes became final in July 2024. The index adjustment used in producing the 2023-24 Accounts was -2.13%, the final index movement was -0.9%, a difference of 1.23%.

The Table below analyses the impact of this change :

	2023-24 Update for Final Index £000	2023-24 Accounts £000	Variance £000
Cost or valuation			
In Year Depreciation	36,840	37,176	(336)
Gross Book Value	40,865,104	40,447,159	417,945
Accumulated Depreciation	4,779,449	4,721,696	57,753
Net Book Value at 31 March 2024	36,085,655	35,725,463	360,192

This difference of 1.23% meant that the reported NBV of the Departments Network was £360m less, however the materiality threshold for estimate variances was £725m, as such the 2023-24 were not materially mis-stated.

The Departments Network Asset are comprised of the road network and the network of civil and mechanical engineering to alleviate the risk of flooding from rivers.

A further analysis of the networks is provided in the table below, which covers the Core Department only.

	Roads £000	Structures £000	Other Road Infrastructure ⁷ £000	Rivers £000	Total £000
Net Book Value at 31 March 2025	27,206,834	1,261,364	7,023,203	1,108,234	36,599,635
Net Book Value at 31 March 2024	26,855,513	1,271,688	7,009,979	1,075,426	36,212,607

The networks are valued on a Depreciated Replacement Cost basis relating to the service potential of the asset. When a project to improve the network completes, the actual development and construction costs are moved from Assets Under Construction (AUC) into Functional Network. A subsequent revaluation is carried out, to take account of changes in the network’s service potential.

The 2024-25 Accounts include the reclassification and revaluation of the A6 Drumahoe to Dungiven Executive Flagship project, as it moved from AUC to the Functional Network. The revaluation reflects the cost of providing the same service potential rather than the historic costs incurred. While the indexation of the network value is a positive movement, the net adjustment, after taking account of A6 revaluation has resulted in a negative overall revaluation.

Condition Surveys for the Road Network

Depreciated replacement cost accounting as outlined in the Statement of Accounting Policies requires that an annual condition survey be undertaken to inform the decision on whether depreciation should be charged and whether any adjustment is necessary in respect of the condition of the network.

On the motorway and trunk road network and the rest of the “A” class roads this condition survey is a machine based survey (Deflectograph) carried out as a three year rolling programme. On the non-trunk roads, the condition survey comprises two survey types; a machine based survey (SCANNER) carried out as a rolling programme over four years on the “B” and “C” and rural Unclassified roads and a visual survey (Coarse Visual Inspection (CVI)) carried out on urban Unclassified roads. An independent consulting engineer’s opinion is sought on the output from both the CVI and SCANNER survey and on the methodology used to calculate the condition assessment.

Rivers network valuation is updated to reflect the findings from annual condition surveys in relation to below and above ground assets.

⁷ Other road infrastructure includes functional land, footways and communications assets

7. Intangible assets

Consolidated

	Externally Developed Software £000	Internally Developed Software £000	Software Licences £000	Licences, Trademarks and Artistic Originals £000	Payments on Account and Assets under Construction £000	Total £000
Cost or valuation						
At 1 April 2024	10,327	23,106	1,324	65	784	35,606
Additions	146	495	1	-	404	1,046
Disposals	-	-	-	-	-	-
Revaluations	90	49	9	3	-	151
Reclassification	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Impairments	-	-	-	-	-	-
Revaluation/indexation charge to the Statement of Comprehensive Net Expenditure	-	-	-	-	-	-
At 31 March 2025	10,563	23,650	1,334	68	1,188	36,803
Depreciation						
At 1 April 2024	7,934	21,537	1,192	-	-	30,663
Charged in year	872	397	61	-	-	1,330
Disposals	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-
Revaluation	57	18	8	-	-	83
Impairments	-	-	-	-	-	-
Revaluation/indexation charge to the Statement of Comprehensive Net Expenditure	-	-	-	-	-	-
At 31 March 2025	8,863	21,952	1,261	-	-	32,076
Carrying Amount at 31 March 2025	1,700	1,698	73	68	1,188	4,727
Carrying Amount at 1 April 2024	2,393	1,569	132	65	784	4,943
Asset financing:						
Owned	1,700	1,698	73	68	1,188	4,727
Carrying Amount at 31 March 2025	1,700	1,698	73	68	1,188	4,727
Of the total:						
Core Department	1,700	1,698	73	68	1,188	4,727
Other designated bodies	-	-	-	-	-	-
Carrying Amount at 31 March 2025	1,700	1,698	73	68	1,188	4,727

Intangible assets

Consolidated

	Externally Developed Software	Internally Developed Software	Software Licences	Licences, Trademarks and Artistic Originals	Payments on Account and Assets under Construction	Total
	£000	£000	£000	£000	£000	£000
Cost or valuation						
At 1 April 2023	10,284	21,765	1,188	62	466	33,765
Additions	(124)	1,259	114	-	318	1,567
Disposals	-	-	-	-	-	-
Revaluations	167	82	22	3	-	274
Reclassification	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Impairments	-	-	-	-	-	-
Revaluation/indexation charge to the Statement of Comprehensive Net Expenditure	-	-	-	-	-	-
At 31 March 2024	10,327	23,106	1,324	65	784	35,606
Depreciation						
At 1 April 2023	6,746	21,125	1,070	-	-	28,941
Charged in year	1,097	368	105	-	-	1,570
Disposals	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-
Revaluation	91	44	17	-	-	152
Impairments	-	-	-	-	-	-
Revaluation/indexation charge to the Statement of Comprehensive Net Expenditure	-	-	-	-	-	-
At 31 March 2024	7,934	21,537	1,192	-	-	30,663
Carrying Amount at 31 March 2024	2,393	1,569	132	65	784	4,943
Carrying Amount at 1 April 2023	3,538	640	118	62	466	4,824
Asset financing:						
Owned	2,393	1,569	132	65	784	4,943
Carrying Amount at 31 March 2024	2,393	1,569	132	65	784	4,943
Of the total:						
Core Department	2,393	1,569	132	65	784	4,943
Other designated bodies	-	-	-	-	-	-
Carrying Amount at 31 March 2024	2,393	1,569	132	65	784	4,943

8. Impairments

In 2024-25 £1,089k (2023-24: £Nil) impairment expense has been charged to the Statement of Comprehensive Net Expenditure.

9. Financial guarantees

Deeds of Guarantee

The Department has entered into two separate deeds of guarantee in respect of the 'Alpha' water PPP contract and the 'Omega' wastewater PPP contract held by NI Water.

The deeds for both projects guarantee the financial obligations payable under the relevant contract in the event of NI Water becoming insolvent.

In the absence of a mature market for the underlying risk, the fair value attributed by the Department has to reflect the likely impact on the public sector. In this case the Department considers the risk of the guarantee being called upon as so small that the value attributable to the guarantee should be nil.

Subsidy payments to Northern Ireland Water

The Subsidy is paid under Article 213(3) of the Water and Sewerage Services (NI) Order 2006 which requires the Department for Infrastructure (DfI) to, "make grants to relevant undertakers of amounts appearing to the Department to be equal to discounts provided by undertakers in respect of any charges payable to them in, or in respect of, the initial period" [now extended to 31 March 2027 by the Water and Sewerage Services Act (NI) 2022]. During 2024-25 the subsidy was £424.5m and for 2025-26 it is estimated to be £462.5m.

10. 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 exposed to little credit, liquidity or market risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Department is not exposed to significant credit risk as the majority of receivable balances are with other government bodies. The Department manages its credit risk by ensuring regular review of receivables and prompt follow up of unpaid invoices. The maximum exposure to credit risk is represented by the carrying amounts of the trade receivables carried in the Statement of Financial Position.

Liquidity risk

The Department's net revenue resource requirements are financed by resources voted annually by the Assembly, as is its capital expenditure. It is not, therefore, exposed to significant liquidity risks.

Currency Risk

The Department receives reimbursement of certain grant payments from the European Union. Transactions with the EU are denominated in euro and therefore exposed to currency risk. The Department translates its EU Receivable balances at the relevant exchange rate at each year end.

The Department does not have the authority to manage currency risk through hedging.

Interest Rate Risk

The interest rate on loan notes issued after 31 March 2010 to NI Water is 0.85% per annum above the Reference Gilt rate on the relevant issue date, such rate priced from the yield to maturity published on such date by the UK Government Debt Management Office. All of the Department's other financial assets and liabilities carry nil or fixed rates of interest.

Gains/losses

The following table shows the net gains/losses recognised through the Statement of Comprehensive Net Expenditure by measurement category:

					2024-25	2023-24
		From Subsequent Measurement				
	From Interest £000	At Fair Value £000	Currency Translation £000	Provision for Bad Debt £000	Net gain/(loss) £000	Net gain/(loss) £000
Loans and receivables (Gain)/loss	-	-	580	8,525	9,105	2,509
Total	-	-	580	8,525	9,105	2,509

The Department recognises the components of net gain/loss through the Statement of Comprehensive Net Expenditure. The net currency translation gains on financial assets classified as loans and receivables are attributable to monies due from the EU in respect of grant payments.

The impairment/reversal of impairment relates to bad debts written off or provided through the Statement of Comprehensive Net Expenditure.

11. Investment and loans in other public sector bodies

	Loan Stock & Ordinary Shares £000	Loan on vesting £000	Long-term loan £000	PDC £000	Total £000
Balance at 31 March 2023	671,690	150,000	1,444,561	5,413	2,271,664
Additions	-	-	215,000	-	215,000
Repayments	-	-	-	-	-
Balance at 31 March 2024	671,690	150,000	1,659,561	5,413	2,486,664
Additions	-	-	150,000	-	150,000
Repayments	-	-	-	-	-
Balance at 31 March 2025	671,690	150,000	1,809,561	5,413	2,636,664

Comprising:

	Loan Stock & Ordinary Shares £000	Loan on vesting £000	Long-term loan £000	PDC £000	Total £000
NI Water	671,690	150,000	1,809,561	-	2,631,251
DVA	-	-	-	5,413	5,413
Balance at 31 March 2025	671,690	150,000	1,809,561	5,413	2,636,664

All investments are held within the Department.

NI Water

On 1 April 2007 the responsibility for the provision of water and sewerage services transferred from Water Service, an executive agency of the Department, to Northern Ireland Water Limited, a private limited company wholly owned by the Department. As a consequence of the vesting in the company of the assets and liabilities of Water Service (value at 1 April 2007 £822 million), the Department was issued with £150 million of loan notes under the Subscription Agreement and maintained an equity interest of £672 million. In addition, the Subscription Agreement provides for the company to issue and the Department to subscribe in cash for additional loan notes. At the 31 March 2025 the company had issued total loan notes of £1,959.56 million including the £150m issued at vesting under the following Loan Note Instruments.

Fixed Coupon Unsecured Loan Notes Instrument due for redemption in:	£000
2027	983,560
2034	456,000
2042	520,000
Total	1,959,560

The interest rate on loan notes issued up to 31 March 2010 and the initial loan notes is 5.25%, fixed for the term of the loan. The interest rate on loan notes issued after 31 March 2010 is 0.85% per annum above the Reference Gilt rate on the relevant issue date, such rate priced from the yield to maturity published on such date by the UK Government Debt Management Office.

The investment is shown at historical cost less any provision for impairment. An internal review of the investment has been assessed by the Department and no impairment has been deemed necessary.

The Department's share of the net assets and results of NI Water is summarised below for the 2024-25 year.

	Northern Ireland Water £000
Net assets at 31 March 2025	1,306,477
Turnover for year ended 31 March 2025	580,393
Surplus/profit for the year (before financing)	188,210

DVA

Under Article 5(2) of the Driver & Vehicle Agency Trading Fund Order (Northern Ireland) 1996, Public Dividend Capital (PDC) of £2,100,000 was created in the old Department of the Environment in order to facilitate commencement of operations of the Driver & Vehicle Testing Agency. On 1 April 2016 DVA transferred to the Department for Infrastructure as a result of the reorganisation of Departments. It also became a full Trading Fund at that point under the Driver & Vehicle Agency Trading Fund Order (Northern Ireland) 2016. There were loans of £3,129,932 and additional PDC of £1,826,948 created to facilitate an extension of operations. During 2017-18 further loans of £1,862,500 and PDC of £1,862,500 were issued as a result of the transfer of assets from the Department to DVA, bringing total PDC to £5,789,000 and loans to £4,992,000. In 2019-20 the value of the PDC was reduced by £375,875 to £5,413,573 and the value of the loans were reduced by £1,127,000 to £3,865,000. During 2022-23 the loans were repaid in full.

At 31 March 2025 DVA had Net Assets of £87.5m and a deficit for the year amounting to £0.49m.

12. Assets held for sale

	31 March 2025		31 March 2024	
	Core Dept £000	Group £000	Core Dept £000	Group £000
At 1 April	200	200	-	-
Additions	-	-	-	-
Transfers in	31	31	1,044	1,044
Transfers out	-	-	-	-
Disposals	(31)	(31)	(844)	(844)
Impairment	-	-	-	-
Reclassifications	-	-	-	-
Total	200	200	200	200

The Department received by transfer from DoF, the Elmview Building in Strabane, valued at £200k. The Department plans to dispose of within the next year.

13. Inventories

	31 March 2025		31 March 2024	
	Core Dept £000	Group £000	Core Dept £000	Group £000
Inventories	2,557	2,630	2,608	2,677
Total	2,557	2,630	2,608	2,677

14. Cash and cash equivalents

Cash and bank balances		
	Core Dept £000	Group £000
Balance at 31 March 2023	4,205	5,628
Net change in cash and cash equivalents	(22,612)	(22,293)
Balance at 31 March 2024	(18,407)	(16,665)
Net change in cash and cash equivalents	14,650	14,307
Balance at 31 March 2025	(3,757)	(2,358)

	31 March 2025		31 March 2024	
	Core Dept £000	Group £000	Core Dept £000	Group £000
The following balances at 31 March were held at:				
Commercial banks and cash in hand	(3,757)	(2,358)	(18,407)	(16,665)
Balance at 31 March	(3,757)	(2,358)	(18,407)	(16,665)

The net balance comprises:

	31 March 2025		31 March 2024	
	Core Dept £000	Group £000	Core Dept £000	Group £000
Cash due to be paid to the Consolidated Fund:				
Consolidated Fund Extra Receipts received and due to be paid to the Consolidated Fund (see Note 16)	1,705	1,705	1,699	1,699
Amounts issued from the Consolidated Fund for Supply but not spent at year end (see Note 16)	-	-	-	-
Cash due to be received from the Consolidated Fund:				
Amounts due from the Consolidated Fund for Supply (note 15)	(5,462)	(5,462)	(20,106)	(20,106)
Amounts due from the Consolidated Fund not yet recognised	-	-	-	-
Other designated bodies	-	1,399	-	1,742
	(3,757)	(2,358)	(18,407)	(16,665)

The Department is a signatory on the following bank account:

-Highway Mgmt (City) Ltd & Department for Infrastructure (NI) – DFI Insurance Account

Department funds do not go through this account and so have not been included in the Departmental Annual Report and Accounts.

14.1 Reconciliation of liabilities arising from financing activities

The Department’s main source of financing is from the Consolidated Fund. Any asset or liability arising from the Consolidated Fund is settled with the Department of Finance on an annual basis and so the year end asset or liability is shown in the appropriate note.

	Cashflows		Non-Cash Changes			2025 £000	
	2024 £000	£000	Acquisition £000	Forex Movements £000	Fair Value Changes £000		Other Changes £000
PFI liabilities	236,384	(12,311)	-	-	-	-	224,073
Total liabilities from financing activities	236,384	(12,311)	-	-	-	-	224,073

	Cashflows		Non-Cash Changes			2024 £000	
	2023 £000	£000	Acquisition £000	Forex Movements £000	Fair Value Changes £000		Other Changes £000
PFI liabilities	247,909	(11,525)	-	-	-	-	236,384
Total liabilities from financing activities	247,909	(11,525)	-	-	-	-	236,384

15. Trade receivables and other current assets

	31 March 2025		31 March 2024	
	Core Dept £000	Group £000	Core Dept £000	Group £000
Amounts falling due within one year:				
Trade receivables	11,509	11,522	14,251	14,265
Other receivables	1,946	2,158	2,259	2,411
Prepayments and accrued income	4,006	4,214	2,244	2,423
VAT	12,688	12,688	12,468	12,468
EU/TEN-T grants receivable - Accruing Resource	5,267	5,267	15,257	15,257
EU/TEN-T grants receivable - CFER	-	-	359	359
	35,416	35,849	46,838	47,183
Amounts due from the Consolidated Fund in respect of Supply	5,462	5,462	20,106	20,106
Total	40,878	41,311	66,944	67,289

Amounts falling due after more than one year:				
Other receivables	39,065	39,070	39,031	39,034
Total	39,065	39,070	39,031	39,034

EU/TEN-T grants receivable of £Nil (2023-24: £359k) are to be surrendered to the Consolidated Fund when received.

Allowance for expected credit losses

Trade receivables are stated net of an allowance of £16.6m for estimated irrecoverable amounts. The following table shows the allowance for expected credit losses included in receivables in the table above at the period end:

	31 March 2025		31 March 2024	
	Core Dept £000	Group £000	Core Dept £000	Group £000
Balance at 1 April	8,624	8,624	7,529	7,529
Increase in provision	8,525	8,525	2,457	2,457
Write back of provision	-	-	-	-
Use of provisions	(547)	(547)	(1,362)	(1,362)
Balance at 31 March	16,602	16,602	8,624	8,624

The Department has provided fully for all receivables where there is evidence to suggest the debt is not recoverable. These relate to potential irrecoverable debts in relation to fines charged and income due from services provided by the Department.

16. Trade payables and other current liabilities

	31 March 2025		31 March 2024	
	Core Dept £000	Group £000	Core Dept £000	Group £000
Amounts falling due within one year:				
Bank overdraft (Note 14)	3,770	3,770	18,414	18,414
Trade payables	2,546	2,976	3,554	3,886
Accruals and deferred income	240,474	240,850	277,994	278,366
Finance lease	118	118	59	59
Other payables	5,348	5,520	6,160	6,552
VAT	-	2	-	10
Imputed loan on PPP Contracts	13,153	13,153	12,312	12,312
Amounts issued from the Consolidated Fund for Supply but not spent at year end	-	-	-	-
Consolidated Fund Extra Receipts received and receivable due to be paid to the Consolidated Fund – EU grants / TEN-T Grants				
- Received	359	359	12	12
- Receivable	-	-	359	359
Consolidated Fund Extra Receipts received and receivable due to be paid to the Consolidated Fund – other				
- Received	1,346	1,346	1,687	1,687
- Receivable	-	-	-	-
Total	267,114	268,094	320,551	321,657

Amounts falling due after more than one year:				
Other payables	27,817	27,910	22,586	22,676
Finance lease	698	698	530	530
Capital retentions	6,209	6,209	5,412	5,412
Deferred payable	981	991	1,563	1,574
Imputed loan on PPP contracts	210,920	210,920	224,072	224,072
Total	246,625	246,728	254,163	254,264

17. Pension Liability

	31 March 2025		31 March 2024	
	Core Dept £000	Group £000	Core Dept £000	Group £000
Pension expense	-	15,533	-	16,042
Total	-	15,533	-	16,042

See accounting policy note 1.15 Employee benefits including pensions.

18. Provisions for liabilities and charges

	Land Acquisition for Schemes £000	Contractual Inflation Payments – Works Contracts £000	Legal Claims £000	Public / Employer Liability £000	Other Costs £000	Total £000
Balance 1 April 2024	15,798	10,000	271	9,556	3,361	38,986
Opening balance adjustment					(23)	(23)
Provided in year	117,577	440	60	14,294	1,660	134,031
Provisions not required written back	(8,710)	-	-	(38)	-	(8,748)
Provisions utilised in year *	(3,601)	(10,440)	(24)	(8,755)	(1,154)	(23,974)
Borrowing costs (unwinding of discount)	-	-	-	-	(5)	(5)
Difference on currency translation	-	-	-	-	(2)	(2)
Balance 31 March 2025	121,064	-	307	15,057	3,837	140,265

Analysis of expected timing of discounted flows

	Land Acquisition for Schemes £000	Contractual Inflation Payments – Works Contracts £000	Legal Claims £000	Public / Employer Liability £000	Other Costs £000	Total £000
Not later than one year	-	-	307	15,057	181	15,545
Later than one year and not later than five years	121,064	-	-	-	3,217	124,281
Later than five years	-	-	-	-	439	439
Balance 31 March 2025	121,064	-	307	15,057	3,837	140,265

*In addition to the above provisions there was £547k of bad debt provisions utilised.

Of which:

	Less 1 Year £000	Greater than Year £000	Total £000
Department	15,518	124,720	140,238
Waterways Ireland	27	-	27
Total	15,545	124,720	140,265

	Land Acquisition for Schemes £000	Contractual Inflation Payments – Works Contracts £000	Legal Claims £000	Public / Employer Liability £000	Other Costs £000	Total £000
Balance 1 April 2023	12,094	-	273	7,910	6,173	26,450
Provided in year	4,893	10,000	31	10,238	4,797	29,959
Provisions not required written back	(2)	-	(21)	-	(3)	(26)
Provisions utilised in year *	(1,187)	-	(12)	(8,592)	(7,555)	(17,346)
Borrowing costs (unwinding of discount)	-	-	-	-	(51)	(51)
Balance 31 March 2024	15,798	10,000	271	9,556	3,361	38,986

Analysis of expected timing of discounted flows

	Land Acquisition for Schemes £000	Contractual Inflation Payments – Works Contracts £000	Legal Claims £000	Public / Employer Liability £000	Other Costs £000	Total £000
Not later than one year	-	10,000	271	9,556	325	20,152
Later than one year and not later than five years	15,798	-	-	-	2,686	18,484
Later than five years	-	-	-	-	350	350
Balance 31 March 2024	15,798	10,000	271	9,556	3,361	38,986

*In addition to the above provisions there was £1,362k of bad debt provisions utilised.

Of which:

	Less 1 Year £000	Greater than Year £000	Total £000
Department	20,101	18,834	38,935
Waterways Ireland	51	-	51
Total	20,152	18,834	38,986

18.1 Land Acquisition for Schemes

Land acquisition values are provided for when it is probable that a future payment will be made. This will be when the vesting order becomes operative. Advice on the value of the claim is obtained from professional valuers within Land and Property Services. The 2024-25 accounts reflect a material increase of £117.3m, this increase is linked to the A5 Western Transport Corridor; vesting orders became operative in November 2024 for the Phase 1B Omagh to Ballygawley (£36.8m) and the Phase 2 Strabane to Omagh (£80.5m) sections of this major road development.

18.2 Contractual Inflation Payments – Works Contracts

Provision has been made for estimated outstanding costs in relation to a revised UK wide, material index and the linked contractual inflation adjustment.

18.3 Legal Claims

Provision has been made for various legal claims against the Department. The provision reflects all known claims where legal advice indicates that it is more than 50% probable that the claim will be successful and the amount of the claim can be reliably estimated. The amount provided is on a percentage expected probability basis. Expenditure is likely to be incurred over a period of five years. No reimbursement will be received in respect of any of these claims. Legal claims which may succeed but are less likely to do so or cannot be estimated reliably are disclosed as contingent liabilities in note 19.

18.4 Public and Employer Liability

Provision has been made for compensation claims and associated legal costs made by employees and members of the public. It reflects known claims where legal advice indicates that it is probable the claims will be successful and the amount of the claim can be reasonably estimated. Claims which may succeed but are less likely to do so or cannot be estimated reliably are disclosed as contingent liabilities in note 19.

18.5 Other

Other provisions include injury pensions for former employees who were medically retired and awarded an additional pension sum in relation to injury which is payable for life.

A discount rate is applied by courts to a lump-sum award of damages for future financial loss in a personal injury case to take account of the return that can be earned from investment. The rate is currently +0.5% as set with effect from 27 September 2024, by the Government Actuary under the Damages Act 1996 as amended by the Damages (Return on Investment) Act (Northern Ireland) 2022.

Also included within other provisions is an amount for holiday pay. The Court of Appeal (CoA) judgment from 17 June 2019 (PSNI v Agnew) determined that claims for holiday pay shortfall can be taken back to 1998. However, the PSNI has appealed the CoA judgment to the Supreme Court. The hearing was held in December 2022 and the judgement was delivered on 4 October 2023. The 2024-25 Holiday Pay provision has been estimated by HR and covers the period from November 1998 to 31 March

2020. There are still some significant elements of uncertainty around this estimate for a number of reasons:

1. Lack of accessible data for years previous to 2011; and
2. Ongoing negotiations with Trade Union and their legal representatives.

19. Contingent liabilities disclosed under IAS 37

At March 2025 there were unsettled public and employer liability cases in which the Department are disputing liability but which could lead to a loss. A review of outstanding cases by the Central Claims Unit, which are considered unlikely to succeed, has indicated possible liabilities estimated at £14,547,782.

There is also a contingent liability of £112,000 in relation to legal claims which the Department are disputing liability but could lead to a loss.

There is a contingent liability of £1,720,000 in relation to Contractor Legal cases which are pending.

The Department is defending a number of judicial reviews of planning application decisions where it is not probable that the judgement will be in the applicants' favour and/or where the amounts involved cannot be estimated reliably, therefore it has not been considered appropriate to make a provision under the criteria set out in IAS37.

The Department has a small number of legal cases which have not sufficiently progressed for further disclosure to be made.

The Department continues to engage with DoF on the resulting pressures arising within the Department and its ALBs.

The Department of Finance (DoF) is a named Respondent in a class action affecting employers across the public sector and is managing claims on behalf of the Northern Ireland Civil Service (NICS) Departments. This is an extremely complex case with potential implications for the NICS and wider public sector. However, given the complexities, the cases are still at an early stage of proceedings and until there is further clarity on potential scope and impact, a reliable estimate of liability cannot be provided.

20. Leases

20.1 Quantitative disclosures around right-of-use assets

	Land £000	Buildings £000	Plant and Machinery £000	Information Technology £000	Furniture and fittings £000	Total £000
Cost or valuation						
At 1 April 2024	705	-	-	-	-	705
Additions – new leases	-	308	-	-	-	308
At 31 March 2025	705	308	-	-	-	1,013
Depreciation						
At 1 April 2024	122	-	-	-	-	122
Depreciation charged in year	61	31	-	-	-	92
As 31 March 2025	183	31	-	-	-	214
Carrying amount at 31 March 2025	522	277	-	-	-	799
Carrying amount at 31 March 2024	583	-	-	-	-	583

20.2 Quantitative disclosures around lease liabilities

	2024-25		2023-24	
	Core Dept £000	Group £000	Core Dept £000	Group £000
Buildings:				
Not later than one year	(68)	(68)	-	-
Later than one year and not later than five years	(236)	(236)	-	-
Later than five years	-	-	-	-
Less interest element	18	18	-	-
Present Value of obligations	(286)	(286)	-	-
Other:				
Not later than one year	(64)	(64)	(64)	(64)
Later than one year and not later than five years	(256)	(256)	(256)	(256)
Later than five years	(229)	(229)	(293)	(293)
Less interest element	19	19	24	24
Present Value of obligations	(530)	(530)	(589)	(589)
Total Present Value of obligations	(816)	(816)	(589)	(589)
Current portion	(118)	(118)	(59)	(59)
Non-current portion	(698)	(698)	(530)	(530)

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

	2024-25		2023-24	
	Core Dept £000	Group £000	Core Dept £000	Group £000
Variable lease payments not included in lease liabilities	-	-	-	-
Sub-leasing income	-	-	-	-
Expense related to short-term leases	-	-	-	-
Expense related to low-value asset leases (excluding short-term leases)	101	101	120	120

20.4 Quantitative disclosures around cash outflow for leases

	2024-25		2023-24	
	Core Dept £000	Group £000	Core Dept £000	Group £000
Total cash outflow for lease	222	222	131	131

21. Capital and other commitments

21.1 Capital commitments

	2024-25		2023-24	
	Core Dept £000	Group £000	Core Dept £000	Group £000
Contracted capital commitments at 31 March not otherwise included in these financial statements				
Property, Plant and Equipment	58,192	59,388	1,116,930	1,117,903
Intangibles	-	-	130	130
Total	58,192	59,388	1,117,060	1,118,033

The 2023-24 Core Department reported figure, and previous years, are overstated as previous capital commitments reporting included forecast expenditure on projects for which no contractual commitment existed.

The 2024-25 figures reflect only those commitments that are inescapable and not reported elsewhere in the accounts.

Improvements in the instructions issued to budget holders, and a new data collection template, have permitted the collation of more accurate data for the 2024-25 year. The 2023-24 figures have not been updated due to the time and complexity involved in obtaining the information.

21.2 Commitments under PPP contracts

21.2.1 The Department has entered into the following on-Statement of Financial Position PPP contract for the Design, Build, Finance and Operations of sections of the road network:

PPP Package 1:

- M1/Westlink upgrade
- Grosvenor Road
- M2 Crosskennan slip roads at Antrim Hospital
- M2 widening between Sandyknowes and Greencastle
- Operation and maintenance of 65km of the motorway/trunk roads network.

PPP Package 1 commenced on 3 February 2006 and was completed on 28 November 2009. The contract was for 30 years and ends on 31 March 2036.

The capital value of this PPP Package 1 is £118,219,000.

PPP Package 2:

- A1 dualling between Beech Hill and Cloghogue
- Improving the safety junctions on the A1
- A4 dualling between Dungannon and Ballygawley
- Improving A4 Annaghilla and A5 at Tullyvar
- Operation and maintenance of 125km of the motorway/trunk roads network.

PPP Package 2 commenced on 16 November 2007 and was completed on 5 May 2011. The contract was for 30 years and ends on 31 March 2038.

The capital value of PPP Package 2 is £224,123,000.

21.2.2 On Statement of Financial Position (SoFP)

PPP Package 1 and Package 2

Under IFRIC 12, these assets are treated as assets of the Department. The substance of the contract is that the Department has two finance leases. Payments to the PPP providers comprise two elements – imputed finance lease charges and service charges.

Total obligations under on-Statement of Financial Position PPP contracts for the following periods comprise:

	2024-25		2023-24	
	Core Dept £000	Group £000	Core Dept £000	Group £000
Not later than one year	28,572	28,572	28,572	28,572
Later than one year and not later than five years	114,287	114,287	114,287	114,287
Later than five years	195,622	195,622	224,194	224,194
	338,481	338,481	367,053	367,053
Less interest element	(114,408)	(114,408)	(130,669)	(130,669)
Total	224,073	224,073	236,384	236,384

21.2.3 Charges to the Statement of Comprehensive Net Expenditure and future commitments

The total amount charged in the Statement of Comprehensive Net Expenditure in respect of the service element of on Statement of Financial position PPP transactions was £40,339,782 (2023-24: £37,405,938) and the payments to which the Department and its agencies are committed, analysed by the period during which commitment expires is as follows:

	2024-25		2023-24	
	Core Dept £000	Group £000	Core Dept £000	Group £000
Not later than one year	45,535	45,535	43,229	43,229
Later than one year and not later than five years	154,397	154,397	146,237	146,237
Later than five years	380,935	380,935	417,792	417,792
	580,867	580,867	607,258	607,258

21.2.4 Off Statement of Financial Position PPP contracts

The Department has no off Statement of Financial Position PPP contracts.

21.3 Other financial commitments

The Department has entered into debt facilities with Northern Ireland Water Limited.

To date NI Water has issued loan notes with a value of £1,959.56 million (31 March 2024: £1,809.56 million) including the £150 million issued at vesting (note 11).

A new Fixed Coupon Unsecured Loan Notes Instrument 2042 constituting £1,750,000,000 came into effect from 1 April 2022 and can be drawn upon until 31 March 2027 of which £520,000,000 has been drawn to date leaving a loan note instrument available to draw down of £1,230,000,000. When this loan note opened Loan Note Instruments 2027 and 2034 closed and no more loan facility can be drawn down from these instruments. The actual amounts issued are determined by the progress of NI Water's capital programme and its cash requirement. The loans are due to be redeemed in 2042 (or earlier if refinanced).

The Department provide a £20m working capital facility to NI Water. Borrowings on the facility are repayable on demand. From 1 February 2023 interest is now payable to the Department at a rate equal to the aggregate of Bank of England Base Rate and 0.5% per annum. The facility outlined above was not utilised at 31 March 2025.

22. Related-party transactions

DfI is the sponsor of the Northern Ireland Transport Holding Company Limited, which is a public corporation.

NI Water is a government owned company, the Department being the sole shareholder. The Department provides NI Water with subsidy and loan finance. For public expenditure purposes NI Water is defined as a Non-Departmental public body and its expenditure directly impacts on the Department's budget.

DVA is a Trading Fund of the Department. The Department provides DVA with subsidy and capital grants. DVA's accounts are not consolidated into the Departmental accounts. For public expenditure purposes DVA is defined as a Public Corporation.

DfI is also responsible for ports policy and the legislative framework within which ports operate.

The Department of Finance provides services such as Account NI, accommodation, recruitment, land and property services, Internal Audit and legal services to the Department at a notional cost.

All of the above are regarded as related parties with which the DfI had various material transactions during the year.

In addition, DfI has had a small number of transactions with other Government Departments and other government bodies, the majority of which are Northern Ireland Departments.

Neither the Minister nor any other Board members, key managerial staff or other related parties has undertaken any material transactions with the Department during the year.

23. Entities within the departmental boundary

These financial statements reflect the accounts of the core Department and 15% of a North/South body (Waterways Ireland) for which the Department acts as a co-sponsor Department (Appendix A).

Waterways Ireland accounts for 2024 are not yet final and therefore draft figures have been used for this consolidation.

24. Events after the Reporting Period

The increase in the rate of employer National Insurance Contributions (NICs) from 13.8% to 15% on 6 April 2025 is a relevant event after the end of the reporting period for 2024-25, however this is a non-adjusting event. At this time an estimate of the financial effect of this increase cannot be made.

In November 2024 the Department received a formal legal challenge to the decision to proceed with a section of the A5 road scheme. A judgement against the decision was made in June 2025. There are

costs already included in the Department's accounts however, this is deemed to be a non adjusting Post Balance Sheet Event.

Date of authorisation for issue

The Accounting Officer authorised these financial statements for issue on 31 October 2025.

Appendix A

Entities within the Departmental Boundary

Waterways Ireland Governance Structure and Oversight Arrangements

Waterways Ireland is a North South Implementation Body co-sponsored by DfI and the Department of Housing, Local Government and Heritage in the South. The Body is responsible for the management, maintenance, development and restoration of specific navigable waterways throughout the island of Ireland.

Waterways Ireland does not have a Board and legislative changes would be required, in both jurisdictions, to create one. The Chief Executive Officer is the Accounting Officer for the Body and the Department's Permanent Secretary is the Principal Accounting Officer. The Chief Executive is responsible for providing a bi-annual Assurance Statement.

Waterways Ireland has an Audit and Risk Committee, with an independent chairperson and two independent members.

Sponsor departments monitor the body's performance through quarterly meetings of the Monitoring Committee. This Committee includes the Senior Sponsors from both sponsor departments and the Chief Executive and Senior Management Team from Waterways Ireland.

Waterways Ireland is also accountable to the North South Ministerial Council (NSMC) and provides an update on progress against the objectives in its Business Plan, at bi-annual Inland Waterways Sectoral meetings, when the Council is sitting.

The Department provides funding to Waterways Ireland on the basis of its approved Annual Business Plans and budgets which, in line with its financial year, run from January to December. As a North South Implementation Body, the Annual Business Plans require Ministerial and NSMC approval. The 2025 Business Plan for Waterways Ireland was agreed at the NSMC on 12th May 2025.

Appendix B

Entities outside the Departmental Boundary

Executive Agency

Driver and Vehicle Agency

This Executive Agency is constituted as a Trading Fund and designated as a Public Corporation by the Office of National Statistics.

As Accounting Officer, the Agency's Chief Executive, along with its Strategic Management Board, is responsible for ensuring that appropriate financial and management controls are in place and that compliance with those controls is effectively monitored.

Arm's Length Bodies

Northern Ireland Water

NI Water is a company, with the Department being its sole shareholder. It is appointed as the statutory water and sewerage undertaker, operating under licence and at arm's length from central government structures. It is also a non-departmental public body for public expenditure purposes. The Minister is responsible for the policy and legislative framework and sets strategic objectives. The delivery of water and sewerage services is the responsibility of the company, subject to regulatory oversight by the NI Authority for Utility Regulation and environmental regulators. As Accounting Officer, the Chief Executive, along with the NI Water Board, is responsible for ensuring that appropriate financial and management controls are in place and that compliance with those controls is effectively monitored. A Partnership Agreement is in place between both organisations.

The Department monitors NI Water's business performance and outlook, and engages with the company Board, Chair and Executive Team on strategic and shareholder matters. In keeping with the company's Articles of Association, the Department is responsible for making appointments to the Board of NI Water. The Department appointed a new Chair and one Non-Executive Director from 1 April 2024. We are also responsible for making loans and paying subsidy to the company and this expenditure is reflected within the Department's Annual Report and Accounts.

Northern Ireland Transport Holding Company

The Translink Group (the ‘Group’) consists of a public corporation, the Northern Ireland Transport Holding Company (established under the Transport Act (Northern Ireland) 1967), which owns and controls seven private limited subsidiary companies including four trading subsidiaries: Citybus Limited; Ulsterbus Limited; Northern Ireland Railways Company Limited and NIR Operations Limited, together branded as ‘Translink’.

The Department has a Partnership Agreement with Translink that sets out the overall governance framework within which NITHC operates, including the framework through which the necessary assurances are provided to stakeholders. Roles/responsibilities of partners within the overall governance framework are also outlined. This was updated in September 2024. The Minister appointed three new Non-Executive Directors from 1st October 2024 and appointed a new Chair from 1st March 2025.

The Department has a Public Service Agreement (PSA) with Translink to secure the provision of accessible, efficient, safe, sustainable and high-quality public transport services that support wider policy objectives.

The PSA includes contract management and reporting arrangements and is underpinned by a Performance Management Framework to ensure the Department has adequate oversight and assurance over Translink’s financial and operational performance, as well as the necessary information to support decision making.

The Department provides financial assistance to Translink as part of the Executive’s investment in public transport here and this expenditure is reflected within the Department’s Annual Report and Accounts.

Northern Ireland Trust Ports

The Department also has responsibility for ports policy and the legislative framework within which ports operate in Northern Ireland. There are five commercial ports in Northern Ireland – four Public Trust Ports (Belfast, Londonderry, Warrenpoint and Coleraine) and one in private ownership (Larne). Public Trust Ports are autonomous, self-financing statutory bodies whose constitutions are set out in legislation. They operate on a commercial basis with the profit generated by their activities re-invested to improve their facilities.

The Department has responsibility for the appointment of the Chair and members of the Harbour Commissioners at Belfast, Londonderry and Warrenpoint. The Causeway Coast and Glens Borough Council has responsibility for the appointment of Commissioners for Coleraine.

The Trust Ports are classified by the Office for National Statistics as public corporations. Accordingly, all financing raised by borrowing, both commercial borrowing and loans from the Department, must be recorded in the Department’s budget.



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Infrastructure

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