Department for Infrastructure
An Roinn Bonneagair
Depairtment fur Infrastructure
www.infrastructure-ni.gov.uk

ANNUAL REPORT + ACCOUNTS

01/04/2025 - 31/03/2026



Department for Infrastructure

ANNUAL REPORT AND ACCOUNTS 2025-26
For the year ended 31 March 2026

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by the Department of Finance
on 2 November 2026

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DEPARTMENT FOR INFRASTRUCTURE

Annual Report and Accounts for the year ended 31 March 2026

Contents

	Page
Performance Report	
Overview	4
Accounting Officer's Statement	4
Non-Executive Board Members Report	7
Performance Analysis	21
Accountability Report	
Corporate Governance Report	
Directors' Report	50
Statement of Accounting Officers Responsibilities	54
The Governance Statement	56
Remuneration and Staff Report	79
Assembly Accountability and Audit Report	
Statement of Assembly Supply	104
Other Accountability Disclosures	117
The Certificate of the Comptroller and Auditor General to the Northern Ireland Assembly	120
Financial Statements	
Statement of Comprehensive Net Expenditure	130
Statement of Financial Position	132
Statement of Cash Flows	134
Statement of Changes in Taxpayers' Equity	136
Notes to the Financial Statements	138
Appendix A – Entities inside the Departmental Boundary	193
Appendix B – Entities outside the Departmental Boundary	194
Appendix C – Comptroller and Auditor General's Report	196

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PERFORMANCE REPORT



PERFORMANCE 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 ended 31 March 2026. This report provides an overview of the Department's activities during 2025-26 and assesses performance against its key objectives and targets.

The year was one of transition for the Department's senior leadership. Liz Kimmins MLA continued in her role as Minister for Infrastructure following her appointment in February 2025, providing continuity of ministerial leadership throughout the year. In December, Dr Denis McMahon retired as Permanent Secretary after a long career in the Northern Ireland Civil Service. Declan McGeown subsequently served as Interim Permanent Secretary until my appointment to the Department on 13 April 2026. I wish to place on record my appreciation for their leadership, commitment, and contribution during an important period for the Department.

The Department plays a central role in supporting everyday life across Northern Ireland. Its responsibilities for transport, water and planning infrastructure underpin economic growth, social connectivity and environmental sustainability. While often taken for granted, these services are fundamental to the effective functioning of communities and the wider economy. During the year, the Department progressed a broad and demanding portfolio of work to deliver essential services while responding to significant financial, environmental, and operational challenges.

An area of sustained importance for the Department has been to find solutions to current capacity constraints in the wastewater network. During the year, the Minister set out her three-pronged approach focused on obtaining increased Executive investment, the development of voluntary developer contributions, and legislative change through the Water, Sustainable Drainage and Flood Management Bill. Working closely with key water stakeholders, the Department made huge progress in unlocking wastewater capacity through innovative, localised solutions. Over the past 18 months, investment of more than £30 million has unlocked capacity for over 5,300 new properties, exceeding the Utility Regulator's PC21 target for this period.

The Department also continued to advance the planning improvement agenda in partnership with local government, with a focus on strengthening capacity, resilience and long-term sustainability. A key milestone in December 2025 was the publication of the Strategic Planning Policy Statement (SPPS) on renewable and low-carbon energy. In addition, the Department has appointed 6 trainees with a further 5 trainees being appointed across participating Councils, supporting skills development and helping to future-proof the planning profession.

Adverse weather had a significant impact on the Department's work during the year, with two named storms affecting Northern Ireland. As the lead Department for extreme weather response, DfI coordinated preparedness, response and recovery activities across Government and partner organisations throughout these events. In January 2026, Storm Chandra arrived bringing with it 75mph winds. January 2026 was also recorded by the Met Office as the wettest January in 149 years. These two factors resulted in flooding in several areas; however, the impacts were mitigated through the activation of the Department's Major Emergency Response Plan and the dedication of frontline staff. I particularly want to pay tribute to the staff who worked outside, day and night throughout this time in very challenging weather conditions. They are out on the front-line bringing assistance in the worst of weather, leaving their families and ordinary day-to-day work to deliver public services to our people.

These severe weather conditions impacted our road network, increasing the incidence of defects such as potholes, particularly on already stressed sections of infrastructure. Maintaining safe and resilient roads is essential for economic vitality and community safety. In December, to improve maintenance standards, the Department launched a consultation on a new Road Maintenance Strategy. This strategy was also supported by a comprehensive digital survey of the road network, while the Department also launched a £10 million Winter Recovery Fund to help mitigate against the worst of the winter road defects.

Adapting to climate change continues to be a key focus for the Department. During the year, the Department continued to deliver major flood alleviation schemes, including the completion of the £33 million Belfast Tidal Flood Alleviation Scheme, and the Castlederg Scheme alongside progress on the £60 million Portadown Flood Alleviation Scheme. Grant funding was also increased to support household flood resilience measures.

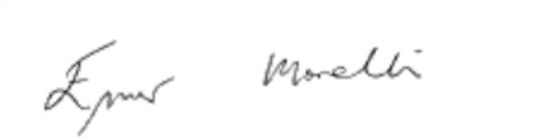
Road safety continues to be a key priority for the Department. While 56 people sadly lost their lives on Northern Ireland's roads in 2025-26, the Department continued to deliver interventions aimed at reducing death and serious injury. This included the launch of the Graduated Driver Licensing Scheme which is the most significant reform to driver licensing and testing in almost 70 years, the expansion of 20 mph school zones, increased investment in road safety education and enforcement, and progress on legislative measures to improve safety around schools and for pedestrians.

A major element of improving road safety is through the upgrade of many of our roads. The Department appealed the High Court's June 2025 judgment on the A5 Western Transport Corridor (A5WTC). On 6 October 2026, the Court of Appeal delivered its judgment and ruled in favour of the Department on all grounds. The Department remains committed to the development of strategic road schemes, including the A5WTC and the A1 junction improvements as these road schemes remain hugely significant infrastructure projects, not least because of the road safety improvements they will bring.

The Department also made progress on advancing active travel and public transport. The year saw the full opening of Belfast Grand Central Station and a substantial increase in passenger numbers of the Belfast-Dublin Enterprise services following frequency enhancements. In addition, the Rail

Project Prioritisation Strategy was published to support the long-term implementation of the All-Island Rail Review. Investment in active travel also continued, with new walking and cycling infrastructure delivered in Craigavon and West Belfast, the commencement of the Cookstown Active Travel Scheme and the progression of six further signature projects.

Finally, I wish to acknowledge the commitment and professionalism of the staff of the Department and its arm's-length bodies. Despite ongoing challenges around recruitment and retention our staff continue to deliver essential public services in often difficult circumstances. Addressing workforce challenges and building future capacity remains a key priority as the Department continues to deliver the infrastructure required to support people, communities and the economy.



Emer Morelli
Accounting Officer

28 October 2026

NON-EXECUTIVE BOARD MEMBERS' REPORT

During 2025–26, the department continued to operate under the direction of the Minister for Infrastructure, Liz Kimmins MLA, and in alignment with the priorities set out in the Programme for Government agreed in February 2025.

The year saw significant change across the department's Senior Leadership Team and Board. We acknowledge the retirement of Dr Denis McMahon, Permanent Secretary, and Judith Andrews, Acting Deputy Secretary for Climate Planning and Public Transport, and place on record our sincere thanks for their considerable contributions to the work of the departmental Board and the wider department. There were also changes during the year in the Deputy Secretary for Water & Departmental Delivery and Finance Director roles.

The departmental Board recognises the critical role it plays in supporting infrastructure that underpins the daily lives and economic wellbeing of people across Northern Ireland. In the context of continued budgetary constraints, difficult decisions were required throughout the year to prioritise the department's functions and services, ensuring the most effective use of available resources.

Alongside the financial challenges, the department faced a number of significant issues. The High Court ruling on the A5WTC project in June 2025 was disappointing, however the subsequent Court of Appeal judgment reversed this decision. We welcome the department's ongoing commitment to the project, recognising in particular its potential to improve road safety, an issue of heightened importance given the tragic number of lives lost on Northern Ireland's roads during 2025–26.

Severe weather events also presented challenges. Storm Chandra in January 2026 necessitated the swift activation of the department's Major Emergency Response Plan (MERP), with DfI taking a leading role in coordinating the response and maintaining public safety.

These challenges were compounded by ongoing workforce pressures, including a high level of vacancies and difficulties in recruitment within a highly competitive labour market and aging workforce.

Despite these pressures, the department continued to deliver essential services while progressing key initiatives to support economic development, connectivity and environmental sustainability. These included the completion of significant infrastructure projects, the launch of the Graduated Driver Licensing Scheme, and continued progress on the planning improvement agenda.

The flexibility, resilience and dedication demonstrated by the Senior Leadership Team and staff in responding to a wide range of challenges made a significant contribution to the department's ability to meet its objectives during the year.

Governance

The departmental Board continued to meet regularly throughout 2025–26, providing robust challenge and scrutiny of policy and performance, alongside constructive support and advice to the Permanent Secretary.

Risk management remained a central focus of the Board. The effective identification and mitigation of both existing and emerging risks are critical to the department's ability to deliver its objectives. The Corporate Risk Register was therefore subject to continuous review during the year, with further enhancements made to its structure and format to support more effective monitoring, updating and assessment of risks.

The Board also maintained a strong focus on oversight of and governance within Arm's Length Bodies. Early in the year, significant attention was dedicated to the investigation into the NI Water overspend in the previous financial year. Climate change remained a key strategic priority, with the Board receiving regular updates on the department's actions to meet its statutory obligations in this area.

The Board continued to scrutinise delivery of the DfI Action Plan in Response to Renewable Heat Incentive (RHI) Recommendations. We welcomed the completion of the Plan during the year, while recognising that further work is required to ensure full compliance with the Northern Ireland Audit Office's second report on the implementation of the RHI Public Inquiry recommendations, published in October 2024.

During the reporting period an external review of Board Effectiveness was completed. This was a welcome opportunity to reflect on the work of the Board and we look forward to working with Board members to consider and implement any improvements identified.

The Board's Sub-Committees continued to provide detailed oversight and assurance across key areas of the department's work:

- Departmental Audit and Risk Assurance Committee (DARAC)
  DARAC supported the Board in discharging its responsibilities for risk management, control and governance. It reviewed the comprehensiveness, reliability and integrity of assurances available to both the Board and the Principal Accounting Officer. This included oversight of Internal Audit activity, Northern Ireland Audit Office reports, audit committee activity within NI Water and Translink, fraud and raising a concern updates, and progress in implementing audit recommendations.

- Major Projects Committee
  The Committee provided assurance to the Accounting Officer and the Board on the governance and management of major projects across the department and its Arm's Length Bodies. During the year, it scrutinised Senior Responsible Owner (SRO) reports and conducted deep dives into key programmes, including Grand Central Station and NI Water major projects management. The Committee also completed a review of its operating model and has begun implementing improvements to enhance its support of programme and project delivery.

- Health and Safety Committee
  The Committee continued to provide strategic oversight of the department's health and safety arrangements and assurance on the management of the associated corporate risks.

- People Sub-Committee
  The People Sub-Committee maintained its focus on capacity, capability and culture, supporting the attraction, development and retention of staff. It assisted the Board and Accounting Officer by providing strategic oversight of workforce planning and associated funding. The Committee also contributed to reducing vacancy pressures by engaging with counterparts in NICS HR to prioritise DfI recruitment competitions. In addition, it supported the enhancement of staff capability and succession planning by driving forward development programmes for existing staff. The Committee further played a key role in the launch of the DfI People Strategy during the year.

- Foundations Programme Delivery Board
  Established in the previous reporting year, the Foundations Programme Delivery Board continued to meet until September 2025. Its work focused on supporting delivery of seven Ministerial priorities: Carbon Free; Cleaner and Greener; Adapting to Climate; Better Roads; Waste and Wastewater; Plan to Improve; and Including People.

As Non-Executive Board Members, we remain committed to overseeing and constructively challenging the department's performance in delivering its strategic objectives. We also support the pursuit of new opportunities and look forward to contributing to the department's continued success. We have full confidence in the Board's effectiveness and resilience, and in the dedication of the Senior Leadership Team and staff across the department and its Arm's Length Bodies. We are grateful to the Accounting Officer and Senior Leadership Team for their openness and leadership over the past year and look forward to the transitioning of the team under the new Permanent secretary in April 2026.

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

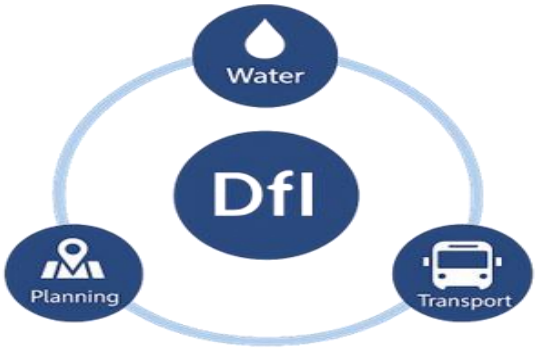
Established in May 2016, the Department amalgamated a range of functions from the former Department of Agriculture, Department for Culture, Arts and Leisure, Department of the Environment, Office of the First and deputy First Ministers and Department for Regional Development. It currently employs approximately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

WHAT WE DO

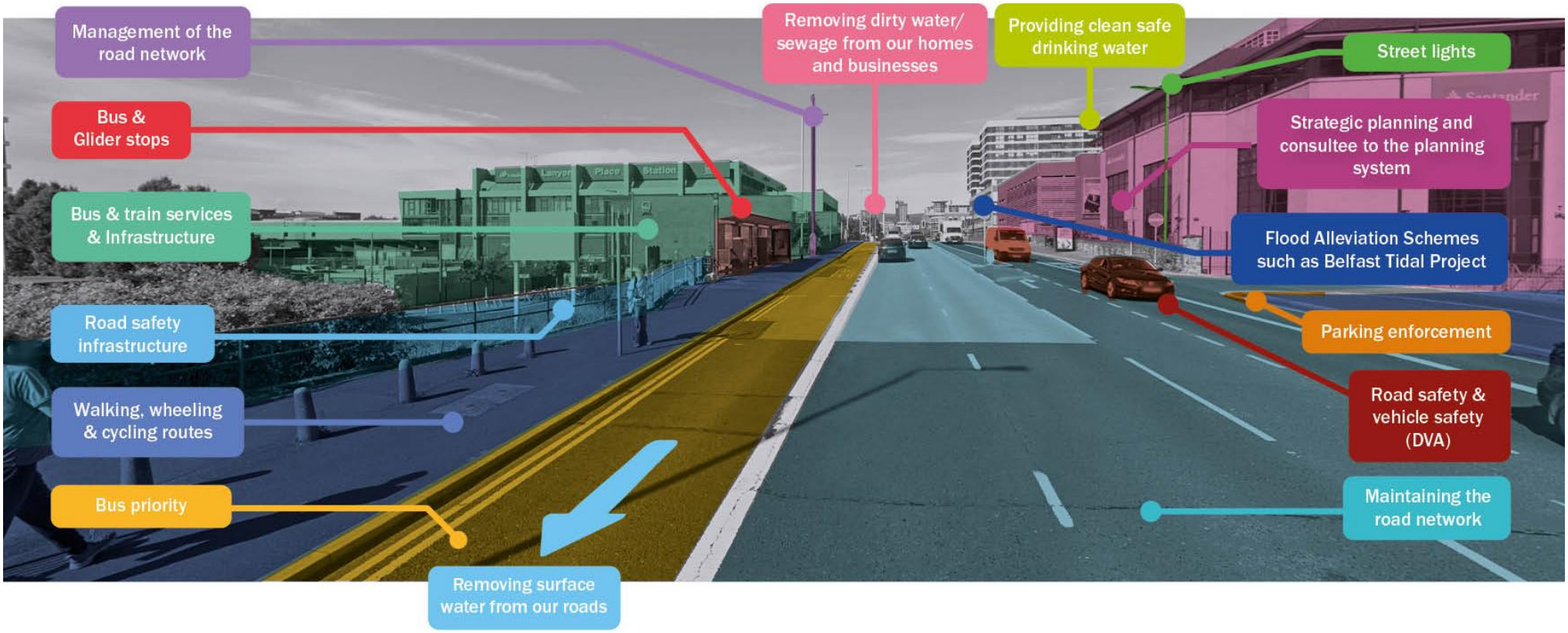
During the reporting period the Department was under the direction and control of the Minister for Infrastructure, Liz Kimmins MLA.

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 £38bn 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. Delivering the Department's transport vision relies on several core functions, including the development of transport policy, management of the road network asset with a strong focus on road safety, and the provision of funding and sponsorship to Translink to support the public transport network. In addition to these responsibilities, the Department leads on the decarbonisation of the transport sector, as required under the Climate Change Act (Northern Ireland) 2022, and has worked closely with DAERA, other sector leads, and Northern Ireland Departments in the development of the first draft Climate Action Plan (2023–27), which closed for consultation in October 2025.

Within this context, the Department has launched a draft Transport Strategy 2035 which sets out a refreshed vision for the transport system with an emphasis on sustainability, innovation, and accessibility. The final strategy will guide future transport decisions across and beyond government and will establish the strategic priorities for transport investment. In addition, the Department sponsors the Northern Ireland Transport Holding Company (NITHC), the parent company of the publicly owned bus and rail operator, Translink. The Department is also responsible for the operation of the Strangford Ferry and the management of the Rathlin Ferry and also oversees specific aspects of Trust Ports governance and airport development.

The Department has a number of statutory responsibilities to ensure safe and accessible travel for all, including duties to promote road safety, reduce road fatalities, and prevent injuries.

The Driver and Vehicle Agency (DVA), an executive agency of the Department, plays a critical role in road safety, enforcement, and environmental protection. It does so 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 930,000 households and businesses and treats 365 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 designated watercourses and 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 response to severe weather events, including flooding, the Department develops emergency planning and processes in collaboration with multi-agency partners.

Planning

The DfI Planning provides strategic oversight for the planning system in the North through the development of regional planning policy and legislation. DfI works in partnership with local councils to lead the two-tier planning system, exercising statutory oversight and consultee roles in the preparation of Local Development Plans and ensuring alignment with regional policy, legislative requirements and cross-boundary issues, including specific responsibilities for Rathlin Island.

DfI Planning determine regionally significant and called-in planning applications; lead the Planning Improvement Programme with councils and stakeholders and have regeneration responsibilities for Crumlin Road Gaol and the management of St Lucia.

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 underpins 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, enables 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, retention and skills sustainability, the Department established a dedicated People Development and Workforce Planning Branch (PDWP). PDWP leads the development and delivery of the DfI 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 NICS People Survey and are aligned with the wider Northern Ireland Civil Service (NICS) People Strategy.

PDWP has led the development and implementation of a Workforce Plan to help address critical staffing risks and support departmental priorities. During the year, delivery focused on prioritising Professional and Technical (P&T) specialist grades, where there are significant gaps in current supply. In 2025-26, 21 P&T recruitment competitions were progressed. Alongside external

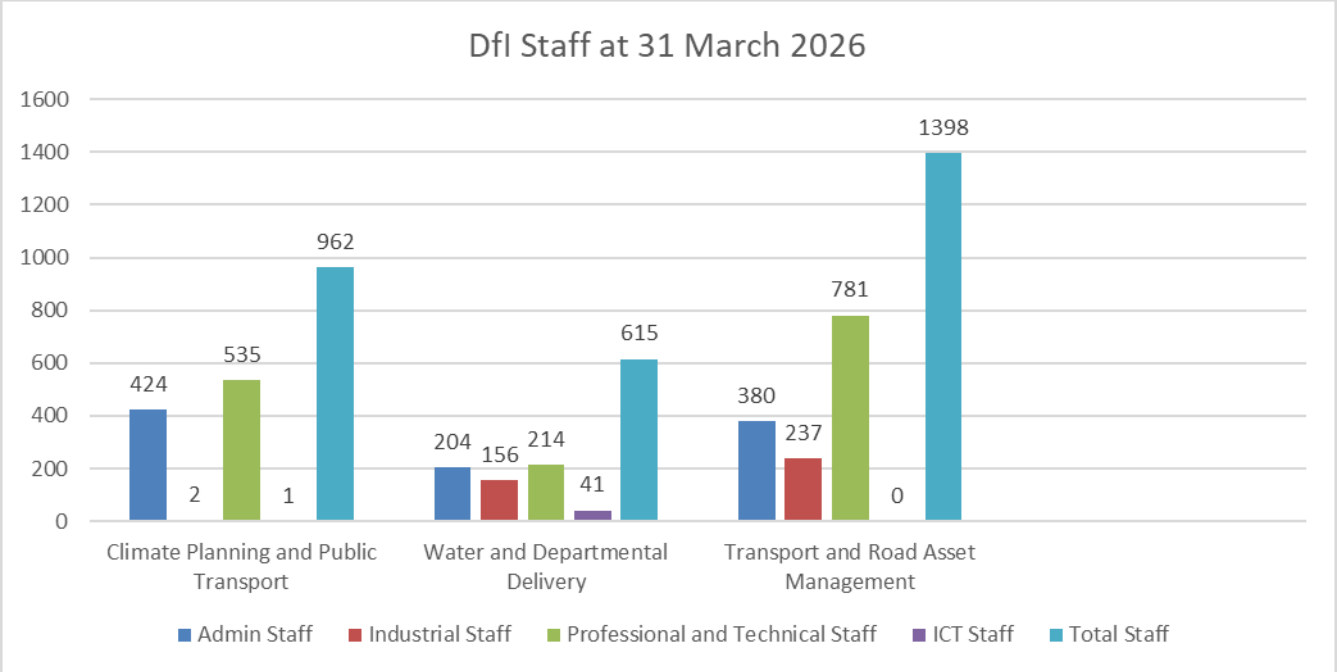
recruitment, the Branch continues to support the development of internal talent by creating opportunities at lower grades and providing targeted learning and development pathways, enabling career progression to meet the Department's future workforce needs.

During the year, the Branch focused on delivering a range of personal and professional development programmes which include the Evolve Leadership Programme for grades AA to G3, a Programme & Project Management Academy to support delivery of major capital programmes, and a Departmental Mentoring programme.

The Branch has also led the delivery of key staff engagement forums such as the Permanent Secretary Monthly Webinar, Senior Leadership Forum and the wider Staff Engagement Council, supporting open communication, engagement and continuous improvement across the Department.

Through these initiatives, the PDWP Branch supports the Departmental Board and its People Sub-Committee in strengthening organisational capacity, capability and culture, and in ensuring the Department is an employer of choice - one that values its people, invests in their development, and delivers high-quality services for the public.

Breakdown of DfI Staff by Group as of 31st March 2026



Administrative Staff	1,008
Industrial Staff	395
Professional and Technical Staff	1,530
ICT Staff	42
Total headcount	2,975

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DfI Senior Management Team

DfI Minister - Liz Kimmins MLA

DfI Permanent Secretary - Emer Morelli

Climate, Planning & Public Transport	Transport & Road Asset Management	Water & Departmental Delivery	
Deputy Secretary Susan Anderson	**Deputy Secretary** Colin Woods	**Deputy Secretary** Jonathan McKee	
Regional Planning Governance, Legislation Rosemary Daly	**Major Projects** Jonathan Saulters	**Finance (Including Waterways Ireland Sponsorship)** Kerry Mack	**Water & Drainage Policy** Alison Clydesdale
Regional Planning Policy & Casework Dr Kathryn McFerran	**Belfast Delivery** Gavin Allen	**Governance, EU, Facilities and Ministerial Support** Donal Moran	**Sustainable Drainage** Stuart Wightman
DVA Jeremy Logan	**Engineering and Transformation** David Porter	**Corporate Strategy & Performance** Kiera Lloyd	**Rivers Operations** Gary Quinn
Driving, Vehicle and Road Safety Policy Chris Hughes	**Road Asset Development** Liam McEvoy	**Communications, Public Affairs & Engagement** Karen Fullerton	**Rivers Development** Owen McGivern
Public Transport Operations Lucy Marten (TP)	**Road Asset Maintenance** Colin Sykes		
Transport Policy Brenda Burke	**Transport Planning & Policy** Sian Kerr		
Railways, Transport Regulation and Climate Michael Kennedy	**A5 Western Transport Corridor and Active Travel** Colin Hutchinson		

Staff Structure (May 2026)

KEY ISSUES AND RISKS

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

CHALLENGE	ASSOCIATED ISSUES
Resourcing & People Management	• There continue to be challenges in aligning delivery ambitions with available funding and workforce capacity, reflecting sustained budgetary constraints and ongoing pressures across specialist roles. • Recruitment levels have improved during the year and have slightly exceeded attrition, representing a positive shift; however, retaining staff, particularly in specialist and technical roles, remains an ongoing challenge. • Vacancy management pressures persist in some areas, resulting in increased workloads for existing staff and, at times, impacting the Department's ability to fully deliver against business objectives.
Health and Safety	• Significant budget pressures and high levels of staff vacancies in key areas throughout the Department are challenging the management of our health and safety obligations, both for the public and our own staff, however the Department is still giving priority to posts and functions that could compromise safety. • Our primary focus is on discharging our statutory duties, particularly those related to health and safety, and these are prioritised over other areas as appropriate.

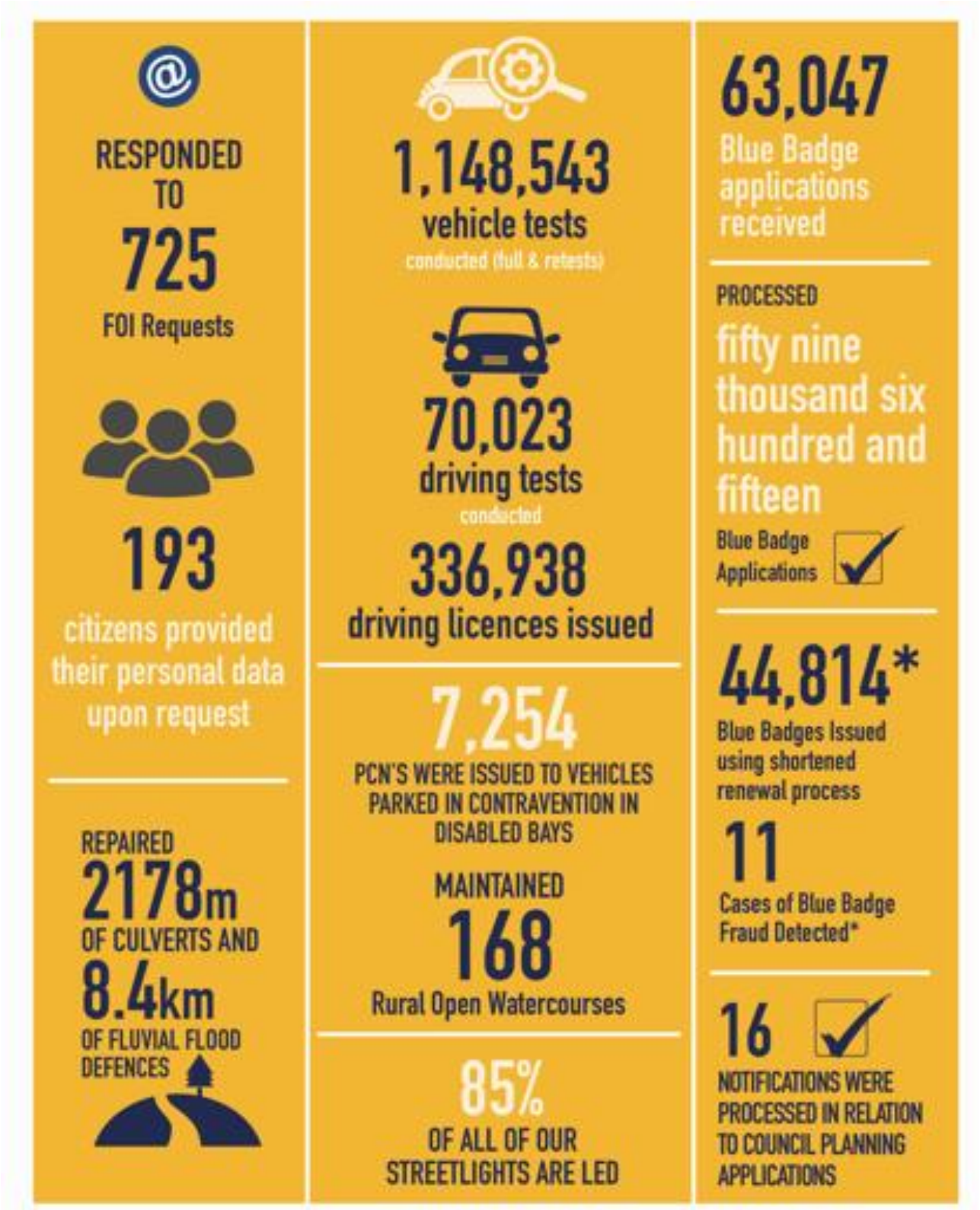
Financial	• The budget for 2025-26 was agreed by the Executive on 3 April 2025.
	• The shortfall in the resource allocation meant some difficult decisions had to be taken, including:
	  ○ maintaining a limited level of service for essential road maintenance and flood risk management; and
	  ○ reductions/efficiencies to be delivered by Translink and NI Water against forecast requirements.

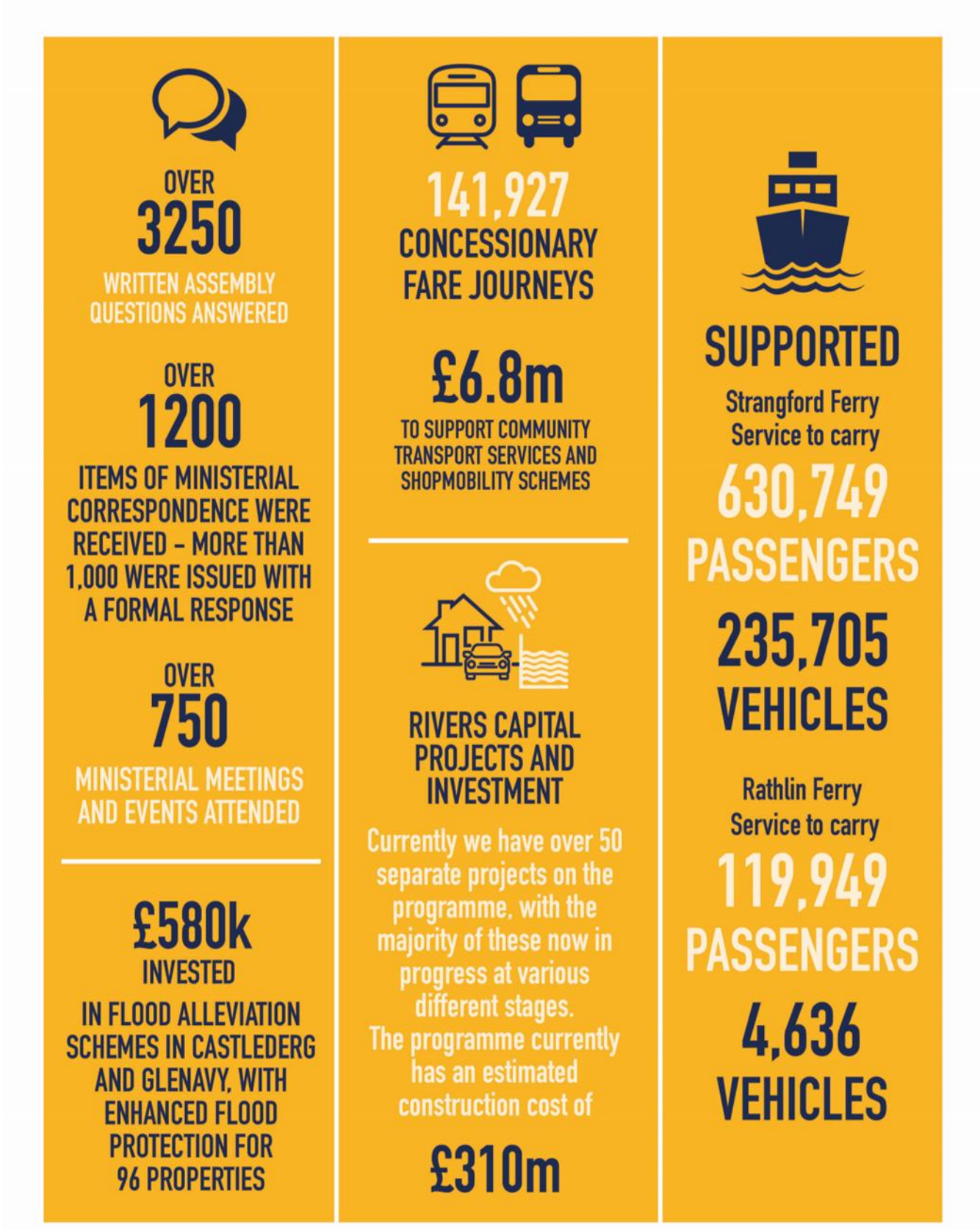
Safeguarding our Infrastructure	• Inadequate funding leads to underinvestment in maintaining our asset base. • There are constraints on new housing and economic development due to wastewater infrastructure being at, or near, full operating capacity. • Funding for our road network is insufficient to maintain the current state of repair.

CHALLENGE	ASSOCIATED ISSUES
	• Our public transport network also requires substantial investment to maintain existing services. • 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	• 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. • 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. • The Department is working closely with colleagues across the NICS and has links with the National Cyber Security Centre (NCSC) to understand the changing threat landscape and to continually improve the cyber posture of the network.
Climate Change	• Significant work is required across the Department and its Arm's Length Bodies to meet the requirements set out in the Climate Change (NI) Act 2022. Work has commenced on both the transport and infrastructure sectoral plans. • The building of staff capability to respond to the requirements of the Climate Change Act is ongoing. Furthermore, some additional work is needed to fully allocate climate-related roles and responsibilities among DfI business areas. • There is an increasing risk of climate damage to critical infrastructure. The Department's commitments in relation to adaptation are set out in NICCAP3.
Reservoirs	• 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.
A5WTC Judgement	• Risk of a further claim to the Supreme Court by the Appellant. Mitigation is continuing to follow legal advice.
Road Safety	• Since 2021, there have been an increased volume of deaths on Northern Ireland roads (slight decrease in 2024 calendar

CHALLENGE	ASSOCIATED ISSUES
	year ending with 69), as compared with 71 in 2023, 55 in 2022 and 50 in 2021.

PERFORMANCE ANALYSIS





Source: Figures from DfI Management Information (May 2026)

Budget Position 2025-26

The Executive agreed the 2025-26 Budget on 3 April 2025, which provided the Department with an opening resource budget allocation of £637.1m, and an opening capital allocation of £917m.

Resource

The Department's opening resource budget allocation was £26.2m more than its 2024-25 final budget. However it was still some 12% less than the requirements the Department had identified to deliver everything that it had wanted to do, and therefore prioritisation was required.

The increase in budget allowed the Department to meet its highest priority measures, with an increase in budget for essential services such as essential road maintenance and flood risk management. It allowed for an additional £1m to be provided to Community Transport providers and a £1.5m increase to the Road Safety budget. Translink received nearly 24% of the Departments opening resource allocation and NI Water received 23%.

The Department was also successful in securing additional funding in-year towards the impact on increased employers' national insurance contributions, pay pressures and the additional costs for implementing Windsor Framework/NI Protocol requirements.

The Department managed within its resource budget allocation, reporting minimal underspend at provisional outturn (0.03%).

Capital

The opening Capital Budget of £917m for the Department was the largest capital budget for any NICS Department and was an increase of £96.9m compared to the Department's opening 2024-25 budget, representing an increase of almost 12%.

The impact of the A5 ruling on some of the Department's capital schemes resulted in ring-fenced capital budget being returned to the Department of Finance, in line with public expenditure guidance. The Department was successful in securing additional capital funding in year which allowed for additional capital budget towards improving the road network, including a Winter Recovery fund to mitigate the impact of winter on the road network; and additional budget towards the public transport network and releasing wastewater constraints,

The final Capital budget provided to NI Water of £368.9m 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 17,000km in length;

- maintaining 27,000km of Watermains; and
- investment in green energy saving projects.

During 2025-26, the Department provided Translink with a capital investment of £243m. This investment delivered a wide range of projects including finishing works at Belfast Grand Central Station. This investment also enabled the Enterprise Fleet Replacement project, a joint project with Iarnród Éireann and supported by funding from the PeacePlus Programme, to be progressed with deposits for the trains being paid in year.

In addition, funding provided assisted in the purchase of low and zero emission buses and facilitated the continuation of ongoing overhaul and refurbishment programmes for the bus and rail fleets.

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. Further investment has also been made in feasibility studies resulting from recommendations made in the All-Island Strategic Rail Review (AISRR) and in park and ride schemes including sites at Moira Train station and Ballymena Bus/Rail station.

Whilst the appeal of the A5 Western Transport Corridor (A5WTC) legal judgment and the resulting ongoing litigation has had an impact on the pace of progress across elements of the major roads programme, the capital funding allowed for the continued development of the A5 Western Transport Corridor; Newry Southern Relief Road; A29 Cookstown Bypass; Derry Central Riverfront, Strabane Footbridge and the A24 Ballynahinch Bypass. Procurement competitions for the A1 Junctions phase 2, A4 Enniskillen Southern Bypass and Lagan Pedestrian and Cycle Bridge were continued.

The Department was also able to replace 1,511 street lighting columns and associated underground cabling during 2025-26.

Expenditure of £136.9m (comprising £97.1m capital and £39.8m resource) on structural maintenance delivered around 330 lane km of road resurfacing and 4.2 million square metres of surface dressing.

The Department managed within its capital budget allocation, reporting minimal underspend at provisional outturn (0.29%).

Forward Look Financial Position

A budget for 2026-27 has not yet been agreed by the Executive.

The proposed Draft Budget outcome for the Department falls significantly short of the requirements identified by the Department. Should the position remain, very difficult and challenging decisions will be required with prioritisation of services and key infrastructure.

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, does 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 continue to help shape future programmes and business planning within the Department for the remainder of this Assembly mandate.

Departmental Business Plan 2025-26

The Department developed a Business Plan for the year 2025-26 outlining key actions which the Department then undertook during the year. The business plan was developed during a period of significant financial constraint for the Department, compounded by an exceptionally severe winter.

The plan focused on the essential service delivery of critical services and infrastructure and 30 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-2025-26 | Department for Infrastructure

Monitoring of the business plan was undertaken, including both Quarterly and End Year Monitoring Reports. Of the 30 headline actions detailed in the 2024-25 Business Plan, 13 were fully delivered within the reporting year, 13 were either partially delivered or were delivered late and 4 were not delivered.

The full end-year performance report is available on the Department's website at: Department for Infrastructure End Year Report on Business Plan Actions 2025-26 | Department for Infrastructure

Some of the highlights include:

Action	Status as of 31st March 2026
Prioritise the recommendations and interventions in the All-Island Strategic Rail Review.	A Project Prioritisation Strategy was published on 15 December 2025. This shortlists major projects from the Rail Review for progression by the medium to long-term.
Conclude the feasibility studies into: • Reopening of Antrim-Lisburn (with a link to Belfast International Airport); • Armagh-Portadown; • Electrification of Belfast to the Border and Portadown-Derry.	A summary report of the main findings of the 3 Feasibility Reports was published on 17th December 2025.
Commence procurement of the Portadown flood alleviation scheme.	Procurement of the Portadown Flood Alleviation Scheme which will reduce flood risk to 300 properties commenced in September 2025 with the publishing of the UK3 Pre procurement notice. Participation stage documents published in December 2025. Assessment of Participation Stage documents is currently ongoing.
Publish the final LWW in Derry Plan following public consultation	Living With Water in Derry Plan published on 11 February 2026.
Introduce the Water, Sustainable Drainage and Flood Management Bill to the Assembly, enabling the Department to issue future guidance on the design, maintenance, and adoption of Sustainable Drainage Systems.	Bill introduced on 23 June 2025 and Second Stage completed on 16 September 2025.
Continue to deliver (in collaboration with local government) Phase 2 of the Planning Improvement Programme.	The Department is continuing to work in collaboration with local government to deliver positive planning outcomes on the actions in the Planning Improvement Programme.
Publish new Regional Strategic Planning Policy on renewable and low carbon energy, following Executive Committee agreement.	The SPPS, Edition 2, incorporating revised regional strategic planning policy on renewable and low carbon energy, was published on 11 December 2025.
Develop a draft DfI Inclusion Strategy following engagement with key stakeholders.	First Draft of DfI Inclusion Strategy has been completed and reviewed by SCS members. A plan to progress the Strategy to the next stage is being developed.

Waterways Ireland

Waterways Ireland 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.

It 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 Plans must have the approval of both Sponsor Departments, Finance Ministers and the North South Ministerial Council. The most recent Waterways Ireland Corporate Plan is for the corporate period 2026-28.

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.

Essential Infrastructure Priorities

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 dualling scheme. Phase 1 of the Derry to Dungiven scheme, between Drumahoe and Dungiven, was opened to traffic on 6 April 2023 with contractual completion 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.

Further development of the A6 Derry to Dungiven Phase 2 dualling scheme is awaiting the finalisation of the remediation strategy for the Mobouy illegal waste site.

A5 Western Transport Corridor (A5WTC)

The A5WTC project, on completion, will provide 85km of new carriageway between New Buildings and the border just south of Aughnacloy. Its key objectives include helping to tackle regional imbalance, improving the economy, job prospects and prosperity, better connecting communities, but most importantly the A5WTC is about saving lives. Like the A6, it will greatly enhance the connectivity of the North West.

Following Executive agreement on 2 October 2024, Minister O'Dowd announced his decision to proceed with the section of the scheme between south of Strabane and Ballygawley, representing 55 km of the total 85 km (Authorised Section). A formal legal challenge to that decision was received by the Department on 13 November 2024.

On 23 June 2025, the High Court ruled against the Department in respect of the authorised section between south of Strabane and Ballygawley and the Department lodged an appeal in

August 2025. The Court of Appeal heard part of the case on 9 and 10 December 2025, before referring a specific issue under section 52 of the Climate Change Act (Northern Ireland) 2022 back to the High Court. Judgment on that issue was delivered on 11 March 2026. The latest Court of Appeal concluded on 26 June 2026. It issued its judgment on 6 October 2026 and has found in favour of the Department on all counts.

Work continues in relation to the remaining two sections of the scheme, between New Buildings to south of Strabane (Section 1) and Ballygawley to the border (Section 3 Phase 3), with close collaboration between both administrations on the adjoining Trans-European Transport Network (TEN-T) and N2 infrastructure projects continuing.

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. Minister Kimmins subsequently instructed officials to extend the restricted list for a year as a deliberate step to protect the viability of the scheme pending the outcome of the A5WTC appeal. On 12 March 2026, Minister Kimmins announced that development work would recommence on Ballynahinch Bypass with an aim to starting construction in 2028-29. On 20 June 2025, Minister Kimmins announced that the A32 Cornamuck scheme would also be progressed.

Belfast Grand Central Station & Weavers Cross Regeneration Project

Belfast Grand Central Station (formerly the Belfast Transport Hub) is an Executive Flagship Project replacing the Europa Bus Centre and Great Victoria Street Rail Station. It represents one of the most significant transport-led regeneration initiatives in Northern Ireland, designed to act as a catalyst for economic growth, investment and urban renewal locally and regionally. Operational since September 2024, the station is now the largest fully integrated transport facility on the island of Ireland, delivering enhanced economic, social and environmental benefits. It plays a central role in connecting people with employment, education, services and wider opportunities.

A major programme of public realm improvements is underway, with completion expected in late summer 2026. This includes the creation of Saltwater Square, a new civic space directly in front of the station designed to provide a high-quality public environment and support wider regeneration activity.

Key Features of Belfast Grand Central Station include:

- 26 bus stands and eight railway platforms, providing significantly increased capacity.
- Improved passenger comfort and accessibility, including modern facilities and inclusive design.
- Enhanced walking and cycling connections, supporting active travel and climate goals.

- Major uplift in passenger numbers since opening, particularly on cross border rail services.

Weavers Cross Regeneration

Following completion of the Station, the Weavers Cross programme will activate the wider regeneration vision for the area. This mixed-use development aims to:

- Regenerate over 8 acres of brownfield land surrounding the Station.
- Deliver 1.3+ million sq ft of commercial, residential and community space.
- "Regenerate through Reconnection" by restitching previously disconnected parts of the city and improving accessibility to jobs, housing and services.

Together, Belfast Grand Central Station and Weavers Cross represent a transformative investment shaping the future of Belfast as a modern, accessible and vibrant European city.

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

The project is currently at the procurement stage. Following the Court of Appeal judgment in the A5 case, the Department is considering the implications for this scheme. While timescales are being reviewed, the Department remains committed to delivering the project and progressing towards construction in 2027.

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. The Outline Business Case (OBC) was approved in December 2025 and consultants were recently appointed to progress the detailed design phase.

Other City and Growth Deal Projects

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.

The A4 Enniskillen and A29 Cookstown Bypasses are being advanced as part of the Mid South West (MSW) Growth Deal. The A4 Scheme commenced procurement in April 2024, with the Notice of Intention to Award issued in September 2026 ensuring that the substantial work already undertaken on the scheme was not lost while the Department awaited the outcome of the A5 appeal.

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.

The Causeway Coast and Glens Growth Deal is primarily led by the Causeway Coast and Glens Council; however, officials are providing advice and guidance on the transport projects included within the deal.

Sustainable Drainage

Work to develop policy proposals on the future use of nature-based Sustainable Drainage Systems (SuDS) in new housing developments commenced with a public consultation carried out between 22 September and 19 December 2025. This consultation sought views on the development and implementation of new policies and regulatory arrangements to ensure nature-based SuDS, such as grassed swales, raingardens and detention ponds are provided more widely in new housing developments in the future. The widespread implementation of nature-based SuDS in new developments will be key to tackling the challenges of climate change, managing flood risk, and limiting the impact of new developments on the existing drainage networks across the region. Following a review of the consultation responses, the next step will be to publish a report on the outcome of the public consultation.

In March 2025, the Department secured £15 million from the Public Sector Transformation Fund to develop and deliver a pilot project that will use nature-based solutions to help transform our urban drainage systems. The aim is to provide a range of nature-based sustainable drainage solutions to demonstrate their effectiveness in managing the flow of water through urban areas, helping to reduce flood risk and reduce pollution. Nature-based drainage solutions are cleaner, greener and can help slow the flow of water through a catchment, which in turn will help to reduce the risk of out of sewer flooding.

The overall target for the pilot project is to provide approximately 10,000 m^3 of temporary rainwater storage by retrofitting SuDS, and Natural Flood Management (NFM) interventions, to help reduce the pressure on our constrained drainage and wastewater infrastructure. Work has been progressing in this first year of the pilot project, to identify suitable locations and engage with stakeholders including Belfast City Council, Antrim and Newtownabbey Borough Council and the

Northern Ireland Housing Executive (NIHE). It is unlikely that there will be any SuDS projects on site until late 2026 but some initial NFM work has commenced in the Cregagh Glen with the construction of three leaky dams.

Following the public consultation on the draft Living With Water in Derry Plan that closed in April 2025, work continued to develop the final Living With Water in Derry Plan and Consultation Report that were published on 11 February 2026. The Plan promotes the use of nature-based drainage and flood management solutions through collaborative working. This includes using green spaces to store surface water and slow the flow of water into the sewerage network, so reducing the risk of flooding and untreated sewage spilling into our rivers and waterways

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 of footways, 5,900 bridges, 300,000 streetlights as well as approximately 255 km of maintained raised flood defences and flood walls, 26km of coastal defences, and 11 control structures. The Department also maintains an extensive below ground drainage network of over 370km of culverts. In addition, it is responsible for managing and maintaining 133 hydrometric stations and 7 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.

All-Island Strategic Rail Review

The All-Island Strategic Rail Review (AISRR) was published in 2024. It sets out vision for rail to 2050 and provides a high-level strategic vision to "deliver an accessible, efficient, safe and sustainable transport system that supports communities, households and businesses".

Assisted by the European Investment Bank (EIB), DfI has worked the Department of Transport in Ireland to publish a Rail Project Prioritisation Strategy for the island. The Strategy outlines how to best sequence and optimise the recommendations of the All-Island Rail Review. The Prioritisation Strategy was published in December 2025.

Financial Review

Variances 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	910,516	1,213,338	302,822
Voted Capital	504,120	644,495	140,375
Net Cash Requirement	1,477,331	1,651,012	173,681

Voted Resource

Outturn for the year was 24.9% (£302.8m) 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 and this can create unpredictable fluctuations in the depreciation charge year on year.

Also, NI Water subsidy required was 11.4% (£45m) lower than forecast.

Voted Capital

Outturn for the year was 21.8% (£140.4m) less than the Estimate for the year. This was primarily due to a small underspend on ring-fenced capital schemes, along with the impact of the ruling on the A5WTC (£114m) and loan notes to NI Water were 12.5% (£20m) lower than forecast.

Net Cash Requirement

The Net Cash Requirement shows a variance of 10.5% (£173.7m) against the Estimate for the year. This variance is mainly due to the above 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.

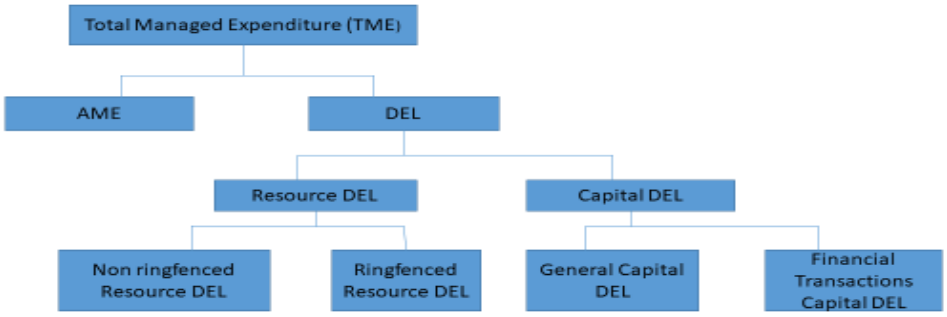
DEL budgets are classified into resource and capital.

- 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: 2025-26 - GOV.UK

Budget Structure*



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

Budgetary Performance

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

	Final Plan 2025-26 £000	Outturn 2025-26 £000	Underspend / (Overspend) £000
Resource DEL	**826,118**	**825,286**	**832**
including			
Non-ringfenced	661,200	661,014	186
Ringfenced depreciation / impairment	164,918	164,272	646
Capital DEL	**852,275**	**849,814**	**2,461**
including			
General capital	852,275	849,814	2,461
Total DEL	**1,678,393**	**1,675,100**	**3,293**
AME	**299,228**	**(76,545)**	**375,773**
including			
AME Resource	301,656	39,794	261,862
AME Capital	(2,428)	(116,339)	113,911
Total Managed Expenditure	**1,977,621**	**1,598,555**	**379,066**

Explanation of Variances

The underspend in DEL resource, £0.2m (0.028%), is minimal and is in the main due to an underspend on ring-fenced Transformation Planning and receipt of income which the Department could not retain.

DEL Resource Ring-fenced includes depreciation and asset impairments. The underspend of £0.6m (0.39%) in the main was as a result of year end accounting processes and valuation reports for the road network.

Capital Variances

The capital DEL underspend of £2.5m (0.29%) in the main relates to underspends against ring-fence schemes including City Deals and Peace Plus. 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 £375.8m, against a total AME budget of £299.2m.

The under spend is in the main due to a derecognition of a land provision following the A5WTC High Court judgement in June 2025, a lower than anticipated depreciation charge for the Department's road networks based on current valuation reports and an impairment for a bad debt provision did not materialise.

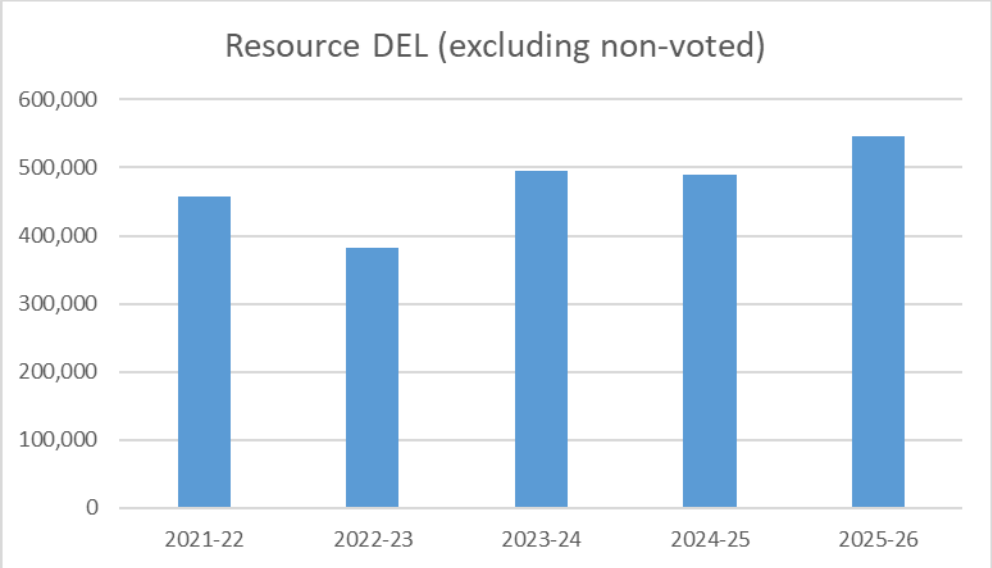
Long Term Expenditure Trends

The following tables and visual illustrations reflect the Departmental spend in the Statement of Assembly Supply (SOAS1.1, page 107 and SOAS 1.2, page 110) excluding non-budget.

	2025-26 £000	2024-25 £000	2023-24 £000	2022-23 £000	2021-22 £000
Total Resource DEL	**825,286**	**756,070**	**768,282**	**645,017**	**690,267**
Of which:					
Staff costs	113,127	102,517	102,989	93,993	91,288
Depreciation & impairment	36,801	32,951	34,619	31,352	31,882
Grants	188,637	175,239	183,356	103,397	185,048
Other	233,121	203,647	196,474	176,439	167,121
Income	(25,043)	(24,364)	(22,424)	(23,153)	(18,044)
Non-voted	278,643	266,080	273,268	262,989	232,972
Total Resource AME	**39,794**	**100,575**	**31,373**	**148,747**	**87,446**
Of which:					
Depreciation & impairment	2,591	59,760	23,430	132,502	4,576
Other	11,290	15,110	92	2,570	(4,880)
Non-voted	25,913	25,705	7,851	13,675	87,750
Total Resource Budget	**865,080**	**856,645**	**799,655**	**793,764**	**777,713**
Of which:					
Staff costs	113,127	102,517	102,989	93,993	91,288
Depreciation & impairment	39,392	92,711	58,049	163,854	36,458
Grants	188,637	175,239	183,356	103,397	185,048
Other	244,411	218,757	196,566	179,009	162,241
Income	(25,043)	(24,364)	(22,424)	(23,153)	(18,044)
Non-voted	304,556	291,785	281,119	276,664	320,722
Total Capital DEL	**849,814**	**842,119**	**825,062**	**796,423**	**752,734**
Of which:					
Capital grants (net of income)	217,428	217,159	244,474	253,240	232,874
Other	262,708	276,215	244,435	244,449	288,887
Non-voted	369,678	348,745	336,153	298,734	230,973
Other Capital AME	**(116,339)**	**95,810**	**14,456**	**(8,794)**	**(2,552)**
Total Capital Budget	**733,475**	**937,929**	**839,518**	**787,629**	**750,182**
Total Departmental Spending	**1,598,555**	**1,794,574**	**1,639,173**	**1,581,393**	**1,527,895**
Of which:					
Total DEL	**1,675,100**	**1,598,189**	**1,593,344**	**1,441,440**	**1,443,001**
Total AME	**(76,545)**	**196,385**	**45,829**	**139,953**	**84,894**

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

	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000
Resource DEL (excluding non-voted)	457,295	382,028	495,014	489,990	546,643

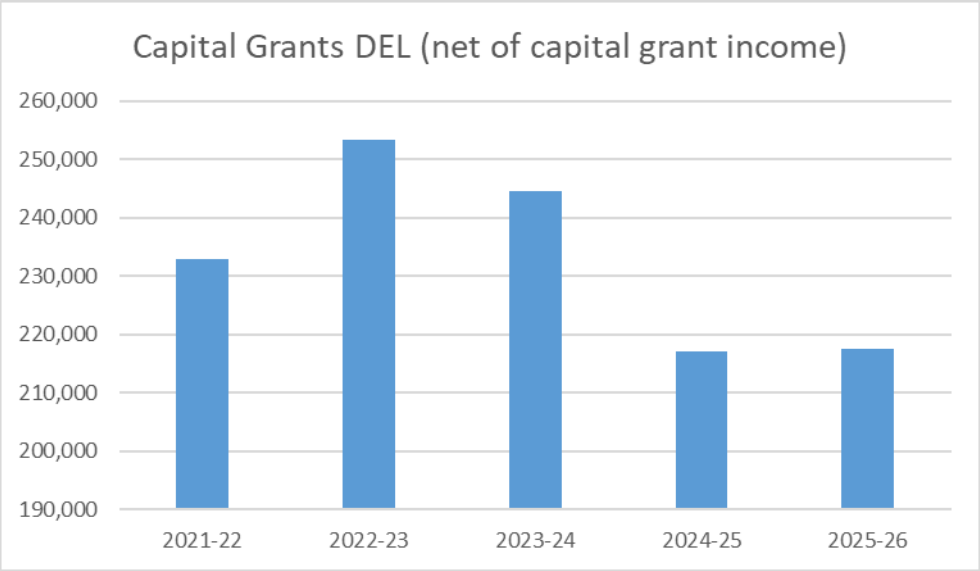


The overall increase is primarily attributable to higher staff costs of £10m, arising from the increase in employer National Insurance rates in 2025-26. In addition, there has been a £20m increase in road maintenance contract expenditure.

Subsidy payments have also contributed to the variance, with an £8m increase to the DVA based on assessed operational requirements and a £9m increase in funding provided to Translink in line with available budget allocations.

Departmental Capital DEL grants (net of capital grant income)

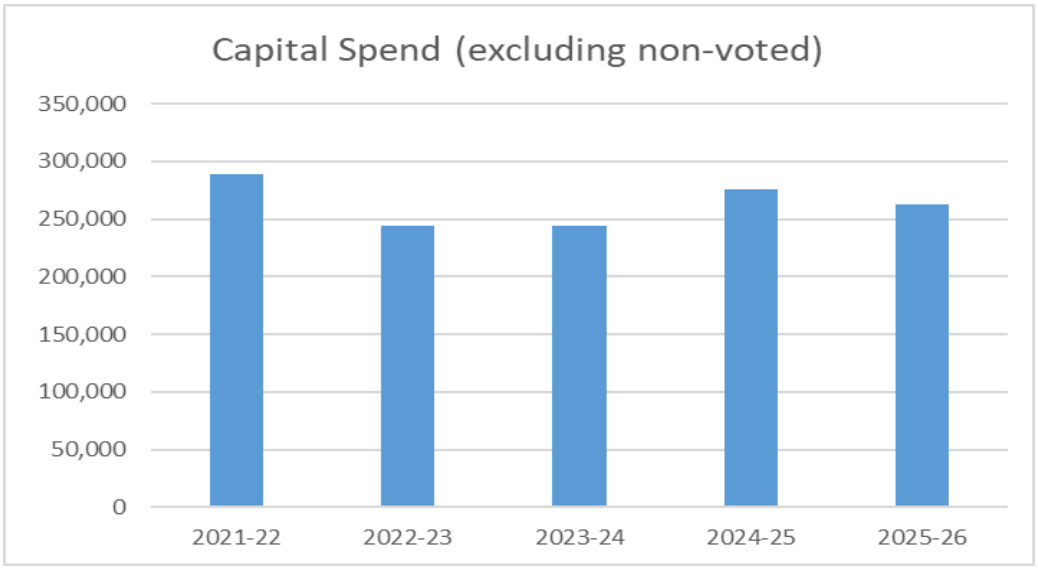
	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000
Departmental Capital DEL grants (net of capital grant income)	232,874	253,240	244,474	217,159	217,428



No significant variance.

Departmental capital spend (excluding non-voted)

	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000
Departmental Capital spend (excluding non-voted)	288,887	244,449	244,435	276,215	262,708



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

Sustainability Report

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

All information included in this section conforms to the normal public sector financial year of 1 April to 31 March. The organisational boundary used in this sustainability report is the core Department. The information disclosed in this report relates to the estate that the Department occupies.

In order to report the greenhouse gas emissions associated with activities, 'activity' data such as distance travelled has been converted into carbon emissions. The greenhouse gas conversion factors used in this report were published by the UK Government and can be found via the following link: Government conversion factors for company reporting of greenhouse gas emissions - GOV.UK

Governance Arrangements

The Department of Infrastructure is committed to addressing climate change. One of the key ambitions in the DfI Mandate Plan 2025–27 is to 'address climate change through the sustainable transformation of our infrastructure and services.' Oversight of climate related policy and operations is fully integrated within the department's governance and risk management structures, including a Climate Programme Board.

The DfI Departmental Board receive regular updates on Climate related activity. The DAERA-chaired cross-departmental Climate Strategic Oversight Group (SOG) provide senior-level governance, coordination and strategic direction for climate action across all Northern Ireland government departments. To compliment these reporting requirements and to ensure DfI are meeting statutory climate reporting requirements the establishment of a new Climate Programme Board has been agreed. The aim of the Climate Programme Board is to provide clear oversight, a coherent departmental view of climate activity, and a structured mechanism for prioritisation, risk management, and statutory assurance.

Reporting Requirements

The section below sets out the data required to be published in accordance with DAERA's Sustainability Reporting Guidance 2025-26, which is aligned with HMT sustainability reporting guidance and the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

Emissions

Emissions Scope 1 (fuel burned) and 2 (purchased electricity)

Scope 1 and 2 emissions data for fuel burned and purchased electricity have been omitted from this Annual Report and Accounts due to data availability and validation requirements and will be reported in next year's report.

Emissions Scope 1 (Department owned transport)

The emissions from Department owned transport is set out in table 1.

Table 1: Mileage and emissions by Department owned vehicle type in 2025-26 Vehicle size/ type

	Fuel type	Mileage 2025-26	Kg CO2e 2025-26
B52 Rigid (>17 Tonnes)	Diesel	96,457.28	146154.96
B55 / B56 Rigid (>7.5 - 17 T)	Diesel	8,628.37	8724.92
K2 / K6 Class III (1.74 to 3.5T)	Diesel	210,108.63	94267.34
K2E Class III (1.74 to 3.5T)	Electric	8,514.65	1042.70
L2 Rigid (<3.5 - 7.5T)	Diesel	387,015.52	312058.35
L3 Rigid (<3.5 - 7.5T)	Diesel	98,405.32	79346.18
L4 Rigid (7.5 - 17T)	Diesel	191,762.68	193908.50
L5 Rigid (>17 Tonnes)	Diesel	472,067.44	715290.75
L6 Rigid (>17 Tonnes)	Diesel	116,450.54	176449.35
U3 Rigid (7.5 - 17T)	Diesel	63,664.44	64376.85
J7 Rigid (<3.5 - 7.5T)	Diesel	479.08	386.29
F6 & F4 Rigid (7.5 - 17T)	Diesel	5,298.47	5357.76

Source of data: DfI Fleet Management

Emissions Scope 3 (Fuel burned due to business travel via staff owned transport)

The tables below set out the Departments Scope 3 emissions in relation to business travel. Please note this sustainability report does not include data on staff commuting to and from their normal place of work.

Table 2 sets out the Mileage and emissions data from vehicles not owned by DfI in 2025-26. Please note vehicle size and vehicle fuel type are unknown for the data in Table 2.

Table 3 sets out expenses claimed for public transport used for official business travel (excludes staff commuting to their regular place of work). Tables 4 – 6 set out data in relation to travel booked via the Travel Desk. Please note there is no known record of mileage associated with public transport claims, only costs as shown in Table 3 and Table 4.

Table 2 Mileage and emissions from vehicles not owned by department in 2025-26 (excluding DVA)

Year	Mileage	Kg CO2e
2025-26	3,145,631	844,916.4866

Source of data: Reporting Team - Finance Shared Services. Department of Finance

Emissions Scope 3 – Business travel using public transport that is claimed back[1]

Table 3: Expenses claimed for public transport used for official business travel (excludes staff commuting to their regular place of work and excludes DVA)

Year	Bus (Cost, £)	Rail (Cost, £)	Taxi (Cost, £)
2025-26	2,345.05	2,989.92	1,214.33

Source of data: Reporting Team - Finance Shared Services ([1] This data is sourced from a system that processes travel claims for Departmental staff. The system is administered by the Department of Finance).

Emissions Scope 3 - Business travel that is booked via Travel Desk[2]

Table 4: Air and rail travel booked by Travel Desk for DfI

Mode of transport	Category	Class	Year 2025-26	
			Distance (km)	Emissions (kg CO2e)
Domestic flight		Economy	94,840	23,435
		Premium economy	0	0
		Business	0	0
		First	0	0
International flight	Short haul	Economy	8,474	1,147
		Premium economy	0	0
		Business	0	0
		First	0	0
	Long haul	Economy	8,474	1,147
		Premium economy	0	0
		Business	0	0
		First	0	0
Rail travel		Domestic	3,855	143
		International	1,637	7

Source of data: Selective Travel ([2]The Department sourced the information in Tables 5 and 6 from the contractor who books travel, hotel rooms and hired cars on behalf of departmental staff when requested. The contractor uses the same conversion tables as the department used in this sustainability report).

Table 5: Hotel stay booked by Travel Desk or equivalent for DfI

Country	Emissions (kg CO2e)	No. of nights stayed
Belgium	110	9
France	74	11
Germany	66	5
Ireland	450	18
Netherlands	59	4
Portugal	57	3
United Kingdom	2,122	204
United States	48	3
TOTAL	2,986	257

Source of data: Selective Travel

Table 6: Car hire booked by Travel Desk or equivalent for DfI

Year	Mileage	Emissions (kg CO2e)
2025-26	2,364	432.45

Source of data: Selective Travel

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

Paper Printed

This section sets out the paper printed by DfI in the years 2023-24 to 2025-26.

Table 7: Paper printed by year

Year	Paper Printed (pages)
2025-26	4,131,227
2024-25	4,201,787
2023-24	4,716,130

Source of data: Digital, Security & Finance Shared Services – Department of Finance.

Responsible disposal of ICT Waste

In line with the NICS, Department for Infrastructure is committed to the responsible disposal of ICT waste. In the specification of the "Framework for disposal services for IT equipment, electronic and electrical equipment", suppliers must have BS EN ISO 14001; 2015 - Environmental Management System accreditation (or equivalent) before being appointed to the framework. The framework specification also requires the following from suppliers.

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

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

Source of data: IT Assist

Sustainable procurement

The Scoring Social Value policy approved by the Executive, mandated that from June 2022, tenders must include a minimum of 10 percent of the total award criteria to social value. Social Value is defined in the Public Procurement Policy Statement which was approved by the NI Executive on the 5th of June 2025 as "Social Value means economic, environmental and social benefits in support of the Programme for Government". The DoF Social Value Strategy document 2025-2027 states, "Social Value refers to wider financial and non-financial impacts on the wellbeing of individuals, communities and the environment. It incorporates ethical and sustainable

supply chains, community benefits and wealth building, job and skills creation and efforts to combat climate change".

The Procurement Policy Note (PPN) 01/21 – Scoring Social Value has been revised to Procurement Policy Note (PPN) 01/21 - Social Value in Procurement and came into effect on 24 February 2025 and strengthened and broadened the theme 'Delivering Net Zero' to 'Delivering Climate Action'.

DfI have scored social value on construction contracts over threshold and services contracts over £500,000 in line with PPN 01/21.

Single Use Plastics

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

Summary

The reporting detailed above covers the Departments statutory reporting requirements demonstrating compliance with HMT sustainability reporting guidance and the Task Force on Climate-related Financial Disclosures (TCFD) recommendations in line with what is required to be published in the annual accounts. Department for Infrastructure is committed to the delivery of Climate Action, one of the key ambitions in the DfI Mandate Plan for 2025-27 is to 'address climate change through the sustainable transformation of our infrastructure and services.' The Department is carrying out significant work on climate mitigation and adaptation across the Department. For example, during the year 2025-26 the Department commenced work on the development of the Transport and Infrastructure Sectoral plans in line with commitments set out in the Climate Change (NI) Act 2022. Further detail on the Departments climate related work is available by contacting climatechange@infrastructure-ni.gov.uk.



Emer Morelli
Accounting Officer

28 October 2026

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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 80, and an organisational chart of the Department's senior management team is included in the Performance Report, on page 15.

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 2025-26. Details of the governance structure and oversight arrangements in respect of Waterways Ireland are provided at Appendix A. The most recently available Waterways Ireland Annual Report and Accounts can be found at Waterways Ireland Annual Reports.

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 2025-26 (2024-25: 0).

Prompt Payment of Suppliers

In 2025-26, the Department, including its Agency (DVA), paid 96.8% of invoices for goods or services within 30 days or by contract terms (compared to 97.3% in 2024-25). 93.2% were paid within 10 days (compared to 93.2% in 2024-25). Further details are available on the Department of Finance website.

Health and Safety

The Department is committed to complying with all current Health and Safety at Work legislation to ensure that staff operate within a safe working environment and that Departmental activities do not present risks to others.

The Departmental Health and Safety Policy Statement is reviewed annually, and updated as necessary, to ensure it remains current and compliant with legislative requirements. Supporting policy statements for each of the three Grade 3 Commands are also maintained and updated to reflect this.

The Departmental Board is informed of significant Health and Safety matters by the Health and Safety Champion. There is a Departmental Board Health and Safety Committee, which comprises the three Deputy Secretaries and is supported by senior staff from across the Department who hold Health and Safety responsibilities. The primary role of the Departmental Board Health and Safety Committee is to ensure that:

- an appropriate Health and Safety Management System is in place; and
- the system is applied consistently across the Department.

DVA operates a separate Health and Safety Management System. Work to review and update the Department's generic Health and Safety Risk Assessments has been completed, ensuring that risk management arrangements remain robust and up to date.

Health and Safety policy continues to be developed through engagement with staff, Trade Unions, and external stakeholders, including the Health and Safety Executive for Northern Ireland, and the Mineral Products Association for Northern Ireland Safety sub-committee.

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 2025-26 80 formal complaints were received and processed under the Department's complaints procedure (compared to 84 in 2024-2025).

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.

NIPSO published a new Model Complaint Handling Procedure (MCHP) for all Government Departments and Arm's Length Bodies in July 2026, The MCHP contains three main parts: Part 1 sets out the two stage process for handling complaints which is to be adopted by all Government Departments and ALBs, Part 2 sets out what Government Departments and ALBs must include in guidance to their staff to ensure the new standards become embedded and meet statutory requirements, and Part 3 sets out key information which must be provided by Government Departments and ALBs to service users. Departments have 6 months to implement their own revised, mirrored complaint handling guidelines. The first year in which complaints data will be required to be formally published will cover the period from April 2027 to March 2028. Any changes introduced through the MCHP will be reflected within existing departmental complaint handling procedures as they are updated.

In addition to the Department's own complaints procedures, the Department received 48 complaints in 2025-26 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 dedicated Raising Concerns team operates within the Department, with Donal Moran appointed as Designated Officer. The Designated Officer has oversight responsibility for the effective handling of concerns, including record-keeping, assurance, and the provision of quarterly reports to the Departmental Audit and Risk Assurance Committee (DARAC).

A total of 22 raising concerns cases were reported to/detected by the Department under the Raising a Concern policy during 2025-26. Investigations are currently ongoing in eleven cases and the other cases were closed as no further action was required. In 2025-26 there was a slight decrease in the number of concerns raised, 22 cases this year, down from 23 in 2024-25.

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 2025-26 resulted in a notional audit fee of £155,000 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

On 6th October 2026 the Court of Appeal delivered its judgment in respect of the A5 Western Transport Corridor (A5WTC) and ruled in favour of the Department on all grounds. At the date of authorisation, the final Court order had not been issued and the Department was continuing to assess the implications of the judgment. The judgment has been treated as a non-adjusting post balance sheet event.

There are no other events after the reporting date that impact on these financial statements.

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 2025 No.50, as amended by Statutory Rule 2025 No.189, (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 and my predecessors have discharged those responsibilities during 2025-26, 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 had five sub-committees during the year: the Departmental Audit and Risk Assurance Committee; the Major Projects Committee; the Health and Safety committee, the People Sub-Committee; and the Foundations Programme Delivery Board. The Foundations Delivery Board met for the final time in September 2025.

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 2025-26 (Total of 6)
Denis McMahon	Accounting Officer and Chair of Departmental Board **Up to 18 December 2025*	5/5
Declan McGeown	Deputy Secretary Water and Departmental Delivery **Up to 18 December 2025* Interim Permanent Secretary **From 19 December 2025*	6/6
Colin Woods	Deputy Secretary Transport and Road Asset management	5/6
Judith Andrews	Acting Deputy Secretary Climate Planning and Public Transport **To 31 December 2025*	5/5
Susan Anderson	Finance Director ** To 30 November 2025* Acting Deputy Secretary Climate Planning and Public Transport **From 1 January 2026*	6/6
Donal Moran	Director of Governance, EU, Facilities and Ministerial Support	5/6
Jonathan McKee	Acting Deputy Secretary Water and Departmental Delivery **From 19 December 2025*	1/1
Kerry Mack	Acting Finance Director **From 1 December 2025 to 28 February 2026*	1/1

Name of Board Member	Position	Board Meetings in 2025-26 (Total of 6)
Frank Kirkland	Non-Executive Board Member	5/6
Moya Johnston	Non-Executive Board Member	6/6

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, requires the Board to undertake a formal annual evaluation of its performance, with independent external input at least every three years.

An independent external review of Board effectiveness was conducted by Innovation and Consultancy Services between December 2025 and March 2026. The review concluded that the Board operated effectively, in line with good governance principles, and demonstrated a sound basis for effective operation. The review also identified a number of opportunities to further enhance Board effectiveness, which the Board will now consider and take forward as appropriate.

In addition to formal effectiveness reviews, the Board is committed to continuous improvement. During the year, changes were made to the format of Board meetings, resulting in improved efficiency and focus. The Board has also sought to increase transparency and staff awareness of its work. To support this, it provides a brief summary of discussions to staff following each meeting and encourages attendance at meetings in an observer capacity.

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 (one member left the role on 31 January 2026) with the relevant skills and expertise, appointed from other Government Departments.

A recruitment exercise was undertaken during 2025-26 to replace an Independent Member of the DARAC, however, the process was unsucessful. DARAC membership is an issue across the NICS and improvements are expected to be implemented in the recuitment criteria during 2025-26 to encourage membership. The DARAC continues to adhere to NIAO ARAC Guidelines on membership.

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 DfI 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.

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.

The Corporate Risk Register and Issues Log underwent further improvements during 2025-26, The improvements were designed to enhance the overall functionality of the register and provide users with greater clarity.

In 2025-26, a total of 320 new cases of attempted, suspected or actual fraud relating to the Department and its ALBs were notified to the NIAO. Of these new cases, 36 related to the Department (including Driver Vehicle Agency (DVA)), 132 to NI Water (relating primarily to water connection fraud), 144 to Translink (relating primarily to MLink fraud) and 8 for Waterways Ireland.

The NIAO is expected to publish the Northern Ireland 2024-25 NFI Report by the end of June/July 2026.

The 2026-27 NFI exercise was commissioned in August 2026, with data uploading from 30 September 2026. The timetable provided by the Northern Ireland Audit Office does not specify a single mandatory completion date for all investigations. However, the National Fraud Initiative in NI 2026-27 Instructions state that organisations are not expected to investigate all matches but should use a risk-based approach to decide on how many, and which, matches to investigate and report outcomes through the NFI process. Participation in the NFI exercise will provide assurance that controls within the Department and its ALBs are effective in detecting fraud and duplicate payments.

Raising a concern statistics for 2025-26 can be found above under 'Raising a Concern'.

The role of the Major Projects Committee (MPC) 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 major 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 reviewed its operating model to consider how it could evolve to better support programme and project delivery, while continuing to provide assurance to the Permanent Secretary and the Minister. An options paper was considered and a number of actions were agreed and are being progressed. These include the establishment of a DfI-specific Senior Responsible Owner (SRO) Forum, the creation of a design group to consider the implementation of a portfolio management approach for the Department, and the introduction of a Key Portfolio of Projects to strengthen governance, oversight and detailed reporting on a smaller number of strategically significant major programmes and projects.

During the year the Major Projects Committee also focused on those projects which met the definition of a major project, as set out in the Committee's terms of reference. Updates were provided on each major project at three of the four Committee meetings held during the year.

The purpose of the Departmental Board Health and Safety Committee [DB HSC] is to ensure that there is strategic oversight of the Department for Infrastructure's approach to Health and Safety management and to provide assurance on the management of the associated corporate risk position. The membership of this Committee consists of the three Deputy Secretaries with the DfI 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 also attends the meetings.

The DB HSC ensures that the Departmental Health and Safety Policy Statement is prepared, signed by the Permanent Secretary, and revised annuallyy. In addition, the Committee checks 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 routinely considers if the Department's Health & Safety arrangements are appropriate and that these are updated on a regular basis. It actively encourages managers in all Groups to ensure that their staff are adequately 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 strategic oversight of the Department's people resources supports effective workforce planning and helps ensure the Department has the right people (Capacity) with the

right skills and talent (Capability) in place to deliver on Departmental objectives. The Committee also maintains oversight of learning, development and engagement activity as key contributors to a positive and sustainable organisational Culture, recognising its importance to staff engagement, retention and performance. This includes leadership development, induction and learning opportunities, together with consideration of feedback from the NICS People Survey to help inform priorities and support continuous improvement. To achieve this, a DfI People Strategy has been developed and published which sets out the Department's key people priorities and working principles.

During the year the Committee focused on the development and monitoring of a workforce plan to support alignment between DfI and NICSHR on priority recruitment competitions. The workforce plan has prioritised competitions for Professional & Technical (P&T) Specialist grades, where there are significant gaps in current supply. This has resulted in the progression of approximately 21 P&T recruitment campaigns during the 2025-26 financial year, recruiting 272 staff. In parallel with external recruitment, the Department has embraced opportunities to grow our own talent internally by creating opportunities and delivering a substantial training and development programme which allows career progression to meet the department's future needs.

The Committee maintained oversight of learning and development as a key enabler of Capability and Culture. In 2025-26, learning and development opportunities including Leadership Development and Programme and Project Management programmes have been delivered to 749 DfI participants.

The Foundation Programme Delivery Board was established to focus on opportunities to achieve significant region-wide outcomes through strategic interventions. The main focus of the Foundation Programme Delivery Board was 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 Foundation Programme Delivery Board was Chaired by the Permanent Secretary and provided a support and challenge function to each stream of work to ensure that a strategic approach was taken to decisions around delivery.

The Foundations Delivery Board met for the final time on 23 September 2025 when it was agreed that these priorities would continue to be discussed under the auspices of the Departmental Board and its relevant Sub-Committees.

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 2025-26 (Total of 5)	Name of Committee Member	Attendance in 2025-26 (Total of 5)
Moya Johnston (Chair)	5/5	Jason Foy (DAERA)	5/5
Frank Kirkland	4/5	Lisa Rocks (DoJ) *To 31 January 2026	4/4

Major Projects Committee			
Name of Committee Member	Attendance in 2025-26 (Total of 4)	Name of Committee Member	Attendance in 2025-26 (Total of 4)
Frank Kirkland (Chair)	4/4	Declan McGeown *To 18 December 2025*	2/3
Moya Johnston	3/4	Colin Woods	4/4
Susan Anderson	4/4	Judith Andrews *To 31 December 2025*	2/3
Jonathan McKee * From 19 December 2025*	1/1	Kerry Mack * From 1 December 2025*	1/1

Health and Safety Committee			
Name of Committee Member	Attendance in 2025-26 (Total of 2)	Name of Committee Member	Attendance in 2025-26 (Total of 2)
Colin Woods (Chair)	2/2	David Porter	2/2
Declan McGeown *To 19 December 2025	1/1	Gary Quinn	1/2
Judith Andrews *To 31 December 2025	1/1	Stephen Tweed	2/2
Susan Anderson *From 1 January 2026	1/1	Donal Moran	1/2

People Sub Committee			
Name of Committee Member	Attendance in 2025-26 (Total of 4)	Name of Committee Member	Attendance in 2025-26 (Total of 4)
Moya Johnston (Chair)	4/4	Colin Woods	3/4
Denis McMahon	3/4	Susan Anderson	3/4
Declan McGeown	3/4	Patricia McIntyre *To October 2025	3/3
Judith Andrews *To 31 December 2025	3/3	Frank Kirkland	1/4
Kiera Lloyd * From October 2025	0/1	Jonathan McKee * From 19 December 2025	1/1
Kerry Mack * From 1 December 2025	1/1		

Departmental Delivery Board			
Name of Committee Member	Attendance in 2025-26 (Total of 2)	Name of Committee Member	Attendance in 2025-26 (Total of 2)
Denis McMahon (Chair)	2/2	Susan Anderson	2/2
Declan McGeown	2/2	Patricia McIntyre	2/2
Judith Andrews	1/2	Frank Kirkland	1/2
Colin Woods	1/2		

Ministerial Directions

As part of my Governance Statement, I am required to provide details of any Ministerial Directions. During the financial year there was one Ministerial Direction in relation to an additional payment to A5 landowners for the A5 Western Transport Corridor (A5WTC) project which is a regionally significant Executive flagship project.

Minister Kimmins issued a Ministerial Direction in August 2025 to proceed with providing a forward-looking licence fee payment to A5WTC landowners, to secure works already carried out and potentially avoid the significant costs associated with "undo" and "redo" works on land previously vested for the scheme. At the time of the Direction, the A5WTC had recently been the subject of a legal challenge, the outcome of which was under appeal. Officials considered a range of options to avoid the substantial expenditure that would be required to reverse works already undertaken, with the cost of "undo" works estimated at £12 million and a further £12 million required to reinstate those works when the project proceeds. The Minister's preferred option was therefore to offer licence fee payments to landowners to retain the benefit of works already completed and potentially avoid these costs. The total cost of the licence fee payments was estimated to be approximately £1.3 million.

The key requirements of Managing Public Money NI (MPMNI) around Value for Money could not be demonstrated for the Minister’s preferred option, at the time of the Direction, as this was dependent on the outcome of the appeal.

Climate Change

Board oversight of climate-related issues

The Department for Infrastructure is committed to addressing climate change as a core strategic priority. A central ambition in the DfI Mandate Plan 2025 – 2027 is to 'address climate change through the sustainable transformation of our infrastructure and services.' Oversight of climate related policy and operational delivery is fully integrated within the department's governance and risk management frameworks, complemented where necessary by dedicated governance arrangements and targeted risk processes. The DfI departmental Board receives regular updates on Climate related activity, ensuring robust oversight and accountability.

Management's role in assessing and managing climate related risks

The DAERA-chaired cross-departmental Climate Strategic Oversight Group (SOG) provides senior-level governance, coordination and strategic direction for climate action across all Northern Ireland government departments, DfI is represented on this group. To compliment these reporting requirements and to ensure DfI are meeting statutory climate reporting requirements the departmental Board has agreed the establishment of a new Climate Board. The aim of the Climate Board is to provide clear management oversight, a coherent departmental view of climate activity, and a structured mechanism for prioritisation, risk management, and statutory assurance.

Following agreement by the Departmental Board, a Climate Programme Board has been established within the Department. A Climate Co-ordination Unit has also been established to support the Climate Board and to better co-ordinate climate activity across the Department.

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.

Rural Needs Duties

The Rural Needs Act (NI) 2016 places a duty on departments, local councils and other public authorities to have due regard to the social and economic needs of people in rural areas in the development, implementation, revision and adoption of policies, strategies and plans and in the design and delivery of public services. The Act also requires public authorities to compile information on how they have exercised the due regard duty to report to the Department for Agriculture, Environment and Rural Affairs (DAERA) on an annual basis who in turn prepare an annual report to lay before the Assembly.

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 2025-26 (2024-25: £0) financial year without DoF approval.

DfI Action Plan in Response to Renewable Heat Incentive Recommendations

In 2022, the Department agreed 40 DfI-specific actions in response to the recommendations arising from the Independent Public Inquiry into the Non-Domestic Renewable Heat Incentive (RHI) Scheme. Since then, the Departmental Board has regularly reviewed progress against these actions. In February 2026, it noted that the Action Plan had been completed. Further work is now required to ensure full compliance with the Northern Ireland Audit Office's second report on the implementation of the RHI Public Inquiry recommendations, published in October 2024.

NI Water Governance Issues

During the reporting period, a number of issues which were identified in NI Water, some of which are the subject to ongoing investigation and some of which have resulted in the need for action plans.

The issues identified included concerns raised in respect of conflicts of interest, contract management and 84 breaches of DAO 08/16 regarding the use of confidentiality clauses primarily in the termination of employment settlement agreements without the appropriate approvals. The confidentiality agreement issue spanned a 10 year period and related to costs of approximately £1.4m. The Department has also requested a review of a potential 21 additional cases in relation to non-disclosure agreements with no monetary value attached, in addition to the 84 cases noted above.

In addition, the departmental Accounting Officer has raised concerns regarding the presentation of NI Water's Annual Assurance Statement, highlighting concerns in respect of the conflation of compliance and with risk. As a result, the departmental Accounting Officer is unable to accept NI Water's 2025/26 assurance statement.

Having considered the scale and volume of the issues identified in NI Water, the time it has taken NI Water to conduct the required investigations and weaknesses in the assurance process, the Minister

and the departmental Accounting Officer have concluded that further work is necessary to provide appropriate assurance that Northern Ireland Water's systems and processes are robust, effective and fit for purpose.

The Department has therefore instructed Internal Audit to carry out a further governance audit as quickly, but as thoroughly as possible to address these concerns and ensure a clear line of sight on underlying governance issues.

Budget Position and Authority

The Budget Act (Northern Ireland) 2026, which received Royal Assent on 20 March 2026, together with the Northern Ireland Spring Supplementary Estimates 2025-26 which were agreed by the Assembly on 23 February 2026, provide the statutory authority for the Executive's final 2025-26 expenditure plans. The Budget Act (Northern Ireland) 2026 also provides a Vote on Account to authorise expenditure by departments and other bodies into the early months of the 2026-27 financial year.

As Royal Assent was not received for a Budget (No. 2) Act by 31 July 2026, the department is operating using the cash and resources authorised by the Permanent Secretary of the Department of Finance under Section 59 of the Northern Ireland Act 1998 and Section 7 of the Government Resources and Accounts Act (Northern Ireland) 2001, for the service of the financial year 2026-27.

Risks and Challenges

The Department's Risk Policy and Framework for Risk Management was updated in July 2025 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 2025-26 the Department also continued to engage with The Executive Office as part of the process to manage and maintain the Northern Ireland Civil Contingencies Risk Register.

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

Risk Area	Brief description
Health and Safety	• Risk that DfI does not: (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	• Risk that our workforce does not have the capacity /capability to deliver services, including a full procurement programme, to meet current and future Ministerial priorities set out in the Departmental Business Plan.
Cyber	• Risk our workforce is not able to access IT network or applications due to cyber-attack.
Technology and data Security	• Risk of loss of personal data by DfI. • Risks relating to the switch off of the Public Switched Telephone Network (PSTN).
Financial - Budget	• Risk that we fail to manage the 2025-26 capital and resource budgets effectively, leading to an overspend; or underspend. • 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	• The risk of sub optimal strategic planning in some areas leading to an inability to adequately maintain and develop strategic assets. • 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,

Risk Area	Brief description
	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.
Delay to Major Project Delivery	• The delivery of DFIs Major Projects portfolio was delayed in the aftermath of the A5WTC High Court judgement leading to delay in realising the benefits of the projects within the portfolio, public and elected representative dissatisfaction, a diminution of public safety, the need to revisit supporting evidence and analysis and increased cost of delivery.
Operational – Reservoirs	• 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.
Operational – Emergency Response	• 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	• 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. • 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. • Legal and reputational risk associated with failure to robustly monitor existing climate actions, identify gaps and mitigate climate risk.
Road Users	• Evidence based actions to tackle road deaths are not implemented, resulting in road death targets to 2030 not being met.

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 2025-26 included the following:

Health & Safety	• 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.
Impact of legal judgment on ability to deliver	• A5WTC Delivery Strategy impacted by legal judgement.

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 2025-26. 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 2025-26 Budget, which provided each Department with a resource and capital budget allocation. The Department's 2025-26 opening resource budget allocation was £637.1m. Although this was £26.2m more than the 2024-25 allocation it was still a shortfall of £90.4m (12%) when set against the Department's forecast requirements.

The Department's opening 2025-26 Capital Budget of £917m was the largest capital budget for any NICS Department and was an increase of £96.9m compared to the Department's opening 2024-25 budget, however there was still a significant shortfall against requirements.

Given the shortfalls in funding the Department was not able to deliver all it wanted to do and therefore prioritisation was required, including decisions in relation to which capital schemes could progress, resulting in the delay on progress for some capital schemes.

The Department was successful in securing additional resource funding in-year towards the impact on increased employers' national insurance contributions, pay pressures and the additional costs for implementing Windsor Framework/NI Protocol requirements.

The Department was also successful in securing additional capital funding in year which allowed for additional capital budget towards improving the road network, including a Winter Recovery fund to mitigate the impact of winter on the road network; and additional budget towards the public transport network and releasing wastewater constraints.

The Department managed both its resource and capital positions within the respective budget allocations, reporting minimal underspends at provisional outturn.

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. During 2025-26 the Department actively progressed the matter through contractual dispute resolution processes and following an adjudication decision is content that the amount disclosed in the accounts is fully recoverable.

Translink

Translink continues to experience financial pressures as a result of operating losses and a reduction in reserves over recent years. This has increased Translink's reliance on ongoing financial support and assurance from the Department regarding its future funding position.
The Department continues to engage with Translink on its financial position and the implications of the Budget for 2026-27 and beyond not yet agreed.

Climate Change Legislation

The Climate Change Act (NI) 2022 Act commits Northern Ireland to: achieving net zero green house gas 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. DfI has specific responsibility for developing the sector plans for infrastructure and transport. 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. The draft Climate Action Plan (2023-27), which

includes the policies required to reduce emissions in the transport sector, closed for consultation in October 2025.

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. The Department provided input into the revised NICCAP(3) which was published in March 26.

HR / Staff

The Department has continued to face workforce challenges during 2025–26, arising from sustained budgetary pressures, with funding allocations over several years remaining insufficient to fully meet departmental needs, alongside NICS wide recruitment and retention challenges. These pressures have been particularly evident in securing and retaining specialist staff and in managing persistent vacancy levels, skills shortages, and associated workforce sustainability risks.

To support delivery of workforce priorities, the Department has established a People Sub Committee to provide oversight and assurance that workforce strategies are implemented effectively and remain aligned with departmental objectives. In response to continuing gaps within Professional and Technical (P&T) specialist grades, the DfI Workforce Plan has maintained a focus on prioritising these competitions. Recruitment activity is beginning to be more closely aligned to departmental workforce planning, marking an early shift away from a predominantly vacancy led approach towards a more strategic model.

The Department has progressed a range of targeted interventions aimed at strengthening recruitment and retention outcomes. These include the continuation of a bespoke Skills Academy to support recruitment into the Civil Engineering career pathway, participation in NICS wide skills and apprenticeship pipelines, and the introduction of Trainee Planning Assistant roles to develop early career talent, build organisational capability, and support succession planning within the planning profession. In addition, the Department has piloted several Talentdog competitions as part of a new recruitment avenue being explored across the NICS.

Recruitment levels during the year have slightly exceeded attrition, representing a positive position when compared to previous years; however, retention continues to present an ongoing challenge, particularly within specialist and technical professions. Pay differentials with the private sector remain a significant factor affecting the Department's ability to attract and retain specialist skills. It is anticipated that the outcome of the NICS Pay Review will assist in mitigating some of these pressures, although risks are expected to remain in the short to medium term.

Aligned with the NICS Strategy launched in April 2025, the Department continues to implement the DfI People Strategy, launched in November 2024. The strategy is intended to embed a culture of inclusive leadership, support employee health and wellbeing, and strengthen workforce capability and

development. Complementary investment in internal development and progression pathways, including leadership and professional development programmes, is intended to support longer term workforce sustainability and reduce future dependency on external recruitment.

Health and Safety

The Department is very aware that it manages significant health and safety obligations, both for the public and its own staff. It does so taking into account the significant budget pressures and high levels of vacancies in key areas throughout the Department.

The Departmental Board was focussed on health and safety during the year, seeing it as matter of paramount importance. The Departmental Board Health and Safety Committee and the DfI Health and Safety Management System ensures that there is both leadership and awareness of health and safety issues. The Committee oversees performance monitoring of health and safety related work and seeks to further promote and embed the Department Health and Safety Management System into practice so that we can demonstrate that this matter is being appropriately managed. Work carried out during the year provides assurance that the associated risk rating in the Corporate Risk Register is appropriate.

Road Safety

Behavioural change is needed to improve safe travel through road user risk reduction to reduce the number of people killed and seriously injured (KSIs) on roads here. Reduced KSIs will also address perceived barriers that roads are unsafe for active travel choices. The Action Plan which accompanies the Road Safety Strategy for Northern Ireland to 2030 outlines specific steps and initiatives, to be progressed until the end of March 2027, which will contribute towards the aim of reducing the number of people killed or seriously injured on our road.

Cyber Security

With the ongoing conflicts in Ukraine and the Middle East, and the increasing use of AI to instigate cyberattacks, DfI is working closely with colleagues in DoF to coordinate cyber responses and link in with the National Cyber Security Centre (NCSC). The current threats facing the DfI have not significantly increased but remain high, with the advice from NCSC being to be continually vigilant and ensure procedures, policies and plans are in place to prevent, protect and respond to cyber incidents. To do this the Department continues to improve awareness of cyber threats through a programme of staff training, has a robust patching and monitor regime in conjunction with DoF, and robust disaster recovery and business continuity plans.

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 Committee for Infrastructure has for some time (since November 2024) been considering the secondary legislation that will commence the majority of the Reservoirs Act (NI) 2015. Despite multiple evidence sessions, the Committee has not yet approved the SL1s. The Department during 2025-26 is

actively pursuing further implementation of The Reservoirs Act (Northern Ireland) 2015 through secondary legislation to enhance reservoir safety measures.

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 Chandra. The storm and other similar severe weather events highlight the critical role the Department plays in an emergency response and the importance of developing infrastructure to assist adaptation to our changing climate.

Procurement Enhancement Programme

The Department continues to advance its procurement strategy for roads construction and related transport/civils works.

Phase 1 covers contracts valued at up to £5 million, with the first Framework (Surfacing Framework A) awarded in April 2025, and further awards scheduled during 2026. These framework contracts are supported by the introduction of a new Contract Management Module.

Phase 2 focuses on projects valued over £5 million. The strategy for delivering major roads and civil engineering projects through the Major Civil Engineering Works Framework has been finalised and published. The Department is preparing to issue the tender for this framework in Autumn 2026, with the award expected in early 2027.

A5 Western Transport Corridor

The A5 Western Transport Corridor (A5WTC) dual carriageway is a flagship project of the NI Executive which will, on completion, provide 85km of high standard carriageway from New Buildings to Aughnacloy. Its key objectives include helping to tackle regional imbalance, improving the economy, job prospects and prosperity, better connecting communities, but most importantly the A5WTC is about saving lives.

In October 2024, with agreement from the NI Executive, the Minister made a formal decision to proceed with the length between south of Strabane and Ballygawley, referred to at the time as the ‘authorised section’. In November 2024, this decision was legally challenged by the Alternative A5 Alliance (AA5A), a group who have been opposed to the project from its inception in 2007. The resultant Court hearing took place in March and April 2025. On 23 June 2025 the High Court ruled that the Orders, including the Vesting Orders, would be quashed. On 5 August 2025 the Department lodged an appeal against this High Court ruling and the Department for Agriculture, Environment and Rural Affairs was granted permission to formally intervene in the appeal. The Court of Appeal heard part of the case on 9 and 10 December 2025 but subsequently referred a specific issue under section 52 of the

Climate Change Act (Northern Ireland) 2022 back to the High Court for further consideration. Judgment on that issue was delivered on 11 March 2026. The latest Court of Appeal concluded on 26 June 2026. Although the Court of Appeal issued its judgment on 6 October 2026 and found in favour of the Department on all grounds, there remains a risk that the AA5A may seek permission to appeal the decision to the Supreme Court. Any further legal challenge could result in delays to project progression and uncertainty regarding programme delivery.

A Ministerial Direction was issued in August 2025 to proceed to provide a payment by way of a forward-looking licence fee to A5WTC 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 in relation to the licence agreement could be in the region of £1.3 million.

Work continues in relation to addressing the Public Inquiry recommendations on the remaining two sections of the scheme. These will be subject to separate statutory processes in due course.

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;
- The lack of staff resources and loss of expertise has led to the a risk that the department will not be able to provide adequate flood risk management measures or adequately respond to significant flooding events;
- NI Water's ability to fully deliver its statutory duties;
- Translink's operating losses and lack of approved Corporate Plan for 2025-26, which was not achieved due to unsustainable financial projections;
- The road safety risk was escalated during the reporting period due to the number of fatalities on our roads;
- Insufficient capacity and capability to discharge statutory and other responsibilities on a sustainable basis impacting on the ability to deliver road safety related interventions.

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 2025-26, Internal Audit issued three 'limited' opinion reports in respect of audits into Concessionary Fares, Structures and the Rathlin Island Ferry Contract. A follow-up audit was subsequently conducted in relation to the Rathlin Island Ferry Contract. It found that all recommendations had been implemented and were operating effectively. As a result, the audit opinion for this assignment has been raised to 'satisfactory'. A follow-up audit was also completed in Transport Regulation Unit, resulting in the opinion being raised to 'satisfactory'.

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 2025-26, 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 2025-26 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 and its Agency, the Driver and Vehicle Agency.

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 reported nine satisfactory audit opinions in 2025–26 on DoF's Shared Services, including five previously limited opinions upgraded after follow-up audits. No new limited opinions were issued. One limited opinion from a prior year remains, with a follow-up planned for 2027.

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 2025-26 and cumulative assurances derived from the previous three years 2022-25.

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 judgment was delivered on 3 July 2026. The High Court formally declared that the Department's failure to conduct diesel emissions testing for certain vehicles breached its statutory obligations. However, the Court declined to issue a mandatory order, recognising

the Department's ongoing programme of corrective measures, including new testing arrangements, infrastructure development and legislative changes. The Court noted the progress made towards compliance while emphasising the need for continued and timely implementation.

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) is being progressed.

In April 2025, after a period of intensive negotiation the Agency reached mutual agreement to terminate its contract for the supply and installation of new vehicle testing equipment and associated hardware and software. Consequently, a new procurement competition was advertised and a contract for the 'Vehicle Testing Solution' was awarded on 11 March 2026. Work with the new contractor is progressing to enable the Agency to bring the newly constructed test centres at Hydebank and Mallusk into operation and to replace equipment at the existing test centres.

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 2025-26 Budget in the Assembly, on 19th May 2025, in which the Finance Minister outlined the overarching approach to public sector pay, the NI public sector pay policy guidance was published on 27 May 2025 in FD (DoF) 04/25.

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

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

Service Contracts

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

Unless otherwise stated, the officials covered by this report hold appointments that are open-ended. Early termination, other than for misconduct, would result in consideration of the individual receiving compensation as set out in the Civil Service Compensation Scheme[1].

[1] Civil Service Commissioners for Northern Ireland (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)	
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
Minister Liz Kimmins MLA (from 3 Feb 25)	38,000	6,107	Nil	Nil	6	1	44	7
Minister John O'Dowd MLA (from 3 Feb 24, until 2 Feb 25)	N/A	31,893	N/A	Nil	N/A	5	N/A	37

** 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	
	2025-26	2024-25**	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
Denis McMahon Permanent Secretary (until 18 Dec 25)	115-120 *(full year equivalent 160-165)*	145-150	Nil	Nil	166	51	280-285 *(full year equivalent 325-330)*	200-205
Declan McGeown Acting Permanent Secretary (from 19 Dec 25) Deputy Secretary- Water & Departmental Delivery (until 18 Dec 25)	125-130	110-115	Nil	Nil	158	83	285-290	190-195
Jonathan McKee Acting Deputy Secretary- Water & Departmental Delivery (from 19 Dec 25)	30-35 *(full year equivalent 110-115)*	N/A	Nil	N/A	66	N/A	95-100 *(full year equivalent 175-180)*	N/A
Colin Woods Deputy Secretary – Transport & Road Asset Management	115-120	105-110	Nil	Nil	89	74	205-210	180-185
Julie Thompson Deputy Secretary – Climate, Planning & Public Transport (until 30 Aug 24)	N/A	50-55 *(full year equivalent 110-115)*	N/A	Nil	N/A	-3	N/A	45-50 *(full year equivalent 110-115)*
Judith Andrews Acting Deputy Secretary – Climate, Planning & Public Transport (from 2 Sept 24, until 31 Dec 25)	80-85 *(full year equivalent 110-115)*	55-60 *(full year equivalent 100-105)*	Nil	Nil	289	-11	370-375 *(full year equivalent 400-405)*	45-50 *(full year equivalent 90-95)*

Officials	Salary £'000		Benefits in kind (nearest £100)		Pension Benefits * (nearest £1000)		Total £'000	
	2025-26	2024-25**	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
Susan Anderson Acting Deputy Secretary – Climate, Planning & Public Transport (from 1 Jan 25) Departmental Director of Finance (until 30 Nov 25)	100-105	85-90	Nil	Nil	88	61	190-195	145-150
Brighdin McAleenan Acting Departmental Director of Finance (from 1 Mar 26)	5-10 *(full year equivalent* 85-90)	N/A	Nil	N/A	7	N/A	10-15 *(full year equivalent* 95-100)	N/A
Kerry Mack Acting Departmental Director of Finance (from 1 Dec 25, until 28 Feb 26)	20-25 *(full year equivalent* 85-90)	N/A	Nil	N/A	25	N/A	45-50 *(full year equivalent* 110-115)	N/A
Donal Moran Director of Governance, EU, Facilities & Ministerial Support	95-100	85-90	Nil	Nil	81	69	175-180	155-160
Moya Johnston Non-Executive Director	10-15	10-15	Nil	Nil	N/A	N/A	10-15	10-15
Frank Kirkland Non-Executive Director	10-15	*5-10*	Nil	Nil	N/A	N/A	10-15	*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.*

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 Liz Kimmins 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 2025-26 £145,000 - £150,000 (2024-25 £140,000 - £145,000). The relationship between the mid-point of this band and the remuneration of the organisation's workforce is disclosed below.

2025-26	25th percentile	Median	75th percentile
Total remuneration (£)	**30,458**	**37,694**	**48,976**
Pay ratio	4.8:1	3.9:1	3:1

2024-25	25th percentile	Median	75th percentile
Total remuneration (£)	**28,469**	**35,573**	**45,325**
Pay ratio	5.3:1	4.2:1	3.3:1

The 25th percentile, median and 75th percentile remuneration figures are based on annualised salaries for the last month of the financial year, adjusted for any non-consolidated payments made to staff during the year.

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, individual payment amounts are not known.

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

In 2025-26, 0 (2024-25, 0) employees received remuneration in excess of the highest-paid director.

Remuneration ranged from £25,000 to £147,500 (2024-25, £23,000 to £144,000).

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:	2025-26 v 2024-25	2024-25 v 2023-24
Average employee salary and allowances	11.38%	4.68%
Highest paid director's salary and allowances	3.51%	7.3%

No performance pay or bonuses were payable in these years.

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

Ministers	Accrued pension at pension age as at 31/3/26 and related lump sum £'000	Real increase in pension and related lump sum at pension age £'000	CETV at 31/3/26 £'000	CETV at 31/3/25 £'000	Real increase in CETV £'000
Minister Liz Kimmins	1,126	752	11	3	4

Ministerial pensions

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

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

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

As Ministers are MLAs, they also accrue an MLA's pension under the AMPS (details of which are not included in this report). Pension benefits for Ministers under transitional protection arrangements accrued on a "contribution factor" basis, taking account of service as a Minister, up to 5 May 2021, when all members of the scheme moved to CARE. The contribution factor was the relationship

between salary as a Minister and salary as an MLA for each year of service as a Minister. These pension benefits are based on the accrual rate (1/50th or 1/40th) multiplied by the cumulative contribution factors and the relevant final salary as an MLA. Up to 5 May 2021 those Ministers under the transitional protection arrangements paid contributions of either 9% or 12.5% of their Ministerial salary, depending on the accrual rate.

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

The Cash Equivalent Transfer Value (CETV)

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

The real increase in the value of the CETV

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

Pension Entitlements - Officials (this information is subject to audit)

Officials	Accrued pension at pension age as at 31/3/26 (or leaving date) and related lump sum £'000	Real increase in pension and related lump sum at pension age £'000	CETV at 31/3/26 or leaving date £'000	CETV at 31/3/25 £'000	Real increase in CETV £'000	Employer contribution to partnership pension account (nearest £100)
Denis McMahon Permanent Secretary *(until 18 Dec 25)*	45 - 50	7.5 - 10	926	745	162	Nil
Declan McGeown Acting Permanent Secretary (from 19 Dec 25) Deputy Secretary- Water & Departmental Delivery (until 18 Dec 25)	50 – 55 plus a lump sum of 115 - 120	7.5 – 10 plus a lump sum of 12.5 - 15	1,069	874	142	Nil
Jonathan McKee Acting Deputy Secretary- Water & Departmental Delivery (from 19 Dec 25)	45 – 50 plus a lump sum of 110 - 115	2.5 – 5 plus a lump sum of 5 – 7.5	957	871	60	Nil
Colin Woods Deputy Secretary – Transport & Road Asset Management	45 – 50	2.5 – 5	743	639	62	Nil
Judith Andrews Acting Deputy Secretary – Climate, Planning & Public Transport (from 2 Sept 24, until 31 Dec 25)	45 – 50 plus a lump sum of 125 - 130	12.5 – 15 plus a lump sum of 25 – 27.5	1,127	851	281	Nil
Susan Anderson Acting Deputy Secretary – Climate, Planning & Public Transport (from 1 Jan 25) Departmental Director of Finance (until 30 Nov 25)	40 – 45	2.5 – 5	688	583	67	Nil

Officials	Accrued pension at pension age as at 31/3/26 (or leaving date) and related lump sum £'000	Real increase in pension and related lump sum at pension age £'000	CETV at 31/3/26 or leaving date £'000	CETV at 31/3/25 £'000	Real increase in CETV £'000	Employer contribution to partnership pension account (nearest £100)
Brighdin McAleenan Acting Departmental Director of Finance (from 1 Mar 26)	25 – 30 plus a lump sum of 55 - 60	0 – 2.5 plus a lump sum of 0 – 2.5	504	494	6	Nil
Kerry Mack Acting Departmental Director of Finance (from 1 Dec 25, until 28 Feb 26)	20 – 25 plus a lump sum of 45 - 50	0 – 2.5 plus a lump sum of 0 – 2.5	437	412	20	Nil
Donal Moran Director of Governance, EU, Facilities & Ministerial Support	40 – 45 plus a lump sum of 95 - 100	2.5 – 5 plus a lump sum of 5 – 7.5	936	812	74	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 have been able to be issued by the original regulatory timeline of 31 March 2025. The Scheme Manager has invoked the discretion allowed by the remedy legislation and has extended the timeline for issuing Immediate Choice RSS packs to 31 March 2027. The Pensions Regulator has been notified of this extension. Our priority remains to provide members with all the accurate information they need to make a choice. It can be noted that other Public Service Pension Schemes are also in a similar position. Further information on the remedy will be included in the NICS pension scheme accounts which, once published, are available at DoF Annual Reports and Accounts.

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

Alpha

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

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

Information on the PCSPS(NI) – Closed Scheme

Staff in post prior to 30 July 2007 were eligible to be in one of three statutory based 'final salary' legacy defined benefit arrangements (Classic, Premium and Classic Plus). From April 2011, pensions payable

under these arrangements have been reviewed annually in line with changes in the cost of living. New entrants who joined on or after 1 October 2002 and before 30 July 2007 will have chosen between membership of Premium or joining the Partnership Pension Account.

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

Benefits in Classic 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).

Annual Benefit Statements

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

Pension Increases

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

Employee Contribution Rates

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

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

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

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

Cash Equivalent Transfer Values

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

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

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

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

Real increase in CETV

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

Compensation for loss of office

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

STAFF REPORT (this information is subject to audit)

Staff Costs

				2025-26 £000	2024-25 £000
	Permanently employed staff*	Others	Minister	Total	Total
Wages and salaries	84,893	3,794	38	88,725	82,139
Social security costs	10,998	-	5	11,003	8,569
Other pension costs	28,536	-	7	28,543	27,085
Other staff costs	407	-	-	407	398
Sub Total	**124,834**	**3,794**	**50**	**128,678**	**118,191**
Less recoveries in respect of outward secondments	-	-	-	-	-
Total net costs**	**124,834**	**3,794**	**50**	**128,678**	**118,191**

Analysed as:		
Administration costs -	89,153	81,884
Programme costs -	23,924	21,219
Minister's Salary***	50	49
	113,127	**103,152**
Capitalised	15,551	15,039
	128,678	**118,191**

Of which:

	2025-26	2023-24
Department	124,311	114,136
Waterways Ireland	4,367	4,055
Total	**128,678**	**118,191**

* Permanently employed staff includes the cost of the Department's Special Adviser who was paid in the pay band Up to £65,918 (2024-25 £55,000 - £69,999).

** Of the total, £15,551k has been charged to capital. (2024-25 £15,039k)

*** Minister's salary hard charged in 2025-26 & 2024-25.

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 2025-26, employers' contributions of £27,738,914 were payable to the NICS pension arrangements at a flat rate of 34.25% of pensionable pay, for all salaries (2024-25 £25,192,107 at a flat rate of 34.25%).

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £54,132 (2024-25 £50,796) were paid to one or more of the panel of two appointed stakeholder pension providers. Employer contributions are age-related and range from 8% to 14.75% (2024-25, 8% to 14.75%) of pensionable pay.

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

Employer contributions of £1,681, 0.5% (2024-25, £1,573, 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.

11 persons (2024-25: 12 persons) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £63,138 (2024-25: £50,201).

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.

					2025-26 Number	2024-25 Number
Objective	Permanent staff	Others	Minister	Special Adviser	Total	Total
Department Staff	1,911	119	1	1	**2,032**	**1,942**
Staff engaged on capital projects	256	-	-	-	**256**	**287**
Total	**2,167**	**119**	**1**	**1**	**2,288**	**2,229**

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

Of which:

	2025-26	2024-25
Department	2,229	2,173
Waterways Ireland *	59	56
Total	**2,288**	**2,229**

* This represents 15% of Waterways Ireland Staff

Staff Composition

The actual staff numbers as at 31 March 2026 can be broken down as follows:

	2025-26			2024-25		
	Male	Female	Total	Male	Female	Total
Minister	-	1	1	-	1	1
Senior Civil Service	12	7	19	11	9	20
Other Employees	1,622	600	2,222	1,585	589	2,174
Total	**1,634**	**608**	**2,242**	1,596	599	2,195

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 2025-26 is 6.9%, and the general turnover percentage (the people who have left the Dept / Agency and have not gone elsewhere in the NICS) is 5.8%. This has been calculated by NICSHR based on the Cabinet Office Guidance on calculations for Turnover in the Civil Service.

Seconded Staff

There was one new staff member seconded from the Department and no staff seconded from Waterways Ireland during the 2025-26 year.

Reporting of compensation and exit packages for all staff

The following section is subject to audit

	2025-26			2024-25		
Exit package cost band	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	-	2	2
£10,000 - £25,000	-	2	2	-	-	-
£25,000 - £50,000	-	8	8	-	3	3
£50,000 - £100,000	-	1	1	-	1	1
£100,000 -£150,000	-	-	-	-	-	-
Total number of exit packages	**-**	**13**	**13**	**-**	**6**	**6**
Total resource £'000	**-**	**400**	**400**	**-**	**197**	**197**

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 2025-26 and 2024-25. £452k exit costs were paid in 2025-26, the year of departure (2024-25 £322k). 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 2025-26 year.

External Consultancy costs (includes Waterways Ireland)

£34,895 was spent on external consultancy during 2025-26 year (2024-25: £25,619 - Waterways Ireland amount restated).

	2025-26	Restated 2024-25
Department	34,895	25,619
Waterways Ireland	-	-
Total	**34,895**	**25,619**

Senior Civil Service pay band

Actual staff numbers of Senior Civil Service by pay band for the Department as at 31st March 2026 are as follows (DfI only):

Pay band – assessed each pay period		Actual staff numbers as at 31 March 2026
From	To	
£88,268	£97,070	23
£113,060	£123,946	3
£146,469	£163,267	1
£197,659	£220,804	0

Remuneration Policy

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

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

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

Employee Engagement

The NICS People Survey was conducted by NISRA in Spring 2025 across the nine NICS ministerial Departments as well as the Public Prosecution Service and the Health & Safety Executive for NI. All staff working in these organisations were invited to take part in the survey from 29th April to 23rd May 2025. For DfI there were 3,107 (2023: 2,990) staff invited to complete the survey, of which 1,324 (2023: 1,088) participated, a response rate of 42.6% (2023: 35.4%). 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 55% (2023: 51%), compared to the NICS average of 56% (2023: 54%). The full survey can be accessed at https://www.finance-ni.gov.uk/publications/nics-people-survey-results. The next NICS People Survey is due to take place in 2027.

Sickness Absence Data

The Department had an overall sickness absence rate of 15.3 days lost per employee in 2024-25. Annual sickness absence figures can be found in the "Sickness Absence in the Northern Ireland Civil Service 2024-25" report at https://www.nisra.gov.uk/publications/sickness-absence-northern-ireland-civil-service-202425.

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

Employment, training and advancement of disabled persons

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

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

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

In order to encourage job applications from Disabled people, positive action advertising and targeted advertising alongside a programme of outreach are used. The NICS operates a Guaranteed Interview Scheme (GIS) which ensures a guaranteed number of Disabled applicants who meet the minimum essential eligibility criteria for the role they have applied for, are offered an interview. Further

information can be found on the "Information for Disabled applicants" section of the NICS recruit website.

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

Learning & Development

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

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

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

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

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

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

In addition to the centrally provided learning and development opportunities, DfI has introduced a number of targeted interventions to address departmental capability gaps – these are in response to feedback from the People Survey and to mitigate what has been identified as a coprorate risk. These

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

interventions have focused on leadership development, professional development, health and wellbeing, and mentoring. These interventions are wide ranging and include:

- The Evolve Leadership Programme for grades AA to G3 (and equivalent)
- Resilience training for grades AA to G7 (and equivalent)
- Programme and Project Academy, delivering PRINCE2 and MSP training, alongside Internal Peer Review training
- Disability equality training
- Mentoring circles for grades AA to G7 (and equivalent)

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			123
Number of BARs applications submitted to the department over the year (by grade)	2	-	2
Number of BARs applications approved by the department over the year (by grade)	1	-	1
Number of BARs applications where conditions were set (by grade)	1	-	1
Number of applications that were found to be unsuitable for the applicant to take up by the department over the year (by grade)	-	-	-
Number of breaches of the Rules in the preceding year	-	-	-

Employee Consultation and Trade Union Relationships

The Department of Finance (DoF) is responsible for the NICS Trade Union Arrangements Policy. People & Organisational Development within DoF consults and/or negotiates with the NICS recognised trade unions on matters such as pay, promotion, and annual leave which are relevant across the NICS. Each department has their own departmental trade union structures (Whitley), to consider matters unique to individual departments and their agencies across business areas. In DfI, we have a Departmental Whitley Council which is supplemented by four business area Committees for: DVA; Transport & Road Asset Management; Water & Drainage; and Planning. Local issues relevant only to a particular office or area of work is handled by local managers, and branch trade union representatives, through agreed Local Whitley procedures.

Equality, Diversity and Inclusion

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

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

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

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

The NICS continues to meet its statutory obligations under the Fair Employment & Treatment (NI) Order 1998, which includes submission of an annual Fair Employment Monitoring Return and a tri-annual Article 55 Review to the Equality Commission for NI (ECNI), both of which assess the composition of the NICS workforce and the composition of applicants and appointees. Although not a statutory

requirement, the NICS also conducts a similar formal review of the gender profile of its workforce. The findings from both tri-annual reviews are published in the NICS Workforce Review. The next review was submitted to the Equality Commission for Northern Ireland in 2025 and will be published in 2026.

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

As a public authority, the NICS has due regard to the need to promote equality of opportunity and regard to the desirability of promoting good relations across a range of categories outlined in the Section 75 of the Northern Ireland Act 1998 in carrying out its functions.

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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 (FReM) 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 34, 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 2025-26

										2025-26 £000	2024-25 £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	546,643	278,643	825,286	549,288	276,830	826,118	2,645	832	756,070	
Capital	SOAS1.2	480,459	369,355	849,814	486,923	365,352	852,275	6,464	2,461	842,119	
Total		**1,027,102**	**647,998**	**1,675,100**	**1,036,211**	**642,182**	**1,678,393**	**9,109**	**3,293**	**1,598,189**	
Annual Managed Expenditure											
Resource	SOAS1.1	13,881	25,913	39,794	268,960	32,696	301,656	255,079	261,862	100,575	
Capital	SOAS1.2	(116,339)	-	(116,339)	(2,428)	-	(2,428)	113,911	113,911	95,810	
Total		**(102,458)**	**25,913**	**(76,545)**	**266,532**	**32,696**	**299,228**	**368,990**	**375,773**	**196,385**	
Total Budget											
Resource	SOAS1.1	560,524	304,556	865,080	818,248	309,526	1,127,774	257,724	262,694	856,645	
Capital	SOAS1.2	364,120	369,355	733,475	484,495	365,352	849,847	120,375	116,372	937,929	
Total		**924,644**	**673,911**	**1,598,555**	**1,302,743**	**674,878**	**1,977,621**	**378,099**	**379,066**	**1,794,574**	
Non-Budget											
Resource	SOAS1.1	349,992	-	349,992	395,090	-	395,090	45,098	45,098	322,313	
Capital	SOAS1.2	140,000	-	140,000	160,000	-	160,000	20,000	20,000	150,000	
Total		**489,992**	**-**	**489,992**	**555,090**	**-**	**555,090**	**65,098**	**65,098**	**472,313**	
Total Budget and Non-Budget		**1,414,636**	**673,911**	**2,088,547**	**1,857,833**	**674,878**	**2,532,711**	**443,197**	**444,164**	**2,266,887**	

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

Net cash requirement 2025-26

					2025-26 £000	2024-25 £000
Item	Note	Outturn	Estimate	Outturn vs Estimate, saving / (excess)	Prior Year Outturn	
Net cash requirement	SOAS3	**1,477,331**	**1,651,012**	**173,681**	**1,467,016**	

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

Administration costs 2025-26

				2025-26 £000	2024-25 £000
Type of spend	Note	Outturn	Estimate	Outturn vs Estimate, saving / (excess)	Prior Year Outturn
Administration costs	SOAS1.1	**106,043**	**99,010**	**(7,033)**	**96,248**

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 107 to 119 and on pages 138 to 192 form part of the financial statements.

Notes to the Statement of Outturn against Assembly Supply 2025-26

SOAS 1 Outturn detail, by Estimate line

SOAS 1.1 Analysis of resource outturn by Estimate line

												2025-26 £000	2024-25 £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		**84,714**	**1**	**84,715**	**264,996**	**(18,748)**	**246,248**	**330,963**	**343,958**	**(11,297)**	**332,661**	**1,698**	**289,469**
Of which:	Roads	80,500	-	80,500	234,165	(16,786)	217,379	297,879	310,881	(11,297)	299,584	1,705	263,069
	Rivers	-	1	1	24,874	(310)	24,564	24,565	24,315	-	24,315	(250)	20,585
	Ferry Services	-	-	-	1,333	(1,652)	(319)	(319)	(114)	-	(114)	205	(30)
	Inland Waterways	-	-	-	62	-	62	62	59	-	59	(3)	60
	Central Policy and Other Services	4,214	-	4,214	4,562	-	4,562	8,776	8,817	-	8,817	41	5,785
2. Waterways Ireland (ALB – Net)		**1,969**	**-**	**1,969**	**3,613**	**-**	**3,613**	**5,582**	**6,334**	**-**	**6,334**	**752**	**5,062**
Of which:	Waterways Ireland	1,969	-	1,969	3,613	-	3,613	5,582	6,334	-	6,334	752	5,062
3. Bus, Rail and Ports		**8,683**	**-**	**8,683**	**177,533**	**(264)**	**177,269**	**185,952**	**174,846**	**11,106**	**185,952**	**-**	**181,954**
Of which:	Ferry Services, Air and Sea Ports	-	-	-	1,418	-	1,418	1,418	1,300	-	1,300	(118)	4,258
	Railway Services	-	-	-	77,476	-	77,476	77,476	71,957	5,519	77,476	-	78,948
	Road Passenger Services	8,683	-	8,683	98,639	(264)	98,375	107,058	101,589	5,587	107,176	118	98,748
	EU Interreg	-	-	-	-	-	-	-	-		-	-	-
	Support for Taxi and Coach Industries	-	-	-	-	-	-	-	-		-	-	-

												2025-26 £000	2024-25 £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		**4,112**	**(1,456)**	**2,656**	**14,388**	**(3,563)**	**10,825**	**13,481**	**13,290**	**191**	**13,481**	**-**	**2,179**
Of which:	Road Safety Services	4,112	(1,456)	2,656	5,678	(666)	5,012	7,668	6,844	-	6,844	(824)	4,433
	Driver and Vehicle Agency	-	-	-	8,710	(2,897)	5,813	5,813	6,446	191	6,637	824	(2,254)
5. Planning and Legacy Sites		**1,866**	**-**	**1,866**	**6,167**	**(407)**	**5,760**	**7,626**	**7,723**	**-**	**7,723**	**97**	**8,243**
Of which:	Planning and Policy	1,866	-	1,866	5,021	(128)	4,893	6,759	6,843	-	6,843	84	6,623
	Reinvestment and Reform	-	-	-	1,146	(279)	867	867	880	-	880	13	1,620
6. Water and Sewerage		**2,920**	**-**	**2,920**	**119**	**-**	**119**	**3,039**	**3,137**	**-**	**3,137**	**98**	**3,083**
Of which:	Water and Sewerage	2,920	-	2,920	119	-	119	3,039	3,137	-	3,137	98	3,083
Total Voted DEL		**104,264**	**(1,455)**	**102,809**	**466,816**	**(22,982)**	**443,834**	**546,643**	**549,288**		**549,288**	**2,645**	**489,990**
Non-Voted Expenditure													
7.	Consolidated Fund Extra Receipts (CFERs)	-	(12)	(12)	-	(125)	(125)	(137)	(70)	-	(70)	67	(77)
8.	National Fund Loan	-	-	-	55	(55)	-	-	-	-	-	-	-
9.	Northern Ireland Water Limited	-	-	-	430,189	(151,409)	278,780	278,780	276,900	-	276,900	(1,880)	266,157
Total Non-Voted DEL		**-**	**(12)**	**(12)**	**430,244**	**(151,589)**	**278,655**	**278,643**	**276,830**	**-**	**276,830**	**(1,813)**	**266,080**
Total Spending in DEL		**104,264**	**(1,467)**	**102,797**	**897,060**	**(174,571)**	**722,489**	**825,286**	**826,118**		**826,118**	**832**	**756,070**
Spending in Annually Managed Expenditure (AME)													
Voted Expenditure													
10.	Depreciation & Impairment Costs	2,373	-	2,373	218	-	218	2,591	219,116	-	219,116	216,525	59,760

												2025-26 £000	2024-25 £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	873	-	873	9,845	-	9,845	10,718	49,272	-	49,272	38,554	14,474
12.	Waterways Ireland (ALB – Net)	-	-	-	572	-	572	572	572	-	572	-	636
Total Voted AME		**3,246**	**-**	**3,246**	**10,635**	**-**	**10,635**	**13,881**	**268,960**	**-**	**268,960**	**255,079**	**74,870**
Non-Voted Expenditure													
13.	Northern Ireland Water Limited	-	-	-	25,913	-	25,913	25,913	32,696	-	32,696	6,783	25,705
Total Non-Voted AME		**-**	**-**	**-**	**25,913**	**-**	**25,913**	**25,913**	**32,696**	**-**	**32,696**	**6,783**	**25,705**
Total Spending in AME		**3,246**	**-**	**3,246**	**36,548**	**-**	**36,548**	**39,794**	**301,656**	**-**	**301,656**	**261,862**	**100,575**
Non-Budget Spending													
Voted Expenditure													
14.	Northern Ireland Water Limited	-	-	-	462,136	(112,144)	349,992	349,992	395,090	-	395,090	45,098	322,313
	Prior Period Adjustment	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Budget Spending		**-**	**-**	**-**	**462,136**	**(112,144)**	**349,992**	**349,992**	**395,090**	**-**	**395,090**	**45,098**	**322,313**
Total Resource		**107,510**	**(1,467)**	**106,043**	**1,395,744**	**(286,715)**	**1,109,029**	**1,215,072**	**1,522,864**	**-**	**1,522,864**	**307,792**	**1,178,958**
Of which:													
Voted Expenditure		**107,510**	**(1,455)**	**106,055**	**939,587**	**(135,126)**	**804,461**	**910,516**	**1,213,338**	**-**	**1,213,338**	**302,822**	**887,173**
Non-Voted Expenditure		**-**	**(12)**	**(12)**	**456,157**	**(151,589)**	**304,568**	**304,556**	**309,526**	**-**	**309,526**	**4,970**	**291,785**

SOAS 1.2 Analysis of capital outturn by Estimate line

		2025-26 £000							2024-25 £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		**247,408**	**(35,881)**	**211,527**	**217,215**	**(3,085)**	**214,130**	**2,603**	**224,376**
Of which:	Roads	232,721	(35,793)	196,928	202,635	(3,085)	199,550	2,622	202,900
	Rivers	14,517	(88)	14,429	14,410	-	14,410	(19)	21,476
	Ferry Services	-	-	-	-	-	-	-	-
	Inland Waterways	-	-	-	-	-	-	-	-
	Central Policy and Other Services	170	-	170	170	-	170	-	-
2. Waterways Ireland (ALB – Net)		**1,431**	**-**	**1,431**	**2,676**	**-**	**2,676**	**1,245**	**2,405**
Of which:	Waterways Ireland	1,431	-	1,431	2,676	-	2,676	1,245	2,405
3. Bus, Rail and Ports		**282,784**	**(18,848)**	**263,936**	**261,037**	**2,899**	**263,936**	**-**	**264,700**
Of which:	Ferry Services, Air and Sea Ports	1,477	-	1,477	1,464	-	1,464	(13)	719
	Railway Services	206,046	-	206,046	174,244	2,899	177,143	(28,903)	196,802
	Road Passenger Services	51,707	-	51,707	80,527	-	80,527	28,820	67,233
	EU Interreg	87	(74)	13	-	-	-	(13)	(54)
	Support for Taxi and Coach Industries	23,467	(18,774)	4,693	4,802	-	4,802	109	-
4. Road Safety Services including DVA		**2,689**	**-**	**2,689**	**2,560**	**129**	**2,689**	**-**	**1,279**
Of which:	Road Safety Services	28	-	28	60	-	60	32	124
	Driver and Vehicle Agency	2,661	-	2,661	2,500	129	2,629	(32)	1,155

								2025-26 £000	2024-25 £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		**86**	**-**	**86**	**29**	**57**	**86**	**-**	**55**
Of which:	Planning and Policy	21	-	21	29	-	29	8	(29)
	Reinvestment and Reform	65	-	65	-	57	57	(8)	84
6. Water and Sewerage		**790**	**-**	**790**	**3,406**	**-**	**3,406**	**2,616**	**370**
Of which:	Water and Sewerage	790	-	790	3,406	-	3,406	2,616	370
Total Voted DEL		**535,188**	**(54,729)**	**480,459**	**486,923**	**-**	**486,923**	**6,464**	**493,185**
Non-Voted Expenditure									
7.	Consolidated Fund Extra Receipts (CFERs)	-	(323)	(323)	-	-	-	323	-
8.	National Fund Loan	910	(910)	-	-	-	-	-	-
9.	Northern Ireland Water Limited	390,596	(20,918)	369,678	365,352	-	365,352	(4,326)	348,934
Total Non-Voted DEL		**391,506**	**(22,151)**	**369,355**	**365,352**	**-**	**365,352**	**(4,003)**	**348,934**
Total Spending in DEL		**926,694**	**(76,880)**	**849,814**	**852,275**	**-**	**852,275**	**2,461**	**842,119**
Spending in Annually Managed Expenditure (AME)									
Voted Expenditure									
10.	Depreciation & Impairment Costs	-	-	-	-	-	-	-	-
11.	Provisions	(116,339)	-	(116,339)	(2,428)	-	(2,428)	113,911	95,810
12.	Waterways Ireland (ALB – Net)								-
Total Voted AME		**(116,339)**	**-**	**(116,339)**	**(2,428)**	**-**	**(2,428)**	**113,911**	**95,810**

									2025-26 £000	2024-25 £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		(116,339)	-	(116,339)	(2,428)	-	(2,428)	113,911	95,810	
Non-Budget Spending										
Voted Expenditure										
14.	Northern Ireland Water Limited	140,000	-	140,000	160,000	-	160,000	20,000	150,000	
Total Non-Budget Spending		140,000	-	140,000	160,000	-	160,000	20,000	150,000	
Total Capital		950,355	(76,880)	873,475	1,009,847	-	1,009,847	136,372	1,087,929	
Of which:										
Voted Expenditure		558,849	(54,729)	504,120	644,495	-	644,495	140,375	738,995	
Non-Voted Expenditure		391,506	(22,151)	369,355	365,352	-	365,352	(4,003)	348,934	

* 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

		2025-26 £000	2024-25 £000
	Note	Outturn	Prior Year Outturn
Total Resource Outturn	SOAS1.1	**1,215,072**	**1,178,958**
Add: Capital grants		217,427	217,159
Other			-
Less: Income payable to the Consolidated Fund (CFERs)		(461)	(77)
Non-voted expenditure		(304,556)	(291,785)
Prior Period Adjustment *	6		-
Net Expenditure in Consolidated Statement of Comprehensive Net Expenditure	SoCNE	**1,127,482**	**1,104,255**

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	**1,215,072**	**1,522,864**	**307,792**
Total Capital Outturn	SOAS 1.2	**873,475**	**1,009,847**	**136,372**
Adjustments for ALBs:				
Remove voted resource and capital		(7,585)	(9,582)	(1,997)
Add cash grant in aid		4,866	12,702	7,836
Adjustments to remove non-cash items:				
Depreciation, impairments and revaluations	3,4	(38,678)	(257,149)	(218,471)
New provisions and adjustments to previous provisions (Capital)	18	113,845	-	(113,845)
New provisions and adjustments to previous provisions (Revenue)	3,4	(21,455)	(59,883)	(38,428)
Prior Period Adjustment		-	-	
Other non-cash items	3,4	-	-	
Adjustments to reflect movement in working balances:				
Changes in working capital other than cash	SOAS 3.1	(13,548)	75,915	89,463
Changes in payables falling due after more than one year	16	12,300	16,343	4,043
Use of provision	18	12,950	14,833	1,883
Total		**2,151,242**	**2,325,890**	**174,648**
Removal of non-voted budget items:				
Other adjustments		(673,911)	(674,878)	(967)
Total		**(673,911)**	**(674,878)**	**(967)**
Net Cash Requirement		**1,477,331**	**1,651,012**	**173,681**

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

		2025-26 £000
	Note	
Increase/(decrease) in inventories	13	(50)
Increase/(decrease) in receivables	15	20,958
Adjustments to movements in receivables		
Movement in CFER related receivables	15	5,462
Movement in provision for bad debts	15	2,038
(Increase)/decrease in payables less than 1 year	16	(47,039)
Adjustments to movements in payables less than 1 year		
Increase/(decrease) in amounts due to the Consolidated Fund	16	5,083
Net increase/(decrease) in working capital other than cash recognised in Statement of Assembly Supply		**(13,548)**

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 2025-26 £000		Prior Year 2024-25 £000	
	Note	Accruals	*Cash basis*	Accruals	*Cash basis*
Income outside the ambit of the Estimate (resource)		138	*138*	77	*436*
Income outside the ambit of the Estimate (capital)		323	*323*	-	-
Sub-total		461	*461*	77	*436*
Excess cash surrenderable to the Consolidated Fund		-	-	-	-
Total amount payable to the Consolidated Fund		**461**	***461***	**77**	***436***

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

(i) Losses and special payments

Losses Statement

	2025-26		2024-25	
	Cases	**£000**	Cases	£000
Stores and plant losses	**5**	**10**	30	5
Abandoned Claims	**5,358**	**1,125**	4,662	547
Fruitless Payments	**1**	**12**	-	-
Foreign exchange losses	**-**	**-**	9	121
Other cash losses	**3**	**1**	-	-
Administrative Write Offs	**-**	**-**	1	-
Total	**5,367**	**1,148**	4,702	674

***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 £699,980 (2024-25: £479,413) 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

	2025-26	2024-25
Total number of special Payments	**4,441**	3,974
Total value of special Payments £000	**13,019**	13,402

There were no individual Special Payments exceeding £300,000. Special Payments includes compensation payments including those arising from Public and Employer Liability Claims and ex gratia payments.

(ii) Business activities attracting fees and charges

			2025-26 £000	2024-25 £000
	Income	Cost	Surplus/(deficit)	Surplus/(deficit)
Car Parks	11,509	(14,304)	(2,795)	(2,442)
Strangford Ferry	1,880	(4,167)	(2,287)	(2,378)
Total	**13,389**	**(18,471)**	**(5,082)**	**(4,820)**

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 2025-26 is 100% recovery (2024-25: 100%) of the full cost of providing, updating and maintaining the services. The actual percentage recovery achieved was 80% (2024-25: 83%). Cost recovery has decreased for 2025-26 mainly due to a fall in income.

The financial target for the ferry service in 2025-26 is 40% (2024-25: 40%) recovery of the full cost of providing, updating and maintaining the services. The actual percentage recovery achieved was 45% (2024-25: 41%). The increase mainly relates to an inflationary uplift to ferry fees of 4.5% from 1 February 2026.

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	14,104	15,103	(999)
Dismissal cases	-	-	-
Legal claims	10,000	435	9,565
Contractor legal cases	1,720	2,100	(380)
Land for schemes	-	-	-



Emer Morelli
Accounting Officer

28 October 2026

DEPARTMENT FOR INFRASTRUCTURE

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

Opinion on financial statements

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

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

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

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

In my opinion the financial statements:

- give a true and fair view of the state of the Department and the Departmental Group's affairs as at 31 March 2026 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 2026 and shows that those totals have not been exceeded; and
- the income and expenditure recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

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

My staff and I are independent of the Department 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.

Emphasis of matter – Financial Assets

I draw attention to Notes 11 and 21.3 to the financial statements, which describe the Department's loans to Northern Ireland Water Limited, with a carrying amount of £2,099.56 million at 31 March 2026. These loans are measured at historical cost less impairment in accordance with a direction issued by the Department of Finance, rather than under the IFRS 9 measurement requirements that would otherwise apply.

During the year, the redemption date for the first tranche, with a carrying amount of £983.56 million, was extended from 31 March 2027 to 31 March 2028. The notes explain that the Department, Northern Ireland Water Limited and the Department of Finance are continuing to develop a longer-term

refinancing arrangement intended to preserve the full principal value of the loans. The precise mechanism and timing of settlement had not been finalised at the date the financial statements were authorised.

My opinion is not modified in respect of this matter.

Emphasis of Matter - A5 project

I draw attention to the relevant disclosure in Note 18.1 to the financial statements, which describes the Court of Appeal judgment concerning the A5 project and notes the remaining legal uncertainty arising from the current absence of a fully detailed written ruling.

My opinion is not modified in respect of this matter.

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 or its Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

The going concern basis of accounting for 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 is 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 the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with Department of Finance directions made under the Government Resources and Accounts Act (Northern Ireland) 2001.

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

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

Matters on which I report by exception

In light of the knowledge and understanding of the Department 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 parts of the Remuneration and Staff Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with the Department of Finance's guidance.

Responsibilities of the Accounting Officer for the financial statements

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

- maintaining proper accounting records;
- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- ensuring such internal controls as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- ensuring the annual report, which includes the Remuneration and Staff Report, is prepared in accordance with the applicable financial reporting framework; and

- assessing the Department 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 regulations, 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 enquiries of management and those charged with governance on the 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 the 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 income and expenditure recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

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



Dorinnia Carville

Comptroller and Auditor General

Northern Ireland Audit Office

106 University Street

BELFAST

BT7 1EU

29 October 2026

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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 2026

		2025-26		2024-25	
		Core Dept £000	Group £000	Core Dept £000	Group £000
	Note				
Revenue from contracts with customers		(22,355)	(22,355)	(20,967)	(20,967)
Other operating income		(169,801)	(170,008)	(142,647)	(143,056)
Total Operating Income	5	**(192,156)**	**(192,363)**	**(163,614)**	**(164,023)**
Grants	4	927,781	922,915	861,383	854,292
Staff Costs	3,4	108,846	113,127	99,097	103,152
Purchase of goods and services	3,4	156,941	157,433	129,875	130,327
Other operating expenditure	3,4	6,901	7,629	5,921	6,699
Depreciation, impairment charges and profit/loss on disposal of assets	3,4	38,586	39,392	91,905	92,711
Provision expense	3,4	21,455	21,509	24,479	24,496
Total Operating Expenditure		**1,260,510**	**1,262,005**	**1,212,660**	**1,211,677**
Net Operating Expenditure		**1,068,354**	**1,069,642**	**1,049,046**	**1,047,654**
PPP Expense	4	57,840	57,840	56,601	56,601
Net Expenditure for the year		**1,126,194**	**1,127,482**	**1,105,647**	**1,104,255**
Notional audit costs	4.1	155	155	138	138
Other notional costs	4.1	11,055	11,055	10,820	10,820
Total Notional Costs		**11,210**	**11,210**	**10,958**	**10,958**
Net Expenditure for the year including notionals		**1,137,404**	**1,138,692**	**1,116,605**	**1,115,213**

		2025-26		2024-25	
		Core Dept £000	Group £000	Core Dept £000	Group £000
	Note				
Net Expenditure for the year including notionals		**1,137,404**	**1,138,692**	**1,116,605**	**1,115,213**
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	(1,096,526)	(1,098,374)	179,204	179,204
- Net (gain)/loss on revaluation of intangibles	7	-	-	(68)	(68)
Items which may be reclassified to net operating expenditure:					
- Adjustment to Property, Plant and Equipment (PPE) opening balance	6	86,886	86,886	(615)	(615)
- Adjustment to Intangibles opening balance	7	-	-	-	-
Comprehensive Net Expenditure for the year		**127,764**	**127,204**	**1,295,126**	**1,293,734**

The notes on pages 138 to 192 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 2026

		31 March 2026		Restated 31 March 2025	
		Core Dept £000	Group £000	Core Dept £000	Group £000
	Note				
Non-current assets:					
Property, plant and equipment	6	38,246,492	38,276,680	37,133,324	37,161,395
Right-of-use assets	6	676	676	799	799
Intangible assets	7	8,107	8,107	4,727	4,727
Financial assets	11	2,776,664	2,776,664	2,636,664	2,636,664
Trade and other receivables	15	39,246	39,253	39,065	39,070
Total non-current assets		**41,071,185**	**41,101,380**	**39,814,579**	**39,842,655**
Current assets:					
Assets classified as held for sale	12	-	-	200	200
Inventories	13	2,507	2,585	2,557	2,630
Trade and other receivables	15	61,655	62,027	40,878	41,311
Cash and cash equivalents	14	6,788	8,490	13	1,412
Total current assets		**70,950**	**73,102**	**43,648**	**45,553**
Total assets		**41,142,135**	**41,174,482**	**39,858,227**	**39,888,208**
Current liabilities:					
Trade and other payables	16	(310,383)	(311,692)	(267,114)	(268,094)
Provisions	18	(20,876)	(20,910)	(15,518)	(15,545)
Total current liabilities		**(331,259)**	**(332,602)**	**(282,632)**	**(283,639)**
Total assets less current liabilities		**40,810,876**	**40,841,880**	**39,575,595**	**39,604,569**
Non-current liabilities:					
Other payables	16	(234,325)	(234,388)	(246,625)	(246,728)
Pension liability	17	-	(15,540)	-	(15,533)
Provisions	18	(11,984)	(11,984)	(124,720)	(124,720)
Total non-current liabilities		**(246,309)**	**(261,912)**	**(371,345)**	**(386,981)**
Total assets less total liabilities		**40,564,567**	**40,579,968**	**39,204,250**	**39,217,588**

	Note	31 March 2026 Core Dept £000	31 March 2026 Group £000	31 March 2025 Core Dept £000	31 March 2025 Group £000
Taxpayers' equity and other reserves					
General fund		18,981,804	18,995,357	18,628,046	18,641,384
Revaluation reserve		21,582,763	21,584,611	20,576,204	20,576,204
Total taxpayers' equity		**40,564,567**	**40,579,968**	**39,204,250**	**39,217,588**



Emer Morelli
Accounting Officer

28 October 2026

The notes on pages 138 to 192 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 2026

		2025-26		2024-25	
		Core Dept £000	Group £000	Core Dept £000	Group £000
	Note				
Cash flows from operating activities					
Net operating expenditure		(1,137,404)	(1,138,692)	(1,116,605)	(1,115,213)
Adjustments for non-cash transactions	4.3	36,575	38,944	90,485	91,389
(Increase)/decrease in trade and other receivables	15	(20,958)	(20,899)	26,032	25,942
less movements in receivables relating to items not passing through the Net Operating Expenditure					
(Increase)/ decrease in amounts due from the Consolidated fund	15	(5,462)	(5,462)	(14,644)	(14,644)
Movement in provision for bad debt	15	(2,038)	(2,038)	(7,978)	(7,978)
Receivables due from other department re CFER non cash	15	-	-	-	-
(Increase)/decrease in inventories	13	50	45	51	47
Increase/(decrease) in trade and other payables	16	34,739	35,028	(46,331)	(46,455)
less movements in payables relating to items not passing through the Net Operating Expenditure					
(Increase)/decrease in amounts due to Consolidated Fund	16	(5,083)	(5,083)	353	353
Decrease/(increase) in amounts due to capital retentions/accruals		(617)	(617)	473	473
Decrease /(increase) in amounts due to imputed loan on PPP contracts		13,153	13,153	12,311	12,311
Bad debt provision	15	(1,125)	(1,125)	(547)	(547)
Use of other revenue provisions	18	(9,312)	(9,360)	(9,917)	(9,933)
Net cash outflow from operating activities		**(1,097,482)**	**(1,096,104)**	**(1,066,317)**	**(1,064,255)**

		2025-26		2024-25	
		Core Dept £000	Group £000	Core Dept £000	Group £000
Cash flows from investing activities					
Purchase of property, plant and equipment	6	(222,398)	(223,829)	(238,105)	(240,510)
Purchase of intangible assets	7	(4,477)	(4,477)	(1,046)	(1,046)
Purchase of assets held of sale		-	-	-	-
Proceeds of disposal of property, plant and equipment	6	183	539	1,168	1,168
Proceeds of disposal of assets held for resale	12	457	457	31	31
Repayments from other bodies		-	-	-	-
Investment additions	11	(140,000)	(140,000)	(150,000)	(150,000)
Net cash outflow from investing activities		**(366,235)**	**(367,310)**	**(387,952)**	**(390,357)**
Cash flows from financing activities					
From the Consolidated Fund (Supply) – current year		1,482,754	1,482,754	1,461,554	1,461,554
From the Consolidated Fund (Supply) – prior year		5,462	5,462	20,106	20,106
On Balance Sheet PPP Contracts		(13,153)	(13,153)	(12,311)	(12,311)
Net financing		**1,475,063**	**1,475,063**	**1,469,349**	**1,469,349**
Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund		**11,346**	**11,649**	**15,080**	**14,737**
Payments of amounts due to the Consolidated Fund		(801)	(801)	(430)	(430)
Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund		**10,545**	**10,848**	**14,650**	**14,307**
Cash and cash equivalents at the beginning of the period	14	(3,757)	(2,358)	(18,407)	(16,665)
Cash and cash equivalents at the end of the period	14	6,788	8,490	(3,757)	(2,358)

The notes on pages 138 to 192 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 2026

	Note	General Fund £000	Revaluation Reserve £000	Taxpayers' Equity £000
Balance at 31 March 2025		**18,641,384**	**20,576,204**	**39,217,588**
Adjustment to Opening Balance *		-	(86,886)	(86,886)
Net gain/(loss) on revaluation of property, plant and equipment		-	1,098,375	1,098,375
Net gain/(loss) on revaluation of intangible assets		-	-	-
Net Assembly Funding - drawn down		1,482,754	-	1,482,754
Net Assembly Funding - deemed		-	-	-
Supply (payable)/receivable - current year		(5,423)	-	(5,423)
CFERs - other		(461)	-	(461)
CFERs - Excess Accruing Resources		-	-	-
CFERs - EU capital funding		-	-	-
Comprehensive net expenditure for the year		(1,138,692)	-	(1,138,692)
Non-Cash Adjustments:				
Non-cash charges - notional cost		11,055	-	11,055
Non-cash charges - auditor's remuneration		155	-	155
Non-cash charges – foreign exchange CFER		-	-	-
Movement in Reserves:				
Transfers between reserves		3,082	(3,082)	-
Other		1,503	-	1,503
Balance at 31 March 2026		**18,995,357**	**21,584,611**	**40,579,968**

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 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		5,462	-	5,462
CFERs - other		(77)	-	(77)
CFERs - Excess Accruing Resources		-	-	-
CFERs - EU capital funding		-	-	-
Comprehensive net expenditure for the year		(1,115,213)	-	(1,115,213)
Non-Cash Adjustments:				
Non-cash charges - notional cost		10,820	-	10,820
Non-cash charges - auditor's remuneration		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.

The notes on pages 138 to 192 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 2025-26 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 2025, 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 2025 and 31 March 2026. 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.

Following HM Treasury's Thematic Review of asset valuation practices which have been reflected as adopted in the FReM for production of 2025-26 Accounts, the Department has considered its indexation practices, the Department already employed quinquenial substantive revaluation to its land and property with the exception of the Crumlin Road Gaol site, following engagement with Land and Property Services it has not been possible to identify a suitable index series to apply, as such the Department must continue by excepetion to apply an annual valuation for this site.

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 2026. 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 road[2], 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 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 has considered the impact of the correction to the ONS Producer Price Indices on the valuation of its asset base, including the road network, which is valued on a depreciated replacement cost basis using a range of indices and engineering assumptions. While some of the indices used in the valuation process may have indirect linkage to producer price data, the valuation of the road network does not rely on PPI as a primary input, rather the PAFI grouping is produced by Building Construction Information Service (BCIS)

As the Department applied the best available data at the reporting dates, the revisions do not constitute a prior period error under IAS 8. Any impact of the corrected indices has therefore been reflected prospectively within the 2025–26 valuation.

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 2026. 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.

[2] There are 31 road types in Northern Ireland

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.

In line with the HM Treasury's Thematic Review of asset valuation practices which have been reflected as adopted in the FReM for production of 2026-26 Accounts the Department has ceased to revalue intangible assets, they are now held at amortised cost, reflecting their consumption of economic benefit rather than fluctuations in market value. This change has been applied prospectively and did not require any retrospective restatement of prior year balances. 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. 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 2.95% 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 2025 calendar year under IFRS 16 was 4.81%, and for calendar year 2026 are 5.32%. 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 2025-26. 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 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 impact of IFRS on the Public Sector is still being assessed, and a decision has not yet been taken on an implementation date.

IFRS 19

IFRS 19 Subsidiaries without Public Accountability: Disclosures allows eligible subsidiaries to apply IFRS Accounting Standards with reduced disclosure requirements and is effective for annual reporting periods beginning on or after the 1 January 2027 in the private sector. The impact of IFRS 19 on the Public Sector is still being assessed, and a decision has not yet been taken on the implementation date.

2. Statement of Operating Expenditure by Operating Segment

During 2025-26 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 2025-26 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

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 Policy

Responsible for Public Transport Policy; Inclusion Strategy, Concessionary Fares Policy; Communityr Transport Policy; Taxis; Bus and Coach; Inclusive Mobility and Transport Advisory; Freight Policy; and Safer Journeys to School Programme.

Railways, Transport Regulation and Climate

Responsible for Climate Action Plan and Strategies; Transport Regulation Unit; Rail Safety Authority; Rail Regulation; Rail Safety Policy and Legislation; Rail Technical Standards; Authorising new/upgraded railway infrastructure/rolling stock; Train Driving Licensing; and All-island Strategic Rail Review.

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.

Sustainable Drainage

The purpose of the Sustainable Drainage Directorate (which has replaced what was the Living With Water Directorate) is to focus on a more resilient, environmentally conscious approach to managing surface water. We will take a leadership role in promoting and delivering Sustainable Drainage Systems (SuDS) as a core part of infrastructure planning and development.

Sustainable Drainage Directorate will focus on implementation of nature-based drainage opportunities in both the Living With Water in Belfast and the Living With Water in Derry plans and will progress development of policy proposals for the design, approval, implementation and maintenance of SuDS in new developments.

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

			2025-26 £'000
Division	**Gross Expenditure**	**Income**	**Net Expenditure**
Roads	291,538	(52,712)	238,826
Rivers	16,157	(419)	15,738
Planning	7,540	(415)	7,125
Transport Planning & Policy	4,450	-	4,450
Driving, Vehicle and Road Safety Policy	2,373	-	2,373
DVA	11,371	(2,897)	8,474
Public Transport Operations	428,570	(1,689)	426,881
Transport Policy	1,366	-	1,366
Railways, Transport Regulation and Climate	2,562	(658)	1,904
Water & Drainage Policy	498,031	(112,144)	385,887
Sustainable Drainage	907	-	907
Governance, EU, Facilities & Ministerial Support	28,340	(19,743)	8,597
Corporate Policy, Finance & IT	31,489	(1,479)	30,010
Waterways Ireland	6,361	(207)	6,154
Total Net Expenditure per SoCNE	**1,331,055**	**(192,363)**	**1,138,692**

			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
Safe & Accessible Travel	1,804	-	1,804
DVA	1,720	(2,819)	(1,099)
Public Transport Operations	425,485	(1,458)	424,027
Public Transport Policy & Climate Change	3,176	(658)	2,518
Water & Drainage Policy	457,769	(102,506)	355,263
Sustainable Drainage	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**

3. Other administration costs

	2025-26		2024-25	
	Core Dept £000	Group £000	Core Dept £000	Group £000
Staff Costs[3]:				
Wages and salaries	55,387	57,501	51,352	53,330
Social security costs	8,754	8,956	6,744	6,973
Other pension costs	22,339	22,339	21,232	21,232
Other staff costs	407	407	398	398
Total staff costs	**86,887**	**89,203**	**79,726**	**81,933**
Purchase of goods and services	**9,543**	**9,606**	**8,017**	**8,077**
Other operating expenditure:				
Rentals under operating leases – land and buildings	-	-	-	-
Rentals under operating leases – other	48	48	49	49
Other expenditure[4]	5,453	6,181	4,597	5,375
Less: Own work Capitalised	(496)	(496)	(1,597)	(1,597)
Total other operating expenditure	**5,005**	**5,733**	**3,049**	**3,827**
Non-cash items				
Depreciation, impairment charges and profit/loss on disposal of assets:				
Depreciation of property, plant and equipment	1,780	1,780	1,717	1,717
Amortisation of intangibles	358	358	387	387
Revaluation charge to Statement of Comprehensive Net Expenditure	339	339	267	267
Impairment of asset	-	-	-	-
(Profit)/Loss on disposal of assets (non-cash)	-	-	-	-
Total Depreciation, impairment charges and profit/loss on disposal of assets	**2,477**	**2,477**	**2,371**	**2,371**
Increase/Decrease in Provisions	**1,945**	**1,945**	**2,207**	**2,207**
Total Administration Costs	**105,857**	**108,964**	**95,370**	**98,415**

[3] Further analysis of staff costs is located in the Staff Report in the Accountability Section
[4] Included within other expenditure is Waterways Ireland Audit Fee of £73k of which 15% is consolidated into these accounts

4. Programme costs

	2025-26		2024-25	
	Core Dept £000	**Group £000**	Core Dept £000	Group £000
Grants:				
Current grants and subsidies	654,562	649,696	605,271	598,180
Capital grants and subsidies	273,219	273,219	256,112	256,112
Total grants	**927,781**	**922,915**	**861,383**	**854,292**
Staff Costs[5]:				
Wages and salaries	15,137	15,673	13,312	13,770
Social security costs	1,990	2,047	1,543	1,596
Other pension costs	4,832	6,204	4,516	5,853
Other staff costs	-	-	-	-
Total staff costs	**21,959**	**23,924**	**19,371**	**21,219**
Purchase of goods and services	**147,398**	**147,827**	**121,858**	**122,250**
Other operating expenditure:				
Rentals under operating leases – land and buildings	32	32	39	39
Rentals under operating leases – other	10	10	35	35
Exchange loss / (gain)	(185)	(185)	580	580
Other expenditure	2,039	2,039	2,218	2,218
Total other operating expenditure	**1,896**	**1,896**	**2,872**	**2,872**
Non-cash items				
Depreciation, impairment charges and profit/ loss on disposal of assets:				
Depreciation of property, plant and equipment	35,882	36,688	84,132	84,938
Amortisation of intangibles	739	739	943	943
Revaluation charge to Statement of Comprehensive Net Expenditure	(440)	(440)	3,388	3,388
Impairment of asset	20	20	1,089	1,089
(Profit)/loss on disposal of assets	(92)	(92)	(18)	(18)
Total Depreciation and impairment charges	**36,109**	**36,915**	**89,534**	**90,340**
Provision expense:				
Provided in year	16,347	16,401	13,747	13,764
Borrowing costs on provisions	-	-	-	-
Provision for bad debts	3,163	3,163	8,525	8,525
Total Provision expense	**19,510**	**19,564**	**22,272**	**22,289**

[5] Further analysis of staff costs is located in the Staff Report in the Accountability Section

PPP expense:				
PPP service charge	42,421	42,421	40,340	40,340
PPP interest on loan	15,419	15,419	16,261	16,261
Total other operating expenditure	**57,840**	**57,840**	**56,601**	**56,601**
Total Programme Costs	**1,212,493**	**1,210,881**	**1,173,891**	**1,169,863**

4.1 Notional charges

	2025-26		2024-25	
	Core Dept £000	**Group £000**	Core Dept £000	Group £000
Notional charges:				
Notional accommodation	3,541	3,541	2,987	2,987
NIAO auditors' remuneration	155	155	138	138
Other notional costs	7,514	7,514	7,833	7,833
Total notional charges	**11,210**	**11,210**	**10,958**	**10,958**

4.2 Total Operating Expenditure Reconciliation

	Administration Costs £000	Programme Costs £'000	Notional Charges £'000	2025-26 Total £000
Grants	-	922,915	-	922,915
Staff costs	89,203	23,924	-	113,127
Purchase of goods and services	9,606	147,827	-	157,433
Other operating expenditure	5,733	1,896	-	7,629
Depreciation, impairment charges and profit/loss on disposal of assets	2,477	36,915	-	39,392
Provision expense	1,945	19,564	-	21,509
Notional charges	-	-	11,210	11,210
PPP expense	-	57,840	-	57,840
Total	**108,964**	**1,210,881**	**11,210**	**1,331,055**

	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
PPE expense	-	56,601	-	56,601
Total	**98,415**	**1,169,863**	**10,958**	**1,279,236**

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

	2025-26		2024-25	
	Core Dept £000	**Group £000**	Core Dept £000	Group £000
Staff costs	-	-	-	-
Non-staff administration costs (see Note 3)	15,632	15,632	15,536	15,536
Programme costs – (see Note 4)	55,619	56,479	111,806	112,629
Non-cash transfer from NDPB	-	1,511	-	81
Non-cash capital grant / capital grant income	(34,678)	(34,678)	(36,857)	(36,857)
Non-cash transactions (Statement of Cash Flows)	**36,573**	**38,944**	**90,485**	**91,389**
Adjust for capital provisions (see note 18)	(113,845)	(113,845)	109,307	109,307
Notional costs	(11,210)	(11,210)	(10,958)	(10,958)
Non-cash proceeds for capital grant /capital grant income	34,678	34,678	36,857	36,857
Profit / loss on disposal	92	92	18	18
Adjustment for non-voted	-	-	(189)	(189)
Non-cash transfer from NDPB	-	(1,511)	-	(81)
Non-cash transactions (Statement of Outturn against Assembly Supply)	**(53,712)**	**(52,852)**	**225,520**	**226,343**

5. Income

	2025-26		2024-25	
	Core Dept £000	Group £000	Core Dept £000	Group £000
Revenue from Contracts with Customers				
Administration Income				
Other	1,469	1,469	1,670	1,670
Other grant income – Asset transfers from DoF			-	-
Programme Income				
Car park receipts and penalty charge notices income	13,094	13,094	12,973	12,973
Recoverable works	1,269	1,269	1,032	1,032
Planning fees	83	83	119	119
Developers contributions	574	574	68	68
Other	5,866	5,866	5,105	5,105
Sub-total	**22,355**	**22,355**	**20,967**	**20,967**
Other Operating Income				
Other capital grant income – Developer contributions	34,678	34,678	36,858	36,858
Loan interest from NI Water	87,144	87,144	78,506	78,506
Dividend income from NI Water	25,000	25,000	24,000	24,000
EU grant income – Accruing Resources income	19,381	19,381	141	141
EU grant income – CFER income	323	323	-	-
Public Dividend Capital – dividend receivable	2,897	2,897	2,819	2,819
Other Grant Income	378	378	323	323
Interest from DVA	-	-	-	-
Other income	-	207	-	409
Sub-total	**169,801**	**170,008**	**142,647**	**143,056**
Total income	**192,156**	**192,363**	**163,614**	**164,023**

6. Property, plant and equipment

Consolidated

	Land & Buildings	Network Assets	Plant and Machinery	Information Technology & Furniture and Fittings	Payments on Account and Assets under Construction	Total
	£000	£000	£000	£000	£000	£000
Cost or valuation						
At 1 April 2025	246,221	41,658,249	104,307	1,755	254,591	42,265,123
Opening balance adjustment *	-	(32,863)	-	-	-	(32,863)
Additions **	(114,233)	159,263	7,339	2	55,717	108,088
Developer Contributions	-	34,420	-	-	-	34,420
Disposals	(391)	-	(493)	-	(50)	(934)
Transfers	(10,735)	12,309	-	-	(1,574)	-
Revaluations	4,573	1,154,544	2,911	(1)	-	1,162,027
Reclassification ***	-	6,183	-	-	(6,183)	-
Impairments	-	-	-	-	(20)	(20)
Revaluation/indexation charge to the Statement of Comprehensive Net Expenditure	130	-	(33)	-	(3)	94
At 31 March 2026	**125,565**	**42,992,105**	**114,031**	**1,756**	**302,478**	**43,535,935**
Depreciation						
At 1 April 2025	5,782	5,040,238	55,452	1,457	-	5,102,929
Opening balance adjustment*	-	54,023	-	-	-	54,023
Charged in year	3,032	29,419	5,862	155	-	38,468
Disposals	-	-	(487)	-	-	(487)
Revaluations	(227)	63,471	416	(7)	-	63,653
Revaluation/indexation charge to the Statement of Comprehensive Net Expenditure	3	-	(10)	-	-	(7)
At 31 March 2026	**8,590**	**5,187,151**	**61,233**	**1,605**	**-**	**5,258,579**
Carrying Amount at 31 March 2026	**116,975**	**37,804,954**	**52,798**	**151**	**302,478**	**38,277,356**
Carrying Amount at 1 April 2025	240,439	36,618,011	48,855	298	254,591	37,162,194
Asset financing:						
Owned	116,299	37,462,613	52,798	151	302,478	37,934,339
On-statement of financial position of PFI contracts	-	342,341	-	-	-	342,341
Sub-total	**116,299**	**37,804,954**	**52,798**	**151**	**302,478**	**38,276,680**
Right-of-use	676	-	-	-	-	676
Carrying Amount at 31 March 2026	**116,975**	**37,804,954**	**52,798**	**151**	**302,478**	**38,277,356**
Of the total:						
Core Department	113,267	37,784,646	51,632	135	297,488	38,247,168
Other designated bodies	3,708	20,308	1,166	16	4,990	30,188
Carrying Amount at 31 March 2026	**116,975**	**37,804,954**	**52,798**	**151**	**302,478**	**38,277,356**

* The opening balance adjustment on the Network Assets relates to valuation reports received in line with the infrastructure valuation methodology.
** Land additions are negative largely because of the need to de-recognise provisions relative to the A5WTC following quashing of vesting orders.
*** 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	Network Assets	Plant and Machinery	Information Technology & Furniture and Fittings	Payments on Account and Assets under Construction	Total
	£000	£000	£000	£000	£000	£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	239,640	36,275,670	48,855	298	254,591	36,819,054
On-statement of financial position of PFI contracts	-	342,341	-	-	-	342,341
Sub-total	**239,640**	**36,618,011**	**48,855**	**298**	**254,591**	**37,161,395**
Right-of-use	799	-	-	-	-	799
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.

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 the 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 2026, using the 'Baxter Index' for construction in England, Wales and Northern Ireland and revalued unit rates for roads and structures. For 2025-26 a provisional index to 31

December 2025 was applied, as this was the most up to date available at the time of the production of the valuation.

Following a qualification of the Departments 2023-24 Accounts due to the use of an estimated index the Department commits to now provide commentary in the subsequent years Annual Report and Accounts on the materiality of employing this approach.

In respect of the 2024-25 valuation, the Departments Network valuation experts were engaged to undertake a materiality test once the indexes used in valuing the Network, which had been based on a best estimate at the time of drafting, became Final. The date of finalisation was in July 2025.

The Departments valuation experts, in liasion with Departmental specialists, undertake a desktop revaluation to demonstrate what the value of the network would have been based on the Final index and to evidence of any change in value was material or not.

The index movment used in producing the 2024-25 Accounts was +0.04%, the final index movement was +0.55%, a difference of 0.51%.

The Table below analyses the impact of this change :

	2024-25 Update for Final Index £000	2024-25 Accounts £000	Variance £000
Cost or valuation			
In Year Depreciation	62,818	68,623	-5,805
Gross Book Value	40,558,808	40,403,715	155,093
Accumulated Depreciation	4,711,702	4,700,970	10,732
Net Book Value at 31 March 2025	**35,847,106**	**35,702,745**	**144,361**

This difference of 0.51% meant that the reported NBV of the Departments Network was £144m less, however, the materiality threshold for estimate variances was £724m, as such the 2024-25 Accounts were not materially mis-stated.

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

Every five years DfI 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 drawn from the Cross-Government Capital Accounting (CCA) indexation framework as outlined in the above table.

The Departments Network Asset are comprised of the road network and the network of civil and mechancial engineering to alleviate the risk of flooding from fluvial (rivers) and coastal waters.

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 [6] £000	Rivers £000	Total £000
Net Book Value at 31 March 2026	28,154,507	1,290,745	7,186,875	1,152,520	37,784,646
Net Book Value at 31 March 2025	27,206,834	1,261,364	7,023,203	1,108,234	36,599,635

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.

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.

An analysis of the network lengths by road classification is provided in the table below

Year	Motorway	A Class Roads (Trunk & Non-Trunk)	B Class Roads	C Class Roads	Unclassified Roads
	km's				
2025-26	115	2,232	2,933	4,725	15,874
2024-25	115	2,244	2,920	4,724	15,829

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

[6] 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 2025	10,563	23,650	1,334	68	1,188	36,803
Additions	499	651	1	-	3,326	4,477
Disposals	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Impairments	-	-	-	-	-	-
Revaluation/indexation charge to the Statement of Comprehensive Net Expenditure	-	-	-	-	-	-
At 31 March 2026	**11,062**	**24,301**	**1,335**	**68**	**4,514**	**41,280**
Depreciation						
At 1 April 2025	8,863	21,952	1,261	-	-	32,076
Charged in year	611	461	25	-	-	1,097
Disposals	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Impairments	-	-	-	-	-	-
Revaluation/indexation charge to the Statement of Comprehensive Net Expenditure	-	-	-	-	-	-
At 31 March 2026	**9,474**	**22,413**	**1,286**	**-**	**-**	**33,173**
Carrying Amount at 31 March 2026	**1,588**	**1,888**	**49**	**68**	**4,514**	**8,107**
Carrying Amount at 1 April 2025	1,700	1,698	73	68	1,188	4,727
Asset financing:						
Owned	1,588	1,888	49	68	4,514	8,107
Carrying Amount at 31 March 2026	**1,588**	**1,888**	**49**	**68**	**4,514**	**8,107**
Of the total:						
Core Department	1,588	1,888	49	68	4,514	8,107
Other designated bodies	-	-	-	-	-	-
Carrying Amount at 31 March 2026	**1,588**	**1,888**	**49**	**68**	**4,514**	**8,107**

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 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**

8. Impairments

In 2025-26 £20k (2024-25 £1,089k) 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 2025-26 the subsidy was £461.8m and for 2026-27 it is estimated to be £507.9m.

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:

					2025-26	2024-25
		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	-	-	(185)	3,163	2,978	9,105
Total	-	-	**(185)**	**3,163**	**2,978**	**9,105**

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 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
Additions	-	-	140,000	-	140,000
Repayments	-	-	-	-	-
Balance at 31 March 2026	671,690	150,000	1,949,561	5,413	2,776,664

Comprising:

	Loan Stock & Ordinary Shares £000	Loan on vesting £000	Long-term loan £000	PDC £000	Total £000
NI Water	671,690	150,000	1,949,561	-	2,771,251
DVA	-	-	-	5,413	5,413
Balance at 31 March 2026	671,690	150,000	1,949,561	5,413	2,776,664

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 2026 the company had issued total loan notes of £2,099.56 million including the £150m issued at vesting under the following Loan Note Instruments.

Fixed Coupon Unsecured Loan Notes Instrument due for redemption in:	£000
2028	983,560
2034	456,000
2042	660,000
Total	**2,099,560**

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 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 are to be carried at historical cost, less any impairment.

An internal review of the investment and above mentioned loans has been assessed by the Department and no impairment has been deemed necessary.

The 2027 Loan Notes had an original redemption date of March 2027 however this date has been extended by 12 months to March 2028. The Department is currently progressing options with NI Water for the redemption of the 2027 Loan Notes and is currently working closely with NI Water and DoF. NI Water does not currently hold sufficient cash to redeem the first tranche by 31 March 2028 without replacement financing. Any future arrangements are expected to be completed ahead of the redemption date of 31 March 2028.

The Department's share of the net assets and results of NI Water is summarised below for the 2025-26 year.

	Northern Ireland Water £000
Net assets at 31 March 2026	1,393,588
Turnover for year ended 31 March 2026	630,815
Surplus/profit for the year (before financing)	214,363

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 2026 DVA had Net Assets of £92.1m and a surplus for the year amounting to £2.7m.

12. Assets held for sale

	31 March 2026		31 March 2025	
	Core Dept £000	Group £000	Core Dept £000	Group £000
At 1 April	200	200	200	200
Additions	-	-	-	-
Transfers in	257	257	31	31
Transfers out	-	-	-	-
Disposals	(457)	(457)	(31)	(31)
Impairment	-	-	-	-
Reclassifications	-	-	-	-
Total	**-**	**-**	**200**	**200**

13. Inventories

	31 March 2026		31 March 2025	
	Core Dept £000	Group £000	Core Dept £000	Group £000
Inventories	2,507	2,585	2,557	2,630
Total	**2,507**	**2,585**	**2,557**	**2,630**

14. Cash and cash equivalents

	Cash and bank balances	
	Core Dept £000	Group £000
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)**
Net change in cash and cash equivalents	10,545	10,848
Balance at 31 March 2026	**6,788**	**8,490**

	31 March 2026		31 March 2025	
	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	6,788	8,490	(3,757)	(2,358)
Balance at 31 March	**6,788**	**8,490**	**(3,757)**	**(2,358)**

The net balance comprises:

	31 March 2026		31 March 2025	
	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)	1,365	1,365	1,705	1,705
Amounts issued from the Consolidated Fund for Supply but not spent at year end (see Note 16)	5,423	5,423	-	-
Cash due to be received from the Consolidated Fund:				
Amounts due from the Consolidated Fund for Supply (note 15)	-	-	(5,462)	(5,462)
Amounts due from the Consolidated Fund not yet recognised	-	-	-	-
Other designated bodies	-	1,702	-	1,399
	6,788	**8,490**	**(3,757)**	**(2,358)**

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 of liability is shown in the appropriate note.

		Cashflows	Non-Cash Changes				
	2025 £000	£000	Acquisition £000	Forex Movements £000	Fair Value Changes £000	Other Changes £000	2026 £000
PPP liabilities	224,073	(13,153)	-	-	-	-	210,920
Total liabilities from financing activities	**224,073**	**(13,153)**	**-**	**-**	**-**	**-**	**210,920**

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

15. Trade receivables and other current assets

	31 March 2026		31 March 2025	
	Core Dept £000	Group £000	Core Dept £000	Group £000
Amounts falling due within one year:				
Trade receivables	15,704	15,736	11,509	11,522
Other receivables	6,551	6,746	1,946	2,158
Prepayments and accrued income	4,547	4,692	4,006	4,214
VAT	13,391	13,391	12,688	12,688
EU/TEN-T grants receivable - Accruing Resource	21,462	21,462	5,267	5,267
EU/TEN-T grants receivable - CFER	-	-	-	-
	61,655	**62,027**	**35,416**	**35,849**
Amounts due from the Consolidated Fund in respect of Supply	-	-	5,462	5,462
Total	**61,655**	**62,027**	**40,878**	**41,311**

Amounts falling due after more than one year:				
Other receivables	39,246	39,253	39,065	39,070
Total	**39,246**	**39,253**	**39,065**	**39,070**

EU/TEN-T grants receivable of £Nil (2024-25: £Nil) are to be surrendered to the Consolidated Fund when received.

Allowance for expected credit losses

Trade receivables are stated net of an allowance of £18.6m 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 2026		31 March 2025	
	Core Dept £000	Group £000	Core Dept £000	Group £000
Balance at 1 April	16,602	16,602	8,624	8,624
Increase in provision	3,163	3,163	8,525	8,525
Write back of provision	-	-	-	-
Use of provisions	(1,125)	(1,125)	(547)	(547)
Balance at 31 March	**18,640**	**18,640**	**16,602**	**16,602**

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 2026		31 March 2025	
	Core Dept £000	Group £000	Core Dept £000	Group £000
Amounts falling due within one year:				
Bank overdraft (Note 14)	-	-	3,770	3,770
Trade payables	2,904	3,240	2,546	2,976
Accruals and deferred income	280,680	281,014	240,474	240,850
Finance lease	122	122	118	118
Other payables	5,837	6,475	5,348	5,520
VAT	-	1	-	2
Imputed loan on PPP Contracts	14,052	14,052	13,153	13,153
Amounts issued from the Consolidated Fund for Supply but not spent at year end	5,423	5,423	-	-
Consolidated Fund Extra Receipts received and receivable due to be paid to the Consolidated Fund – EU grants / TEN-T Grants				
– Received	-	-	359	359
– Receivable	-	-	-	-
Consolidated Fund Extra Receipts received and receivable due to be paid to the Consolidated Fund – other				
– Received	1,365	1,365	1,346	1,346
– Receivable	-	-	-	
Total	**310,383**	**311,692**	**267,114**	**268,094**
Amounts falling due after more than one year:				
Other payables	30,396	30,449	27,817	27,910
Finance lease	576	576	698	698
Capital retentions	5,684	5,684	6,209	6,209
Deferred payable	801	811	981	991
Imputed loan on PPP contracts	196,868	196,868	210,920	210,920
Total	**234,325**	**234,388**	**246,625**	**246,728**

17. Pension Liability

	31 March 2026		31 March 2025	
	Core Dept £000	Group £000	Core Dept £000	Group £000
Pension expense	-	15,540	-	15,533
Total	**-**	**15,540**	**-**	**15,533**

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 2025	**121,064**	**-**	**307**	**15,057**	**3,837**	**140,265**
Opening balance adjustment	-	-	15	(15)	-	-
Provided in year	951	-	50	14,384	4,200	19,585
Provisions not required written back	(114,795)	(1)	(247)	-	(25)	(115,068)
Provisions utilised in year *	(2,514)	1	(19)	(8,760)	(581)	(11,873)
Borrowing costs (unwinding of discount)	-	-	-	-	(16)	(16)
Difference on currency translation	-	-	-	-	1	1
Balance 31 March 2026	**4,706**	**-**	**106**	**20,666**	**7,416**	**32,894**

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	-	-	106	20,666	138	20,910
Later than one year and not later than five years	4,706	-	-	-	6,907	11,613
Later than five years	-	-	-	-	371	371
Balance 31 March 2026	**4,706**	**-**	**106**	**20,666**	**7,416**	**32,894**

*In addition to the above provisions there was £1,125k of bad debt provisions utilised.

Of which:

	Less 1 Year £000	Greater than Year £000	Total £000
Department	20,876	11,984	32,860
Waterways Ireland	34	-	34
Total	**20,910**	**11,984**	**32,894**

	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 2024	**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**

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 2025-26 accounts reflect a material decrease of £115m, in the main this decrease is linked to the A5 Western Transport Corridor; vesting orders for Phase 1B Omagh to Ballygawley and Phase 2 Strabane to Omagh sections of this major road development which became active in October 2024 were quashed following the A5WTC High Court judgment of 23 June 2025. The Department appealed the High Court's judgment on the A5 Western Transport Corridor (A5WTC). On 6 October 2026, the Court of Appeal delivered its judgment and ruled in favour of the Department on all grounds. It is expected that the vesting orders will be reinstated following the Court of Appeal Judgment. At 31 March 2026 the vesting orders remained quashed and were therefore not operative.

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 extend as far back as 1998. The 2025-26 Holiday Pay provision has been estimated by NICS HR and covers the period from November 1998 to 31 March 2020, reflecting as assessment of the possible extent of liability under the current legal framework. Settlement remains subject to negotiation and resolution of outstanding uncertainties. There are still some significant elements of uncertainty around this estimate for a number of reasons including:

1. Lack of agreement with claimants' legal representatives around how to treat data for years previous to 2011; and
2. Ongoing negotiations with Trade Union and their legal representatives which will determine the final scope of settlement.

19. Contingent liabilities disclosed under IAS 37

At March 2026 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 £15,102,937.

There is also a contingent liability of £435,000 in relation to legal claims which the Department are disputing liability but could lead to a loss.

There is a contingent liability of £2,100,000 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.

At 31 March 26, the Department's appeal against the June 2025 High Court judgement in relation to the A5WTC was outstanding. A successful appeal may result in a possible future outflow of land payments should vesting orders be reinstated in the order £114million. No provision has been recognised as the Department does not consider a present obligation existed at 31 March 2026. Note 24 provides an update, following delivery of the Court of Appeal Judgement.

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 2025	705	308	-	-	-	1,013
Additions – new leases						
At 31 March 2026	**705**	**308**	**-**	**-**	**-**	**1,013**
Depreciation						
At 1 April 2025	183	31	-	-	-	214
Depreciation charged in year	61	62	-	-	-	123
As 31 March 2026	**244**	**93**	**-**	**-**	**-**	**337**
Carrying amount at 31 March 2026	**461**	**215**	**-**	**-**	**-**	**676**
Carrying amount at 31 March 2025	522	277	-	-	-	799

20.2 Quantitative disclosures around lease liabilities

	2025-26		2024-25	
	Core Dept £000	**Group £000**	Core Dept £000	Group £000
Buildings:				
Not later than one year	(68)	(68)	(68)	(68)
Later than one year and not later than five years	(169)	(169)	(236)	(236)
Later than five years	-	-	-	-
Less interest element	9	9	18	18
Present Value of obligations	**(228)**	**(228)**	**(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	(165)	(165)	(229)	(229)
Less interest element	15	15	19	19
Present Value of obligations	**(470)**	**(470)**	**(530)**	**(530)**
Total Present Value of obligations	**(698)**	**(698)**	**(816)**	**(816)**
Current portion	(122)	(122)	(118)	(118)
Non-current portion	(576)	(576)	(698)	(698)

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

	2025-26		2024-25	
	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)	85	85	101	101

20.4 Quantitative disclosures around cash outflow for leases

	2025-26		2024-25	
	Core Dept £000	**Group £000**	Core Dept £000	Group £000
Total cash outflow for lease	168	168	222	222

21. Capital and other commitments

21.1 Capital commitments

Capital Commitments reported include only those which are firm contractual obligations to spend money on capital assets in the future.

	2025-26		2024-25	
	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	41,426	42,399	58,192	59,388
Intangibles	-	-	-	-
Total	**41,426**	**42,399**	**58,192**	**59,388**

In respect of major infrastructure projects, it would not be impossible to stop all works at 31st March where such a requirement existed and no penalty clauses existed in a contract, however, it would not be practical to stop all works with immediate effect, there would need to be a planned deceleration of expenditure to permit the Department to fulfil its public safety obligations, and ensure value for money, but as this would be a theoretical cost, as opposed to contractually committed, the value of these type of costs are not included.

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:

	2025-26		2024-25	
	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	167,050	167,050	195,622	195,622
	309,909	**309,909**	**338,481**	**338,481**
Less interest element	(98,989)	(98,989)	(114,408)	(114,408)
Total	**210,920**	**210,920**	**224,073**	**224,073**

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 £42,420,543 (2024-25: £40,339,782) and the payments to which the Department and its agencies are committed, analysed by the period during which commitment expires is as follows:

	2025-26		2024-25	
	Core Dept £000	Group £000	Core Dept £000	Group £000
Not later than one year	48,553	48,553	45,535	45,535
Later than one year and not later than five years	162,940	162,940	154,397	154,397
Later than five years	341,749	341,749	380,935	380,935
	553,242	**553,242**	**580,867**	**580,867**

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 £2,099.56 million (31 March 2025: £1,959.56 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 2028 of which £660,000,000 has been drawn to date leaving a loan note instrument available to draw down of £1,090,000,000. 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 2026.

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 2025 are not yet final and therefore draft figures have been used for this consolidation.

24. Events after the Reporting Period

On 6th October 2026 the Court of Appeal delivered its judgment in respect of the A5 Western Transport Corridor (A5WTC) and ruled in favour of the Department on all grounds. At the date of authorisation, the final Court order had not been issued and the Department was continuing to assess the implications of the judgment. The judgment has been treated as a non-adjusting post balance sheet event.

There are no other events after the reporting date that impact on these financial statements.

Date of authorisation for issue

The Accounting Officer authorised these financial statements for issue on 29 October 2026.

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 Group. This Group 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 Annual 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 and the 2026 Business Plan will be presented to the Council for approval at the next available meeting.

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. 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 December 2025. 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 Trust Ports (Belfast, Londonderry, Warrenpoint and Coleraine) and one in private ownership (Larne). 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. The Department conducted a public consultation on the 'Review of Trust Ports', seeking views on policy options for ports. Following this, a report titled 'Review of Trust Ports: Summary of Responses' was published on the Department's website.

Appendix C

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

Introduction

The Department for Infrastructure (the Department) delivers public transport services and water and sewerage services through two separate arm's-length bodies: the Northern Ireland Transport Holding Company (NITHC) and Northern Ireland Water (NI Water). Both bodies are wholly owned by government. NITHC is the parent company of the publicly owned bus and rail companies that operate under the Translink brand.

This report sets out my concerns about the continuing financial pressures facing Translink and a number of governance and assurance matters concerning Northern Ireland Water. A number of these matters are referred to in the Department's Governance Statement.

The report also provides an update in relation to the contractor receivable that gave rise to my qualified opinion on the Department's 2024-25 financial statements.

Northern Ireland Transport Holding Company / Translink

Transport legislation requires the Department to secure most public passenger transport services from Translink through a public service agreement. The agreement includes a commitment that funding should be maintained at a level that enables Translink to maintain the financial viability of its public service obligation activities over the life of its Corporate Plan. The Department is also responsible for setting and monitoring performance targets and for obtaining assurance that appropriate financial and management controls are in place and operating effectively.

In 2025-26, Translink was heavily reliant on financial support from the Department (see Figure 1). The Department provided £171.3 million (47 per cent) of Translink's total revenue funding of £361.2 million, while passenger fares contributed £176.0 million (49 per cent). The funding provided by the Department included a Concessionary Fare reimbursement (£54.3m in 2025-26) which is essentially fare revenue foregone. Translink was more heavily dependent on the Department for capital funding, with the Department providing £243.2 million of the £259.6 million received during the year (94 per cent).

Figure 1. Translink Funding Sources

Revenue Funding	£m
Department - Subsidy	117.0
Department - Concessionary Fares	54.3
Passenger Fares	176.0
Other	13.9
TOTAL	361.2
Capital Funding	£m
Department	243.2
Other	16.4
TOTAL	259.6

In his audit of the Department's 2020-21 financial statements the previous Comptroller and Auditor General reported on his concerns about the financial sustainability of Translink. He highlighted persistent structural funding gaps, reliance on Departmental support, and risks arising from uncertainty in future funding arrangements as key risks for the organisation. The report concluded that ongoing funding uncertainty posed a significant threat to Translink's ability to maintain financial viability and emphasised the need for the Department and Translink to develop a sustainable long-term funding and service model.

Since that report, financial pressures have remained a significant issue for Translink with cash reserves reducing to a financially unsustainable level (see **Figure 2**). The final 2025-26 Statutory Accounts show a pro-forma loss before tax (i.e. loss for the year before tax and accounting adjustments for fair value of investment properties, pensions and derivatives) of approximately £22.1 million in 2025-26. The year-end closing cash balance in 2025-26 was £10.7 million compared with £23.7 million in the previous year. This was substantially below its recommended minimum cash balance of £30 million.

Figure 2. Translink Financial Performance

	2021-22	2022-23	2023-24	2024-25	2025-26
	All figures £'000				
Profit/(Loss)*	(15,100)	(61,000)	(900)	(11,900)	(22,100)
Year-end cash position	60,760	26,302	24,266	23,731	10,729

**Note: These figures are based upon the Department's assessment of profit/loss before tax and a number of other accounting adjustments that are applied within the financial statements.*

The sustained deterioration in the financial position has been driven by a combination of lower than anticipated fare income and ongoing cost and inflationary pressures. Although passenger numbers have continued to grow, it was not at the rate originally forecast by Translink resulting in reduced commercial income relative to plan. Fare rates have been frozen for the 2026-27 year, as they also were in 2025-26, which is likely to have an impact upon Translink's ability to increase its fare income levels.

The impact of these pressures has been that the organisation has not been able to have a formally approved Corporate Plan since 2022-23. In the years since then the auditor of Translink has required a letter of comfort to be issued by the Department to provide it with the assurance it needs to certify the financial statements on the basis that Translink remains a going concern. Furthermore, Translink has advised the Department that it will continue to experience constraints on its cash resources, even with the implementation of extensive cost saving measures. In response, the Department has introduced a number of cash management measures to assist the Group with managing working capital. In 2026-27, this has included the progression of a significant cash injection related to the reimbursement of capital expenditure incurred on projects at the initial scoping stage of development.

Conclusion

As Northern Ireland's main public transport provider, Translink provides an essential public service that supports economic growth, social inclusion and environmental objectives. Continuing uncertainty over future funding presents a significant risk to its financial sustainability and limits its ability to plan services and investment effectively and efficiently.

In my view, the continuing deterioration in Translink's financial position demonstrates that the Department and Translink have not yet established a sustainable response to the structural financial pressures identified in 2020-21. The Department and Translink should work together to develop a sustainable long-term funding and service model. I will continue to monitor progress and will consider

the case for a more detailed review of how these issues have been managed as part of my public reporting work programme.

Northern Ireland Water (NI Water)

NI Water is the statutory water and sewerage undertaker in Northern Ireland. It is a government-owned company and a Non-Departmental Public Body, and the Department is its sole shareholder. The Minister is responsible for setting policy and legislation, providing subsidy payments in lieu of domestic water charges in line with Executive policy and appointing the Board of NI Water. NI Water is responsible for delivering water and sewerage services, subject to a wider framework of economic and environmental regulation. The Department monitors NI Water's performance and engages with its Board, Chair and Executive Team on strategic and governance matters.

Use of confidentiality clauses without the required approval by NI Water

In October 2016, the Department of Finance issued DAO (DoF) 08/16, *Use and Approval of Confidentiality Clauses/Agreements in Dispute Settlements*. This guidance was introduced in response to a recommendation made by the Public Accounts Committee in its 2011 report, *Measuring the Performance of NI Water and Procurement and Governance in NI Water*. In its review of this area, the Committee found that NI Water had used confidentiality clauses "to keep embarrassing transactions secret". The Committee recommended that, as a matter of principle, confidentiality agreements should not be used in the public sector. Where their use was unavoidable in exceptional circumstances, the Committee recommended that they should be approved by the relevant Departmental Accounting Officer and the Department of Finance.

DAO 08/16 established specific requirements that all public bodies should apply if seeking to use confidentiality clauses. It required the use of confidentiality clauses to be necessary and justified, with the rationale documented and appropriate legal advice obtained. All clauses would require prior approval by the Departmental Accounting Officer. DoF Supply approval was required only where a proposal was novel or potentially contentious, rather than in all cases as recommended by the Public Accounts Committee.

The guidance also made clear that confidentiality clauses should not be used to prevent appropriate openness and transparency, inhibit whistleblowing or restrict an organisation's ability to meet its legal, accounting, audit and Assembly reporting responsibilities.

During 2025-26, the Department for Infrastructure identified that NI Water had used a confidentiality clause in an employment termination agreement without obtaining the required approvals. The Department formally raised the matter with NI Water in October 2025 and subsequently required it to review all confidentiality clauses used since DAO 08/16 was introduced. This review identified 84 cases in which the Department concluded that the necessary approvals had not been obtained. These included 81 compromise agreements involving payments totalling approximately £1.37 million and

three other cases with a combined value of £23,000. Six of the 84 cases occurred after the Department had formally intervened and reminded NI Water of the procedures that were required per DAO 08/16. The Department has subsequently advised me that, in addition to the cases referred to above, a further 21 potential non-disclosure agreement cases have been identified and are under review. The outcome of this work was not available at the date of certification.

Following the identification of the wider extent of the non-compliance, the Department informed DoF of the further breaches and sought its views on any additional action that should be taken. DoF advised the Department that the failures represented repeated non-compliance with Managing Public Money Northern Ireland and Departmental Accounting Officer instructions. It also supported the Department's decision not to grant retrospective approval and identified a range of possible further actions. These included reviewing the governance, controls and decision-making surrounding compromise agreements and confidentiality clauses; establishing why previous instructions had not been followed; preparing an action plan with clear timescales, ownership and assurance arrangements; and introducing enhanced monitoring of settlement activity and compliance with DAO requirements.

The investigation of these issues contributed in part to a decision in March 2026 by DoF to withdraw DAO (DoF) 08/16 and replace it with DAO (DoF) 02/26. The revised guidance explicitly requires Accounting Officer approval for all confidentiality clauses and agreements. Where the use of a confidentiality clause or agreement could be considered novel or potentially contentious, Department of Finance approval should also be sought. In my view, the scale and duration of the non-compliance, together with the continued use of confidentiality clauses without approval after the Department had formally intervened, indicate significant weaknesses in NI Water's arrangements for ensuring compliance with public sector requirements and created a risk of irregular use of public money. The Department should ensure that the causes of these failures are established, that corrective action is clearly assigned and monitored, and that effective arrangements are put in place to prevent recurrence.

Other governance issues in NI Water

The Department's Corporate Governance Statement identifies a wider range of governance matters relating to NI Water, in addition to the breaches concerning confidentiality clauses. These include concerns raised directly with NI Water by external parties relating to health and safety at an operational site; potential contractor fraud being committed against NI Water; the management of contracts and procurement activity by NI Water; the authorisation, justification and value for money of certain expenditure; and a failure by NI Water to appropriately manage potential conflicts of interest.

A number of these concerns have also been raised directly with me over the last year. I have engaged with the Department to seek assurance that they were being actively investigated, and appropriate responses were being implemented where required. At the present time a number of these issues are considered by the Department and NI Water to have been fully investigated, whilst others remain subject to ongoing investigation with no final conclusions reached on the substance of the underlying

allegations. Following one investigation relating to allegations concerning mismanagement of conflict of interest issues, NI Water's Director of Finance and Regulation was dismissed in July 2026.

These issues have arisen alongside more general concerns within the Department about NI Water's assurance arrangements. The Departmental Accounting Officer has raised concerns that the Annual Assurance Statement presented by NI Water for 2025-26 does not demonstrate an adequate appreciation of the distinction between compliance and risk management. As a result, the Departmental Accounting Officer has been unable to place reliance on the assurance provided. This limits the extent to which the Department can rely on NI Water's own assurance processes when assessing whether its systems, controls and governance arrangements operated effectively during the year.

In recent months the Minister and the Departmental Accounting Officer have considered the scale, volume and severity of the matters identified above. They have concluded that further work is required to provide appropriate assurance that NI Water's systems and processes are robust, effective and fit for purpose and that its internal checks and balances are functioning as they should.

On 4 September 2026, the Minister announced that she had instructed the Northern Ireland Civil Service's Internal Audit service to undertake a governance audit of NI Water. On 2 October 2026 the Minister published Terms of Reference for this review. These stated that the audit will examine NI Water's risk management, governance and internal control arrangements, including compliance with Managing Public Money NI in relation to delegations, procurement and contract management practices, and the management of actual or perceived conflicts of interest.

Conclusion

Taken together, these matters give me significant concerns about the effectiveness of NI Water's governance arrangements and the openness and quality of the information and assurance it provides to the Department. The repeated use of confidentiality clauses without the required approval, including after the Department had intervened, and the Departmental Accounting Officer's inability to rely on NI Water's Annual Assurance Statement raise questions about whether significant issues are being identified, reported and addressed effectively. They also raise questions about whether the Department has the visibility and assurance it needs to exercise effective oversight of NI Water.

The Department and NI Water should establish the causes of the weaknesses identified, address them and demonstrate that effective governance, reporting and assurance arrangements are in place. I will monitor the outcomes of the ongoing investigations and the governance audit, together with the actions taken in response. I will consider whether the findings that emerge warrant further audit work in the context of my public reporting programme of work.

Update on the previous year's audit qualification: contractor receivable

I qualified my true and fair audit opinion on the Department's 2024-25 financial statements because I was unable to obtain sufficient appropriate audit evidence to support the valuation of a receivable relating to amounts the Department considers recoverable from a major road scheme contractor.

In the course of my audit of the 2025-26 financial statements I have been provided with an adjudicator's assessment received in July 2026 in relation to this balance. That ruling concluded that the Department was entitled to payment of the receivable from the contractor, together with interest. I am satisfied that this new evidence provides an appropriate basis to support recognition of the receivable at 31 March 2026. However, I understand the possibility of further proceedings, including arbitration, remains, and I will keep progress on recovery of the receivable under review.



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