Department of Health

Annual Report and Accounts

For the year ended 31 March 2019

Laid before the Northern Ireland Assembly by the
Department of Finance
under section 10(4) of the Government Resources
and Accounts Act (Northern Ireland) 2001

3 July 2019

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Any enquiries regarding this document should be sent to us at financial.accountingunit@health-ni.gov.uk.

This publication is also available on our website at https://www.health-ni.gov.uk/publications/annual-accounts.

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PERFORMANCE REPORT

PERFORMANCE OVERVIEW

Purpose

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

Introduction and Background

The Department presents its Annual Report and Accounts for the financial year ended 31 March 2019.

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

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

The Department is also responsible for establishing arrangements for the efficient and effective management of the Northern Ireland Fire and Rescue Service (NIFRS). The Department discharges its duties both by direct Departmental action and through its 17 Arm's Length Bodies (ALBs). A list of ALBs is attached at Annexes A and B.

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

- DoH Core Department;
- Health and Social Care Board (HSCB); and
- Public Health Agency (PHA).

The Northern Ireland Assembly was dissolved from 26 January 2017 with an election taking place on 2 March 2017, on which date Ministers ceased to hold office. An Executive was not formed following the 2 March election. As a consequence there has been no Minister in place in the Department during the 2018-19 financial year. Any reference to the Minister throughout the Department's Governance Statement refers to the Minister in office prior to the dissolution of the Assembly. Whilst there has been no Minister in post throughout 2018-19, Ministerial priorities remain fundamental in determining the Department's strategic direction.

Strategic Priorities for Health

The Minister's overall aim and vision is to build a world-class health and social care service for the people of Northern Ireland. This includes a strong focus on reform and transformation initiatives in order to improve the health and wellbeing of the people of Northern Ireland, drive up the quality of health and social care for patients, clients and carers, to improve outcomes, to safeguard the vulnerable, and to ensure that patients, clients and carers have the best possible experience in every aspect of their treatment, care and support. In common with the other health systems across the UK, Northern Ireland is facing serious and ongoing challenges with supply, recruitment and retention of staff. To tackle these challenges, the 'HSC Workforce Strategy 2026: Delivering for Our People' sets out a comprehensive agenda of action which, when implemented will support the workforce to deliver world class health and social care.

The Minister is also committed to ensuring the delivery of an effective Fire and Rescue Service across Northern Ireland, contributing to the safety and wellbeing of the community.

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

The Department's Responsibilities

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

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

Non-Executive Directors – Commentary for 2018-19

During the last year, the Board has supported the Department in driving forward an ambitious transformation programme, aimed at improvement in delivery of services to the highest standard possible. The transformation work has been progressed alongside the Department's continued commitment to fulfil its strategic aims and statutory and corporate obligations.

Across all areas of the Department's work, the non-executive Board members have continued to engage, support and challenge decisions and protocols in respect of governance and assurance, business transformation, policy development and operational delivery.

2018-19 has seen a number of significant challenges, most notably in preparation for EU Exit; the Hyponatraemia Inquiry; the Neurology Review; and the Dunmurry Manor and Muckamore Abbey Hospital Inquiries. These issues have significantly affected the Department and the associated increase in work has impacted on the capacity and productivity of other business areas. Looking forward, to create a collaborative approach to addressing issues impacting the Department and its ALBs, the Department intends to introduce a rolling programme to allow

ALB Audit Committee Chairs to attend DARAC meetings. This will harness skills from the wider non-executive community to open up discussion on cross-cutting issues and work towards joint decision making, for the benefit of citizens using our Health and Social Care services.

Throughout 2018-19, the Department has been engaged in developing, monitoring and implementing a range of HSC strategies and policies, including:

- Developing and publishing a Learning and Improvement strategy and implementation plan for Social Work and Social Care Workforces;
- Implementation of the HSC Workforce Strategy including the initial Action Plan; and
- Developing and producing a new Nursing and Midwifery Strategy, with recommendations for the future configuration of nursing and midwifery service delivery within the health and social care system over the next 10 – 15 years.

Research and Development (R&D) Strategy

In February 2016, the Department published its 10-year R&D Strategy '*Research for Better Health and Social Care'*, which indicated the following strategic priorities:

- To support research, researchers and the use of evidence from research to improve the quality of health and care and for better policy making;
- To compete successfully for R&D funding;
- To support all those who contribute to HSC by enhancing our research infrastructure; and;
- To increase the relevance of research to the priorities of the local population.

An implementation plan has been developed by the Research Division of the PHA to address the objectives of the strategy, and key actions have been initiated. Key achievements in 2018-19 were:

- The successful initiation of a series of cross-border research trials (the CHITIN program) supported by EU funding;
- The launch of the Health Data Research UK (HDR-UK) Centre in Belfast to support the use of large data sets in health; and
- Successful completion after extensive consultation of a comprehensive review of research infrastructure, and the development of proposals to revise infrastructure to improve researcher support where necessary.

Quality 2020

The Q2020 Strategy defines quality under three main headings of (i) Safety; (ii) Effectiveness; and (iii) Patient and Client Focus.

These three headings are supported by the following five Strategic Goals:

- Transforming the Culture - This means creating a new and dynamic culture that is even more willing to embrace change, innovation and new thinking.
- Strengthening the Workforce - It is vital that every effort is made to equip staff with the skills and knowledge they will require to deliver the highest quality.
- Measuring the Improvement - In order to confirm that improvement is taking place we will need more reliable and accurate means to measure, value and report on quality improvement and outcomes.
- Raising the Standards - Involving service users, carers and families in the development, monitoring and reviewing of standards.
- Integrating the Care - Integrated care should cross all sectoral and professional boundaries to benefit patients, clients and families.

A number of Q2020 Implementation Tasks continue to support these strategic goals and together with a number of other improvement prototypes have been aligned to form HSCQI - a collective approach to quality improvement across health and social care.

The HSCQI activity through 2018-19 year has mainly focused on building relationships and connections across system and professional boundaries. From 1 April 2019, HSCQI will begin to provide greater focus on delivery of its main objective - coordinating regional support to quality improvement across HSC to build on what already exists by connecting improvement activity and people together to deliver regional improvement at scale.

Transformation – Health and Wellbeing 2026: Delivering Together

The 10 year plan to transform HSC was set out within 'Health and Wellbeing 2026: Delivering Together', which was published in October 2016. This roadmap for HSC transformation seeks to improve the health and wellbeing of our population, both in terms of what we do, and how we do it.

Investment of £100m non-recurrent funding made available through the Confidence and Supply arrangement has enabled progress to be made across a wide range of areas.

Significant progress has been made to improving access to services within the community. The introduction of Multi-Disciplinary Teams in GP Practices is currently being piloted in three locations. This new way of working shifts focus from just managing ill-health, to a more holistic approach which addresses the physical, mental and social wellbeing of communities.

Looking at services provided within the hospital setting, significant work is underway to develop service models which better meet demand now and in the future, prototypes for day case elective care for cataracts and varicose veins are now operational. These centres are informing work to develop a network of regional centres of excellence which will drive improvements in workforce resilience, service productivity, service quality and timely access for patients and the best possible outcomes within an environment that values and recognises the contribution of staff.

Public consultations are underway to explore options for the future delivery of both stroke and breast assessment services delivered and a review of urgent and emergency care has started.

The announcement of a further £100m non-recurrent funding for 2019-20 will enable further progress in key areas under significant strain.

Underpinning these changes is the continuing implementation and embedding of the Collective Leadership and HSC Workforce strategies, and the ongoing commitment to the principles of co-production. The Encompass programme is now at an advanced stage of procurement and aims to significantly improve how HSC services are planned, managed and accessed by users

Further information is available in the latest progress report published on the Department's website, via the following link - https://www.health-ni.gov.uk/progressreport2019

Hospital Services Reform

'*Health and Wellbeing 2026: Delivering Together*', published in October 2016, contains commitments to:

- Bring forward proposals for the location and service specification for Elective Care Centres;
- Consult publicly on reshaping stroke services;
- Progress the modernisation of pathology services; and
- Start a programme of clinically led service reviews.

The Department is currently consulting on proposals for a new regional model of stroke care based on the implementation of Hyper Acute Stroke Units across Northern Ireland. Consultation is also ongoing on breast assessment services which would see assessment services consolidated on a smaller number of sites regionally.

Following the successful implementation of two elective care centre prototypes for cataracts and varicose veins, the Department is currently carrying out a major piece of work to assess the annual demand and capacity for day case procedures across the ten specialties that make up 90% of day cases in Northern Ireland. Following completion of this exercise, it is planned to produce proposals for public consultation this autumn.

Work has started on a regional review of Urgent and Emergency care. A regional summit will be held in June 2019 and it is expected that the Review will publish proposals for public consultation before the end of the year.

A clinically led review of neurology services was initiated early this year and is expected to produce an interim report this summer, with proposals for public consultation later this year.

The Department is also currently working on the development of a Regional Obesity Management prototype, with bariatric surgery to be provided in the South West Acute Hospital.

Further service reviews are planned for the future, including breast services, maternity and neonatal, vascular and urology.

Public Health Strategy

'Making Life Better', Northern Ireland's strategic framework for public health, was published in June 2014. It represents the Northern Ireland Executive's commitment to creating the conditions for individuals, families and communities to take greater control over their lives, including being enabled and supported in leading healthy lives.

Making Life Better provides strategic direction to improve health and reduce health inequalities, through strengthened collaboration in a whole system approach across the broad range of social, economic and environmental factors, which influence health and wellbeing. The strategic framework brings together actions at government level and provides direction for implementation at regional and local level. In order to achieve the aims of better health and wellbeing for everyone and reduced inequalities in health, action needs to be taken across the socioeconomic spectrum, to improve universal services as well as more targeted services for those experiencing greater need.

Making Life Better is a living document to be reviewed and updated on a rolling basis in line with Programme for Government (PfG) and budgetary periods. During 2018-19 the Department has been working closely with other Departments, HSC bodies and other organisations in the development of the NICS Outcomes Delivery Plan 2018-19 in support of the draft PfG 2016-21, to ensure that actions are identified which enhance and build momentum around Making Life Better aspirations.

Aligning the draft PfG, Making Life Better and community planning is providing opportunities for greater co-ordination around common areas for focus which will bring significant gains in the health and wellbeing of local communities, and which have the potential to be scaled up to impact on greater numbers of people.

In 2018-19 the Department refreshed regional and local implementation arrangements, continued to maximise opportunities for alignment with the NICS Outcomes Delivery Plan and community planning, and took forward the delivery of complementary actions, including the development of a "healthy places" demonstration programme.

Making Life Better is underpinned by a range of key policies and strategies covering areas such as obesity prevention, alcohol and drug misuse, mental health promotion, suicide prevention and tobacco use. Progress in 2018-19 and key challenges for 2019-20 are set out below:

- **Alcohol and Drug Misuse**: The final review of the New Strategic Direction for Alcohol and Drugs Misuse Phase 2 (NSD Phase 2) was published in January 2019 and work has commenced to undertake a pre-consultation process on what should follow this strategy – this will be a key focus of work in 2019-20. A review of Tier 3 alcohol and drug services commenced in 2018-19 and this will inform further service development and investment in 2019-20. Other challenges for 2019-20 will include further consideration to minimum unit pricing for alcohol, and further cross-departmental work to address substance misuse-related deaths.

- **Obesity**: A yearly progress report covering the 2017-18 short term outcomes has been completed and published. Work was undertaken to review the short term outcomes for the final three years of the framework (2019-2022) and we anticipate this will be published in June 2019. Work is well advanced to review the UK Chief Medical Officer Physical Activity Guidelines, expand the Active Travel programme in schools, update the Nutritional Standards for Schools, reformulate foods high in salt, sugar and fat and provide consumer advice on calories in food and drink. Challenges for 2019-20 will include undertaking an Innovation Lab to look at new approaches to addressing childhood obesity, and ensuring that the revised short term outcomes continue to address obesity in the population particularly reducing the inequality gap between the most and least deprived in society.

- **Mental Health and Suicide:** The Protect Life 2 Strategy has been developed following consultation and is now being considered for publication in 2019-20. A number of new programmes including crisis de-escalation service, street triage and a towards zero suicide initiative commenced in 2018-19 to support the new Strategy. These are all pilots funded by transformation funding. Also a high level positive mental health policy statement has been developed during 2018-19 and will be completed during 2019-20. Work commenced in 2018-19 to work jointly with the Department of Education (DE) and the PHA to develop an Emotional Health and Well-being Framework for school aged children which should be completed in 2019-20. A pilot Stress Control in Schools Programme is also planned by the PHA in 11 schools in North Belfast and Newtownabbey in the 2019-20 academic year.

- **Tobacco:** Draft regulations to introduce age restrictions on the sale of e-cigarettes were brought to consultation during 2017-18 and are ready to be introduced along with regulations aimed at banning smoking in cars when children are present. A review of the 10-year tobacco control strategy for Northern Ireland was commenced during 2017-18 with a mid-term review report due to be finalised in 2019-20. This will steer the direction of tobacco control work for the remaining term of the strategy.

- **Skin Cancer Prevention:** The Department's 10-year skin cancer prevention strategy and action plan was published in 2011 and, following a mid-term review of the strategy in 2017, the department continues to work in partnership with the PHA, Cancer Focus NI and other key stakeholders in implementing the strategy.

Health Protection

During the year the Department completed the development of a new One Health 5-year action plan to address the threat of Antimicrobial Resistance (AMR) in Northern Ireland. The emergence and spread of organisms that are resistant to existing antibiotics and other antimicrobials is one of the most serious and pressing global threats to health and healthcare. AMR requires a strategic, integrated, inter-agency and inter-disciplinary response covering human health and healthcare, agriculture, the food chain, veterinary medicine, and the environment. The new 5-year AMR Action Plan 2019 - 2023 for Northern Ireland is linked to the UK 20-year Vision and a 5-year UK Action Plan and was formally launched in May 2019.

Policy was developed to bring forward for decision a move to the Faecal Immunochemical Test (FIT) in the NI bowel cancer screening programme and extension of the Human Papilloma Virus (HPV) vaccination programme to include teenage boys. Both will be implemented during 2019-20.

A UK-wide public inquiry into the events that led to people being infected with HIV and/or hepatitis C through NHS-supplied blood or blood products in the 1970s and 1980s, the impacts of these infections, and the response of government and public authorities to these cases, was announced in July 2017. Sir Brian Langstaff was appointed Chair of the Public Inquiry early in 2018 and preliminary hearings were held in London in late September 2018. The Department has core participant status. The other HSC bodies that currently have core participant status are the NI Blood Transfusion Service, the Belfast HSC Trust and the HSCB.

The Department established a regional group with representation from HSC bodies and legal teams to ensure that a coordinated and consistent approach is adopted across all organisations in working with the Inquiry. The first meeting was held on 12 November 2018.

Emergency Preparedness and Response

The Department is responsible for the strategic response to HSC consequences of emergencies in NI. Specifically the Department is the Lead Government Department (LGD) for responding to the HSC consequences of emergencies from chemical, biological, radiological and nuclear (CBRN) incidents, the disruption of medical supply chains, human infectious diseases or mass casualty situations. Part of that LGD role also involves providing advice and guidance on health impacts to other government departments to support their response, and providing strategic support to the HSC sector in both planning and responding to emergencies. The Department also works with other multi- agency partners, such as local government, the three emergency services and other government departments on emergency preparedness and response, and participates in multi-agency testing and exercising as required.

During 2018-19, the Department has continued to engage with HSC organisations to ensure that they have preparedness plans in place to be able to mount an effective emergency response. The Department, in collaboration with the Department of Justice (DoJ) and The Executive Office (TEO), has continued to engage with colleagues across the UK as part of the Pandemic Flu Readiness Board in order to develop national and regional preparedness for an influenza pandemic.

Training and exercising in emergency response and crisis decision-making was delivered to DoH staff by the Emergency Planning College. In addition, as part of the Department's C3 (command, control, coordination) preparations for a "no deal" exit from the EU, over 60 staff have participated in training and exercising. The Department's Emergency Operations Centre (DOC) was relocated to a purpose-built room fitted with updated IT infrastructure, to allow coordination and response to a range of emergency situations.

Oral Health - Service Delivery

A General Dental Services (GDS) pilot has been completed in 11 dental practices across Northern Ireland to test a capitation-based contract model. This ran in two phases from November 2014 to August 2016. Researchers from the University of Manchester, funded by the National Institute of Health Research, discussed with DoH and HSCB the evaluation of these pilots; and final analysis is now completed. A period of peer review is currently in progress and the final evaluation documentation is expected to be formally published in summer 2019 as a research paper.

The HSCB is currently overseeing another Oral Surgery pilot in high street specialist practices. Monitoring data indicates high levels of satisfaction amongst referring practitioners and oral surgery specialists, as well as a 26% reduction in the annual number of referrals to Trusts. This pilot will be evaluated alongside insights gained from the Additional Dental Services tender, an earlier Oral Surgery pilot, and the experiences from pilots and prototypes run in England and Wales. The Chief Dental Officer (CDO) continues to work closely with General Dental Ophthalmic and Prison Healthcare Policy Branch and HSCB colleagues on the development of new GDS contractual models for the delivery of primary dental care. We will continue engagement with the British Dental Association (BDA) and the evaluation of the latest pilot will allow us to re-commence formal negotiations.

A new contract for the Community Dental Service has been agreed following negotiations with BDA and HSC employers. The contract was implemented in April 2019, with pay being backdated to 1 April 2015. The contract introduces job planning and appraisals as an integral part of the terms and conditions of service.

CDO and Departmental officials have been involved at a pan-UK level in respect of EU Regulation 2017/852 on Mercury and the UK Control of Mercury (Enforcement) Regulations (2017) which became effective in 2018. Restrictions are now placed on the use of dental amalgam in children under 15 years old and of pregnant or breastfeeding women, unless the dentist thinks such treatment is necessary. The Department met with the BDA, the Regulation and Quality Improvement Authority, and with relevant HSC Trust staff to ensure that the necessary changes to administrative and governance processes were made. The Statement of Dental Remuneration was updated, and customer-facing literature developed and issued accordingly.

The final review report on the dental workforce from Skills for Health is anticipated to be published in 2019-20. A draft report is being considered by a dedicated Steering Group, who will consider the recommendations therein as they scope changing population needs and workforce demographics. The report will assist the Department in drafting effective and efficient models of care, and to enhance patient access to evidence-based interventions.

Although young children in Northern Ireland have historically had some of the worst oral health in the United Kingdom and Ireland, there have been impressive gains made through the use of evidence-based programmes over the past ten years or more. One such significant improvement was even recognised by the Royal College of Paediatrics and Child Health, but overall we are very pleased to note a range of reductions in both decay prevalence and severity. Relatively higher levels of socioeconomic deprivation here explain why our children don't score as well in dental health outcomes as in some other parts of the UK. However, we and dental teams across the region, continue to encourage better oral health behaviours such as more frequent tooth brushing; the use of toothpastes with higher fluoride content; more frequent and regular attendance at dental practices/clinics; healthier diets with lower sugar intake, a lower consumption of sugary drinks, more frequent consumption of water as a drink, and less frequent snacking.

We are also encouraged that the need for hospital admissions for children (0-17 year old) for tooth extractions are improving. Data has been collected for more than a decade and shows that the numbers of child admissions to hospital for tooth extraction are declining, year on year, since a peak of 8,136 in 2004-05. The 5,518 hospital admissions recorded in the most recent readily available full-year data represents a 32% decrease since 2004-05 and the 19% decrease from ten years ago in 2007-08 (6,823).

Preventative approaches continue at a community level through the Community Dental Service and health promotion staff. The focus remains appropriately on special needs groups, including children from socioeconomically disadvantaged areas and including fluoride toothpaste schemes for young children within target areas.

The prevention of dental decay in Northern Ireland is achieved through evidence-based interventions using the directed population approach delivered by the Community Dental Service and health promotion staff. The focus remains appropriately on children who are at increased risk of developing decay such as those with special needs or children from socioeconomically disadvantaged areas.

The regional Happy Smiles programme for pre-school children in a nursery setting encourages shared responsibility and combined effort between school teams, parents and their children. This is achieved through the three components of the programme; provision of fluoride toothpaste; oral hygiene instruction – i.e. teaching children how to brush their teeth; and dietary advice through the promotion of healthy snacks. There are almost 18,000 children enrolled in the Happy Smiles programme although other preventative programmes are also being delivered to school aged children across the region.

Pharmacy Developments

During 2018-19 a two-year financial envelope for community pharmacy services was confirmed in support of a previously agreed contractual framework for community pharmacy. In addition, £7.4m transformation funding was made available to support improvements across a range of areas of innovation in the community pharmacy setting. This included the testing of a new 'Pharmacy First' scheme for sore throats, colds and flu-like illness service which was launched on 1 December 2018 and ran until 31 March 2019. The service aimed to displace activity, including consultations, advice and generating prescriptions for common winter conditions from GPs to a community pharmacy based service.

The service was co-designed by the HSCB, the Department and Community Pharmacy Northern Ireland, following a review of the current evidence base for the management of common winter conditions. During the four month trial, 21,715 people received a consultation with a pharmacist through the new service which was delivered at 432 community pharmacies across Northern Ireland. The results of the trial are promising and will inform the future development of the Pharmacy First service as part of the roll out of the community pharmacy service framework.

The Department continued to lead the three year Medicines Optimisation Regional Efficiency Programme (MORE) which concluded in March 2019, successfully delivering over £80m of medicines savings. This was achieved through the design and implementation of an efficiency programme involving integrated prescribing policies and effective procurement practices across the HSC. The programme brought together organisations with responsibility for medicines' budgets to reduce prescribing costs in primary and secondary care.

In its third year of implementation, the Northern Ireland Medicines Optimisation Quality Framework (MOQF) made significant progress aimed at supporting better health and wellbeing for all people in Northern Ireland, through improvements in the appropriate safe and effective use of medicines. This included progress towards development of the NI response to the World Health Organisation's third Global Safety Challenge for Medication Safety, design of an innovation pipeline to support scale and spread of good practice and initiation of a workforce review for pharmacists and pharmacy staff.

The fifth year of implementation of the 'Making It Better through Pharmacy in the Community' strategy in 2018-19 saw continued progress against objectives to facilitate the fuller integration of pharmacy services across the HSC through the commissioning and delivery of HSC contracted pharmacy services. Notable progress was made in development of the pharmacy workforce within general practice – 'practice based pharmacists'. Pharmacists' unique skills as medicines experts are helping improve the quality and safety of prescribing, whilst also supporting value for money, offering support to other members of the primary care team, and freeing up GP time to dedicate to patients with more complex needs. By March 2019, five waves of recruitment for practice based pharmacists were completed and all GP practices in Northern Ireland now have a dedicated pharmacist. Wave 5 recruits will take up posts between April and June 2019 and this will see Waves 1 and 2 practices at full capacity and 274 practice based pharmacists in post (234 whole time equivalents).

A major area of focus was preparation for plans to exit from the EU on 29 March 2019. Substantial contingency planning was completed, including for a "no deal" scenario, with the aim of maintaining access to supplies of medicines, medical devices, clinical consumables, vaccines, clinical trial drugs, blood and blood products.

The Department's Medicines Regulatory Group participated in Operation Pangea XI which took place in October 2018. The Operation involved 116 countries, acting together to safeguard public health and aimed to disrupt the illicit online supply of medicines as well as raising awareness of the significant health risks associated with buying medicines from illegal websites and social media platforms. Multiple packages containing some 60,000 tablets destined for addresses throughout Northern Ireland were intercepted including diazepam, pregabalin and zopiclone.

Progress was made on medicines-related legislation on a number of fronts. On 1 November 2018, new legislative provisions came into operation in Northern Ireland and across the UK to allow the wider use of cannabis-based products for medicinal use in humans, essentially for medical purposes. The policy objective was to permit the use of cannabis-based medicinal products in healthcare, while continuing to prevent the illegal misuse of cannabis.

Amendments to the Human Medicines Regulations 2012 implemented EU Directives that aim to prevent the entry into the legal supply chain of falsified medicines products. New powers are also available to allow Ministers to issue a serious shortage protocol where there is a severe shortage of particular prescription only medicines. Such protocols will also allow for substitution, in restricted circumstances, of a different quantity of a prescription only medicines, or a different medicine to that ordered by the prescriber.

The Pharmacy (Preparation and Dispensing Errors – Registered Pharmacies) Order 2018 came into force on 16 April 2018 and introduced a defence to the criminal sanctions in the Medicines Act 1968 for inadvertent dispensing errors in community pharmacy. It is anticipated that the introduction of these defences should help bring improvements to patient safety, by encouraging improved reporting and learning from errors by pharmacists working in registered pharmacies.

In June 2018, a UK-wide consultation was launched on two Orders being made under the powers within section 60 of the Health Act 1999. The first draft Order seeks to bring in defences for inadvertent preparation and dispensing errors by pharmacy professionals occurring in hospitals and other settings with appropriate governance arrangements, such as care homes and prisons. This aligns with provisions contained in an earlier Order - The Pharmacy (Preparation and Dispensing Errors – Registered Pharmacies) Order 2018 - and ensures that these professionals can make use of the defences already afforded to pharmacy professionals operating in registered pharmacies. The second draft Order relates to the organisational governance arrangements for registered pharmacies, specifically in respect of Superintendent Pharmacists (SPs) and Responsible Pharmacists (RPs).

General Practitioner (GP)-led Care

GP-led care is provided mainly from GP surgeries and from centres for Out of Hours (OOH) GP Services, drawing on multi-disciplinary teams of nurses and other specialists as well as GPs. Services provided by GP practices are underpinned by the General Medical Services Contract, variations to which are negotiated by the Department with GP representatives. The HSCB is responsible for managing the contracts for General Medical Services and for OOH services.

Substantial investment has been made in General Medical Services in 2018-19. Having considered the recommendations of the Review Body on Doctors and Dentists Remuneration which recommended a 4% increase in GP income after expenses, and taking into account challenging public finances, a rise of 3% - equivalent to an investment of £6.25m for GPs and their staff – has been made. This is the largest pay related increase in a number of years. In addition, £1m was made available to meet the increasing costs of indemnity cover and £1.8m has been invested in core funding to reflect increased demand for GP services. Significant funding has also been made available for work by GPs to help bring down waiting lists.

A major focus in 2018-19 has been the roll-out of the Primary Care Multi-Disciplinary Team model envisaged in *'Health and Wellbeing 2026: Delivering Together'*. This model is intended to see General Practice focusing on physical, mental and social wellbeing with a greater focus on upstream and early intervention and a greater volume of care led and coordinated by practices. To deliver this model a new multi-disciplinary team approach is being developed with practice based physiotherapists, social workers and mental health practitioners working alongside GPs, nurses and other practice staff. We are also investing in District Nursing and Health Visitor levels, reflecting the close partnership they have with practices. Data analysts are also being deployed to help identify opportunities for prevention and early intervention. We are investing in the training of these practice based teams and seeking to improve connections between hospital-based teams and GP practices. To help make this happen we have invested more than £2m into improving and extending GP premises.

Joint bids from GP Federations (collectives of around 20 GP Practices) and HSC Trusts to roll-out this model were considered, with Down and Derry/Londonderry being the two successful areas. West Belfast were also successful and we have subsequently started to roll-out this model there with the deployment of practice based physiotherapists. Around 100 staff have been recruited across these three areas so far, with further recruitment ongoing. Overall, we believe this to be the most ambitious and advanced scheme for implementing Multi-Disciplinary Teams in primary care in the UK.

We have also started work to train additional cohorts of Advanced Nurse Practitioners across three more GP Federation areas, following a successful scheme in the Down Federation, and are investing to increase the number of practice nurses in two GP Federation areas.

We continue to roll-out the Practice Based Pharmacist scheme, with every practice in Northern Ireland now having access to a pharmacist and 274 Practice Based Pharmacists in place (234wte) – reflecting an annual cost of £12.3m. This scheme is already delivering benefits through saved GP time, improved patient care and cost savings on prescriptions. We also believe this to be the largest and most ambitious scheme of its kind in the UK.

The Transformation Fund has enabled investment aimed at improving retention and recruitment of GPs and key staff – for instance through leadership training, a mentoring scheme and a retainer scheme. Funding has also been provided to support GP Federations and to help them set up teams of experienced staff who are available to support struggling practices.

There continues to be pressure on GP OOH services with all providers finding it challenging to fill shifts. As well as testing new ways of working which could help reduce the pressure on OOH services we are working closely with the HSCB and providers to ensure there is a full roll out of measures such as the deployment of skills mix.

Secondary Care

Secondary Care primarily includes those services which are delivered in hospitals covering acute, scheduled and unscheduled services (such as emergency care). The Department's strategic priority for these services is to improve the quality of services and outcomes for patients, clients and carers through the provision of policy that guides the delivery of safe, resilient and sustainable services. These services are commissioned by the HSCB and delivered by the HSC Trusts. Patients requiring specialist treatment can be transferred to specialist units in Great Britain, Republic of Ireland and further afield if the treatment is not available locally.

Secondary Care also made good progress on a programme of new policy development, including support to the Chief Medical Officer (CMO) on service specific reconfiguration reviews as part of the modernisation and transformation agenda. This has included:

- Strategic Framework for Imaging Services published in June 2018; work is ongoing to implement the recommendations;

- Publication in December 2018 of a policy guidance statement on the statutory duty to promote organ donation and transplantation in NI;

- Continued progress on establishing the All-Island Congenital Heart Disease Network, including the enhancement of facilities and resources at the Network's Level 2 specialist children's heart centre in Belfast and business case approval in November 2018 to further expand the Paediatric Intensive Care Unit (PICU) capacity in Dublin to progress the planned transfer of NI elective cases. Also in 2018, under a revised SLA, a small cohort of NI elective patients also began to have their surgery in Dublin;

- New Individual Funding Request Policy governing specialist drugs not routinely commissioned in Northern Ireland approved. Clinically led Regional Scrutiny Committee being established; and

- Announcement in March 2019 of the development of a new Cancer Strategy for NI.

Quality Regulation and Improvement

The Department consulted on proposed amendments to The Regulation and Improvement Authority (Fees and Frequency of Inspections) Regulations 2005 at the end of 2016 and had hoped to lay amended regulations during 2017-18 to come into effect on 1 April 2018. Unfortunately, in the absence of an assembly, progress with these changes is currently not possible.

The Regulation and Quality Improvement Authority (RQIA) made significant progress against the milestones in its business plan in 2018-19. RQIA's Corporate Performance Report Quarter 3 confirmed that all actions from its 2018-19 business plan were on target for completion by their due date and that there were no actions requiring exception reports.

During the year the Department asked RQIA to undertake a number of additional pieces of work which resulted in RQIA re-prioritising services/areas for review in order to accommodate these additional requirements. The Department initially directed RQIA to undertake a review of Governance of outpatient services in the Belfast Trust, with a particular focus on neurology and other high volume specialties. The report of this review is currently at final drafting stage to be shared with DoH in due course. This review of governance in outpatient services will cover the other four HSC Trusts over the next year as part of Phase 3 of the Hospital Inspection programme.

Separately, the Department asked RQIA to undertake a Review of Governance (corporate and clinical) relating to health services delivered by independent sector hospitals in Northern Ireland. Planning for this review has been completed with field work to be completed during the 2019-20 year. In addition, the Department asked RQIA to undertake an expert review of clinical case notes of patients of an individual consultant who have died in the previous ten years. Work is ongoing to scope the various phases of this sensitive and complex review. A legal framework is under development to support the review and we are working on a robust mechanism to identify the patients to be included in the review.

The RQIA continued its programme of inspection activity of regulated services as well as Ionising Radiation (Medical Equipment) inspections and the ongoing hygiene inspection programme.

RQIA's restructuring and reorganisation has continued at pace. RQIA has restructured from four directorates to two – Assurance and Improvement - supported by a new Business Support Unit. New deputy directors of assurance and improvement have been appointed and they are supported by several new assistant directors. A permanent Head of Business Support was appointed in year. In 2018-19 they recruited a number of new inspectors across the organisation. The Information Team was ably led by a Northern Ireland Statistics and Research Agency (NISRA) secondee and an additional analyst appointed to support the more effective use of intelligence and information.

The Department has confirmed its strong support of RQIA in this current transformation and restructuring process. The Department will provide, via Top Management Group (TMG), professional and policy leads, and sponsor branch, all the assistance it can to RQIA during its reorganisation.

Phase 1 of the review of The HPSS (Quality, Improvement and Regulation) (NI) Order 2003 and associated regulatory policy is well underway. The Department has engaged with key stakeholders and has, through close liaison with a user reference group, designed documents to support engagement with the public. The Department intends to consult on the principles underpinning future systems of regulation during 2019-20.

The Inquiry into Hyponatraemia-Related Deaths (IHRD) report also made significant recommendations in relation to Quality and the remit of RQIA. The Department has established a comprehensive programme involving a wide range of stakeholders to progress these recommendations. The programme has nine main workstreams and includes services users and carers, HSC staff, representatives of third sector bodies, Non-Executive Directors (NEDs) from HSC bodies, DoH staff and staff from other Departments and specialist bodies outside of HSC.

The programme published updates on the progress of the programme in December 2018 and March 2019. Substantial progress with the implementation of recommendations which do not require primary legislation is expected throughout the 2019-20 year.

Nursing, Midwifery and Allied Health Professions (AHPs)

Over the course of the last year there has been significant engagement within and across the nursing and midwifery community on their contribution to health, care and wellbeing. The work has focused on maximising the contribution of midwifery and nursing in improving:

- Population health outcomes across the lifespan, but particularly in enabling children and young people to have the best start in life;
- Recovery and the management of people with acute, long term conditions, mental health and learning disability needs; and
- Care of older people.

Significant work has also been progressed in work planning with a specific focus on creating person centred, evidenced based, stable Midwifery and Nursing teams. It is anticipated the Nursing and Midwifery Task group report will now be published in 2019 and the recommendations presented to the Minister, or the Permanent Secretary in their absence.

Promoting and Enabling Partnership Working: In *'Health and* Wellbeing *2026: Delivering Together'*, partnership working was identified as key to the delivery of HSC transformation. As a result, the Department co-produced the regional Co-Production Guide '*Connecting and Realising Value through People'*. The Guide is a living document that provides underpinning principles for Co-Production, definitions of key terms and practical guidance to a range of stakeholders on evolving the truly representative relationships and processes to create the conditions for collaboration and inclusivity to happen easily and naturally within the health and social care system.

The Guide makes no change to existing Personal and Public Involvement (PPI) requirements but builds on established mechanisms while seeking new ways of connecting for the next stage of the journey to broaden and strengthen partnership working between those with lived experience of health and social care, their families and carers, those with worked experience of providing those services, communities and policy makers.

Patient Experience Survey: The Northern Ireland Patient Experience Score for 2017 measures satisfaction with HSC at 83, where 75 and over rates as "good" or "very good". While the score is welcomed, it also identifies areas where people think improvements can be made and appropriate action taken.

Nursing and Midwifery Workforce

Delivering Care: Further progression of the Delivering Care: Nurse Staffing in Northern Ireland policy framework has continued. With Phases 1-4 already completed covering hospital medical and surgical wards, Emergency care nursing, District Nursing, Health Visiting, a further three phases have been developed for Mental Health Nursing, Primary Care Nursing and Neonatal nursing.

A further phase focusing on nursing in Independent Sector Nursing Homes is underway with Learning Disability commenced. Phase 1 implementation continues to be monitored and additional phases are planned including children's nursing and midwifery. The Delivering Care policy supports the provision of safe, high quality care through determining staffing ranges for the nursing and midwifery workforce and is an important enabler for building the capacity of the nursing and midwifery professions to improve outcomes for our population.

Mental Health Nursing Review: A review of the role and function of mental health nursing was commissioned by the Chief Nursing Officer (CNO). This review has now been completed and the findings are due to be published shortly alongside the Nursing and Midwifery Task Group Report. Work has already commenced on translating the findings into the new Future Mental Health Nurse curriculum and work will be progressed during 2019-20 on developing a new career framework including the development of a new Advanced Mental Health Nurse Programme. In addition Delivering Care Phase 5 'A' nurse staffing for acute mental health care has been completed. This will strengthen the number of senior nurse decision makers on each shift with a view to improving the range and scope of therapeutic care to people who require inpatient care.

Learning Disability: The CNO commissioned The Foundation of Nursing Studies Caring Cultures Programme for Learning Disability. The CNO has also commissioned a review into role and function of learning disability nursing due for completion by spring 2020 and in addition work will also be progressed through the Delivering Care programme on developing safe and effective nurse staffing for all learning disability services.

Nursing and Midwifery Education

Future Nurse Future Midwife: A major programme of regional work has commenced to implement ambitious new nursing education standards mandated by the professional regulator the Nursing and Midwifery Council (NMC), which complement the strategic transformation direction set by '*Health and Wellbeing 2026: Delivering Together'*. The new standards have significant implications for universities approved to deliver nurse education and for all clinical practice areas where nursing and midwifery students are supervised and assessed. The Department has established a Programme Board to provide oversight of the regional implementation work which Northern Ireland Practice & Education Council for Nursing and Midwifery (NIPEC) is leading. The new standards and associated proficiencies will shape the future of nursing and midwifery for future generations, providing nurses and midwives with the knowledge and skills to deliver excellent care across a range of settings now and into the future to benefit people, families and communities. The new Midwifery Standards are being consulted on and will be issued in autumn 2019.

Nursing Masters Programmes: Nursing as the largest professional group in the HSC has a pivotal role in delivering transformational change in every setting. Developing the profession through education and creation of career pathways to effect change in clinical practice is a key priority. The Department has commissioned the development of two new nursing Masters programmes during 2018-19 which are due to commence in 2019-20; (1) a graduate entry pre-registration Masters and (2) a post registration Masters for newly qualified graduates.

Healthy Child, Healthy Future (HCHF): Is the child health promotion programme for Northern Ireland. It is provided to all children and young people aged 0-19 years, irrespective of need. *'Health and Wellbeing 2026: Delivering Together'* has committed to the full delivery of this programme. The full programme is presently not being implemented due to workforce challenges and significant pressures on the health visiting service. The delivery of this programme is monitored through the indicators of performance on a quarterly basis. The PHA is working with the HSC Trusts to develop a regional action plan to ensure full delivery of HCHF. Recognising that there are workforce issues, an interim milestone has been set to prioritise the two year contact and the antenatal contact for first time mothers. Delivering Care (the DoH policy for safe staffing) Phase 4 Health Visiting has been successful within the Transformation bids for the Enhanced Multi-Disciplinary Teams in Primary Care. As a result of this an additional Health Visitor (HV) training Programme with 19 student HVs commenced in January 2019.

Advanced Nurse Practitioners (ANP): Students have been continuing on three pathways; Emergency Care, Children's and Primary Care of the ANP MSc Programme at Ulster University, commissioned in 2017-18. These students are due to graduate in September 2019 and will take up new ANP positions. Further places were commissioned in 2018-19 for Primary Care and a new pathway, Adult/Older People. Completion of the ANP Programme will enable nurses to practice autonomously at an advanced level, working alongside GPs and other health professionals to provide person centred care and improve outcomes for the population.

AHP Advanced Practitioners: An AHP Advanced Practitioner Framework has been developed during 2018-19 to support the development of new roles and advanced practice to support the transformation agenda. This framework has now been completed and will be formally launched during June 2019.

AHP Workforce: Under Delivering Together, we need to ensure that we have the workforce required to meet the changing transformation within services while continuing to meet the increasing demand. A series of uni-professional workforce reviews have been undertaken across all 13 AHP professions. Using the DoH six step methodology each professional group has been involved in co-designing a report to advise the DoH on the workforce requirements for the next ten years. Most of these reviews will be completed during 2019.

Nursing, Midwifery and AHP Education and Training: Education and training remain a high priority for AHPs, nursing and midwifery professions, as it is essential to underpin the delivery of evidence based high quality care. Education and Training is also fundamental to the successful delivery of Departmental strategies including Quality 2020, Making Life Better and the updated Public Health Strategy. As such, the review and development of education commissioning continues to be taken forward successfully.

Post registration Education and training continues to underpin the delivery of evidence based high quality care and the transformation of our services. Significant additional investment of transformation funding in 2018-19 enabled increased commissioning of a wide range of nursing and midwifery programmes including Specialist Practice programmes for District Nurses, Health Visitors, Diabetes, Stroke Care, Older People, Mental Health, Palliative Care and Emergency Care in 2018-19. Ten Stand Alone Modules such as Palliative and End of Life Care were commissioned and 15 Short Course Programmes including Return to Nursing Practice and prescribing programmes.

To develop leadership capacity within the nursing profession an Aspiring Nurse Director Programme developed and delivered by London Southbank University was commissioned, to enable senior nurses to acquire the strategic leadership skills required for these senior leadership positions. To enable improvement and transformation within the system places were commissioned for both nurses and AHPs on the Institute for Healthcare Improvement, Improvement Advisor Professional Development Program. Workforce planning remains a challenge and to support and develop staff the University of West London were commissioned to deliver their Post-Graduate Certificate in Workforce Planning to a group of Nurses and AHPs. The education commissioning continues to be progressed successfully and programmes prioritised accordingly, aligned to service need.

The AHPs continue to focus on using the funding to develop AHP advanced practitioners to undertake Post Graduate Certificate in Education (PGCE) to enable them to lead in educational and training roles and use resources to best effect. In partnership with Ulster University (UU) there is a drive to progress these advanced practice roles and skills to support the development of AHP staff across the HSC. The Leadership Centre in partnership with DoH AHP leadership programmes continue to support staff in developing their own collective leadership capacity and create a strategic alliance across the AHP professions.

District Nursing: *District Nursing Framework 2018-2026; 24 hour District Nursing care No Matter Where You Live,* the District Nursing Framework for Northern Ireland, was published by the Department in February 2018 and the PHA is leading with the implementation of the Framework.

A number of subgroups have been established to support the implementation of the District Nursing Framework: Neighbourhood District Nursing; Key Performance Indicators; Education, Workforce and Succession Planning; Information and IT; Safe Caseloads.

AHP Strategy: The AHP strategy has been formally stood down and TMG have given approval for the development of a new strategy for 2018-2023. This work is progressing during 2019 and it is anticipated that a new strategy will be in place for approval in late 2019.

AHP Prescribing: In May 2014, the Department commissioned training for supplementary prescribing for physiotherapists and podiatrists. Independent Prescribing Legislation for podiatrists and physiotherapists came into operation in January 2015 within Northern Ireland. In January 2016, independent prescribing for therapeutic radiographers and supplementary prescribing for dieticians was approved by the Commission on Human Medicines. At the same time, exemptions for orthoptists were also agreed. Amendments were made to Independent Prescribing legislation to reflect these changes. In early 2018 Paramedics gained independent prescribing rights. Work continues on proposals for further roll outs to other professional groupings. Further local legislation changes are being progressed to support this national work. This work continues to expand to include more professions and changes in access to medication: biomedical science, dental therapists' podiatry, paramedics, and clinical scientists operating department practitioners, physiotherapy and dietitians and other professions. NHS England lead on the consultations on behalf of the devolved administrations. The Department will be involved in a national stakeholder engagement event during 2019.

Nursing *Now* Northern Ireland: The Nursing Now Northern Ireland campaign was launched in January 2019. Nursing *Now* is a global campaign which aims to improve health globally by raising the profile and status of nurses and midwives. Nursing *Now* is based on the Triple Impact report, which concludes as well as improving health globally, empowering nurses would contribute to improved gender equality and building stronger communities. The Nursing *Now* Northern Ireland Plan focuses on Public Health; Homeless Health; Valuing Diversity / Men in Nursing; Leadership and Development.

Professor Sir Michael Marmot delivered the key note address on Health Inequalities at the launch event recognised that nurses and midwives have great potential to improve the health of communities through action on the social determinants of health.

Family and Children's Policy

Adoption: Public consultation on a draft Adoption and Children Bill concluded in April 2017. The Bill is principally intended to modernise the legal framework for adoption in Northern Ireland and place children's welfare at the centre of the adoption decision-making process. The substance of the Bill relates to adoption, although the Bill also contains provisions which amend wider children's legislation. Consultation responses have been analysed and work is ongoing with Counsel to finalise the Bill.

Early Intervention Transformation Programme (EITP*):* EITP is a £30m Delivering Social Change (DSC) Signature Programme, funded jointly by the DSC Programme, DoH, DE, DoJ, Department for Communities (DfC), Department for Economy (DfE) and Atlantic Philanthropies. EITP aims to improve outcomes for children and young people across Northern Ireland through embedding early intervention approaches. EITP will formally close in September 2019 with 13 out of its 19 projects being sustained beyond the lifetime of the programme, including five projects which are in receipt of continuation funding under the Transformation Programme or European Social Fund. An independent Post Project Evaluation has been commissioned, and will inform consideration of next steps options on Early Intervention post-programme.

New Core Grant Scheme: In January 2017, the former Health Minister announced her intention to establish a new core grant scheme with an innovative element, linked to her vision for health and social care. It is intended that the new core grant scheme will support the core functions of voluntary and community sector organisations and will be open to applications from any eligible organisation which demonstrates that it meets the aims and requirements of the new scheme. Work is ongoing to develop proposals for the new core grant scheme for Ministerial consideration and approval. In the meantime, the existing core grant scheme is continuing.

Sexual Exploitation of Children and Young People: The Department has continued to work on implementation of a small number of outstanding recommendations made for the HSC (Department, HSCB or HSC Trusts) by the 2014 Marshall Report of the Inquiry into Child Sexual Exploitation (CSE) in Northern Ireland. The ongoing programme of reform of children's services—for example the Adverse Childhood Experiences programme being overseen by the Safeguarding Board for Northern Ireland (SBNI) and the roll out of the Signs of Safety programme across the region—continues to draw on learning from the Marshall report and the Thematic Review conducted by the SBNI in 2015 into the 22 cases of children suspected to have been the victims of sexual exploitation.

The SBNI has commissioned a further piece of work to evaluate the effectiveness of its member agencies' response to CSE in Northern Ireland. The intention is that this further evaluation will help inform the cross-departmental response to Professor Marshall's recommendation to develop a regional strategy to prevent, identify, disrupt and tackle CSE.

Child Protection Senior Officials Group (CPSOG): The CPSOG was established in September 2018 to address cross-cutting child protection issues which require cross-departmental input and coordination.

The CPSOG meets on a quarterly basis, is chaired by DoH, and the standing membership comprises of representatives from DE, DoJ and Department of Finance (DoF). The Terms of Reference for the CPSOG set out how representation from other Northern Ireland Government departments may be requested should a specific issue arise which extends beyond the remit of core member departments.

Female Genital Mutilation (FGM): Key FGM resources to raise awareness of FGM across Northern Ireland and assist staff in responding to FGM by providing guidance and care pathways for lead professionals who may encounter young women and girls at risk of, or subject to FGM were developed and launched in October 2018. The work contributes to the delivery of a number of workstreams in a cross-departmental FGM action plan being progressed in partnership with other Government departments and the SBNI.

A Strategy for Looked After Children: A draft Looked after Children Strategy has been developed jointly with DE. Formal consultation on the Strategy took place between 9 May 2018 and 1 August 2018 which included five public consultation workshops and a number of specific workshops for looked after children and young people. Analysis of the consultation responses is nearing completion and will inform the final version of the Strategy which will be published, subject to Ministerial approval.

Historic Mother and Baby Homes / Magdalene Laundries: The Northern Ireland Executive agreed in October 2016 that an Inter-Departmental Working Group should be established to consider historic Mother and Baby Homes / Magdalene Laundries and historical clerical child abuse that fell outside the terms of reference of the Historical Institutional Abuse Inquiry. The membership of the Group is drawn from the DoH, DoJ; Department of Education (DE); Department for Economy (DfE); Department for Communities (DfC); DoF (Department of Finance - Departmental Solicitor's Office) and TEO. The Group has an independent Chair, currently vacant, and DoH and TEO are working to appoint an individual to the role.

The Group has engaged with a range of interested parties and, with the support of the Department, has initiated research into the operation of historic Mother and Baby Homes / Magdalene Laundries in Northern Ireland. The research, which will combine a literature review, a review of archive records relating to the institutions and an oral history project, is being undertaken jointly by Queen's University, Belfast (QUB) and UU and is due to complete and report in June 2019. The final report will present the evidence-based research findings; draw conclusions in relation to specific institutions and more generally within Northern Ireland; and set the wider social and historical context within which the institutions operated during the relevant period. TEO has lead responsibility for the discrete strand of work relating to historical clerical child abuse.

Family and Parenting Support Strategy: Work is continuing on the development of a new cross-departmental Family and Parenting Support Strategy - led by the Department - which will build on the achievements of previous DoH-owned Families Matter Strategy. The Strategy is being drafted around four key outcomes:

1. Confident, competent, positive parenting;
2. Resilient, stable and strong families where relationships are positive, healthy and nurturing;
3. A society and culture which values and supports the role of parents and recognises the importance of strong families; and
4. Support that meets the particular needs of families experiencing greater challenges.

Regional Specialist Children's Services: In January 2017, the Department, in collaboration with DoJ, commissioned a HSCB-led review of regional specialist children's services which included Lakewood Secure Care Centre; Woodlands Juvenile Justice Centre; Donard Intensive Support Unit and Beechcroft acute mental health in-patient unit. The Review was led by an independent Chair and its aim was to look holistically at the provision offered by the facilities and the relationship between them. This included considering the options for consolidating and/or improving the relationship between the Centres to better meet the needs of young people.

The review report was published in December 2018. It made 11 recommendations in total, with the primary recommendation being the introduction of an integrated Care and Justice Campus for Northern Ireland, comprising the current Secure Care and Juvenile Justice Centres. A joint DoH/DoJ Programme Team has been established to implement the recommendations in the review, working closely with colleagues in the HSC and in the Juvenile Justice sector. A time-frame of around three and a half years has been set for full implementation of the report's recommendations, and it is expected that design proposals for the new Campus will be fully developed by December 2019. The goal of this work is to provide young people in secure accommodation with a more consistent model of care focused on meeting their needs and improving their opportunities and longer-term outcomes.

Mental Health, Disability and Adult Older People

The Reform of Adult Care and Support: The Expert Advisory Panel's report, 'Power to People', was published in December 2017. Whilst awaiting Ministerial approval, work has been advanced to consider options, including the development of an action plan in conjunction with input from a wide range of stakeholders, the establishment of an Independent Expert Carers Panel - made up of 20 local carers, and a Citizens' Forum. This work will ensure that the voice of carers is heard at all levels of the decision making process. Work is also underway with the voluntary sector to understand how this approach could be replicated to form a service user panel.

Stopping Domestic and Sexual Violence and Abuse Strategy 2016: This seven year Strategy was published jointly by DoH and DoJ in March 2016. Its vision is to have a society in which domestic and sexual violence is not tolerated in any form, effective tailored preventative and responsive services are provided, all victims are supported, and perpetrators are held to account. Delivery Groups continue to meet quarterly and good progress is being made in delivering the Strategy's 20 priorities. A Year 3 Action Plan was delivered in 2018-19 which included the launch of a rebranded Domestic and Sexual Abuse Helpline service, following an open tender competition. A Year 4 Action Plan is due to be published in April 2019.

Independent Living Fund (ILF): The UK ILF closed on 30 June 2015 and with effect from 1 July 2015, new arrangements were put in place for the future support of ILF recipients in Northern Ireland. There are currently 468 recipients of ILF awards in Northern Ireland. On behalf of the Department, and with the agreement of the Scottish Government, ILF awards are disbursed using the ILF Scotland infrastructure to those recipients in Northern Ireland who have severe and/or complex disabilities with intensive care needs. The award is used to pay either for care agency staff, or for the recipient to employ their own personal assistant. This additional support enables those ILF recipients to choose to live independently in the community rather than in residential care. In 2018-19, all award payments were made on time with 100% accuracy and no complaints were received.

Physical and Sensory Disability Strategy and Action Plan 2012-15/18 : The Strategy and its Action Plan was extended on three consecutive occasions since its original end date of 2015 to enable more progress to be made on implementing the various actions contained within the plan. The Strategy ended in September 2018. Significant progress was made in implementing the various strands of the action plan through close collaborative working and co-production with the statutory, voluntary and community sectors and importantly with input from service users. In considering how best to deal with those few remaining legacy actions from the action plan and any new/emerging issues and having discussed the way forward post the strategy with the various sector representatives and service user representatives, the Department has agreed to take forward work to set up a Regional Disability Forum in 2019 for those with a physical, sensory, or communication difficulty.

Family Fund: In 2018-19, the Department of Health provided the Family Fund with funding of £1.572m for applicants in Northern Ireland. The Family Fund offers a wide range of goods and services which may be focused on directly supporting the needs of the child with a disability but are equally aimed at improving the overall lot of the family adversely affected by a disability. Over 4,000 grants were delivered to families in Northern Ireland on a low income who care for a disabled child or children. Over 700 families were supported with a grant for the first time. The Department continues to provide funding to the Family Fund in 2019.

Bamford Action Plan: In the past decade, the direction of mental health policy development has largely been determined by the findings of the Bamford Review. The Department continued to oversee the implementation of the Bamford Action Plan 2012-15, which included 76 actions for Executive Departments, aimed at making life better for people with mental health issues or learning disabilities, and their carers. The Department has undertaken a comprehensive evaluation of the Action Plan, which is now largely complete and now requires Executive sign-off. The evaluation report focuses on how the Executive performed against the Action Plan, outlines next steps for the future development and delivery of mental health and learning disability policy and is shaping the current policy work.

Mental Health Five Year Plan: During 2018-19 the Department decided that a new, fresh, direction was required for mental health. Over the last decade and a half mental health services in Northern Ireland have been guided by Bamford. The final Bamford Evaluation Report was completed in 2016 and is currently waiting Executive sign off. In the meantime the Department is working to develop a Five Year Plan for mental health. The plan will focus on how to improve mental health services in Northern Ireland and how the user experience can be better. The plan is fully co-produced and in November 2018 a two day workshop with over 75 stakeholders were held to identify the main themes of the plan and in February and March 2019 a further six workshops took place to identify achievable outcomes and actions within those themes. It is expected that the plan will be completed by summer 2019 and can go live before the end of 2019.

Mental Trauma Service: Progress is being made to establish a Regional Trauma Network for Northern Ireland, to address the unmet needs of people with mental health problems directly related to the conflict here, as well as other traumatic events. The Network is based on the internationally-recognised psychological therapies Stepped Care approach, with low-level interventions provided by voluntary and community organisations, integrated with more intensive interventions provided by the HSC system. A Partnership Board and Implementation Team have been established to drive this work forward, and a number of working groups to progress implementation have recently been set up. PEACE IV funding, delivered through the Victims and Survivors Service (VSS), has been secured to support capacity building of the voluntary/community sector to provide interventions to meet low to middle levels of mental health needs of victims. Recurrent funding has been secured to support the first phase of the development of the HSC elements of the Network, including the recruitment of a Network Manager and additional clinical staff. The first phase of the Regional Trauma Network will go live in September 2019 and will provide a direct and efficient pathway from VSS into statutory mental health services for those victims that are usually hard to reach and are suffering from post-traumatic stress disorder. Further phases are planned, including pathways for children and other vulnerable groups.

Eating Disorders: Work has been progressed on a study, announced by the former Health Minister in October 2015, into the possibility of establishing a specialist eating disorders unit in Northern Ireland. A preliminary report, published in March 2016, concluded that there is a definite need for further development of eating disorder services locally. Whilst there is the potential for a specialist inpatient unit, more evidence-gathering is required to allow for an informed recommendation to be made, and further study is required. Phase 2 of the study has now been completed and a report submitted to the Department. An options appraisal has been requested in order to provide the detail needed to enable a comprehensive assessment of the report recommendations.

Mental Capacity legislation: In March 2016, the Mental Capacity Act (Northern Ireland) 2016 received Royal Assent – an international first in that it promotes a fused system of mental health and mental capacity legislation; first proposed by the Bamford Review. Once fully commenced, the Act will introduce a new statutory framework governing all decision making in relation to the care, treatment or personal welfare of a person aged 16 or over who lacks capacity to make a specific decision for themselves. Work has been ongoing with stakeholders to develop a draft Code of Practice and regulations dealing with the DoH provisions. The Department, in conjunction with DoJ have decided to commence the first phase of the Mental Capacity Act for the purpose of the Deprivation of Liberty Safeguards on 1 October 2019. This is a significant first step in providing mental capacity legislation in Northern Ireland.

Dementia: The Delivering Social Change Dementia initiative was launched in September 2014 with the aim of building on the Department's regional strategy. The initiative has a budget allocation of over £12m over two Phases and includes funding from Atlantic Philanthropies (40%), TEO (40%) and DoH (20%). Phase 1 was completed at the end of March 2018, and all of its outcomes were achieved which included:

Phase 2 of the Project entitled "eHealth & Data Analytics Dementia Pathfinder Programme" runs from 2016-2020. This has a focus on:

- eHealth applications and their links to Dementia;
- Dementia Research Projects; and
- Development of Apps.

The Office of Social Services (OSS)

Modernising Regulation: As part of an overarching plan to modernise the regulatory model in place for the social work and social care workforce(s) in Northern Ireland, **t**he OSS has progressed a programme of legislative amendments. Completion of this important piece of legislation contributes to the Department's wider policy framework to enhance public confidence whilst improving and strengthening safeguards and public protection.

OSS is leading a five year evaluation project as to the impact of the introduction of mandatory workforce registration to the social care workforce. This is being carried out in partnership with the Northern Ireland Social Care Council and Social Care Institute for Excellence (SCIE) in order to evaluate any change or improvement over time in the social care system with regard to public confidence, standards and/or safety of the workforce.

Improving & Safeguarding Social Wellbeing – A Strategy for Social Work:
Significant progress has been made in implementing the Improving and Safeguarding Social Wellbeing Strategy (2012 - 2022).

The investment in Quality Improvement (QI) learning supported by the social work strategy together with the development of the regional QI programme for social work has significantly enhanced the capacity of social workers to lead quality improvement and innovation. Leadership is central to ensuring opportunities for quality improvement and since 2016 we have been supported social workers and people with lived experience to co-produce improvements in practice and service delivery using recognised QI tools and methods. Resources have been developed to guide and support others including a toolkit 'using service user stories to inform improvement' (South Eastern HSC Trust) and a QI workbook for social work based on Northern Ireland case studies which was launched in 2018.

A Senior Leadership Network (Social Work) involving senior leaders of social work in all of the key statutory partner organisations continues to go from strength to strength.. This provides a forum to share good practice and for regional collaboration.

Local Engagement Partnerships (LEPs) are operational in each Trust area involving social workers, people with lived experience and partner providers. Three of the LEPs are co- chaired and focused on co-production as their improvement priority.

An evaluation framework to monitor and evaluate the impact of strategy implementation against four high level outcomes for social work has been developed. Work has commenced to pilot the outcomes based accountability approach against the outcome in respect of the workforce.

A social wellbeing framework which articulates the purpose of social work in improving social well-being was published in June 2017 and a social wellbeing tool based on this framework has been developed by social workers and people with lived experience. This has been piloted and work is progressing in developing an electronic solution.

An easy to read version of the social wellbeing framework for social work and a leaflet to articulate the role of social care workers in improving the social wellbeing of the population has also been published.

Succession Planning has been identified as a priority to ensure that we have a supply of experienced and capable staff to apply for social work leadership positions as they become available. To take this forward a succession planning scoping exercise has been completed which has involved completion of a business critical vacancy inventory and consultation through regional focus groups.

A Learning and Improvement Strategy: This Strategy for Social Workers and Social Care Workers (2019-2027) was published in December 2018. It aims to support the development of a learning culture in which staff are expected to continuously improve their practice to better meet people's needs and to ensure that we have a highly skilled and motivated workforce that can innovate and adapt to new ways of working.

Supporting Practice in the Social Work and Social Care Sector: In 2018, a new series of publications called Reflections were developed. The Reflections series aims to support social workers in their practice and is designed to provoke thought and stimulate a conversation on key practice issues with and within the social work community in Northern Ireland**.** The first Reflection was an Anti-Poverty Framework for social workers which was published in July 2018 followed by good practice guidance on "strengths based practice".

During 2018-19 OSS have been working with SCIE to introduce a Northern Ireland specific webpage on the main SCIE website. This was launched on World Social Work Day in March 2019 and the intention is that the webpage will promote local examples of good practice from Northern Ireland social workers and social care workers and will be used as a platform to share knowledge and inform the social care workforce.

The Department has set up a Task Force to develop best practice guidance for employers on how they can support social work and social care staff who are subject to intimidation and violence. The task force will consider the professional and organisational arrangements that employers should put in place to improve the safety and well-being of social work staff and. It will report in summer 2019.

Prison Healthcare

The Owers Report on Prison Reform (2011) contained a series of recommendations for the reform of prisons in Northern Ireland, ten of which specifically relate to prisoner healthcare. A Joint Healthcare and Criminal Justice Strategy was developed and consulted on by DoJ and DoH, with plans to publish in Spring 2019. A dedicated Implementation Group has been created to deliver on the strategy Action Plan, across each of its' seven strategic priorities. The Department is committed to improving access, integration and continuation of healthcare within a criminal justice setting; the aim to improve the health of the criminal justice population, to make detention safer and to reduce the risk of recidivism.

The Departments also continue to work closely with the Northern Ireland Prison Service, Probation Board, HSCB, PHA and South Eastern HSC Trust to deliver the recommendations of a review into services for vulnerable prisoners.

PERFORMANCE ANALYSIS

HSC, NIAS AND NIFRS PERFORMANCE

HSC Performance

Improving waiting times continues to be one of the Department's key priorities. However, as demand for elective care services continues to exceed health service capacity for both new outpatients and inpatient/daycase treatments, regrettably it is inevitable that waiting times will increase. An additional £30m of funding was available in 2018-19 from the Confidence and Supply Transformation Fund for additional elective care activity to reduce hospital waiting times. This funding was targeted at specialties where there was the greatest risk in terms of patient safety and at those patients who have been waiting the longest for assessment and/or treatment and also for diagnostic and AHP waiting times. The investment has meant that an additional 64,700 patients have been assessed during 2018-19; 21,500 patients have received treatment; 23,400 patients have received AHP treatment such as occupational therapy or physiotherapy; and, an additional 12,200 diagnostic tests have been completed. Some of these patients had been on waiting lists for a very long time, and would not yet have been seen or treated had it not been for this investment.

Unscheduled Care demand increased regionally by 3.6% with significant pressure on performance experienced throughout the year, not just the winter period. More than £14mwas invested in 2018-19 to reform and enhance services to help reduce the pressures on emergency care. Looking ahead, a Northern Ireland wide review of urgent and emergency care is being taken forward to establish a new regional care model, with particular focus on meeting the needs of the rising proportion of older people in our population.

Outpatient Standards

By March 2019, 50% of patients should be waiting no longer than nine weeks for their first outpatient appointment and no patient waits longer than *52 weeks.*

The increase in elective waiting times seen over the year is primarily as a result of demand continuing to exceed funded health service capacity in a *number* of specialties and the impact of the wider financial position. While the additional investment in 2018-19 benefited a large number of patients who would otherwise still have been waiting, it served only to slow the growth in waiting times. At 31 March 2019, 26% of patients were waiting less than nine weeks for a first outpatient appointment, compared to 27% at the end of March 2018. Over the same period, the number of patients waiting longer than nine weeks increased from 198,296 to 213,137, and the number waiting more than 52 weeks increased from 83,392 to 97,630.

Diagnostic Tests Standards

By March 2019, 75% of patients should wait no longer than nine weeks for a diagnostic test and no patient waits longer than 26 weeks; and all urgent diagnostic tests are reported on within two days of the test being undertaken.

Given that diagnostics are essential in diagnosing patient conditions and enabling a treatment plan to be put in place, and recognising the increased demand (both scheduled and unscheduled), recurrent funding was allocated to Trusts in 2018-19 to expand health service capacity for MRI, CT and non-obstetric ultrasound. Furthermore, funding from the Confidence and Supply Transformation Fund enabled additional diagnostic activity to be undertaken.

While the number of people waiting more than nine and 26 weeks has continued to rise compared with last year, figures at 31 March 2019 show that the number waiting longer than nine weeks has reduced slightly in recent months from 56,528 at the end of January 2019 to 54,243. The number waiting more than 26 weeks has remained broadly unchanged, with 23,718 waiting at the end of March 2019.

During 2018-19, 86% of urgent diagnostic tests were reported on within two days, which is unchanged from the previous year.

Inpatient / Day Case Treatment Standards

By March 2019, 55% of patients should wait no longer than 13 weeks for inpatient/daycase treatment and no patient waits longer than 52 weeks.

Similar to the position for outpatients, patient demand for inpatient/daycase treatment exceeds funded health service capacity in a number of specialties. A significant number of additional patients were treated during 2018-19 as a result of the Confidence and Supply funding however, even with this additional investment, the proportion of patients waiting less than 13 weeks for admission for treatment has fallen from 38% at the end of March 2018 to 34% at 31 March 2019. Over the same period, the number of patients waiting more than 13 and 52 weeks for treatment has increased from 50,228 to 56,871 and from 16,454 to 22,350 respectively.

Unscheduled Care Standards

By March 2019, 95% of patients attending any Type 1, 2 or 3 A&E Department are either treated and discharged home, or admitted, within four hours of their arrival in the department; and no patient attending any emergency department should wait longer than 12 hours.

By March 2019, at least 80% of patients to have commenced treatment, following triage within two hours.

Rising demand from an ageing population and pressure on general practice all contribute to increasing attendances at emergency departments. Just over 820,000 patients attended Emergency Departments (ED) in 2018-19, an increase of 3.6% on the previous year.

During 2018-19, there was a significant rise in the number of patients who waited longer than 12 hours and performance against the four hour target remained below the level required (the standard being that 95% of patients attending an ED are either treated and discharged home, or admitted, within four hours of their arrival; and no patient should wait longer than 12 hours).

Despite the increased demand, 80% of patients attending commenced their treatment within two hours of being triaged in 2018-19, a slight decrease on the previous year (82%).

Cancer Services

From April 2018, all urgent breast cancer referrals should be seen within 14 days; at least 98% of patients diagnosed with cancer should receive their first definitive treatment within 31 days of a decision to treat; and at least 95% of patients urgently referred with a suspected cancer should begin their first definitive treatment within 62 days.

Data published by the NI Cancer Register indicates continued improvement in survival for the commonest cancers and that further improvement is expected. To ensure that patients receive the best possible service the performance standards set in relation to access to cancer services are challenging. The number of people referred to cancer services continued to increase which impacted on the ability to achieve the targets set.

Regionally, during 2018-19, 92% of urgent breast cancer referrals were seen within 14 days, which is an improvement on 87% the previous year. The regional position in 2018-19 is primarily as a result of performance in the Northern HSC Trust (71%) which has been impacted by increased demand and staffing issues.

A public consultation on the proposals for the future model of breast assessment services for the population of Northern Ireland was issued at the end of March 2019. The aim is to establish a model of care which will provide high quality, safe, sustainable, accessible and timely services.

Over the year 94% of people received their first definitive treatment within 31 days which is unchanged from the 2017-18 position despite an increase in demand for treatment.

Whilst performance against the 62-day target is down from 67% to 63% from the previous year, the total number of patients being treated for cancer following an urgent referral increased by 4.5% compared to 2017-18.

Hip Fractures Standard

By March 2019 95% of patients, where clinically appropriate, wait no longer than 48 hours for inpatient treatment for hip fractures

Regionally, performance against the standard improved, with 84% of patients treated within 48 hours compared to 80% in the previous year.

Commencement of AHP Treatment Standard

By March 2019, no patient should wait longer than 13 weeks from referral to commencement of treatment by an AHP.

Regionally during 2018-19, there has been a significant improvement in waiting times for AHP services. At 31 March 2019, 12,803 patients were waiting longer than 13 weeks from referral to commencement of AHP treatment compared to 23,375 at the end of March 2018. This improvement was primarily as a result of additional activity funded from the Confidence and Supply funding.

Patient Discharges

During 2018-19, ensure that 99% of all learning disability and mental health discharges take place within seven days of the patient being assessed as medically fit for discharge, with no discharge taking more than 28 days.

For learning disability, performance has improved from 80% of discharges taking place within seven days in 2017-18 to 82% in 2018-19. The number of discharges taking longer than 28 days has decreased from 36 to 20.

For mental health discharges, performance has remained broadly unchanged with 96% of patients discharged within seven days in 2018-19, compared to 97% last year. The number of discharges taking longer than 28 days increased from 79 in 2017-18 to 102 this year.

By March2019, 90% of complex discharges from an acute hospital take place within 48 hours, with no complex discharge taking more than seven days; and all non-complex discharges from an acute hospital taking place within six hours.

Regionally, performance has improved from 76% of complex discharges taking place within 48 hours during 2017-18, to 78% in 2018-19. The number of complex discharges taking more than seven days to complete has reduced from 1,917 in 2017-18 to 1,851 in 2018-19.

With respect to non-complex discharges, while the standard has not been achieved, performance has remained constant at 94%. This is unchanged from 2017-18.

Mental Health Services

By March 2019, no patient waits longer than nine weeks to access child and adolescent mental health services (CAMHS); nine weeks to access adult mental health services; nine weeks to access dementia services; and 13 weeks to access psychological therapies.

Regionally, the maximum waiting time targets for mental health services have not been achieved. At the end of March 2019, 487 patients waiting more than nine weeks to access CAMHS, 1,529 patients waiting more than nine weeks to access adult mental health services, 281 patients were waiting longer than nine weeks for dementia services and, 2,026 patients were waiting longer than 13 weeks for psychological therapies.

Northern Ireland Ambulance Service (NIAS) Performance

From April 2018, 72.5% of Category A (life threatening) calls to be responded to within eight minutes, 67.5% in each Local Commissioning Group (LCG) area.

During 2018-19, 37% of Category A calls were responded to within eight minutes compared to 45% in 2017-18. The 62.5% element of the target was not met during 2018-19 in any of the LCG areas – performance ranged from 31% (South Eastern LCG) to 46% (Belfast LCG).

Increasing demand for emergency ambulance services has placed considerable pressure on NIAS to deliver against the 8-minute Category A response standard. In this context, the Trust is planning to introduce a revised Clinical Response Model (CRM) similar to those introduced elsewhere in the UK in recent years. The new model will aim to provide a more clinically appropriate ambulance response than the current model by better targeting the right resources (clinical skills and vehicle type) to the right patients. Ambulance resources will be directed more accurately and appropriately to the smaller number of very acute emergency calls to ensure these are responded to more quickly and effectively, with a larger number of less acute calls waiting a introduction of the revised CRM from September 2018 to January 2019 and a revised CRM which reflects feedback from the consultation has been endorsed by the Trust Board. Subject to HSCB and DoH approval, a Programme Team will be established to take forward preparatory work to plan for the implementation of the new model.

In addition to the revised CRM, as part of NIAS' programme of reform and modernisation, the Trust is continuing to take forward the implementation of Appropriate Care Pathways which provide access to a range of new services to offer alternatives to bringing patients to an Emergency Department through treatment in the community or offering an alternative destination.

Performance Management going into 2019-20

A draft Commissioning Plan Direction for 2019-20 has been issued to the HSCB and the PHA to facilitate operational planning. This Direction is based on the themes, format and approach used in 2018-19, and sets out expected outcomes, objectives and indicators of performance. The HSCB will produce a draft Commissioning Plan in response, for Ministerial consideration.

HSCB will continue to monitor performance against relevant objectives, targets and standards, and provide appropriate assurance to the Department and the Minister about their achievement. An integral part of these arrangements will be addressing poor performance promptly, and identifying issues impacting on service delivery and the actions required to address these and secure sustainable and consistent improvements in performance.

NIFRS Performance

During 2018-19, NIFRS received a total of 38,511 emergency calls for help to its Regional Control Centre (a 5.6% increase compared to 2017-18). Fire crews responded to a total of 24,605 emergency incidents across Northern Ireland (a 2.1% increase compared to 2017-18).

Firefighters attended 2,860 major fires rescuing 47 people during 2018-19. The number of accidental dwelling fires decreased by 9.7% from 896 in 2017-18 to 809 in 2018-19. A total of six people lost their lives as a result of accidental dwelling fires compared to the four people who died in 2017-18.

NIFRS, through its 'People at Risk' strategy, specifically targeted prevention work in 2018-19 at those people considered to be at greatest risk - those aged 60 or older; or anyone with an impaired mobility. Based on the most recent figures for fatalities in accidental dwelling fires, NIFRS 'People at Risk' strategy will now target those age 50 or over.

Between 1 April 2018 and 31 March 2019 firefighters carried out 5,272 free home fire safety checks and fitted 5,734 smoke alarms. Through the People at Risk Strategy 642 activities were completed reaching an audience of 12,766. These activities included leaflet drops, talks, events and exhibitions.

Through other engagement in relation to fire safety in the home 3,333 activities were completed, including leaflet drops, youth engagement, safety team, chip pan demonstrations, events/exhibitions and talks, reaching an audience of 136,701.

During 2017-18 NIFRS introduced the Strategically Targeted Areas of Risk (STAR) initiative and through this programme in 2018-19 visited 13,951 homes to provide fire safety advice and offer a free home fire safety check to people at risk.

In 2018-19 NIFRS 22 Volunteers contributed to this fire safety work, carrying out 35 of the activities including leaflets, events/exhibitions and talks across Coleraine, Downpatrick and Cookstown. A further ten volunteers have been recruited and are completing training for Crescent Link Station Area.

During 2018-19 NIFRS attended a total of 6,386 Secondary Fires, an increase of 17.8% on 2017-18; 3,132 of these were gorse incidents which were responsible for the significant in year rise. Fire crews also attended 744 road traffic collisions (RTCs), a 5.8% decrease in RTCs attended compared to 2017-18. NIFRS, in conjunction with its road safety partners in the Department for Infrastructure (DfI), Police Service Northern Ireland (PSNI) and NIAS, delivered 34 road safe roadshows aimed at highlighting the consequences of RTCs. NIFRS launched the Your Choice virtual reality programme in May 2018. This programme aims is targeted at 16-24 year olds and aims to reduce the risk on the roads. During 2018-19 NIFRS delivered 166 programmes reaching over two thousand 16-24 year olds. 90% of respondents said that as a result of the programme they would take fewer risks on the roads

During 2018-19, NIFRS carried out 1,074 Fire Safety Audits in non-residential premises under the Fire Safety Legislation. Three Enforcement Notices and six Prohibition Notices were issued to premises not compliant with the required fire safety standards. NIFRS brought 3 prosecutions as a result of a failure to comply with the required fire safety regulations.

During 2018-19 NIFRS continued to work alongside partner agencies to ensure a coordinated response to serious widespread flooding incidents. Over this period NIFRS attended 76 flooding incidents and 39 water rescue incidents, 20 people were rescued from the water rescue incidents.

NIFRS will continue to review and develop its risk assessment methodology to ensure it continues to effectively inform our service delivery model and allows us to allocate our resources to any changes in risk

Future Performance

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

Financial Performance

2018-19 Financial Performance

The net resource outturn for the year is £5,257m, which is within the voted total Estimate cover by some £212m (3.9%). An analysis of the net resource outturn is as follows:

	£'000
Grant in Aid to HSC Bodies	4,497,337
Family Health Services (gross)	933,403
Income (including Health Service contributions £518m)	(581,457)
Hospital and Paramedic Services	138,036
Social Care Services	53,550
Public Health Services	69,103
Other direct expenditure	53,731
Annually Managed Expenditure and notional costs	(1,383)
Grant in Aid to NIFRS and other Fire Services expenditure	94,440
Total	**5,256,760**

A detailed analysis of Net Resource Outturn against Estimate by function can be found within the note to the accounts Statement of Assembly Supply 1.

The Department continued to face significant financial challenges during 2018-19. Throughout the year, the Department sought to manage a range of unfunded pressures, in particular working closely with all Departmental ALBs in order to secure opportunities to close the funding gap. The Department also engaged extensively with the key stakeholders across the HSC and with DoF. The Department participated in the 2018-19 in- year monitoring processes and was successful in securing non- recurrent funding of £109m cash resource funding; £20m non-cash resource funding and £13m capital funding.

As a result of these actions, the Department reported an overall resource underspend against final budget of £29.7m (0.52%). This reflects an underspend of £16.17m in relation to ring fenced Confidence and Supply Health Transformation funding; £7.52m against the cash resource budget (0.14%) and £6.02m of a non-cash underspend (3.8% of final non-cash budget). DoF has advised that the funding that was not spent in 2018/19 will be returned to the Department in 2019-20. In respect of capital the Department reported an overall underspend against final budget of £366k (0.14%).

Reconciliation of Resource Expenditure between Estimates, Accounts and Budgets

A reconciliation of the Department's resource expenditure between estimates, accounts and budgets is provided within the table below.

	2018-19 £'000	2017-18 £'000
Net Resource Requirement	**5,256,760**	**4,869,300**
Consolidated Fund Extra Receipts (CFER's)	(107)	(83)
Net Operating Cost	**5,256,653**	**4,869,217**
Adjustments to remove:		
Capital Grant	(4,365)	(5,025)
Research and Development expenditure	(262)	75
Voted income outside the budget	518,401	506,519
Voted resource expenditure outside the budget	(4,595,821)	(4,221,761)
Adjustments to include:		
Resource Consumption of NDPBs	4,523,956	4,345,080
Total Budget Outturn *of which*	**5,698,562**	**5,494,105**
Departmental Expenditure Limits (DEL)	5,645,160	5,327,376
Annually Managed Expenditure (AME)	53,402	166,729

HSC Capital Investment

The Capital Departmental Expenditure Limit (DEL) budget available for 2018-19 amounted to £262,766k, against a provisional expenditure of £262,400k. In line with Departmental policy, the current investment programme focuses on the enhancement of the estate to support the Department's service delivery and reform objectives by:

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

The following projects were completed in 2018-19:

- AAH MRI scanner
- Additional Theatres at Altnagelvin
- Omagh Mental Health Extended Recovery and Rehabilitation Accommodation
- NIFRS Logistics Centre

The following projects remain ongoing as at 31 March 2019:

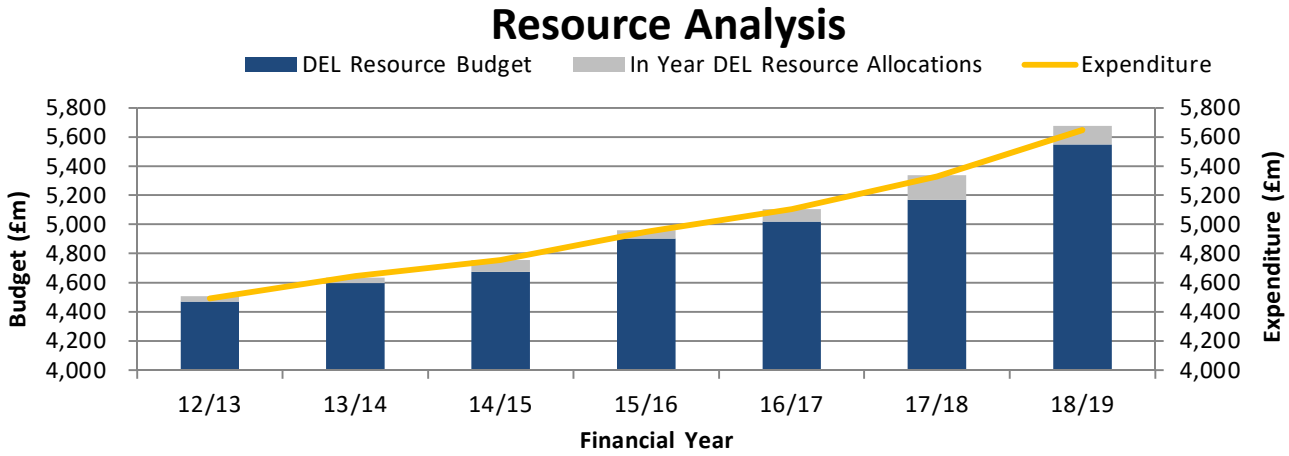
- Acute Services block Ulster Phase B
- RVH Maternity New Build
- RGH Energy Centre
- BCH Mental Health Inpatient Unit
- RVH Children's Hospital
- Altnagelvin 5.1 – North Block Ward Accommodation/Treatment Wing
- NIFRS Learning and Development Centre at Desertcreat

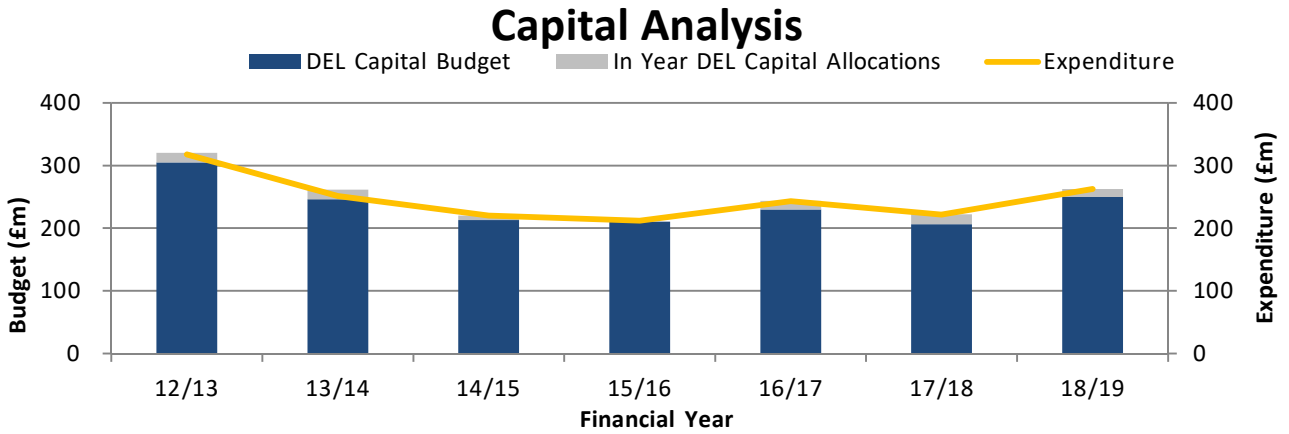
In addition, investment was provided for the following key areas:

- £7.4m in the Northern Ireland Fire and Rescue Service for fleet, equipment and estate;
- £4.5m in the Northern Ireland Ambulance Service for fleet, estate and equipment;
- £37.2m in information technology;
- £12.5m in research and development;
- £2.1m in GP Practices; and
- £12m to support the Transformation of services.

The level of financial risks to capital expenditure plans will be kept under continuing review in order to ensure that plans are amended as necessary to best manage these risks. Where financial guarantees, indemnities or letters of comfort are in existence in relation to HSC capital investment, these are disclosed within note 16.1 to the accounts.

Long Term Expenditure Trend Analysis





Whilst the Department's resource allocation has increased each year, these uplifts have not been sufficient to fund inflationary cost pressures, demography pressures from an increasing and ageing population and the cost pressures associated with new treatments and patient expectation and therefore represent real terms decreases.

Across the budget period 2012-13 to date, the Department has also received additional in year non recurrent Resource funding, through monitoring round processes, of £607.8m and £110.9m of capital funding. However, in order to maximise health outcomes for the population of Northern Ireland it is strategically important that there is not an over reliance on non-recurrent funding sources but recurrent stability.

The Department has also received non recurrent Confidence and Supply funding in 2018-19:

- £100m for HSC Transformation;
- £10m for Mental Health services;
- £60m for immediate pressures; and
- £1.7m for tackling deprivation.

Although the Department has been afforded protection from budgetary cuts, closing the gap between projected demand/need and available budget has meant implementing a significant programme of efficiency measures.

As illustrated in the diagrams above, during the period 2012-13 to 2018-19, the Department has demonstrated sound financial management as measured by provisional outturn which has been 99.5% to 100 % of the resource budget (99.8% to 100% excluding Confidence and Supply).

Looking ahead to 2019-20 and beyond financial constraints are expected to continue. The trajectory set out in the independent report produced by an Expert Panel led by Professor Raphael Bengoa is that in the absence of significant transformation the Department is likely to consume 90% of the overall Northern Ireland Block over the next ten years. Transformation of HSC will require financial investment, and a period of parallel running which will determine the pace of change.

RESOURCES

Risks and Uncertainties

The Departmental Board is committed to maintaining a sound system of internal governance including comprehensive and effective risk management systems. The Department works within a comprehensive framework for business planning, risk management and assurance. The Department maintains a Departmental Risk Register to record, monitor and report on the management of risk, and the Departmental Board receives formal quarterly reports on the status of Departmental risks, with individual risks considered on an exception basis where necessary. The Departmental Risk Register focuses on the principal risks to the Department's delivery of its statutory responsibilities and strategic objectives. The Departmental Business Plan is directly linked to the Risk Register and is supported by the escalation process. The Department strives for a 'hungry' risk appetite but recognises the need for an 'open' risk appetite in those areas where the Department cannot afford to fail.

14 principal risks have been identified in relation to the successful discharge of the Department's statutory obligations. These risks reflect the possible high level threats to which the Department must respond in terms of its own business and the agenda it sets for its Arm's Length Bodies. The risk descriptions are set out below:

DR1	That available financial resources are insufficient and are not deployed effectively to ensure that essential services are maintained and the strategic objectives for the HSC and Public Safety are progressed in 2018-19.
DR2	That planning and prioritisation of financial resources for future years is not effective in ensuring that sufficient resources are available to maintain essential services and deliver the strategic objectives for HSC and Public Safety in future years.
DR3	Departmental priorities are not met due to ineffective arrangements for the management, recruitment, engagement, deployment or development of Departmental staff.
DR4	The requisite HSC workforce is not recruited, retained, trained or developed, with a consequent negative impact on service provision, due to: a lack of capacity and/or resources for effective workforce planning and development; and/or, prevailing employment market conditions for the healthcare sector.
DR5	There is an adverse effect on the demand for, and quality of, HSC Services due to the ineffective delivery of those NICS Outcome Programme outcomes for which the DoH is responsible.
DR6	The health and social care sector may be unable to respond to the health and social care consequences of any emergency (including those for which the DoH is the Lead Government Department) due to inadequate planning and preparedness which could impact on the health and well-being of the population.
DR7	Services provided are not safe or of appropriate quality due to ineffective measures being in place for the adequate discharge of the Department's statutory responsibilities under the Health and Social Care (Reform) Act (Northern Ireland) 2009.
DR8	Failure to protect children, young people and adults at risk as a result of an ineffective planning and policy response.
DR9	Appropriate standards of probity and governance are not maintained due to ineffectual internal control and sponsorship of arm's length bodies.
DR10	The required level of transformation in the HSC is not delivered due to lack of commitment within the system, political and citizen buy-in or a failure to effectively plan and manage change.
DR11	Contractual arrangements for independent practitioners become impractical or financially unviable in a significant number of areas, leading to loss of services and increased pressure on other services.
DR12	Cyber security breach leads to loss of service user data and/or prolonged loss of key services.
DR13	Failure to comply with the legislative requirements set out in the General Data Protection Regulation and DPA 2018 negatively impacts the health budget due to statutory fines, and damages Departmental reputation.
DR14	That Encompass and other major ehealth projects such as NIPACS, LIMS, NHAIS etc. are not delivered on time, within budget, do not enable the transformational benefits to the extent they anticipate, or that the HSC is unable to manage the change and coordination between key projects effectively.

Corporate Governance

The Code of Good Practice on Corporate Governance in Central Government requires the Department to report on its approach to corporate governance and in particular on the role and operation of the Departmental Board.

Board Membership

In 2018-19, the Departmental Board had ten members; including two Independent Non-Executive Board Members. Board Members are as listed within the Directors' Report section of the Accountability Report. Executive membership of the Departmental Board is restricted to holders of those posts in acting or actual capacity. Senior management posts are filled in line with and according to NICS processes and procedures.

Meetings

The Departmental Board normally meets every two months. Within the overall policies and priorities established by the Minister, the remit of the Board is to:

- Set the Department's standards and values;
- Agree the Department's strategic aims and objectives as set out in the Corporate Business Plan;
- Oversee sound financial management and corporate governance of the Department in the context of the Corporate Business Plan;
- Oversee the allocation and monitoring of the Department's financial and human resources, to achieve aims and objectives set out in the Corporate Business Plan;
- Monitor and manage the Department towards the achievement of agreed performance objectives as set out in the Corporate Business Plan;
- Scrutinise the governance and performance of ALBs; and
- Set the Department's risk appetite and ensure appropriate risk management procedures are in place.

Independent Membership

The Departmental Board has two Independent Non-Executive Director (NED) Board Members. Mr. M Little and Mr. F Caddy were appointed on 1 October 2017.

The NEDs, like all Board members, are fully aware of the need to declare any personal or business interests which may, or may be supposed to, influence their judgement in performing their functions.

Departmental Audit and Risk Assurance Committee (DARAC)

The DARAC is a Committee of the Departmental Board, established to support and advise the Board and the Accounting Officer on issues of internal control, governance and assurance. The Committee consists of four members - the Department's two NEDs, (one as Chair) and two external members. These two external audit committee members are employees of other public sector organisations. The Committee met three times in 2018-19 as a meeting scheduled for 19 December 2018 was cancelled due to extraordinary pressures relating to Departmental planning for EU Exit. After each meeting, the Chair formally reported to the Departmental Board.

The composition of the DARAC is entirely independent of the Department's senior management team. Under its terms of reference, the DARAC gives detailed and explicit attention to, and advises the Board and the Accounting Officer on:

- Internal control i.e. the quality of risk management, corporate governance and internal control within the Department;
- Cross-boundary issues affecting the Accounting Officer e.g. in respect of the adequacy of the accountability and assurance arrangements linking him to the Accounting Officers in subordinate bodies; and
- Systems for responding to recommendations made by authoritative external bodies e.g. Public Accounts Committee (PAC), the Northern Ireland Audit Office (NIAO), and the RQIA.

DARAC regularly conducts a self-assessment against the guidelines issued by the National Audit Office. The findings of the self-assessment are presented to DARAC for action as appropriate.

Oversight and Relationship with Arm's Length Bodies (ALBs)

The Department has 17 ALBs which collectively comprise the health, social care and public safety system in Northern Ireland. The Department has continued to ensure effective governance procedures are in place with regards to oversight of its ALBs.

The Department's stewardship arrangements for its ALBs are reinforced through biannual Ground Clearing and Accountability meetings which take place between Departmental and ALB representatives. These meetings cover performance against targets; finance issues; policy issues; and corporate governance issues.

The Department's relationships with its ALBs is as detailed within Annexes A and B.

The Department's Legislative Programme

Any Departmental programme of legislation is subject to the agreement of its Minister, to agreement by the Executive and, where necessary, prioritisation by the Executive. The Department did not develop a suite of legislative proposals for 2018-19 as in the absence of a Minister it is not possible to have the legislative proposals approved.

Equality and Human Rights

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

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

Environment and Sustainability

During 2018-19 the Department continued to demonstrate, both in the carrying out of its functions and in maintaining a policy environment, due regard to its Statutory Duty for sustainable development.

The Department continues to lead on the sustainable development of the health and social care sector with its ongoing work to transform the delivery of services, in line with the Delivering Together strategy.

Other areas of work carried out include:

- The Department continues to participate in the Carbon Reduction Commitment (CRC). The Department's returns on CRC for 2017-18, being the latest available figures, indicates a decrease in reportable carbon dioxide emissions of 5% over the previous year. This equates to a 47% reduction in carbon emissions since the beginning of the CRC scheme and reflects the ongoing work of all staff and MSU in managing energy use in the areas of Castle Buildings occupied by the Department.
- The Department continues to comply with NICS contracted waste disposal and recycling services and promotes waste minimization and management through encouraging staff to "Reduce, Reuse, Recycle".
- The Department continues to be represented on the Cross Departmental Working Group on Climate Change and the Adaption and Mitigation sub- committees, assisting in the development of the NI adaption programme to address the identified risks of climate change and in the development of cross departmental actions to mitigate against climate change.
- The Department intends to work with Climate NI, and in partnership with WHO Belfast Healthy Cities and the wider Climate NI Health and Wellbeing Network, to establish and maintain an online climate change and health information exchange platform. The platform will aim to allow organisations and individuals interested in climate and health issues to access and share information and learning on risks as well as potential responses and solutions.
- The Department engaged with the Strategic Investment Board (SIB) regarding the development of an energy management strategy for the public sector in Northern Ireland. In support of this initiative, the Department supported HSC Trusts in identifying projects on energy efficiency to be delivered through additional capital realizations at the October monitoring round. HSC Trusts detailed energy returns have been completed and submitted to SIB in support of this work.
- In the scrutiny and approval of business cases for capital expenditure the Department has ensured that due regard to Sustainable Development is being explored within the case.
- The Department continues to promote sustainable work and has supported other departments in their sustainable work including promoting awareness on sustainable transport. During 2018 an e-charging point for staff electric vehicles was provided.

In 2019-20, the Department will continue to carry out its functions while providing due regard to its duty for Sustainable Development.

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

Rural Needs Annual Monitoring Report 2018-19

Description of the activity undertaken by the public authority which is subject to section 1(1) of the Rural Needs Act (NI) 2016.	***Describe how the public authority has had due regard to rural needs when developing, adopting, implementing or revising the policy, strategy or plan or when designing or delivering the public service.***
The Misuse of Drugs (Designation) (Amendment No.2) Order (Northern Ireland) 2018 and The Misuse of Drugs (Amendment No.2) Regulations (Northern Ireland) 2018	A Rural Impact Assessment (RIA) was completed, however, due to the very short time frame in which this legislation was being brought into operation, there was not sufficient time to carry out specific identification of social and economic needs of people in rural areas. However, the policy is likely to have a significant positive impact on all individuals whose specialist prescriber deems them suitable to have access to cannabis-based products for medicinal use. An information session was held with the Local Intelligence Network and introduction of the policy was, in general, viewed positively. The Advisory Council on the Misuse of Drugs recommended that the DHSC (and its equivalents in Scotland, Wales and Northern Ireland) establish mechanisms to capture and publish the clinical outcomes of the prescription and use of cannabis-based medicinal products. DoH will consider any issues in relation to patients in rural communities arising from this work stream. The policy will be reviewed in 2 years and any specific impact identified in respect of rural areas will be carried out during this time.
Scheduling of pregabalin and gabapentin under the Misuse of Drugs Act 1971 and the Misuse of Drugs Regulations (Northern Ireland) 2002	A RIA was completed and concluded that the scheduling of pregabalin and gabapentin would impact on people living in both rural and urban areas. The main impact is that a prescription will only be valid for 28 days from the date of signing. In addition, it is considered best practice for a prescriber to prescribe no more than a 30 day supply, however this is not a legal requirement and a prescriber may choose to supply more in certain circumstances. The policy is dependent on using the existing health care facilities in place in Northern Ireland in relation to the prescribing, supply and administration of medicines. It is acknowledged that individuals living in a rural community may have farther to travel to access the services of GPs and obtain medicines from pharmacies however these difficulties currently exist and health care professionals will be aware of services that may be offered in rural areas, such as prescription collection and delivery services that may assist individuals who have difficulties accessing prescriptions/medicines.
Closure of the Health and Social Care Board (HSCB) and future operating model	A RIA was completed and concluded that, as geographical relocation of staff is not a factor, the proposed policy is not deemed to impact on the rural needs of the people in Northern Ireland nor will it present any specific or differential rural impacts.

Description of the activity undertaken by the public authority which is subject to section 1(1) of the Rural Needs Act (NI) 2016.	***Describe how the public authority has had due regard to rural needs when developing, adopting, implementing or revising the policy, strategy or plan or when designing or delivering the public service.***
Proposals to Review Fees and Bursary Support for Individual Training to become HPC Professionals	A RIA was completed as part of a comprehensive review of the financial assistance available to students seeking to become registered healthcare professionals in HSC within Northern Ireland. The proposals, which, at consultation stage, do not have a preferred option identified, will apply to the whole population of Northern Ireland equally, however, it is recognised that some proposals might have a greater impact on those from more socially deprived areas, albeit both urban and rural in origin and that those from rural areas may be differentially impacted due to higher maintenance costs / living away from home. Evidence is being gathered by way of consultation process and responses will inform the final decision.
Introduction of legislative restrictions on smoking in private vehicles carrying children	A RIA was completed and consultation carried out. The policy will be applied to private vehicles in all areas of Northern Ireland. There is no evidence to suggest that individuals in different geographical locations will have any different needs, experiences, priorities or issues in relation to the policy. The aim of the policy is to protect children and young people from the dangers of exposure to secondhand smoke. The policy should have a positive impact on the health of young people, whether they are living in rural or urban locations. No rural issues were raised or identified, either during the development of the legislation or as a result of the consultation exercise.
Mental Health (Northern Ireland) (Amendment) Order 2018	A RIA was completed and concluded that the proposed policy is not deemed to impact on the rural needs of the people in Northern Ireland. The main issue under consideration relates to the balance between the right to liberty, as defined in European Convention on Human Rights Article 5, the right to life in Article 2 and the right to private and family life in Article 8. These rights are even for all population and there are no particular needs in relation to these rights depending on rural settings.
The Health Services (Cross-Border Health Care and Miscellaneous Amendments) (Northern Ireland) (EU Exit) Regulations 2019	These urgent regulations were required, prior to EU Exit Day, to address deficiencies arising as a consequence of the United Kingdom's withdrawal from the European Union (EU) in a "no deal" scenario. A RIA was completed and concluded that, the policy applies equally to all residents in Northern Ireland both rural and urban and has no impact on any of the rural policy areas. The policy implemented will depend on the outcome of EU Exit negotiations.
Provision of Health Services to Persons Not Ordinarily Resident (Amendment) (Northern Ireland) (EU Exit) Regulations 2019	These urgent regulations were required, prior to EU Exit Day, to address deficiencies arising as a consequence of the United Kingdom's withdrawal from the European Union (EU) in a "no deal" scenario. A RIA was completed and concluded that, the change in legislation will not impact persons defined as ordinarily resident in Northern Ireland – both in rural and urban areas. The change in legislation will impact any short-term visitor or migrant resident in Northern Ireland both in rural and urban areas equally. However the change is being made in order to maintain the current arrangements for visitors from the EU.

Description of the activity undertaken by the public authority which is subject to section 1(1) of the Rural Needs Act (NI) 2016.	***Describe how the public authority has had due regard to rural needs when developing, adopting, implementing or revising the policy, strategy or plan or when designing or delivering the public service.***
Fire and Rescue Services (Northern Ireland) (Amendment) Order 2018	A RIA was completed and concluded that, as the aim of the policy is to address a gap which currently exists in fire safety responsibility, in terms of common areas in shared domestic premises such as flats and apartments there is no evidence to suggest that those in different geographical locations will have any different needs, experiences, priorities or issues in relation to this policy. Houses of Multiple Occupation (HMOs) and purpose built blocks of flats and apartments are more prevalent in urban areas so it is likely that the proposed change may be more evident in urban areas.
The Northern Ireland Social Care Council (Appointments and Procedure) (Amendment) Regulations (Northern Ireland) 2018	A RIA was completed and concluded that, as the sole aim of the proposed policy is to clarify the Department policy position for NISCC committees and sub-committees, geographical location is not a major factor and the amendments are not deemed to impact on the rural needs of the people in Northern Ireland nor will they present any specific or differential rural impacts.
Regional Co-Production Guide (A practical guide to support the application of co-production across our HSC system)	A RIA was completed and concluded that this is a high level document aimed at people from all backgrounds and areas. Any impact on rural areas will be assessed at individual policy stage, however, it is likely that the principle of co-production and the involvement of service users, their families, carers, local communities, community groups etc. will benefit rural communities as it will help to strengthen partnership working and build representative networks so that people can influence and shape the design and delivery of health and social care.
Looked After Children Strategy	A draft RIA was completed and issued as part of the consultation. At the pre-consultation stage of the development of the strategy and implementation plan, access to services was identified as a possible barrier in rural areas. This was reflected within the context of the draft Strategy and it is acknowledged that resources and measures need to be established to ensure that Looked After Children in rural areas have access to the same level of service as urban children. It is not expected that the implementation of this strategy and action plan will present significant rural impacts, however, the Strategy will be monitored using an Outcome Based Accountability model and any rural issues identified on review will be addressed by the Departments of Health and Education, the Education Authority and the HSCB.

Description of the activity undertaken by the public authority which is subject to section 1(1) of the Rural Needs Act (NI) 2016.	***Describe how the public authority has had due regard to rural needs when developing, adopting, implementing or revising the policy, strategy or plan or when designing or delivering the public service.***
Reshaping Breast Assessment Services - Proposals for the Future Model of Breast Assessment Services for the Population of Northern Ireland	A draft RIA has been completed and issued as part of the consultation in March 2018. It was decided that the default definition of 'Population Settlements of less than 5,000' was not useful in differentiating impacts in respect of this policy. People living in both large and small settlements would be similarly impacted by changes in the location of hospital stroke services. The following alternative definition, as suggested by DAERA, is proposed: "Populations outside of a 30 minute drive time of Derry/Londonderry or Belfast". This definition is better able to distinguish between those who will be most impacted by additional travel times caused by proposed changes to services. It should be noted that the service under consideration is not provided within rural communities but provided inside a hospital environment. The benefits of enhancing these services would be experienced by both urban and rural dwellers. Recommendations to reshape the breast assessment services across Northern Ireland will apply to all individuals needing to attend a breast assessment clinic, irrespective of their geographical location. The focus has been to ensure better outcomes for both rural and urban dwellers. Travel time was a specific issue raised by stakeholders including those participating in the Patient focus Groups, and the Project Board gave due consideration to this matter in relation to the different configurations for a future service model. The PB was of the view that a modest increase in travel times was acceptable if it meant more timely access to care. This view was also echoed by patients as noted above. It was also recognised that given the geography of the West and associated travel times, it would be reasonable to provide a location for a breast assessment service in the Western Trust area. The Project Board also agreed that there should be a breast assessment location in the Greater Belfast area. Any relevant comments received during the consultation process will be considered.

Description of the activity undertaken by the public authority which is subject to section 1(1) of the Rural Needs Act (NI) 2016.	***Describe how the public authority has had due regard to rural needs when developing, adopting, implementing or revising the policy, strategy or plan or when designing or delivering the public service.***
Reshaping Stroke Care - Saving Lives, Reducing Disability	A draft RIA has been completed and issued as part of the consultation in March 2018. The aim is to reshape and improve community and hospital-based stroke care to improve the sustainability and effectiveness of stroke care, resulting in a reduction of avoidable deaths and disability and improvement in outcomes for stroke patients. A number of options are being consulted on. It was decided that the default definition of 'Population Settlements of less than 5,000' was not useful in differentiating impacts in respect of this policy. People living in both large and small settlements would be similarly impacted by changes in the location of hospital stroke services. The following alternative definition, as suggested by DAERA, is proposed: "Populations outside of a 30 minute drive time of Derry/Londonderry or Belfast". This definition is better able to distinguish between those who will be most impacted by additional travel times caused by proposed changes to services. It should, however, be noted that the service under consideration is not provided within rural communities but provided inside a hospital environment. The benefits of enhancing these services would be experienced by both urban and rural dwellers. Any relevant comments received during the consultation process will be considered.

The majority of National Institute for Health and care Excellence (NICE) guidance is of a technical nature and is not regarded as falling within the scope of the Rural Needs Act. However the following Clinical Guidance does fall within the scope of the Act and has been subject to assessment. RIAs were completed in each case, however, endorsement, implementation, monitoring and assurance of NICE Clinical Guidelines in Northern Ireland apply to all HSC organisations in both urban and rural areas. DoH considered the Department's role on each specific issue and confirmed that the social and economic needs of people in rural areas is the responsibility of HSC organisations, under the statutory duty of quality as specified in Article 34 of the HPSS (Quality, Improvement and Regulation) (NI) Order 2003, to put in place the necessary systems, which should include adequate and comprehensive dissemination, as part of their clinical and social care governance arrangements, for implementing NICE guidance.
NICE Clinical Guidance NG77: Cataracts in adults: management
NICE Clinical Guidance NG78: Cystic fibrosis: diagnosis and management
NICE Clinical Guidance NG80:Asthma: diagnosis, monitoring and chronic asthma management
NICE Clinical Guidance NG81: Glaucoma: diagnosis and management
NICE Clinical Guidance NG82: Age related macular degeneration
NICE Clinical Guidance NG83:Oesophago-gastric cancer: assessment and management in adults
NICE Clinical Guidance NG85: Pancreatic cancer in adults: diagnosis and management
NICE Clinical Guidance NG87: Attention deficit hyperactivity disorder@ diagnosis and management
NICE Clinical Guidance NG88:Heavy menstrual bleeding: assessment and management
NICE Clinical Guidance NG89: Venous thromboembolism on over 16s: reducing the risk of hospital-acquired deep vein thrombosis or pulmonary embolism
NICE Clinical Guidance NG95: Lyme disease
NICE Clinical Guidance NG97: Dementia: assessment, management and support for people living with dementia and their carers
NICE Clinical Guidance NG98: Hearing loss in adults: assessment and management
NICE Clinical Guidance NG99: Brain tumours (primary) and brain metastases in adults
NICE Clinical Guidance NG100: Rheumatoid arthritis in adults: management
NICE Clinical Guidance NG101: Early and locally advanced breast cancer: diagnosis and management
NG115 Chronic obstructive pulmonary disease in over 16s: diagnosis and management (updates and replaces CG101)
NG116 Post traumatic stress disorder (updates and replaces CG26)
NG118 Renal and ureteric stones: assessment and management
NG119 Cerebral palsy in adults

Copies of all consultations published can be found at: https://www.health-ni.gov.uk/consultations

Asset Management

A key requirement for the Department in 2018-19 was to continue to implement the actions contained in the Executive approved Asset Management Strategy, aimed at improving asset management processes with the objectives of reducing the net cost of service delivery through the efficient use of public assets and promoting effective asset management processes that unlock value.

Property initiatives in this area included:

1. Application of DoH property policy and guidance;
2. Effective management of DoH owned property assets;
3. Population of the NICS-wide centralised Property Information Mapping System (e-PIMS);
4. Review of ALB Property Asset Management Plans (PAMP) for inclusion in the DoH PAMP;
5. Completion of the Department's annual PAMP which covers a five year planning period and is both retrospective in relation to 2017-18 and forward looking to 2022-23. The following achievements were identified:
   - £2.258m capital receipts generated through underused and vacant property disposal;
   - five leases terminated saving approximately £200k per annum; and
   - benchmarked office space utilisation was reduced to 13.91m^2 per Full Time Equivalent (FTE) against an NICS average of 16m^2 per FTE.

Irregular expenditure was identified in July 2017 (£441k) associated with acquisition and renewal of office leases without prior DoF approval, this position has been regularised by securing an appropriate interpretation of the DoF Dear Accounting Officer (DAO) letter. No further irregular expenditure has been incurred and internal processes will be further streamlined and communicated to ALBs.

The current level of funding available represents the greatest risk to the continued, effective management of the DoH estate. Spend on essential estate maintenance continues at absolute minimal levels resulting in an estimated £170m of high risk backlog maintenance. DoH has identified an additional amount of General Capital funding for 2019-20 and expects some of this funding to be used by HSC Trusts & NIFRS, to target and mitigate high risk backlog maintenance.

Health and Safety

The Department discharges its responsibilities under the Health and Safety at Work (NI) Order 1978, the Management of Health and Safety at Work Regulations (NI) 2000 and other relevant legislation, to ensure measures are in place for the health, safety and welfare of all its employees. All staff are kept up-to-date with the latest developments in health and safety standards. This year new health and safety guidance was issued on lone working arrangements and the First Aid policy was updated to reflect recent changes in First Aid legislation.

Compliance with all health and safety standards is assessed through an ongoing audit programme. Two workplace health and safety audits were carried out in separate areas of the core Department during 2018-19 and results show high rates of compliance.

The procedures for management of Fire Warden support have been strengthened to achieve sufficient numbers for the building. A record of Fire Warden participation in fire drills and subsequent debriefs is maintained as evidence of ongoing training. In addition the annual NICS online Fire Awareness training was rolled out to all staff in October 2018.

Annual refresher First Aid at Work training was delivered to 4 first aiders during 2018-19 which includes Automated External Defibrillators (AED) and Cardiopulmonary Resuscitation (CPR) techniques. First Aiders requiring renewal of First Aid certificates attended the full training courses provided through NICS training resources. An annual AED drill was also carried out giving AED operators an opportunity to rehearse an emergency response and to practice both CPR and AED techniques.

During 2018-19, 83 staff (including secondees) completed the Department's Health and Safety Induction Training for new entrants.

There were a total of 6 accidents / near misses during 2018-19, none of which were serious in nature. There were 45 specialist assessments carried out during 2018-19, including: ergonomic assessments; temperature, humidity, new and expectant mothers' assessments; and lighting and noise surveys.

Learning and Development

In line with its Learning and Development Plan, the Department supported a wide range of development opportunities for staff during 2018-19. Generic training was provided by the Centre for Applied Learning, and business specific training was provided by a range of external providers and healthcare specialists. Staff also had access to a range of ad hoc leadership opportunities. In addition, a range of e-learning training packages were available and during 2018-19 training was provided for all staff in:

- GDPR Awareness
- GDPR Governance
- Display Screen Equipment Awareness
- Fire Safety Awareness
- Health & Safety for All Staff
- Health & Safety for Managers

Specialised training was also provided for volunteers for the NICS command, control and coordination structures which were set up in response to issues arising from the UK's exit from the EU.

Staff

The Department directly employs some 377 Staff Year Equivalent (SYE) staff during 2018-19. (Staff year equivalent takes account of the actual period employed e.g. counts the actual days for staff who join or leave during the year.) The NI Fire and Rescue Service employs some 2,000 people and around 76,900 people work in the Health and Social Care sector (including 'bank/as and when required' staff).

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

The table below shows provisional sickness absence figures for the core Department for 2018-19 and comparative final official figures for 2017-18 based on staff year equivalent (SYE) numbers. The 2018-19 figures show a decrease in sickness rate from 4.4% to 3.8%. While this downwards trend is encouraging, DoH continues to address sickness absence through collaborative working with Northern Ireland Civil Service Human Resources (NICSHR) and staff engagement, with the aim of further reducing the absence rate.

Financial Year	Average Total number of staff	Total days lost	Average working days lost per person	Absence rate
2018-19	377 SYE	3,151	8.4	3.8%
2017-18	378 SYE	3,624	9.6	4.4%

The following tables detail the breakdown of staff gender within DoH, this analysis is on headcount:

Staff Gender Breakdown within DoH 2018-19 all grades	
Female	249
Male	174

Staff Gender Breakdown within DoH 2018-19 Senior Management (excl. Board Members)	
Female	11
Male	9

Staff Gender Breakdown within DoH 2018-19 Board Members (incl. NED Members)	
Female	4
Male	6

Equal Opportunities / Disability

The Department carried out its own Dignity at Work survey and as a result of feedback has set up a Diversity and Dignity Action Team to recommend a series of actions and initiatives for the future. In addition, the Department provided a themed programme of seminars covering issues such as building emotional resilience, dealing with difficult situations and mental health awareness. A support group has also been set up for staff with caring responsibilities for a child with a disability. Volunteers have been sought for a new "Workplace Buddies" initiative.

NICSHR launched the NICS Mediation Service on 10 May 2018. It is coordinated by staff in Employee Relations but the mediators are volunteers drawn from all Departments who have successfully completed a professional mediation qualification.

There is a dedicated telephone helpline (028 9047 5768) and e-mail account (daw.mediaiton@finance-ni.gov.uk) for staff to discuss any concerns or obtain more information about mediation.

NICSHR has reviewed and updated Harassment Contact Officers training which covers both the legislative provisions of equality legislation as well as practical skills to equip HCOs deal with DAW issues informally. The course is available through the CAL "Links" desktop icon.

Employee Engagement

The DoH staff engagement programme '*Deliver Together*' aims to engage our people, create a great place to work, improve performance and deliver results. During 2018-19 the Department continued to develop the programme. Activities carried out included regular internet blogs from senior staff, a series of informative seminars, a "drop in" volunteering activity and the publication of an in house e-zine, the Pulse. In addition, a series of engagement events included a keynote event, sessions with new staff, an event to celebrate staff who have achieved 40 years' service in the NICS and an event to recognise staff who were nominated for NICS Awards.

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

Complaints

The Department is committed to providing the highest standard of service to all its customers and aims to get things right first time. The Department received three formal complaints during 2018-19. If a complaint against the Department is received, any lessons will be shared with staff to increase awareness and improve the standard of service.

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

- **Informal Procedure** – The Department's aim is to resolve any complaint quickly and any matter of concern should be brought to the attention of the Departmental official with whom members of the public have been interacting with at the earliest opportunity. However, if they are still dissatisfied after this approach, a formal complaint in writing should be submitted.

- **Formal Procedure** - Full details of any complaint should be submitted in writing. The Department will arrange for the complaint to be investigated and aim to provide a full written reply within 20 working days of receipt. If a full reply cannot be given within this timescale, details will be advised as appropriate.

If these steps do not provide a suitable response to the initial complaint the following procedures apply:

- **Formal Procedures – follow up process –** Any follow up to initial complaints should be in writing to the Department's Complaints Officer, providing full details of any complaint and reasons for continuing dissatisfaction. The Complaints Officer will ask a Senior Officer to review the matter and respond within 20 working days of receiving the complaint. If a full reply cannot be given within this timescale, details will be advised as appropriate.

- **Subsequent Actions –** Members of the public also have the right to follow up issues through the NI Public Services Ombudsman, with the internal procedures not representing a substitute for their right to complain to the Ombudsman's Office.

The NICS Top Management Complaints Procedure has been introduced by the Department of Finance. The procedure details the process to be followed by external stakeholders and members of the general public (external complainants) who wish to raise a complaint against a member of top management in the NICS and its Agencies. Top management is defined as the Head of the Civil Service, Permanent Secretary and Grade 3 or equivalent levels. One of the complaints received in 2018-19 was referred to the Head of the Civil Service under this procedure.

Mr R Pengelly
Accounting Officer
27 June 2019

ACCOUNTABILITY REPORT

1. Corporate Governance Report

The purpose of the Corporate Governance Report is to explain the make-up of the DoH, its governance structures and how they support the achievement of the DoH's objectives. The Corporate Governance Report is comprised of:

a) Directors' Report
b) Statement of Accounting Officer's Responsibilities
c) Governance Statement

2. Remuneration and Staff Report

The remuneration and staff report sets out the DoH remuneration policy for its Non-Executive Directors, reports on how that policy has been implemented and sets out the amounts awarded to its directors and those senior staff key to the organisation's accountability.

3. Accountability and Audit Report

The Accountability and Audit report brings together key accountability documents and is comprised of:

a) Statement of Assembly Supply
b) Certificate of the Comptroller and Auditor General

CORPORATE GOVERNANCE REPORT

Directors' Report

The Department of Health (DoH or the Department) presents its Annual Report and Accounts for the financial year ended 31 March 2019.

Management

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

Minister

There has been no Minister in place in the Department during the 2018-19 financial year. Whilst there has been no Minister in post throughout 2018-19, Ministerial priorities remain fundamental in determining the Department's strategic direction.

Permanent Head of the Department

Mr R Pengelly was appointed as the Permanent Secretary for the Department on 1 July 2014.

Management Board

Membership of the Departmental Management Board during 2018-19 is outlined below:

Mr. R Pengelly	Permanent Secretary (Chair)
Mr. S Holland	Deputy Secretary, Social Care Policy Group
Mrs. C McArdle	Chief Nursing Officer (seconded to the Department from the South Eastern HSC Trust)
Dr. M McBride	Chief Medical Officer (seconded to the Department from the Belfast HSC Trust)
Mrs. D McNeilly	Deputy Secretary, Resources and Performance Management
Mr. J Johnston	Deputy Secretary, Healthcare Policy Group
Mrs. S Gallagher	Deputy Secretary, Transformation Planning and Performance
Mrs. N Lloyd	Director of Finance, Resources and Performance Management
Mr. F Caddy	Independent Non–Executive Director
Mr. M Little	Independent Non–Executive Director

Departmental Accounting Boundary

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

- DoH Core Department;
- Health and Social Care Board (HSCB); and
- Public Health Agency (PHA).

Annex A contains a full list of bodies consolidated within the accounts. Annex B contains a list of all the public sector bodies outside the boundary for which the Department had lead policy responsibility during the year.

Departmental Reporting Cycle

DoH's Public Expenditure proposals are considered as part of the Northern Ireland budget process, the outcome of which is contained within the Budget document published by the Department of Finance.
https://www.finance-ni.gov.uk/topics/finance/main-and-supplementary-estimates

The Northern Ireland Assembly was dissolved from 26 January 2017 with an election taking place on 2 March 2017, on which date Ministers ceased to hold office. An Executive was not formed following the 2 March 2017 election. In the continuing absence of an Executive and a sitting Assembly the Northern Ireland Budget Act 2018 was progressed through Westminster, receiving Royal Assent on 20 July 2018, followed by the Northern Ireland Budget (Anticipation and Adjustments) Act 2019 which received Royal Assent on 15 March 2019. The authorisations, appropriations and limits in these Acts provide the authority for the 2018-19 financial year and a vote on account for the early months of the 2019-20 financial year as if they were Acts of the Northern Ireland Assembly.

The HSC Trusts are expected to work to meet Ministerial priorities. Performance against Executive and Ministerial priorities and targets are subject to routine monitoring and reporting to the Departmental Board.

Financial Review

Overall total expenditure by the Department on all services amounted to £5,257m (£4,869m in 2017-18) against Estimate cover of £5,469m (£5,108m in 2017-18). A detailed review is contained within the Performance Report. The financial results of the Department are set out within the financial statements herein.

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

Post-Balance Sheet Events

There are no post-balance sheet events that have a material effect on the 2018-19 accounts.

Contingent Liabilities disclosed under Parliamentary reporting requirements

No disclosures for this reporting period.

Payments to Suppliers

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

Unless otherwise stated in the contract, payment is due within 30 days of the receipt of goods or services or within 30 days of the presentation of a valid invoice, whichever is later.
Monthly reviews are conducted to measure how promptly the Core Department pays its bills. During 2018-19, on average 96.2% of invoices were paid on time.

In November 2008, in response to the current economic position, the Minister for Finance and Personnel announced that Northern Ireland Departments would aim to ensure that valid invoices were paid within 10 days. In 2018-19, on average 89.5% of the Core Department's invoices were paid within 10 days. Performance is regularly reviewed by the Departmental Board and steps have been taken to increase staff awareness of the importance of prompt payment. Moving into 2019-20, the Department will strive to build upon the performance achieved in 2018-19.

The Department's performance both in terms of paying invoices within 10 days and 30 days can be viewed on the Account NI website at https://www.finance-ni.gov.uk/sites/default/files/publications/dfp/NICS%20Prompt%20Payment%20Table%20for%202018-2019_March19.pdf

Pension Liabilities

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

Related Party Transactions

The Department is the parent of those bodies listed in Annex A. It sponsors those bodies listed in Annex B. All these bodies are regarded as related parties also with which the Department has had material transactions during the year. In addition, the Department has had a small number of transactions with other government departments and Central Government bodies. Most of these transactions have been with the Department of Finance. Further details can be found at note 20 of the financial statements.

Register of Interests

The Department maintains a register of interests. This register details interests which may conflict with the management responsibilities of Board members and is recorded as necessary. Information on the register can be found on the DoH website1.

Board members are required to declare any conflicts of interest that arise during the course of a meeting. There were no conflicts of interest identified by members during the period of this report.

Audit

The accounts and supporting notes relating to the Department's activities for the year ended 31 March 2019 have been audited by the Comptroller and Auditor General. The Certificate and Report of the Comptroller and Auditor General is included on pages 117-119. The notional cost of the audit for the year ended 31 March 2019, which pertained solely to audit services, was £64k; this includes the audit fee for the Superannuation Scheme Resource Account.

Statement on disclosure of audit information

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

Authorised for Issue

The accounts were authorised for issue on 27 June 2019 by the Departmental Accounting Officer, Mr R Pengelly.

[1] https://www.health-ni.gov.uk/sites/default/files/publications/health/dept-board-register-of-interest-2018-19.pdf

STATEMENT OF PRINCIPAL ACCOUNTING OFFICER'S RESPONSIBILITIES

Under the Government Resources and Accounts Act (NI) 2001, the Department of Finance has directed the Department of Health to prepare, for each financial year, consolidated Resource Accounts detailing the resources acquired, held or disposed of during the year and the use of resources by the Department, Health and Social Care Board and the Public Health Agency during the year.

The Accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Department and the Departmental Group, and of its net resource outturn, resources applied to objectives, changes in taxpayer's equity and cash flows for the financial year.

The Department of Finance has appointed the Permanent Head of the Department as the Principal Accounting Officer of the Department. In preparing the accounts, the Principal Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular, to:

- Observe the Accounts Direction issued by the Department of Finance, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;

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

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

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

- Confirm that the annual report and accounts as a whole is fair, balanced and understandable and that I take personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable;

- 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; and

- Prepare the accounts on a going-concern basis.

The Principal Accounting Officer of the Department has appointed the Chief Executives of its sponsored non-departmental and other arms' length public bodies as Accounting Officers of those bodies. The Principal 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 the responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the assets of the Department for which the Accounting Officer is responsible, are set out in the Accounting Officers' Memorandum issued by the Department of Finance and published in Managing Public Money Northern Ireland.

In 2015 the then Health Minister announced his intention to close the HSCB. The absence of a legislature has delayed the closure and whilst preparatory work is underway the HSCB continues as constituted for the foreseeable future. The HSCB's financial statements consolidated herein have therefore been prepared on a going concern basis.

GOVERNANCE STATEMENT

Introduction

This statement is given in respect of the Departmental Resource Accounts for 2018-19. It outlines the Departments governance framework for directing and controlling its functions and how assurance is provided to support me in my role as Accounting Officer for DoH. The Board of the Department is accountable for internal control. As Accounting Officer, I have responsibility for maintaining a sound system of internal governance that supports the achievement of the Department's policies, aims and objectives. I also have responsibility for safeguarding public funds and Departmental assets in accordance with the responsibilities assigned to me in Managing Public Money Northern Ireland (MPMNI).

The Northern Ireland Assembly was dissolved from 26 January 2017 with an election taking place on 2 March 2017, on which date Ministers ceased to hold office. An Executive was not formed following the 2 March election. As a consequence there has been no Minister in place in the Department during the 2018-19 financial year. Any reference to the Minister throughout the Department's Governance Statement refers to the Minister in office prior to the dissolution of the Assembly. Whilst there has been no Minister in post throughout 2018-19, Ministerial priorities remain fundamental in determining the Department's strategic direction.

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

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

Corporate Governance in Central Government Departments: Code of Good Practice 2013

The Department applies the principles of good practice outlined in the Code and continues to further strengthen its governance arrangements. The Department does this by undertaking continuous informal assessment of its compliance in line with the Corporate Governance Code.

Governance Framework

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

The Departmental Board

The Board represents the collective and strategic leadership within the Department, in conjunction with the experience and contribution of two NED's. The Board supports me as Accounting Officer in establishing the necessary governance and assurance mechanisms, and in directing the business of the Department as effectively as possible, to achieve the strategic objectives and priorities set by the Minister. The Board has a key role in overseeing the sound financial management and corporate governance of the Department and closely monitors the Department's progress in the achievement of key objectives and priorities set out in the Departmental Business Plan, including Programme for Government commitments.

The Board applies the principles of good practice in Corporate Governance and continues to strengthen its governance arrangements. The Board does this by assessment of its compliance with Corporate Governance best practice as part of a wider review of the Board. The Board ensures that appropriate risk management procedures are in place within the Department and it scrutinises the governance and performance of ALBs.

In line with best practice, the operational procedures of the Board are kept under continuous review and a more detailed evaluation is conducted every few years. The last detailed evaluation was undertaken in 2016-17. The membership of the Board and attendance for the period is set out in the table below. The Board meeting scheduled for 18 December 2018 was cancelled due to extraordinary pressures relating to Departmental planning for EU Exit. Key business for this meeting was conducted via correspondence.

The NED's provide support, guidance and challenge to the Departmental Board. As Accounting Officer, I have regular meetings with them and carry out annual performance assessments.

Executive Board Members (EBM) 2018-19		**No. of Meetings Attended**
Mr. R Pengelly	Permanent Secretary and Chair	2/5
Dr. M McBride	Chief Medical Officer	2/5
Mr. S Holland	Deputy Secretary, Social Care Policy Group	4/5
Mrs. C McArdle	Chief Nursing Officer	4/5
Mrs. D McNeilly	Deputy Secretary, Resources and Performance Management Group	4/5
Mr. J Johnston	Deputy Secretary, Health Care Policy Group	4/5
Mrs. S Gallagher	Deputy Secretary, Transformation Planning and Performance (EBM from 1 June 2018)	3/5
Mrs. N Lloyd	Director of Finance, Resources and Performance Management Group	3/5
Non-Executive Directors (NED) 2018-19		**No. of Meetings Attended**
Mr. M Little	Non-Executive Director	5/5
Mr. F Caddy	Non-Executive Director	5/5

Management Information

The Board reviews regular business plan updates to challenge performance against Departmental targets. These reports have been the subject of considerable refinement over recent years and are continually revised to allow them to identify and respond to emerging challenges.

In April 2018, the Board agreed an updated Framework for Business Planning, Risk Management and Assurance. The Framework provides a clear and common understanding of business planning, risk management and assurance processes in the Department, along with associated guidance.

The requirements of ALB Governance within the Department have evolved to ensure that the accountability review process is more balanced in terms of governance and performance. Submission and acceptability of Board level information and reports is subject to challenge.

Quality of Information

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

DARAC

DARAC Members 2018-19		No. of Meetings Attended
Mr. M Little	NED and Chair of DARAC	2/3
Mr. F Caddy	NED and DARAC Member	3/3
Mr. T Connolly	Head of Business Engagement, Department for the Economy	3/3
Ms. C Archbold	Departmental Solicitor's Office, Department of Finance	3/3

The DARAC is a Committee of the Board and usually meets a minimum of four times per year, with additional topic focused meetings held as necessary. Only three DARAC meetings were held during 2018-19, as the meeting scheduled for 19 December 2018 was cancelled due to extraordinary pressures relating to Departmental planning for EU Exit. Key business for this meeting was conducted via correspondence.

DARAC comprises four members, each of whom is independent of Departmental management. In line with their terms of appointment, each IBM's function is to provide external advice and expertise. Other officials in attendance at DARAC meetings include the Departmental Accounting Officer, the Senior Finance Director, the Finance Director, the Head of Internal Audit (HIA) and officials from the Northern Ireland Audit Office (NIAO).

The DARAC gives detailed attention to internal governance issues, including the quality of risk management and corporate governance within the Department. DARAC also considers any HSC-wide issues or any other issues with the Department that affect my role as the Department's Accounting Officer.

An example of this is in respect of the adequacy of the arrangements by which I hold ALB Accounting Officers to account for the performance and governance of their organisations. Systems for responding to recommendations made by authoritative external bodies, including the Public Accounts Committee (PAC), NIAO, and the RQIA, are also examined. The DARAC advises the Board and me as Accounting Officer on its conclusions and recommendations with regard to identified governance weaknesses.

DARAC – Responsibilities and Performance

In line with best practice set out in the HMT Audit and Risk Assurance Committee Handbook, the Chair of DARAC sets an agreed core programme of work for each of its quarterly meetings, which includes:

- Scrutiny of the Departmental accounts;
- Consideration of internal audit strategy;
- Review of internal and external audit findings; and
- Monitoring of residual audit recommendations.

The Department provides regular reports to DARAC on risk management and assurance in the Department and the accountability and assurance of its ALBs. In addition, DARAC considers and comments on individual issues of internal governance and their implications for wider governance arrangements.

The DARAC conducts a self-assessment according to guidelines issued by the National Audit Office on a regular basis. The findings of the self-assessment are presented to DARAC for action as appropriate. In addition, the Chair of the DARAC delivers an annual report to both the Departmental Board and the DARAC and also reports to the Board following each quarterly meeting of the DARAC.

The DARAC has also considered the Departmental Resource Accounts (DRA) for 2018-19 and on the basis of the evidence presented, has recommended the DRA to the Departmental Accounting Officer for approval.

Top Management Group

As Accounting Officer, I am supported by my Top Management Group, which comprises the Executive Board Members. It provides a forum for the consideration and endorsement of corporate business and the handling of the emerging issues.

Departmental Framework for Business Planning, Risk Management and Assurance

Business planning and risk management is at the heart of governance arrangements to ensure that statutory obligations and Ministerial priorities are properly reflected in the management of business at all levels within the Department.

The Framework for Business Planning, Risk Management and Assurance provides a clear and common understanding of business planning, risk management and assurance processes in the Department, along with associated guidance. In order to ensure its continued effectiveness, a review of the Framework was undertaken in 2017, with a further minor update in 2018. The revised Framework was approved by the Board.

Business Planning

In establishing its strategic objectives, the Department takes its lead from the statutory framework governing the functions of the Department and the specific priorities set by the Minister and the Executive, including those outlined in the draft PfG. The Departmental Business Plan also takes account of the governance arrangements that the Department must put in place for the proper discharge of its responsibilities as a Government Department and public authority e.g. financial probity, equality, human rights etc. Within a budget period, the existing Departmental Business Plan is rolled forward into a new fiscal year.

The Departmental Board is the custodian of the Departmental Business Plan's affordability and deliverability. Progress against the Departmental Business Plan is addressed at Board meetings and includes formal quarterly written reports in Red, Amber or Green (RAG) format against each of the targets in the fiscal year.

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

The Departmental Guidance document 'Framework for Business Planning, Risk Management and Assurance' sets out guidance on the processes to be followed to ensure connections and linkages are identified and considered throughout the process. Included within the Framework are draft templates for directorate business plans and risk registers. Each of these contains sections for the inclusion of links to directorate risks, departmental risks and departmental business plan references.

Risk Management

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

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

Directorate business plans must be directly linked to the delivery of the Departmental Business Plan. Similarly there must be a clear connection at all levels between objectives and associated risks. Formal processes exist to escalate objectives and associated risks from Directorate to Departmental level, subject to the approval of the Departmental Board.

The Departmental Risk Register is reviewed at the beginning of the financial year to update all risks, controls and actions and is maintained in conjunction with the Departmental Business Plan. It is therefore subject to the same Departmental Board reporting arrangements.

Executive Board Members are responsible for ensuring that the Directorates under their control have a business plan and fully-linked risk register. I require biannual formal written assurances from Directors, signed off by Executive Board members, about the proper operation of business planning and risk management within their business areas. Where a risk identified at Directorate level becomes unmanageable within the Directorate's resources, or where it threatens to impact on Departmental objectives or across Directorates, it must be escalated to the Departmental Board and considered for inclusion on the Departmental Risk Register.

The system of internal governance is designed to help manage risk rather than to eliminate it and controls must at all times be commensurate with the nature of the risk. A set of risk assessment criteria has been developed, agreed and applied by those Departmental officials involved in the risk assessment process.

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

The system of internal governance has been in place in the Department for the year ending 31 March 2019 and continues up to the date of approval of the Annual Report and Accounts. This accords with DoF guidance.

The system of internal governance entails monitoring and reporting on: a) the delivery of Ministerial/Departmental Policy; b) the use of resources (including financial, human, estate and information); c) compliance with statutory requirements; d) statistical and other performance monitoring reports; e) the content of external and internal audit reports; f) serious adverse incident reporting; g) RQIA and other reports prepared by inspecting/regulatory/licensing bodies; h) inquiry reports; i) compliance with standards and guidance; j) the discharge of statutory functions; k) corporate governance; and, l) business planning arrangements. These are with respect to both the Department and its ALBs.

The DARAC also plays a key role in providing advice on the quality of risk management and assurance within the Department. Additionally, risk monitoring and management processes within the ALBs are monitored by the Department through separate processes, as highlighted in the 'Governance and Accountability within DoH ALBs' section below.

Information Risk

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

- The Assistant Departmental Security Officer (ADSO) regularly reviews Departmental information to ensure that it is appropriately protected;
- A Senior Information Risk Owner (SIRO) and Information Asset Owners (IAOs) are in place to reduce the risk to personal information within the Department;
- The appointment of a Data Protection Officer (DPO) to independently provide advice and guidance regarding the processing and protection of personal information in line with GDPR and DPA 2018;
- Development of an updated Information Asset Register solution, to be rolled out in 2019, to enhance monitoring and management of such assets;
- Annual assurance from IAOs regarding the personal information assets they manage;
- IAOs are aware of their responsibilities to ensure information is securely stored, access-controlled and disposed of appropriately; and
- Established data incident and breach management procedures and reporting are in place.

In 2018–19 an Internal Audit review of the Department's "GDPR Readiness" assigned the Department a Satisfactory rating for its preparations for the introduction of GDPR and the Data Protection Act 2018.

Regular mandatory awareness training is delivered to Departmental staff, providing them with an up-to-date understanding of information governance issues and risks.

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

The Department has recorded no data loss-related incidents and no reportable ICO breaches in 2018-19.

Fraud

The Department takes a zero tolerance approach to fraud in order to protect and support our key public services. We have put in place an Anti-Fraud Policy and Fraud Response Plan to outline our approach to tackling fraud, define staff responsibilities and the actions to be taken in the event of suspected or perpetrated fraud, whether originating internally or externally to the organisation. The Department promotes fraud awareness, co-ordinates investigations in conjunction with the Business Services Organisation (BSO) Counter Fraud Services team and provides advice to personnel on fraud reporting arrangements. All staff are provided with mandatory fraud awareness training in support of the Anti-Fraud Policy and Fraud Response plan, which are kept under review and updated as appropriate every five years. The Department attends and participates in the NICS Fraud Forum, which is a best practice advisory group. The Forum consists of representatives from all Northern Ireland departments meeting at least two times per year.

Cyber Security

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

During 2018-19 the Department continued to build on the progress made in the area of cyber security. The Regional Business Continuity Forum, chaired by the Chief Executive of BSO, has ensured individual organisations across HSC have business continuity arrangements in place and tested to be effective in the event of a cyber-incident.

A Regional Cyber Security Programme Board, with membership from across all HSC bodies which manage elements of their own IT network, has been created with a senior HSC manager chairing the Board. Funding has also been provided for a dedicated Cyber Programme manager within the BSO to lead the development of the medium to long term cyber security programme. A business case is due for submission to the Department early in 2019-20 to seek the resources to address the increasing cyber threat which accompanies our increased reliance on technology.

The Department continues to work closely with the National Cyber Security Centre (NCSC), and has facilitated two awareness sessions for HSC ICT staff with NCSC health delegates during the financial year.

Governance and Accountability within DoH ALBs

Governance and Accountability can be considered under the following headings:

- ALB Assurance and Accountability;
- Departmental Assurance;
- Statutory Duty of Quality; and
- Service Frameworks.

ALB Assurance and Accountability

The Department achieves its corporate objectives through direct Departmental action and through its 17 ALBs. The Chief Executives of ALBs (as ALB Accounting Officers) are directly accountable to me (Permanent Secretary of the Department) as Principal Accounting Officer. ALBs through their Boards are held to account for the delivery of their prescribed functions and Ministerial/Departmental priorities and ensuring compliance with other statutory responsibilities. The HSCB also performs a key role, alongside the Department, in relation to the performance and financial management of HSC Trusts.

As part of the review of Assurance and Accountability Arrangements, a Sponsorship Handbook was developed in 2016-17 which replaced the Assurance and Accountability Framework. The handbook sets out the Department's approach to sponsorship of its ALBs and ensures, as far as possible, that there is consistency of approach and proportionality of application. The guidance and arrangements described within the handbook reflect the responsibilities placed on the Department, under MPMNI, for the sponsorship of ALBs operating under the control of DoH.

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

Departmental Assurance

The Department receives much of its assurance through an ongoing process of monitoring of each ALB's Corporate Governance, Use of Resources and the Delivery and Quality of Services. In addition to regular monitoring information derived primarily from management information systems, the Department periodically tests the assurance provided by ALBs by initiating external reviews, audits, inquiries, ad-hoc and self-assessment exercises which are designed to sample aspects of the governance arrangements and performance of each ALB. This monitoring is based on assessing the operation and performance of ALBs against standards, guidance and targets; statutory and licensing requirements and Departmental policy and strategy. Examples of these are the Statutory Duty of Quality and Service Frameworks.

Statutory Duty of Quality

The HPSS (Quality, Improvement and Regulation) (NI) Order 2003 places a statutory duty of quality on those HSC organisations which are responsible for the delivery of health and social care i.e. HSC Trusts, the HSCB and PHA.

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

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

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

Service Frameworks

The Department, through the HSCB and PHA has developed a set of Service Frameworks for key areas of HSC which set out, at a high level, the type of service that patients and users should expect, in addition to outlining Northern Ireland standards and supporting actions - linked to recognised good practice guidance. The Frameworks promote and secure better integration of service delivery along the pathway of care from prevention of disease / ill health through diagnosis / treatment, to rehabilitation and end of life care. These Frameworks are used by HSC organisations in the commissioning, planning and delivery of services. Six Frameworks have been launched so far:

- Cardiovascular Health and Well-being;
- Respiratory Health and Well-being;
- Cancer Prevention, Treatment and Care;
- Mental Health and Well-being;
- Learning Disability; and
- Older People.

All the Frameworks have now reached the end of their life cycle. The Department is currently considering how best to proceed with the programme. A draft Service Framework for Mental Health and Well-being was issued for public consultation in spring 2018 and is being revised in light of responses received. A seventh Service Framework, for Children and Young People, has been developed and is due to be launched by the end of 2019. The Department has commissioned RQIA to undertake a review of the Service Framework programme to determine the future need for and format of these frameworks.

Regularity, Propriety and Value for Money of Expenditure

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

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

There are a number of standard conditions of Departmental approval, one of which requires all ALBs to inform the Department immediately should they wish to implement a project on a basis other than that approved. This is to ensure proposed changes do not alter the Department's view of the value for money position of a project.

In 2017, the Department raised concerns around the management and governance of two separate elements of the Maternity and Children's Hospital Executive Flagship capital project within the Belfast HSC Trust. This was a direct result of increases in size and costs for the project and the timeliness of reporting these. The concerns included the arrangements for internal reporting and approval arrangements within the Trust and the Trust's reporting and approval mechanisms to the Project Board, the HSCB Commissioners and the Department. As a result the Trust completed an addendum to the business case which has now been approved by the Department and DoF. They have also completed a Lessons Learnt review and have put in place more robust arrangements for internal reporting and monitoring. Completion of the actions identified in the Lessons Learnt review is monitored by the Department at its regular Strategic Investment Group meetings with the Trust.

Alongside this, the Chief Executive of Construction and Procurement Delivery (CPD), in discussion with the Department, initiated a review of CPD-Health Projects (CPD-HP) examining their role in the management of the Maternity and Children's Hospital project. Completion of actions from this review is monitored by the Department at regular meetings held with CPD-Health Projects.

During 2018-19 DoH also commissioned the NICS's Business Consultancy Service to undertake a review which considered the current organisational structures following the transfer of certain Health Estates Investment Group functions to CPD in October 2014. Specifically, the review looked at the roles of both CPD-HP and the advisors remaining within the Department to identify any areas where understanding of roles and responsibilities or effectiveness of the operating model could be improved. The Department is currently considering the recommendations of the review.

Sources of Independent Assurance

The Department obtains independent assurance from the following sources:

- Departmental Internal Audit;
- NIAO; and
- BSO Internal Audit.

Departmental Internal Audit

The Department utilises an internal audit function which operates to defined standards and whose work is informed by an analysis of risk to which the Department is exposed and annual audit plans are based on this analysis.

The Department's HIA reports directly to the Departmental Accounting Officer and attends and provides reports to the DARAC. As such, the HIA therefore plays a crucial role in the review of the effectiveness of risk management, control and governance by:

- Focusing audit activity on the key business risks;
- Being available to guide managers and staff through improvements in internal controls;
- Auditing the application of risk management and control as part of internal audit reviews of key systems and processes; and
- Providing advice to management on the internal governance implications of proposed and emerging changes.

The remit of Internal Audit includes an assessment of the internal environment which affects the achievement of Departmental objectives. Internal Audit submits regular reports to management and the DARAC, which include the HIA's independent opinion on the adequacy and effectiveness of the Department's framework of governance, risk management and control, together with recommendations for improvement. The HIA has provided me with an overall 'satisfactory' opinion. The Internal Audit opinion reflects the internal audit activity carried out during 2018-19 and cumulative assurances derived from the previous three years (2015 to 2018). The overall opinion is based on the results of 23 assurance and consulting assignments undertaken. Overall 'satisfactory' audit opinions were provided in 16 assignments, one assignment received an overall 'limited'[1] opinion and three follow-up reviews were completed. Opinions were not relevant to one verification exercise and two consulting assignments undertaken.

[1] **Limited** – There are significant weaknesses within the governance, risk management and control framework which if not addressed could lead to the system objectives not being achieved.

The one assignment which received an overall 'limited' audit opinion related to Prison Healthcare. Issues identified included inadequate project management and governance arrangements and a lack of clarity in relation to roles, responsibilities and accountability between governing bodies. All recommendations were accepted by management and a follow-up review is planned for 2019-20.

Internal Audit also followed-up on two previously reported areas of concern relating to the review of Emergency Planning – Stockpiles and the review of Supplement for Undergraduate Medical and Dental Education (SUMDE). The previous 'limited' audit opinions were raised to 'satisfactory'. The reviews of Clinical Excellence Awards and CNO – Alert Notices which were provided with 'limited' audit opinions during 2017-18 will be followed up within the 2019-20 Audit Plan.

The Department also relies on the Department of Finance's (DoF) Head of Internal (HIA) to provide an inter-departmental annual report on all services it provides to other Departments. While the report does not formally provide a level of audit opinion on each business area, the HIA has indicated that a 'satisfactory' opinion would have been provided given the degree of internal audit coverage.

NIAO

The NIAO provides an opinion on whether an organisation's financial statements give a true and fair view, have been prepared in accordance with the relevant accounting standards and are in accordance with the guidance issued by relevant authorities. The results of the NIAO's financial audit work continue to be reported to the Northern Ireland Assembly.

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

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

The NIAO published its biennial General Health Report for 2015-16 and 2016-17 on 18 December 2018 which contained one recommendation. The Department accepts the report recommendation and provided a formal response on 12 February 2019 outlining the action that will be taken to address the recommendation.

The NIAO also published its report on the follow-up reviews in the HSC Sector: Locum Doctors and Patient Safety on 9 April 2019 which contained four recommendations on the use of Locum Doctors and one recommendation on the safety of services provided by HSC Trusts. The Department accepts four of the recommendations in full and one in part. A formal response was provided on 4 June 2019 outlining the actions that have been taken, or will be taken, to address these.

BSO Internal Audit

BSO Internal Audit is a centralised service which provides internal audits and specialist advice and guidance to Boards within HSC organisations and Departmental ALBs, including NIFRS. The Department reviews the BSO HIA's mid and end-year independent opinions, on the adequacy and effectiveness of each of the ALB's system of internal control, together with any recommendations for improvement. The Department notes that both BHSCT and NIAS received an overall Limited audit opinion from BSO for 2018-19 and will continue to monitor the steps being taken to address the areas of weakness identified.

Transformation – Health and Wellbeing 2026: Delivering Together

The approach for transforming health and social care over the next 10 years '*Health and Wellbeing 2026: Delivering Together*' was published in October 2016.

It is the single roadmap for health and social care transformation. It seeks to improve the health and wellbeing of our population, and reform the way we design and deliver services, with a focus on person-centred care, rather than an emphasis on buildings and structures.

Formal governance arrangements have been established to provide strategic oversight and manage the implementation of the change agenda. The Transformation Implementation Group (TIG) comprises leaders from across the HSC and is chaired by the Department's Permanent Secretary. This group meets every fortnight to review progress and set the direction for the transformation programme. TIG receives a comprehensive highlight report each month, which tracks progress across the whole programme, and reviews the programme risk register on a monthly basis. It also received detailed briefing at each meeting on significant issues impacting progress right across the whole transformation programme.

The ongoing absence of a Minister has meant that the Ministerial advisory group, set up as part of the governance arrangements for the Transformation Programme, the Transformation Advisory Board (TAB), has not been able to meet. To mitigate this informal meetings are held between the Department and TAB members.

Furthermore as a result of the Confidence and Supply agreement, additional non-recurrent funding has been made available to assist transformation over a two year period beginning in 2018-19.

Whilst TIG continues to fulfil its strategic oversight role in this area – with regular funding updates and a robust system of monitoring in place - a Transformation Operational Group (TOG) operating at the system level has also been established to enable and facilitate delivery of the projects funded from the Transformation Fund.

TOG is chaired by the DoH Deputy Secretary for Transformation, Planning and Performance, with representation at Director-level from the areas of Finance and HR across the HSC.

In giving operational effect to the previous Ministers' mandate to close the HSCB, an Oversight Board was established in early 2018 to lead this process.

The Oversight Board is chaired by the Department's Permanent Secretary and its membership includes the Chief Executives of those organisations most impacted, and the DoH Deputy Secretaries.

UK Exit from the EU

Throughout 2018-19, the Department undertook a range of activities to scope the potential implications of leaving the EU on health and social care and to determine the decisions and actions that need to be taken to ensure readiness for Day 1. The UK Government has agreed with the EU a further extension of the Article 50 period to 31 October 2019. If the Withdrawal Agreement is ratified by both sides before 31 October 2019, the UK will leave EU earlier with a deal.

However, until a deal is agreed and ratified, there remains a risk of a no deal exit and as such, the Department will keep its 'no deal' contingency plans on hold. The Department will continue to work closely with key stakeholders including its ALBs, its counterparts in other Northern Ireland Departments, England, Scotland, Wales and the Republic of Ireland.

Review of Effectiveness of the System of Internal Governance

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal governance. My review of the effectiveness of the system of internal governance is informed by the work of the Department's Internal Audit and the Executive Board Members within the Department, who have responsibility for the development and maintenance of the internal framework, and comments made by the external auditors in their management letter and other reports. I have been advised by the DARAC on the implications of my review of the effectiveness of the system of internal control, and a plan to address weaknesses and ensure continuous improvement of the system is in place. This is evidenced through DARAC's review of the Departmental Governance Statement and the DARAC Chair's annual report to me as Accounting Officer.

Internal Governance Divergences

Prior Year Issues

A number of governance matters arising in previous years have now been addressed and no longer represent reportable governance issues for the Department. These include:

Western HSC Trust Learning Needs Clients – regional hospital bed provision / community infrastructure

The Department was notified in February 2018 through the Early Alert system that the Belfast HSC Trust had contacted the HSCB to request the closure of Muckamore Abbey Hospital to new admissions over the weekend of 17/18 February 2018. This was as a consequence of an unusually high level of staff on sick leave. As a contingency arrangement, the Western HSC Trust had agreed to accommodate an emergency admission in Lakeview over the weekend if this was required. It transpired that no emergency admissions were required over that weekend, and Muckamore subsequently re-opened to admissions the following Monday, with the Trust holding a meeting the same day to agree a plan for the way forward.

The Department received a further Early Alert notification from the Western HSC Trust on 23 March 2018 advising that Lakeview Hospital would be closed to emergency admissions with immediate effect, due to staffing pressures, with the Trust also advising of their intention to undertake a recruitment exercise to address these pressures. The Trust kept the position on admissions to Lakeview under continuous review through April, and provided regular updates to the Department. The Department and HSCB met with the five Trust Assistant Directors of Learning Disability services on 26 April 2018 to discuss concerns about the length of time being taken to resolve the staffing situation at both Lakeview and Muckamore. The HSCB subsequently advised that the Belfast HSC Trust and Western HSC Trusts had provided detail of their plans to address the issue.

The Western HSC Trust advised the Department on 16 May 2018 that the ongoing alert in relation to bed availability at Lakeview had ended, and that the Trust would continue to monitor the situation.

A new model for Learning Disability services is being developed as part of the Health Transformation programme, and this work will include a review by an independent panel of current acute inpatient provision for people with learning disabilities which will shape future commissioning arrangements for these services.

Domiciliary Care Contract Review

During 2016-17 BSO Counter Fraud and Probity Services completed a regional review of Trusts' operation of HSC domiciliary care contracts with independent sector providers (ISPs). All Trusts provided assurance that they were examining the findings of the regional report, reviewing their existing contracts, and would implement improvements as necessary. A Departmental Oversight Scrutiny Committee (OSC) was established in 2017 to oversee any necessary action. The OSC is led by senior Departmental officials, and has senior representation from the HSCB and Trusts. The regional counter fraud review found variations in relation to the hours paid and Trusts are either finishing or have finished a verification of the findings to cross validate the regional review. A further regional exercise concluded that service users had not experienced harm as a result of the potential disparity between the level of care commissioned, and the level of care delivered in those cases reviewed.

Internal Audit carried out a lessons learned review from a HSC wide perspective in relation to the structure of the investigative review and also carried out in depth reviews of domiciliary care in Trusts in 2017-18. These internal audits were finalised after the 2017-18 year end and the OSC have now scrutinized them and concluded no further action is required in respect of Social Care procurement. In order to minimise the risk of non-compliance with the Public Contract Regulations 2015, all DoH ALBs are extending CoPE cover for social and health care services in the Light Touch Regime. This is being taken forward via the recently established Social Care Procurement Board which reports to the Regional Procurement Board. A final report has now been completed and is awaiting clearance by the OSC.

NIFRS Internal Control System

NIFRS utilises an internal audit function provided by the BSO. In their 2017-18 annual report the Internal Auditor reported that the NIFRS system of control was satisfactory and this was the first satisfactory opinion for a number of years. Previous annual reports had indicated a limited opinion in terms of control. In 2016-17, the Comptroller and Auditor General (C&AG) did not qualify his opinion on the NIFRS accounts; however, his report expressed concern regarding the number of outstanding recommendations and the number of limited internal audit opinions. The C&AG 2017-18 report recognised the progress made; however, it identified the fact that there remained a number of important recommendations, which could leave NIFRS vulnerable to risks from failures in internal control, which were still not fully implemented. NIFRS Accounting Officer tasked NIFRS management team to progress the implementation of 13 existing Business Improvement Projects, the aim of which was to ensure both outstanding recommendations and new systems of working are satisfactorily managed, reported and monitored. The NIFRS Audit, Risk and Governance Committee continued to monitor progress on a quarterly basis. The Department has both supported and challenged NIFRS in terms of progression through its formal sponsorship function (Public Safety Unit (PSU)) and business as usual activities, such as oversight of capital and business cases, many of which facilitate progression of actions to address outstanding recommendations. Further PSU sponsorship of NIFRS was the subject of a departmental audit report in 2017-18. Departmental Audit reported a satisfactory opinion with no significant recommendations being made.

No new issues have been raised in 2018-19 with respect to NIFRS' system of control. In 2018-19 BSO Internal Audit provided an overall satisfactory rating for NIFRS for the second consecutive year. NIFRS are continuing to make positive progress in closing outstanding audit recommendations. The 2017-18 NIFRS Report To Those Charged With Governance (RTTCWG) noted satisfactory progress in addressing outstanding recommendations and it is expected that this will continue in 2018-19. This issue is now considered closed.

HSC Data Centres

BSO have completed their migration to the Shared Public Sector Data centres. The legacy Regional ITS data centres hosted in the Royal Victoria Hospital (RVH) and Belfast City Hospital (BCH) are in the process of being decommissioned. There were a number of serious interruptions to service between 2011 and 2013 primarily caused by instability in the facilities provided to the data centre such as power and cooling. Further incidents which related to hardware failure and unplanned interruption of power in July 2014 and September 2015 respectively also took place.

The stability of power supplies to the legacy data centres and the priority of the data centres within the overall estates environment no longer represents a major operational risk. The new data centres represent a significant increase in resilience and reliability over the legacy Tier 2 data centres particularly in relation to facilities such as power, cooling and addressing the potential impact of adverse weather events such as snow or lightning strike which have all affected services in the past.

BSO has completed the migration of 1,400 servers along with the associated storage and network to the new data centres. The applications which ran on those platforms have also been moved to the new data centres and the legacy equipment safely disposed of. The only live equipment left on the RVH and BCH sites is the network equipment required to provide connectivity from those 2 sites to the new data centres.

Retrospective Approval on Health Leases

On 30 November 2017 the NIAO reported irregular spend by the Department totaling £441k in respect of four leases where the Department failed to renew the hold over and lease extension approvals for the period September 2016 to March 2017 on behalf of its ALBs. An appropriate interpretation with regard to the DoF DAO definition of "office accommodation" was agreed in October 2018 and this clarification, along with improved processes, has resulted in an irregular spend position of nil.

A number of the governance matters arising in prior years are still considered to represent internal governance divergences for 2018-19. These include:

Financial Performance 2018-19

In the continuing absence of an Executive and a sitting Assembly the Northern Ireland Budget Act 2018 was progressed through Westminster, receiving Royal Assent on 20 July 2018, followed by the Northern Ireland Budget (Anticipation and Adjustments) Act 2019 which received Royal Assent on 15 March 2019. The authorisations, appropriations and limits in these Acts provide the authority for the 2018-19 financial year and a vote on account for the early months of the 2019-20 financial year as if they were Acts of the Northern Ireland Assembly.

The Department continued to face significant financial challenges during 2018-19. Throughout the year, the Department sought to manage a range of unfunded pressures, working closely with all Departmental ALBs in order to secure opportunities to achieve financial balance. The Department also engaged extensively with key stakeholders across the HSC and with DoF. The Department fully participated in the 2018-19 In-Year monitoring processes and was successful in securing non- recurrent funding of £109m cash resource funding; £20m non-cash resource funding and £13m capital funding.

As a result of these actions, the Department reported an overall resource underspend against final budget of £29.7m (0.52%). This reflects an underspend of £16.17m in relation to ring fenced Confidence and Supply Health Transformation funding; £7.52m against the cash resource budget (0.14%) and £6.02m of a non-cash underspend (3.8% of final non-cash budget). DoF has advised that the funding that was not spent in 2018/19 will be returned to the Department in 2019-20. In respect of capital the Department reported an overall underspend against final budget of £366k (0.14%).

As a result of the Confidence and Supply agreement, additional non-recurrent funding of £100m was made available to assist transformation in 2018-19. It was recognised at the outset that allocation and maximisation of this funding was a challenging task, given the timescale for expenditure and the non–recurrent nature of the funding. The challenge was further exacerbated by the extensive need to recruit healthcare professionals to progress transformation, in the context of existing workforce issues across the HSC. However, the Department engaged in an extensive process to identify and allocate funding to those proposals which advanced the strategic direction set out within '*Health and Wellbeing 2026: Delivering Together*'. Recognising the risk associated, the overriding consideration was to choose those interventions which would have the most positive impact on service provision. During the year 171 projects were brought forward with a strong emphasis on recruitment which resulted in c1,300 posts being filled by 31 March 2019, from a standing start in May 2019.

The Department put in place an expedited process for the approval of Business Cases relating to projects funded through Confidence and Supply monies. This involved business cases being approved firstly by Trusts and then being retrospectively approved by HSCB. This process worked well in the majority of cases. All business cases received the appropriate approval within Trusts, but in a small number of instances business cases were not approved by HSCB by the 31 March deadline. All schemes have since received the requisite approval.

2019-20

The outlook for 2019-20 is constrained, particularly in respect of resource funding. Extensive budget planning work to support the 2019-20 financial plan is ongoing between the Department and all HSC ALBs. The Secretary of State announced the 2019-20 Budget position for NI Departments on 28 February 2019. While the Budget provided an increase of 3.8% against actual comparable funding levels in 2018-19, cost pressures are increasing at a greater rate and difficult challenges in meeting demand in order to maintain existing services remain. To address these pressures, further monies are likely to be required through in year monitoring rounds or the implementation of savings measures.

In addition, the Secretary of State also confirmed a further £100m of Confidence and Supply Agreement funding ring-fenced for Health Transformation for 2019-20 and extensive work is underway to prioritise the allocation of these resources to transform how HSC services are delivered in line with *Delivering Together.*

Whilst the Department's Statement of Financial Position is in a net asset position, eight of the Department's ALBs are in a net liability position, being that their liabilities exceed their assets as at 31 March 2019. These HSC bodies have prepared their 2018-19 annual accounts as a going concern as it is anticipated that DoH funding will continue for the foreseeable future.

Neurology Services Belfast HSC Trust

The Belfast HSC Trust alerted the Department to concerns regarding the quality of care provided by an individual consultant potentially affecting the diagnosis and treatment/care of his patients past and present. The issue has an immediate potential impact on the safety of patients previously assessed or diagnosed by the consultant. It has a potential impact on waiting lists and waiting times for access to neurology services and a negative impact on public confidence in health services. The Belfast HSC Trust placed limits on the consultant's practice from June 2017. The Trust commissioned the Royal College of Physicians to undertake a review of a sample of the consultant's patients to assess the concern that existed. Over 600 patients under the active care of the consultant were reviewed by another Trust consultant since June 2017. On 1 May 2018 a further 2,500 patients, who were also under the active care of the consultant, were recalled to ensure they were on the correct treatment pathway. On 30 October a further 1,044 patients, who were being prescribed specialised medicines, were recalled.

These patients had been seen by the consultant and subsequently discharged to the care of their GP. The Department has directed the RQIA to undertake a review of Governance of outpatient services in the Belfast HSC Trust with a specific focus on Neurology. This review is nearing completion and similar reviews will also be undertaken of outpatient services in the four other HSC Trusts over the next 12-18 months.

The Department has directed the Chief Executive of the HSCB and PHA to establish a regional group to co-ordinate work to establish the numbers of patients across Northern Ireland who may have been affected by these issues and to co-ordinate work to ensure that these patients are assessed and ensure that they are receiving appropriate treatment and care where it is required. The Department has also established an independent Inquiry to consider how concerns about the consultant (including complaints) were communicated and responded to by all of those involved and how the call back exercise has been handled.

The exercise to review these recalled patients is nearing completion. The exercise has been managed through additional clinics and has not affected core neurology outpatient activity. A report analysing the review of the patients under the active care of the consultant was produced in March 2019 and a report on the outcomes of this group is due by the end of June 2019. Further reports on the analysis and outcomes of the discharged patients who were reviewed will be published and further outcome and analysis reports are expected by the end of summer 2019. The Department has also directed RQIA to undertake an expert review of the records of deceased patients of the consultant for patients who have died over the past ten years and to include patients who died before this if there is a concern. A timeframe for the expert review of the records of deceased patients of the consultant will be established once the RQIA has developed a methodology to complete this review. The Department will continue to keep the position on the response to the issues arising from the consultant's care of treatment under continuous review.

Inquiry into Hyponatraemia-Related Deaths

The public Inquiry into Hyponatraemia-related Deaths (IHRD) was established in November 2004. It was set up against the background of concern and publicity about the treatment in local hospitals of three children who had died in circumstances where Hyponatraemia had caused or was a major factor in their deaths. The investigation of the deaths of a further two children were included into the Inquiry's work in 2005. The Inquiry completed its public hearings during 2013-14 and the Chair, Mr. Justice O'Hara, published his report in January 2018. The report included 96 recommendations the vast majority of which fall to the Department and HSC Bodies. The inquiry recommendations have wide ranging implications for the provision of HSC services across Northern Ireland – covering governance, departmental policy, requirements for new statutory provisions and the operation of front line services. They affect multiple Agencies and a number of recommendations may impact on other Departments.

The recommendations are designed to both strengthen patient safety and to improve public confidence in health and social care services. The Department has established an IHRD implementation programme comprising an overarching programme management group overseeing nine workstreams chaired by a range of individuals from the Department, the HSC and outside of the HSC. These workstreams are charged with the implementation of IHRD recommendations. The overall programme is being managed through a formal programme management process and the programme is ultimately accountable to the Permanent Secretary who is the Senior Responsible Officer.

The programme and individual workstream are currently developing an implementation plan and the programme will be supported by a programme wide engagement strategy, a training strategy and an assurance framework.

A number of the workstreams and sub-groups are 'task and finish' groups The programme has adopted the position that no recommendation will be signed off as implemented until there is evidence that it has been implemented on a sustained basis. All of the workstreams are now working and there are around 200 members of these workstreams comprised of Service Users and carers, HSC Staff, NEDs, representatives of third sector organisations, Departmental staff and staff from other Departments and a number of representatives from other areas and sectors such as funeral directors. A number of recommendations will require public engagement and consultation, ministerial approval and/or legislation and some may have resource and training implications. On the basis that some recommendations will require primary and secondary legislation to implement them, full implementation of all recommendations may take four years. However, it is expected that the vast majority of recommendations will be implemented by March 2020.

Dunmurry Manor Care Home

The Commissioner for Older People for Northern Ireland (COPNI) published, in June 2018, their investigation into care failures at Dunmurry Manor Care Home. The report, Home Truths sets out COPNI's findings following his investigation setting out areas where care fell short of the regulatory standards and making some fifty nine recommendations for reform. The report covers a wide range of areas including, inter alia: safeguarding; medicines management; care quality; and governance.

Under Schedule 2(4) of the Commissioner for Older People Act (Northern Ireland) 2011, each named Relevant Authority (The Department, the RQIA and four Health Trusts (Belfast, Northern, Southern and South Eastern) were each required to respond to the Commissioner by 1 October 2018. The Department wrote to the Commissioner on 25 June 2018 confirming that a composite HSC response would issue from the Department and be with the Commissioner by 1 October 2018 as requested. COPNI confirmed he was content with this approach on 26 June 2018.

The formal response on the COPNI Report was issued on 28 September 2018, under the signature of Richard Pengelly on behalf of all the HSC Relevant Authorities (i.e. DoH, RQIA and the four Health Trusts of Belfast, Northern, Southern and South Eastern).

DoH continues to take forward the recommendations. The HSC bodies responsible for implementing each recommendation have been identified and discussions have been completed on coordinating action where more than one Relevant Authority is responsible. Updates on the implementation of the Recommendations will be reported on every quarter to TMG and the first update is expected in the Department by the end of June 2019.

The Follow up Review into Care at Dunmurry Manor Care Home is also progressing. The Review (undertaken by CPEA Ltd), has been commissioned to provide the DoH and the wider HSC system with an independent analysis and insight into how the whole system responded to the issues at Dunmurry Manor Care Home. This will examine the decisions made by relevant HSC bodies, Dunmurry Manor and Runwood and the systems within which those decisions were made. Ultimately this will enable the Department to understand if failings were the result of flaws in systems, their operation or a combination of both and to identify learning for future improvements.

To this end members of the Review Team have been meeting extensively with relatives of former and current residents, officials across the HSC including the RQIA, COPNI , the NI Coroner, Police Service of Northern Ireland (PSNI), Health and Safety Executive Northern Ireland (HSENI), GPs, Runwood Homes and other interested bodies. They have also engaged with Senior Departmental Staff and through the Reference Group set up as part of the roll out of the Review. The Review Team have also been engaged by the PSNI as a reference point for their own investigation. They will ensure this will not interfere with our ongoing Review.

Elderly and Community Care Unit liaise on a weekly basis with CPEA Ltd about progress and forward planning issues. They also ensure the Review Team do not undertake any additional activities without reference. Issues are escalated as necessary. The Communication Team are also to release information on the progress being made by CPEA Ltd on a regular basis to give public assurance that action is being taken. CPEA Ltd have indicated that they should be in a position to provide key emerging findings to the Department and key stakeholders by late June 2019.

Childcare: Unallocated Cases

The Department continues to receive monthly information in relation to unallocated cases (waiting lists of cases requiring assignment to a social worker). Regionally, the total number of unallocated cases increased by 55% from 321 at the end of February 2017 to 497 at the end of February 2018 and continues to rise – the number awaiting allocation at the end of February 2019 was 601. The HSC Trusts have reported that all unallocated cases relate to family support or disability, and that all child protection cases are allocated immediately. However, any unallocated case has the potential to escalate and become a child protection case.

Unallocated cases may mask potential risks to children and have the potential to compromise Trusts' ability to discharge their statutory responsibilities. The number of unallocated cases continues to represent a significant control issue at a local level (and in turn, at a regional level). They remain unacceptably high within the context of significant growing demand for child and family services.

There are signs of stress across the system, with cases referred showing increased complexity and high levels of risk, and high levels of agency staffing in the social work workforce. In recent months, the Department has received information from Early Alerts and Case Management Reviews in which serious incidents have occurred in situations where unallocation may have been a contributory factor.

A number of initiatives are currently being taken forward to mitigate these risks, including rolling out the Signs of Safety approach to case management across the region, the development of new social work and family support strategies, the ongoing investment in the EITP and the development of a new Adoption and Children Bill. An objective to reduce the number of unallocated family and children's social care cases by 20% has been included in the HSC Commissioning Plan Direction 2019-20 and the HSCB has been tasked with developing a business plan to identify and cost potential solutions to address the issue.

Elective Care

During 2018-19, each of the three Ministerial elective care standards, namely, that 50% of patients should wait no longer than nine weeks for an outpatient appointment and no one more than 52 weeks; that 75% of patients should wait no longer than nine weeks for a diagnostic test and no one more than 26 weeks; and that 55% of patients should wait no longer than 13 weeks for admission for treatment and no-one more than 52 weeks, have not been achieved.

The pressures on the HSC's capacity to respond to demand for elective care have been building for several years. The number of people waiting longer than the target waiting times has increased over the last year, primarily as a result of demand continuing to exceed funded health service capacity in a number of specialties and the impact of the wider financial position. While the additional non-recurrent investment in 2018-19 from the Confidence and Supply Agreement benefited a large number of patients who would otherwise still have been waiting, it served only to slow the growth in waiting times.

While the non-recurrent investment is beneficial, long term solutions are required to sustain services in the future. The Elective Care Plan (published in February 2017) sets out the approach to redressing the waiting list crisis through major reform and transformation to sustainably improve elective care services and build capacity in the HSC and progress has been made in this regard. For example, prototype daycase elective care centres for varicose vein and cataract procedures have been operational since December 2018 and form part of the long-term plan to reduce waiting lists. In March 2018, the Department announced the same approach is to be rolled out across a wide range of specialties, meaning the provision of thousands of daycase routine operations will be transferred to dedicated sites. The aim is to move all daycase surgery to new elective care centres by December 2020.

It will however take time and significant non recurrent and recurrent investment to bring waiting lists back to an acceptable level while simultaneously increasing capacity to meet demand. Delivery of the Elective Care Plan is dependent on new investment to implement the actions which underpin transformation and reform.

The Department continues to look to the HSCB to work with HSC Trusts to maximise the delivery of core capacity and minimise the increase in waiting times and to ensure that HSC Trusts continue to target the longest waiting patients to achieve the best possible waiting time outcomes, whilst prioritising clinical need.

Unscheduled Care

The position on HSC Trust performance against the 4 and 12 hour waiting time targets for Emergency Departments (EDs) remains a cause for concern, with an increase in the number of patients waiting longer than 12 hours in ED at a number of sites, and all HSC Trusts falling well short of the expectation that 95% of patients should be either discharged or admitted within 4 hours of arrival at an ED.

A 3.6% increase in ED attendances in 2018-19 compared to 2017-18 has placed increased demand on services resulting in growing numbers of patients waiting longer to be seen, treated, and either discharged or admitted to hospital. The pressures are in part due to an increase in the number of older, sicker people with more complex needs attending EDs and being admitted to hospital, and the challenges in supporting them to return home when they are medically fit.

Additional resources were invested in 2018-19 to reform and enhance services to help reduce the pressures on emergency care. Of this, £3m (announced in January 2019) was targeted at key areas including recruitment of staff for domiciliary care; care package provision for older people with dementia; and, procurement of disability and community care equipment. However, in spite of these measures, demand has outstripped capacity. Whilst these interventions have made some impact a more comprehensive response to the provision of urgent and emergency care services is required.

Under the Transformation agenda a review of Urgent and Emergency Care has been launched. Following the report on the population needs assessment of urgent and emergency care in Northern Ireland, a Review Team has been established to develop a new model of care for the province providing the best appropriate care for people of all ages, giving specific consideration for arrangements for the assessment and, where appropriate, admission of older people. The Department aims to launch a consultation on proposals for a new model of care before the end of 2019.

Paediatric Congenital Cardiac Surgery (PCCS)

The PCCS service provided by the Belfast HSC Trust on a regional basis continued to remain vulnerable during 2018-19. This was due to the continued need for some patients to travel outside Northern Ireland for elective surgical procedures. Concerns have also been raised with the Department about the potential impact of EU Exit on the all-island service.

The All Island Congenital Heart Disease (CHD) Network, comprising clinicians, commissioners and patient representatives, and overseen by the Northern Ireland and Republic of Ireland Health Departments, was established in April 2015 to progress the implementation of a series of recommendations made by the expert International Working Group and jointly accepted by the two Health Ministers in 2014. The Network has developed a long-term plan to create additional capacity at Our Lady's Children's Hospital Crumlin (OLCHC) to enable the majority of patients from Northern Ireland to receive surgical and interventional treatment there. A joint announcement setting out the long-term plan including funding for the Network was subsequently made in July 2016 by the Health Ministers. Whilst the Network was further developed during 2018-19, including the enhancement of facilities and resources at the Network's Level 2 specialist children's heart centre in Belfast, the plan to transfer the majority of elective surgical cases to OLCHC by the end of 2019 was not progressed due to ongoing work to finalise capital investment proposals for the necessary expansion of capacity at OLCHC. An addendum to the original CHD Network business case for investment was approved in November 2018 to further expand the PICU capacity in OLCHC to progress the planned transfer of Northern Ireland elective cases.

Whilst this process is ongoing, a Service Level Agreement (SLA) was in place with OLCHC to provide all catheterisation procedures, and all emergency and urgent surgical cases at OLCHC during 2018-19. In 2018 under the terms of a revised SLA, a small cohort of NI elective patients also began to have their surgery in Dublin. SLAs with Evelina and Birmingham Children's Hospitals continue to provide continuity of service and to ensure the safety and quality of services for the remainder of elective surgery patients from Northern Ireland until sufficient surgical capacity is available within the All-Island CHD Network.

NIAS Infection Prevention and Control

Unannounced hygiene inspections carried out by RQIA at two ambulance stations in July 2017 uncovered serious shortcomings in terms of infection prevention and control (IPC). Subsequently RQIA carried out further fact-finding visits to 21 ambulance stations and 27 ambulance vehicles operating out of these stations. The intention behind these visits was to gain an understanding of environmental cleanliness standards across the ambulance service as a whole. These inspections revealed significant variation in standards. The potential impact of the variations in IPC standards is that patients may have been treated in conditions which compromised their safety.

Improvement notices were issued to three ambulance stations, between July 2017 and February 2018, in respect of 'safe and effective care – ensuring safe practice and appropriate management of risk' and 'corporate leadership and accountability of the organisation'. Following intensive work by NIAS, the notices in respect of 'safe and effective care' were removed. However, since there had been insufficient improvement in 'corporate leadership and accountability' in March 2018 RQIA recommended a special measure be put in place to support NIAS to address these systemic issues. The Department then directed that a senior practitioner with experience in IPC/hygiene, cleanliness, governance and assurance was seconded to NIAS. The secondment commenced in April 2018 and NIAS are in the process of implementing their detailed and comprehensive quality improvement plan. This is overseen by dedicated IPC meetings with senior Departmental officials on a half yearly basis.

On 21 December 2018 RQIA advised that, following inspections, the remaining improvement notices in respect of 'corporate leadership and accountability' were to be lifted. This means that all NIAS ambulance stations are now compliant with hygiene, cleanliness and IPC standards. However, RQIA advised NIAS that further work is required in relation to staff training and competency-based assessment and have issued a Trust-wide improvement notice requiring NIAS to meet these standards by 30 June 2019. The Department will continue to meet with NIAS to review progress against these plans.

Healthy Child, Healthy Future Programme

Healthy Child, Healthy Future is a public health programme that offers every family with children a programme of screening, immunisations, developmental reviews and information and guidance to support parenting and healthy choices so that children and families achieve their optimum health and wellbeing. Health Visitors (HVs) and school nurses are key health professionals responsible for the delivery of Healthy Child, Healthy Future. 'Health and Wellbeing 2026 Delivering Together' has committed to fully implementing the programme. The full programme is not being implemented due to the significant pressures that Health Visitors are under to deliver a range of competing priorities and public health challenges which include infant and child mental health issues, domestic violence and safeguarding. As a consequence children may not be getting the best start in life, and may not meet their developmental milestones. To resolve this, the following actions have been taken:

- The PHA are working with HSC Trusts and developing a regional action plan to ensure the full delivery of the universal Healthy Child, Healthy Future programme;
- Recognising that there are workforce issues, an interim milestone has been set to prioritise the two year health review and the antenatal contact for first time mums;
- Delivering Care, (the DoH policy for safe staffing), Phase 4 Health Visiting has been successful within the Transformation bids for the Enhanced Multi-Disciplinary Teams in Primary Care. As a result of this an additional HV training Programme with 19 student HVs commenced in January 2019;
- The number of HVs in Training has been increased and an additional part-time course commenced in September 2018, with a further full time course which commenced in January 2019;
- The DoH and DE are working in partnership on Giving Every Child the Best Start in Life; and
- The Early Intervention Transformation Programme projects, Getting Ready for Baby and Getting Ready for Toddler, aim to equip parents with the skills needed to give their child the best start in life.

Underpayment of Employers Superannuation Contributions

During February 2017 it was brought to the attention of the BSO Payroll Shared Services Centre, by one of the HSC bodies, that there was a potential error in how the HRPTS system was calculating employers' superannuation contributions during periods of sickness and ordinary and stretch maternity leave. Subsequent significant investigations resulted in the identification of a material regional liability in respect of underpayments of these contributions dating back to the introduction of the new HRPTS system in each individual HSC body. Each HSC body was advised of their share of the estimated liability and all HSC bodies made a 75% payment of their estimated liability to the Pension Scheme in March 2018. The mechanism to correct the system is available and is currently being tested extensively. It is expected to be implemented into the HRPTS system imminently. The HSC bodies have confirmed that payments to maintain the pensions scheme fund have continued on a monthly basis in 2018-19 and the remainder of the overall shortfall in employers' pension contributions was paid over to the Pension Scheme in March 2019.

Trusts' Break-Even Position

Trusts have worked closely with the Department and HSCB throughout 2018-19 as part of the regional financial planning process. All Trusts have achieved a breakeven position for 2018-19 with the exception of the Western HSC Trust.

During 2018-19, the Western HSC Trust received additional non recurrent financial support in year. However, the Western Trust was unable to secure financial balance for 2018/19 and the Department approved an authorised overspend of £24.4m. The deficit arose as a result of an increase in a number of cost pressures including medical locums and Looked After Children as well as a shortfall on the delivery of savings targets. Medical locum costs have been increasing significantly year on year since 2013-14 and costs have increased by 24% in 2018-19 compared to the previous year. The Trust has experienced a significant increase in its number of Looked After Children since the introduction of Kinship Standards which has resulted in an additional cost to the Trust. The Trust was allocated a number of savings targets for 2018-19 which it was unable to deliver and this contributed to the deficit. The Department, as part of an agreement to cover the in-year deficit, requires the Trust to enter into a 3 year financial recovery process. The Trust has put in place a programme called Working Together … Delivering Value which will be the vehicle through which financial sustainability will be achieved.

The remainder of the Trusts' breakeven positions have been achieved mainly due to the allocation of additional non-recurrent funding in year and the implementation of a range of low impact savings measures. The Department will continue to work with HSCB, Trusts and DoF to ensure savings plans are delivered and additional resources are secured as necessary.

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

In the absence of a Health Minister it was not possible to secure North South Ministerial Council (NSMC) approval of 2018 and 2019 Business Plans for FSPB. While arrangements have been made with DoF to ensure legality of payments in the absence of business plans, expenditure will be irregular until the NSMC approves Business Plans.

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. A grant payment of £1k was made in the 2018-19 (2017-18: £5k) financial year without DoF approval. The Department have put in place additional measures to prevent reoccurrence.

New Issues for 2018-19

Learning Disability – Muckamore Abbey Hospital

Following an allegation of abuse of an in-patient by staff at Muckamore Abbey Hospital in August 2017, it subsequently emerged that CCTV footage existed of the incident in question. Viewing of the footage revealed further concerns about practice more generally in the hospital, and as a result the Belfast HSC Trust commissioned an independent Level 3 SAI review into safeguarding at the hospital. An independent team, led by Dr. Margaret Flynn who also authored the Serious Case Review into the events at Winterbourne View private hospital in England, commenced work on the review in January 2018. Alongside this independent review, the Belfast Trust also initiated its own disciplinary and adult safeguarding investigations, and continues to cooperate fully with the ongoing police investigation into the allegations. An internal review of management oversight arrangements in Muckamore was also undertaken by the Belfast HSC Trust with a focus on ensuring the safety and wellbeing of patients in the hospital.

The independent review team examined patient files concerning safeguarding incidents between 2012 and 2017 and associated documents, NI safeguarding protocols and procedures, and RQIA inspection reports for hospital wards. Between January and June 2018, the team met with a wide range of people including families, hospital staff and managers. They also held a series of feedback sessions in September involving patients' families, hospital staff and managers and representatives from Trusts who placed patients in the hospital to discuss the review's initial findings and generate recommendations for improvement. The team completed their report, entitled 'A Review of Safeguarding at Muckamore Abbey Hospital – A Way to Go' in December 2018.

In response to the report, the Permanent Secretary apologised to the families of patients in Muckamore, and fully endorsed the view of the review team that no one should have to call Muckamore their home in future, when there are better options for their care. He also made clear his expectation that the resettlement process would be completed by December 2019, and the issue of delayed discharges from the hospital addressed as a top priority. A HSC summit meeting chaired by the Permanent Secretary was held in January 2018 with the five Trust Chief Executives, the HSCB and the RQIA to plan and expedite a robust and coordinated response by HSC organisations to delivering on the recommendations. As part of this response, a regional and independent review of acute care for people with learning disabilities has been initiated under the Health Transformation programme to consider future options for both inpatient and community (including forensic) provision in Northern Ireland. This review is an expedited work stream of a wider Transformation project to develop a new regional model for Learning Disability services, which will be co-produced along with a costed implementation plan by March 2020.

The DoH Permanent Secretary has agreed to the establishment of a Departmental Assurance Group to monitor the programme of work at Muckamore.

Pension Band Review Process

During August 2018, the BSO Payroll Shared Services Centre concluded a review of pension band tiers for all HSC employees. This review was required to determine whether appropriate pension contribution rates were being paid by HSC employees, based on their pensionable pay from 1 April 2018. At a regional meeting of HSC HR and Finance Directors it was agreed that the backdated impact of this review would be recovered in a single amount from employees in August 2018, with loans being made available for any staff who subsequently requested them.

However due to a failure to communicate in a timely and effective manner with individual affected employees, the resulting impact on certain staff led to significant media and Trade Union interest and concern.

The Payroll Shared Services Centre moved quickly to issue loans to all members of staff who requested them and out of the approximately 5,000 staff who were adversely impacted by the pension band review process, approximately 500 were provided with a loan.

To avoid such an issue arising in the future the Department ensured that HSC HR representatives worked with Trade Unions and the BSO Payroll Shared Services Centre to agree a formal protocol for the communication process for any future reviews of this nature which are identified as having an impact on net pay for any group of staff.

This protocol was initiated in the most recent pay award and pension band review process in February 2019, and the communications issues previously experienced around media and Trade Union interest and concern did not re-occur. Payroll Shared Services Centre continue to refine communication and operational processes to ensure lessons learnt are mainstreamed into business as usual activities.

Institute of Public Health in Ireland (IPH)

The IPH lease for its Belfast premises was declared by DoF to be irregular expenditure and DoF has informed the C&AG. This arose due to the IPH being classified as an NDPB for accounting purposes and the consequent requirement that a business case would be approved by DoF prior to agreement to the lease, which had not been done. IPH are tied into the current lease until 1 February 2020. After the irregularity was notified to the Department a business case was submitted to DoF and approval has been granted for the forward rental costs for 2019-20, a sum of £92,866. However DoF has advised that retrospective approval for the lease period that has now passed will not be given, a sum of £371,464. IPH governance arrangements are currently under active review and the proposals under consideration should support the case for DoF to remove the NDPB classification during 2019. It is not therefore expected that there will be a reoccurrence.

Conclusion

The Department has a rigorous system of accountability upon which I can rely as Accounting Officer to form an opinion on the probity and use of public funds, as detailed in MPMNI. The system operates on a principle of devolved authority and the accountability framework structure across the Department's operating base.

Further to considering the accountability framework within the Department, including its ALBs, and in conjunction with assurances given to me by the DARAC, I am content that the Department has operated a sound system of internal governance during the period 2018-19.

REMUNERATION AND STAFF REPORT

Remuneration Report

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

Remuneration Policy

The pay remit for the Northern Ireland (NI) public sector, including senior civil servants (SCS), is normally approved by the Minister of Finance. In the absence of an Executive, the Department of Finance's Permanent Secretary has set the 2018-19 NI public sector pay policy in line with the overarching HMT parameters and in a manner consistent with the approach taken by the previous Finance Minister in 2016-17. [The pay award for SCS staff for 2018-19 has been finalised but not yet paid.]

The pay of senior civil servants (SCS) is based on a system of pay scales for each SCS grade containing a number of pay points from minima to maxima, allowing progression towards the maxima based on performance.

Service Contracts

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

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

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

Remuneration 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 - Minister

There was no Minister in place during 2018-19 or 2017-18.

Remuneration and pension entitlements – Officials [Audited]

Officials	2018-19				2017-18			
	Salary	**Benefits in kind**	**Pension Benefits ***	**Total**	**Salary**	**Benefits in kind**	**Pension Benefits**	**Total**
	£'000	**(to nearest £100)**	**(to nearest £1000)**	**(£'000)**	**Salary £'000**	**(to nearest £100)**	**(to nearest £1000)**	**(£'000)**
Mr R Pengelly *Permanent Secretary*	120 to 125	-	63	180 to 185	115 to 120	-	26	140 to 145
Mr S Holland *Deputy Secretary, Social Care Policy Group*	90 to 95	-	27	115 to 120	90 to 95	-	16	105 to 110
Mrs C McArdle *Chief Nursing Officer* (Note 1)	90 to 95	-	(3)	90 to 95	90 to 95	-	8	100 to 105
Dr M McBride *Chief Medical Officer* (Note 2)	215 to 220	-	(15)	200 to 205	215 to 220	-	21	235 to 240
Mrs D McNeilly *Deputy Secretary, Resources and Performance Management Group*	90 to 95	-	44	130 to 135	85 to 90	-	20	105 to 110
Mr J Johnston *Deputy Secretary, Healthcare Policy Group*	90 to 95	-	26	115 to 120	85 to 90	-	58	145 to 150
Mrs N Lloyd *Finance Director* (appointed 18 August 2017)	70 to 75	-	27	95 to 100	40 to 45 (WTE 65 to 70)	-	12	50 to 55 (WTE 75 to 80)
Mrs S Gallagher *Deputy Secretary, Transformation Planning and Performance* (appointed 1 June 2018)	70 to 75 (WTE 85 to 90)	-	130	200 to 205 (WTE 215 to 220)	-	-	-	-

Remuneration and pension entitlements – Officials [Audited] continued

Officials	2018-19				2017-18			
	Salary	**Benefits in kind**	**Pension Benefit***	**Total**	**Salary**	**Benefits in kind**	**Pension Benefits**	**Total**
	£'000	**(to nearest £100)**	**(to nearest £1000)**	**(£'000)**	**£'000**	**(to nearest £100)**	**(to nearest £1000)**	**(£'000)**
Dr C King *Independent Non-Executive Board Member*	-	-	-	-	5 to 10	-	-	5 to 10
Mr M Little *Independent Non-Executive Board Member* (Note 3)	5 to 10	-	-	5 to 10	5 to 10	-	-	5 to 10
Mr F Caddy *Independent Non-Executive Board Member* (Note 4)	5 to 10	-	-	5 to 10	0 to 5	-	-	0 to 5

Bonus payments are not applicable to departments but may be applicable to other organisations.
**The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation and any increase or decrease due to a transfer of pension rights.*

Notes to the table of senior management remuneration

1) Mrs C McArdle is seconded to the Department from the South Eastern HSC Trust and took up post in April 2013.

2) Dr McBride returned on 8 February 2017 to resume full time secondment in Department of Health.

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

3) Mr M Little was appointed as an Independent Non-Executive Director February 2014 for a 3 year period. Mr Little agreed to stay until November 2017 to provide continuity to the Department until an NICS wide Non-Executive competition was held in the 2017-18 year. Following his success in this competition Mr Little was reappointed as an Independent Non-Executive director on 1 October 2017 for a three year period.

4) Mr F Caddy was appointed as an Independent Non-Executive Director on 1 October 2017 for a three year period.

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.

The Northern Ireland Assembly was dissolved on 26 January 2017. An Executive was not formed following the 2 March 2017 election, and from this date Ministers ceased to hold office. As a consequence, no Minister has been in place in the department during 2017-18 and 2018-19.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by the HM Revenue and Customs as a taxable emolument. There were no benefits in kind to Board members during 2018-19.

Fair Pay Disclosures [Audited]

	2018-19	**2017-18**
Band of Highest Paid Director's Total Remuneration* (£'000)	215 to 220	215 to 220
Median Total Remuneration (£)	32,084	31,446
Ratio	6.78	6.92

**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.*

In 2018-19 (2017-18: nil) no employee received remuneration in excess of the highest paid director. Remuneration ranged from band £17,526 to £216k in 2018-19. (2017-18 £17,526 - to £215k to £220k).

Pension Entitlements – Ministers

There was no Minister in place during 2018-19 and 2017-18.

Pension Entitlements – Officials [Audited]

Officials	Accrued pension at pension age as at 31/3/19 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/3/19	CETV at 31/3/18	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
Mr R Pengelly *Permanent Secretary*	55 to 60 and lump sum 130 to 135	2.5 to 5 and lump sum 0 to 2.5	1,018	878	37
Mr S Holland *Deputy Secretary, Social Care Policy Group*	20 to 25	0 to 2.5	429	363	25
Mrs C McArdle *Chief Nursing Officer*	30 to 35 and lump sum 90 to 95	0 to 2.5 and lump sum 0 to 2.5	644	553	9
Dr M McBride *Chief Medical Officer*	80 - 85 and lump sum of 245 - 250	0 - 2.5 and lump sum of 0 - 2.5	1,873	1,651	14
Mrs D McNeilly *Deputy Secretary, Resources and Performance Management Group*	40 to 45 and lump sum 95 to 100	2.5 to 5 and lump sum 0 to 2.5	758	657	28
Mr J Johnston *Deputy Secretary, Healthcare Policy Group*	45 to 50 and lump sum 145 to 150	0 to 2.5 and lump sum 2.5 to 5	1,140	1,056	27
Mrs N Lloyd *Finance Director* (appointed 18 August 2017)	15 to 20	0 to 2.5	243	200	11
Mrs S Gallagher *Deputy Secretary, Transformation Planning and Performance* (appointed 1 June 2018)	35 to 40 and lump sum 85 to 90	5 to 7.5 and lump sum 12.5 to 15	647	488	99

Non Executive members pension details

Mr M Little and Mr F Caddy who served during the year as non-executive members of the Board are not employees of the Department and their remuneration is non-pensionable.

1. 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 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 existing members of the classic, premium, classic plus and nuvos pension arrangements also moved to alpha from that date. Members who on 1 April 2012 were within 10 years of their normal pension age did 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 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 rate is 2.32%.

New entrants joining can choose between membership of alpha or joining a 'money purchase' stakeholder arrangement with a significant employer contribution (partnership pension account).

New entrants joining on or after 30 July 2007 were eligible for membership of the nuvos arrangement or they could have opted for a partnership pension account. Nuvos is also a CARE arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The current rate is 2.3%.

Staff in post prior to 30 July 2007 may be in one of three statutory based 'final salary' defined benefit arrangements (classic, premium and classic plus). From April 2011, pensions payable under classic, premium, and classic plus are reviewed annually in line with changes in the cost of living. New entrants joining on or after 1 October 2002 and before 30 July 2007 could choose between membership of premium or joining the partnership pension account.

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 Price Index (CPI) figure for the preceding September. The CPI in September 2018 was 2.4% and HM Treasury has announced that public service pensions will be increased accordingly from April 2019.

Employee contribution rates for all members for the period covering 1 April 2019 – 31 March 2020 are as follows:

Scheme Year 1 April 2019 to 31 March 2020

Annualised Rate of Pensionable Earnings (Salary Bands)		**Contribution rates –** All members
From	**To**	**From 01 April 2019 to 31 March 2020**
£0	£23,500.99	4.6%
£23,501.00	£54,500.99	5.45%
£54,501.00	£150,000.99	7.35%
£150,001.00 and above		8.05%

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.

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).

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. Scheme pension age is 60 for members of **classic, premium**, and **classic plus** and 65 for members of **nuvos**. The normal scheme pension age in alpha is linked to the member's State Pension Age but cannot be before age 65. Further details about the NICS pension arrangements can be found at the website https://www.finance-ni.gov.uk/topics/working-northern-ireland-civil-service/civil-service-pensions-ni.

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) (Amendment) Regulations 2015 and do not take account of any actual or potential benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period. However, the real increase calculation uses common actuarial factors at the start and end of the period so that it disregards the effect of any changes in factors and focuses only on the increase that is funded by the employer.

Compensation for loss of office

No compensation was paid for loss of office in 2018-19.

Staff Report

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

The number of staff serving in the grades 1 to 5 or equivalent representing the senior civil servants as at 31 March 2019 is shown below. These include senior civil service staff who are Departmental Board members.

	Core Department
Pay Band*	**Number of SCS staff (or equivalent)**
£65,000 - £70,000	7
£70,000 - £75,000	10
£75,000 - £80,000	3
£80,000 - £85,000	1
£85,000 - £90,000	1
£90,000 - £95,000	3
£95,000 - £100,000	-
£100,000 - £105,000	-
£105,000 - £110,000	-
£110,000 - £115,000	-
£115,000 - £120,000	-
£120,000 - £125,000	1
Total	**26**

* Based on full year equivalent

Staff Costs [Audited]:

	2018-19				2017-18
	Permanently employed staff*	Others	Ministers	Total	Total
	£000	£000	£000	£000	£000
Wages and salaries	48,486	3,722	-	52,208	49,693
Social security costs	5,180	352	-	5,532	5,294
Other pension costs	8,492	591	-	9,083	8,581
Subtotal	**62,158**	**4,665**	**-**	**66,823**	63,568
Less recoveries in respect of outward secondments	(1,058)	520	-	(538)	(346)
Total net costs**	**61,100**	**5,185**	**-**	**66,285**	**63,222**

Of which:

	Charged to Administration £000	Charged to Programme £000	Total £000
Core Department	20,585	1,982	22,567
HSCB and PHA	-	43,718	43,718
Total	**20,585**	**45,700**	**66,285**

*There were no staff costs incurred in respect of the department's Special Adviser in 2018-19 and 2017-18.

** No staff costs have been charged to capital.

The figures in the Statement of Comprehensive Net Expenditure (SCNE) consist of gross staff costs. Amounts recovered in respect of secondments are separately disclosed in the SCNE. The above costs are gross staff costs netted off against secondee income.

The Northern Ireland Civil Service main pension schemes are unfunded multi-employer defined benefit schemes but the Department of Health is unable to identify its share of the underlying assets and liabilities. The 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 2012 scheme valuation was completed by GAD in February 2015. The outcome of this valuation was used to set the level of contributions for employers from 1 April 2015 to 31 March 2019.

For 2018-19, employers' contributions of £3.8m were payable to the NICS pension arrangements (2017-2018 £3.2m) at one of three rates in the range 20.8% to 26.3% of pensionable pay, based on salary bands.

Work was completed on the 2016 valuation, based on the position as at 31 March 2016. The outcome of this scheme valuation informed employer contribution rates for 2019-20. Employer contribution rates payable will range from 28.7% to 34.2% of pensionable pay, based on salary bands. This change is primarily due to the reduction in the SCAPE discount rate (as announced at Budget 2018) to 2.4% pa above CPI. The contribution rates are set to meet the cost of the benefits accruing during 2019-20 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £9,700 (2017-18: £7,000) 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% (2017-2018, 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 £nil, 0.5% (2017-18 £nil, 0.5%) of pensionable pay, were payable to the NICS Pension schemes to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees. Contributions due to the **partnership** pension providers at the reporting period date were £nil. Contributions prepaid at that date were £nil.

One individual from the core Department retired on ill health grounds; the total additional accrued pension liabilities in the year 2018-19 amounted to £3k (2017-18: £nil). HSCB had nil health retirements (2017-18 no persons nil cost) PHA 2 persons at nil cost (2017-18: no persons nil cost).

Average number of persons employed (Audited)

The average number of whole-time equivalent persons employed during the year was as follows. These figures include those working in the Department as well as other bodies included within the consolidated Departmental Accounts.

Departmental Strategic Objective	2018-19 Number				2017-18
	Permanently employed staff	Others	Ministers	Total	Total
Health & Social Care Board	448	26	-	474	485
Public Health Agency	303	19	-	322	293
Administration	396	51	-	447	445
Programme	2	7	-	9	11
less outward seconded staff	(13)	-	-	(13)	(8)
Total	**1,136**	**103**	**-**	**1,239**	1,226
Of which: **Core Department**	391	58	-	**449**	452
HSCB and PHA	745	45	-	**790**	774

Core Staff numbers include 58 Whole Time Equivalent (WTE) staff seconded in to the Department and 7 (WTE) staff seconded out from the Department to other bodies.

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

	Number of Compulsory redundancies				Number of other Departures agreed				Total number of exit packages by cost band			
	Core		Consolidated		Core		Consolidated		Core		Consolidated	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
<£10,000	-	-	-	-	-	-	-	-	-	-	-	-
£10,001-£25,000	-	-	-	-	-	-	-	-	-	-	-	-
£25,001-£50,000	-	-	-	-	-	-	3	-	-	-	3	-
£50,001-£100,000	-	-	-	-	-	-	1	-	-	-	1	-
£100,001-£150,000	-	-	-	-	-	-	-	-	-	-	-	-
£150,001-£200,000	-	-	-	-	-	-	-	-	-	-	-	-
£200,001-£250,000	-	-	-	-	-	-	-	1	-	-	-	1
Total number of exit packages by type	-	-	-	-	-	-	4	1	-	-	4	1
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Total Resource cost	-	-	-	-	-	-	154	222	-	-	154	222

Core Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Similarly, HSCB and PHA costs have been paid in accordance with the provisions of the HSC Pension Scheme Regulations.

Exit costs are accounted for in full in the year of approval and agreement. Where the Department has agreed early retirements or other agreed departures, the additional costs are met by the employing authority and not by the pension schemes. Ill-health retirement costs are met by the pension schemes and are not included in the table.

Employment, training and advancement of disabled persons

The Northern Ireland Civil Service applies the recruitment principles as set out in the Recruitment Code of the Civil Service Commissioners for Northern Ireland, appointing candidates based on merit through fair and open competition. Recruitment and selection training, which includes raising awareness of unconscious bias, is offered to all chairs of NICS recruitment panels. The NICS also has mandatory unconscious bias training for all staff.
To maintain and promote a diverse and inclusive workforce, the NICS has policies in place to support any alterations to the working environment required by disabled persons.

The NICS has an active network of Diversity Champions and has appointed one of its' Deputy Secretaries as the NICS Diversity Lead for Disability. The NICS has an active Disability Working Group and is a lead partner with Employers for Disability Northern Ireland. Through this collaboration the NICS is working towards creating a truly inclusive workplace where all staff feel valued. The NICS promotes a number of schemes for disabled staff, including a successful Work Experience Scheme for People with Disabilities.

Other Employee Matters

The 2018-21 NICS People Strategy sets out the shared view of the people priorities across the NICS under the following themes:

- A well-led NICS
- High performing NICS
- Outcomes-focused NICS
- An inclusive NICS in which diversity is truly valued – a great place to work.

Equality, Diversity and Inclusion

The NICS People Strategy 2018-21 places diversity and inclusion at its centre and includes a range of actions that will help accelerate the NICS' ambition to be a service that reflects the society we serve.

The NICS continues to carry out its statutory obligations under fair employment legislation, including the annual return to the Equality Commission for NI. The NICS publishes a wide range of NICS human resource statistics.

Learning & Development

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

The NICS Centre for Applied Learning (CAL) is responsible for development and delivery of all generic staff training. It offers a variety of learning delivery channels to enable flexible access to learning, blending different learning solutions into coherent learning pathways that are aligned to both corporate need and the NICS Competency Framework.

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

Talent Management is a key theme of the NICS People Strategy and work is underway to develop a more corporate approach to managing talent across the NICS.

Employee Consultation and Trade Union Relationships

The Department of Finance is responsible for the NICS Industrial Relations Policy. The centralised human resource function, NICSHR, consults on HR policy with all recognised Trade Unions and local departmental arrangements are in place to enable consultation on matters specific to a department or individual business area.

Off-Payroll Engagements

The number of staff not paid through payroll and paid over £245 per day and whose employment lasted longer than six months during the financial year is shown in the table below.

	2018-19	2017-18
Number of off-payroll engagements at 1 April	1	-
Number of new off-payroll engagements	-	1
Number of engagements which have come to an end	(1)	-
Off-payroll engagements at 31 March	-	1

Consultancy Expenditure

External consultancy incurred by the Core Department in 2018-19 was in the region of £215k. The HSCB and PHA did not incur any expenditure on external consultancy in 2018-19.

AUDIT AND ACCOUNTABILITY REPORT

Statement of Assembly Supply (Audited)

In addition to the primary statements prepared under IFRS, the Government Financial Reporting Manual (FReM) requires the Department of Health to prepare a Statement of Assembly Supply (SoAS) and supporting notes to show resource outturn against the Supply Estimate presented to the Assembly, in respect of each request for resources.

Summary of Resource Outturn 2018-19

								2018-19	2017-18
		Estimate			Outturn				Outturn
Request for Resources	Note	Gross Expenditure	Accruing Resources	Net Total	Gross Expenditure	Accruing Resources	Net Total	Net Total Outturn compared with Estimate: saving/ (excess)	Net Total
		£000	£000	£000	£000	£000	£000	£000	£000
A	SoAS 1	5,958,798	588,394	5,370,404	5,743,777	581,457	5,162,320	208,084	4,778,225
B	SoAS 1	98,374	-	98,374	94,440	-	94,440	3,934	91,075
Total Resources	SoAS 2	6,057,172	588,394	5,468,778	5,838,217	581,457	5,256,760	212,018	4,869,300
Non-operating Cost Accruing Resources		-	-	6,130	-	-	292	5,838	113

Request for Resources A
Providing high quality health and social care services and promoting good health and well-being.

Request for Resources B
Providing effective fire-fighting, rescue and fire safety services.

Net Cash Requirement 2018-19

		2018-19			2017-18
		Estimate	Outturn	Net Total Outturn compared with Estimate: saving/ (excess)	Outturn
	Note	£000	£000	£000	£000
Net Cash Requirement	**SoAS 3**	**5,459,707**	**5,245,353**	**214,354**	4,838,919

Summary 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).

		2018-19 £000 Forecast		2018-19 £000 Outturn	
	Note	Income	Receipts	Income	Receipts
Total	**SoAS 4**	**-**	**-**	**107**	***104***

Explanations of variances between Estimate and outturn are given in Note SoAS 1.

SoAS 1. Analysis of net resource outturn by function

	2018-19									2017-18
	Outturn						Estimate			Outturn
	Admin	Other Current	Grants	Gross Resource Expenditure	Accruing Resources	Net Total	Net Total	Net total outturn compared with Estimate	Net total outturn compared with Estimate, adjusted for virements	Prior year outturn
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Request for Resources A:										
Departmental expenditure in DEL										
A1.	1,833	131,930	4,273	138,036	(26,362)	111,674	123,583	11,909	11,069	104,054
A2.	5,089	34,956	13,505	53,550	(4,891)	48,659	57,427	8,768	8,768	46,829
A3.	394	283,586	1,390	285,370	(15)	285,355	278,811	(6,544)	20	265,951
A4.	185	491,220	-	491,405	-	491,405	482,948	(8,457)	7	491,457
A5.	94	132,214	-	132,308	(25,841)	106,467	103,145	(3,322)	4	106,617
A6.	94	24,226	-	24,320	-	24,320	24,099	(221)	354	23,811
A7.	14,222	39,509	-	53,731	(4,375)	49,356	82,021	32,665	14,576	39,729
A8.	1,550	62,322	5,231	69,103	(1,572)	67,531	72,223	4,692	4,692	66,153
Annually Managed Expenditure (AME)										
A9.	-	(6,347)	-	(6,347)	-	(6,347)	(34)	6,313	6,313	8,430
A10.	-	585	-	585	-	585	647	62	62	535
Non-budget										
A11.	-	-	-	-	(518,401)	(518,401)	(518,401)	-	-	(506,519)
A12.	-	-	4,410,235	4,410,235	-	4,410,235	4,585,117	174,882	160,367	4,058,213
A13.	-	-	48,839	48,839	-	48,839	34,667	(14,172)	-	31,725
A14.	-	-	166	166	-	166	249	83	83	285
A15.	-	-	4,421	4,421	-	4,421	4,300	(121)	-	3,877
A16.	-	-	18,266	18,266	-	18,266	19,369	1,103	1,103	18,892
A17.	-	-	1,256	1,256	-	1,256	1,628	372	372	1,307
A18.	-	-	3,196	3,196	-	3,196	3,283	87	87	2,545
A19.	-	-	1,497	1,497	-	1,497	1,573	76	76	1,501
A20.	-	-	7,021	7,021	-	7,021	6,799	(222)	-	6,176
A21.	-	-	2,018	2,018	-	2,018	2,021	3	3	1,929
A22.	-	-	422	422	-	422	422	-	-	382
A23.	4,305	74	-	4,379	-	4,379	4,507	128	128	4,346
Total Request for Resources A	**27,766**	**1,194,275**	**4,521,736**	**5,743,777**	**(581,457)**	**5,162,320**	**5,370,404**	**208,084**	208,084	4,778,225
Request for Resources B:										
Departmental Expenditure in DEL										
B1.	179	156	-	335	-	335	431	96	96	492
Non-budget										
B2.	-	-	87,325	87,325	-	87,325	91,343	4,018	3,838	85,935
B3.	-	-	6,780	6,780	-	6,780	6,600	(180)	-	4,648
Total Request for Resources B	**179**	**156**	**94,105**	**94,440**	**-**	**94,440**	**98,374**	**3,934**	**3,934**	91,075
Resource Outturn	**27,945**	**1,194,431**	**4,615,841**	**5,838,217**	**(581,457)**	**5,256,760**	**5,468,778**	**212,018**	**212,018**	4,869,300

Key to Request for Resources and Functions (Note SoAS 1)

Request for Resources A:
Providing high quality health and social care services and promoting good health and well-being.

Departmental expenditure in DEL
A1. Hospital and Paramedic Services
A2. Social Care Services
A3. Family Health Service – General Medical Services
A4. Family Health Service -Pharmaceutical Services
A5. Family Health Service – Dental Services
A6. Family Health Service -Ophthalmic Services
A7. Health Support Services
A8. Public Health Services

Annually Managed Expenditure (AME)
A9. Provisions
A10. Social Care Depreciation and Impairments
A11. Health Service Contributions
A12. Health and Social Care Trusts
A13. Business Services Organisation
A14. Northern Ireland Blood Transfusion Service
A15. Northern Ireland Guardian Ad Litem Agency
A16. Northern Ireland Medical and Dental Training Agency
A17. Northern Ireland Practice and Education Council for Nursing and Midwifery
A18. Northern Ireland Social Care Council
A19. Patient and Client Council
A20. Regulation and Quality Improvement Authority
A21. Safefood (formerly Food Safety Promotion Board)
A22. Institute of Public Health in Ireland
A23. Notionals

Request for Resources B:
Providing effective fire-fighting, rescue and fire safety services.

Departmental Expenditure in DEL
B1. Fire, Rescue and Fire Safety Services

Non Budget
B2. Northern Ireland Fire and Rescue Service
B3. Northern Ireland Fire and Rescue Service – Firefighters Pension Schemes

Explanation of variation between Estimate and Outturn (Note SoAS 1)

	Variance £000	Explanation
A2. Social Care Services	8,768	Due to the reallocation of resources from HSCB to Trusts, from the position used to write the Spring Supplementary Estimate, including impact of Confidence and Supply Transformation funding
A7. Health Support Services	32,795	
A9. Provisions	6,313	Due to greater clarity on the amounts likely required following the completion of the SSE
A13. Business Services Organisation	(14,172)	Due to more cash being drawn down by BSO than forecast in the SSE due to additional capital spend and EU Exit contingencies.

SoAS 2 Reconciliation of outturn to net operating expenditure

		2018-19			2017-18
	Note	Outturn £000	Supply Estimate £000	Outturn compared with Estimate £000	Outturn £000
Net resource outturn	SoAS 1	5,256,760	5,468,778	212,018	4,869,300
Prior Period Adjustments		-	-	-	-
Non-supply income (CFERs)	SoAS 4	(107)	-	107	(83)
Non- supply expenditure		-	-	-	-
Net operating Expenditure in Consolidated Statement of Comprehensive Net Expenditure		**5,256,653**	**5,468,778**	**212,125**	4,869,217

SoAS 3. Reconciliation of net resource outturn to net cash requirement

	Note	2018-19 Estimate £000	2018-19 Outturn £000	2018-19 Net total outturn compared with Estimate: saving/(excess) £000
Resource Outturn	SoAS 1	5,468,778	5,256,760	212,018
Capital				
Acquisition of property, plant and equipment	6	6,341	4,793	1,548
Acquisition of intangibles	7	-	776	(776)
Non-Operating Accruing Resources				
Net book value of asset disposals	6, 7	(6,130)	(177)	(5,953)
FTC repayments	10	-	(115)	115
Accruals to cash adjustments				
Depreciation, amortisation and impairment	3,4	(7,519)	(7,270)	(249)
New provisions, and adjustments to previous provisions	3, 4, 15	34	6,348	(6,314)
Other non-cash items	3,4	(4,507)	(3,916)	(591)
Adjustments to reflect movements in working balances:				
Increase/(Decrease) in Trade Receivables	13	74	8,101	(8,027)
(Increase)/Decrease in Trade Payables	14	(3,749)	(12,470)	8,721
Movement in CFERs included in trade receivables	13	-	(3)	3
Consolidated Fund in respect of supply	13	-	(4,824)	4,824
Movement in Payables for amounts issued from the Consolidated Fund for supply but not spent at year end	14	-	(8,772)	8,772
Movement in Payables for Consolidated Fund Extra receipts due to be paid to the Consolidated Fund:				
received	14	-	21	(21)
receivable	14	-	3	(3)
Changes in payables falling due after more than one year	14	-	-	-
Use of Provision	15	6,385	6,098	287
Excess cash receipts surrenderable to the Consolidated Fund	SoAS 4	-	-	-
Net cash requirement		**5,459,707**	**5,245,353**	**214,354**

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).

	Note	Forecast 2018-19		Outturn 2018-19	
		Income	Receipts	Income	Receipts
		£000	£000	£000	£000
Operating income and receipts - excess Accruing Resources		-	-	-	-
Other operating income and receipts not classified as Accruing Resources		-	-	107	*104*
EU Receivables written off		-	-	-	-
		-	-	-	-
Non-Operating income & receipts - excess Accruing Resources	SoAS 6	-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund		-	-	-	-
Excess cash surrenderable to the Consolidated Fund	SoAS 3	-	-	-	-
Total income payable to the Consolidated Fund		-	-	107	*104*

NB excess income is determined on a Request for Resource basis and it is not simply the difference between total income and the income approved by the Assembly.

SoAS 5. Reconciliation of income recorded within the Statement of Comprehensive Net Expenditure to operating income payable to Consolidated Fund

	Note	2018-19	2017-18
		£000	£000
Operating income	5	581,564	566,755
Income netted off in gross sub head grossed up in Statement of Comprehensive Net Expenditure		-	-
Adjustments for transactions between RfRs		-	-
Gross income		581,564	566,755
Non-supply income (other than CFER's)		-	-
Changes in accounting policy		-	-
Other Adjustments		-	-
Income authorised as Accruing Resources		(581,457)	(566,672)
Operating income payable to the Consolidated Fund	SoAS 4	107	83

SoAS 6. Non-operating income - Excess Accruing Resources

	2018-19	2017-18
	£000	£000
Principal repayments of voted loans	-	-
Proceeds on disposal of property, plant & equipment	-	-
Proceeds on disposal of intangibles	-	-
Other (analysed as appropriate)	-	-
Non-operating income - excess Accruing Resources	-	-

Other Assembly Accountability Disclosures

Losses and Special Payments

The following sections are subject to audit

Losses Statement for Core Department, HSC Board and PHA

Each year, significant amounts of waivers and remissions of National Insurance contributions are written off. Most are reported in the Northern Ireland National Insurance Fund account but an NHS proportion (approximately 20% of the NI total) is attributed to the health programme and reported in the Resource Accounts. The figure for 2018-19 (referred to as administrative write-offs) was £2,169k (2017-18: £1,897k). Classifications are as defined by Managing Public Money NI and applicable to the consolidated accounts.

	2018-19				2017-18			
	Core Department		Consolidated		Core Department		Consolidated	
	No. of cases	£000	No. of cases	£000	No. of cases	£000	No. of cases	£000
Cash losses - Theft, fraud etc.	-	-	-	-	-	-	1	-
Claims abandoned - Waived or abandoned claims	6	3	7	3	-	-	-	-
Administrative write-offs* Bad debts	1	2,169	1	2,169	1	1,897	1	1,897
Fruitless payments -								
• Late Payment of commercial debt	-	-	-	-	-	-	1	-
• Other fruitless payments	24	3	27	3	21	2	21	2
Total*	**31**	**2,175**	**35**	**2,175**	22	1,899	24	1,899

*Excludes the number of cases of NI Fund Losses (Administrative write off). National Audit Office, who audit the NI Fund accounts, made a recommendation for HMRC to work to ensure consistency between the contribution losses figures reported in the NI White Paper Accounts and the HMRC Trust Statement. As a result, the method of collection and calculation of the losses figures has been changed, so that case numbers are now no longer available for reporting.

Special Payments made by Core Department, HSC Board and PHA

	2018-19				2017-18			
	Core Department		Consolidated		Core Department		Consolidated	
Special Payments	**No of cases**	**£000**	**No of cases**	**£000**	**No of cases**	**£000**	**No of cases**	**£000**
Compensation payments –								
• Clinical Negligence	-	-	8	3,077	-	-	10	237
• Public Liability	38	1,011	38	1,011	13	371	13	371
• Employers Liability	-	-	4	333	-	-	5	28
Total	**38**	**1,011**	**50**	**4,421**	13	371	28	636
Details of cases over £250,000								
Clinical negligence	-	-	3	2,914	-	-	-	-

In addition to losses detailed above, the HSC Board establish an estimate of the total annual potential loss due to fraud and error in provision of their family practitioner services. The Counter Fraud and Probity Service within Business Services Organisation, on behalf of HSCB, checks patient exemption entitlement by means of sampling technique. The best estimate available for patient exemption fraud in 2018-19 is £4.0m (£3.1m Dental, £0.9 Ophthalmic). The combined estimate for 2017-18 was £3.6m.

Remote Contingent Liabilities

The following section is subject to audit

In addition to contingent liabilities reported within the meaning of IAS37 shown in Note 16 of the Annual Accounts, the Department also considers liabilities for which the likelihood of a transfer of economic benefit in settlement is too remote to meet the definition of contingent liability. As at 31 March 2019, the Department have the following remote contingent liabilities:

Inquiry Panel membership

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

UK Exit from the EU

In July 2018, the UK Government announced an extension of its guarantee of EU-funded projects after the UK has left the EU. The guarantee was originally announced in 2016. The guarantee covers the following which are currently applicable to the Department of Health's EU funding activity:

- The full Multiannual Financial Framework allocation for structural and investment funds over the 2014-20 funding period, with payments to beneficiaries made up to the end of 2023; *and*
- The payment of awards where UK organisations successfully bid directly to the European Commission on a competitive basis for EU funding projects while we remain in the EU (e.g. before Exit day), for the lifetime of the project.

The financial settlement was agreed in principle by both the UK and EU, as set out in the draft Withdrawal Agreement of 25 November 2018. The guarantee will therefore only be called in the event that the Withdrawal Agreement is not ratified in the case of no deal, and UK organisations are unable to access EU funding. As a result, and due to the EU funding Department of Health provides, an unquantifiable contingent liability is disclosed.

Non-Executive Directors

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

This accountability report is approved and signed:

Mr R Pengelly
Accounting Officer
27 June 2019

DEPARTMENT OF HEALTH

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

Opinion on financial statements

I certify that I have audited the financial statements of the Department of Health for the year ended 31 March 2019 under the Government Resources and Accounts Act (Northern Ireland) 2001. The financial statements comprise: the Consolidated Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. I have also audited the Statement of 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's affairs as at 31 March 2019 and of its net operating expenditure for the year then ended; and
- have been properly prepared in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001 and Department of Finance directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects:

- the Statement of Assembly Supply properly presents the outturn against voted Assembly control totals for the year ended 31 March 2019 and shows that those totals have not been exceeded; and
- the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this certificate. My staff and I are independent of the Department of Health in accordance with the ethical requirements of the Financial Reporting Council's Revised Ethical Standard 2016, 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.

Other Information

The Accounting Officer is responsible for the 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 the report as having been audited, and my audit certificate and report. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, 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, 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 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.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

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 Assembly Supply properly presents the outturn against voted Assembly control totals and that those totals have not been exceeded. I am also required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Matters on which I report by exception

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

- adequate accounting records have not been kept; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records; or
- 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.

Report

I have no observations to make on these financial statements.

KJ Donnelly
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
Belfast
BT7 1EU

Date 28 June 2019

Consolidated Statement of Comprehensive Net Expenditure for the year ended 31 March 2019

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

	Note	2018-19		2017-18	
		Core Department	Consolidated	Core Department	Consolidated
		£000	£000	£000	£000
Revenue from contracts with customers	5	(239)	(53,187)	(189)	(51,651)
Other operating income	5	(526,865)	(528,342)	(514,247)	(515,075)
Total Operating income		**(527,104)**	**(581,529)**	(514,436)	(566,726)
Staff costs	3,4	22,719	66,823	21,712	63,568
Purchase of goods and services	3,4	4,629,981	5,699,510	4,252,712	5,297,180
Depreciation, amortisation and impairment charges	3,4	4,531	7,270	2,138	4,692
Provision expense	3,4	(17)	(6,348)	405	8,430
Other operating expenditure	3,4	40,088	70,951	31,164	62,102
Total operating expenditure		**4,697,302**	**5,838,206**	4,308,131	5,435,972
Finance income	5	(20)	(35)	(12)	(29)
Finance expense	3,4	11	11	-	-
Net expenditure for the year		**4,170,189**	**5,256,653**	3,793,683	4,869,217
Other Comprehensive Expenditure					
Items that will not be reclassified to net operating costs:					
Net (gain)/loss on revaluation of Property, Plant and Equipment	6	(1,087)	(1,291)	(1,168)	(1,404)
Net (gain)/loss on revaluation of Intangibles		-	(2)	-	(8)
Items that may be reclassified to net operating costs:					
Net (gain)/loss on revaluation of investments		-	-	-	-
Total comprehensive net expenditure for the year ended 31 March 2019		**4,169,102**	**5,255,360**	3,792,515	4,867,805

Notes 1 to 22 form part of these accounts.

Consolidated Statement of Financial Position
As at 31 March 2019

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

	Note	31 March 2019		31 March 2018	
		Core Department	Consolidated	Core Department	Consolidated
		£000	£000	£000	£000
Non-current assets					
Property, plant and equipment	6	45,937	62,677	47,938	63,346
Intangible assets	7	-	2,321	-	2,165
Financial assets	10	2,009,000	2,009,703	2,009,000	2,009,787
Trade and other receivables	13	-	-	-	-
Total non-current assets		**2,054,937**	**2,074,701**	2,056,938	2,075,298
Current Assets					
Assets classified as held for sale	6	5,597	5,597	5,721	5,721
Inventories	11	-	-	-	-
Trade and other receivables	13	15,004	20,406	6,599	11,461
Other current assets	13	467	621	1,386	1,465
Financial assets	10	-	113	-	111
Cash and cash equivalents	12	-	1,320	-	5,948
Total current assets		**21,068**	**28,057**	13,706	24,706
Total assets		**2,076,005**	**2,102,758**	2,070,644	2,100,004
Current liabilities					
Trade and other payables	14	26,477	200,531	25,947	188,349
Provisions	15	1,491	3,357	1,077	6,710
Financial liabilities	10	-	-	-	-
Total current liabilities		**27,968**	**203,888**	27,024	195,059
Non-current assets plus/less net current assets/liabilities		**2,048,037**	**1,898,870**	2,043,620	1,904,945
Non-current liabilities					
Provisions	15	720	31,416	2,333	40,509
Trade and other payables	14	-	-	-	-
Financial liabilities	10	-	-	-	-
Total non-current liabilities		**720**	**31,416**	2,333	40,509
Assets less liabilities		**2,047,317**	**1,867,454**	2,041,287	1,864,436
Taxpayers' equity					
General Fund		2,026,053	1,837,331	2,021,018	1,835,514
Revaluation Reserve		21,264	30,123	20,269	28,922
Total taxpayers' equity		**2,047,317**	**1,867,454**	2,041,287	1,864,436

Notes 1 to 22 form part of these accounts.

Consolidated Statement of Cash Flows for the year ended 31 March 2019

The Statement of Cash Flows shows the changes in cash and cash equivalents of the Department of Health 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.

	Note	2018-19 £000	2017-18 £000
Cash flows from operating activities			
Net operating expenditure	SoCNE	(5,256,653)	(4,869,217)
Adjustments for non-cash transactions	3,4,5	5,286	17,540
(Increase)/decrease in trade & other receivables	13	(8,101)	5,552
less movements in receivables relating to items not passing through the Statement of Comprehensive Net Expenditure			
Supply amounts due from the consolidated fund	13	4,824	-
(Increase)/Decrease in Inventories	11	-	-
(Decrease)/Increase in trade & other payables (adjusted for bank overdraft)	14	12,470	(44,237)
less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure			
Movements in payables relating to the purchase of property, plant & equipment	14	(61)	(171)
Movements in payables relating to purchase of intangibles	14	(548)	90
Supply amounts due to the consolidated fund	14	8,772	(9,235)
Movements in payables relating to CFER items	14	(24)	67,548
Use of provisions	15	(6,098)	(2,943)
Net cash outflow from operating activities		(5,240,133)	(4,835,073)
Cash flows from investing activities			
Purchase of property, plant & equipment	6,14	(4,732)	(2,637)
Purchase of intangible assets	7,14	(228)	(1,174)
Proceeds of disposal of property, plant and equipment		192	-
FTC loans repaid by GPs	10	115	113
Net cash outflow from investing activities		(4,653)	(3,698)
Cash flows from financing activities			
From the Consolidated Fund (Supply) - current year		5,240,529	4,848,154
From the Consolidated Fund (Supply) - prior year		-	61,513
Capital element of payments in respect of finance leases and on- balance sheet (SoFP) PFI contracts		-	-
Net financing		5,240,529	4,909,667
Net increase/(decrease) in cash and cash equivalents in the period before adjustment for payments to the Consolidated Fund		**(4,257)**	70,896
Payments of amounts due to the Consolidated Fund		(83)	(67,631)
Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund		**(4,340)**	3,265
Cash and cash equivalents at the beginning of the period	12	**4,900**	1,635
Cash and cash equivalents at the end of the period	12	**560**	4,900

Notes 1 to 22 form part of these accounts.

Consolidated Statement of Changes in Taxpayers' Equity for the year ended 31 March 2019

This statement shows the movement in the year on the different reserves held by the Department of Health, analysed into 'general fund reserves' (i.e. those reserves that reflect a contribution from the Consolidated Fund. The Revaluation Reserve reflects the change in asset values that have not been recognised as income or expenditure. The General Fund represents the total assets less liabilities of a department, to the extent that the total is not represented by other reserves and financing items.

	Note	General Fund	Revaluation Reserve	Taxpayers' Equity
		£000	£000	£000
Balances at 31 March 2017		1,861,122	27,937	1,889,059
Changes in taxpayers' equity for 2017-18				
Net assembly funding		4,848,154	-	4,848,154
Supply (payable)/receivable adjustment		(9,235)	-	(9,235)
CFERs repayable to Consolidated Fund		(83)	-	(83)
Net Assembly Funding		4,838,836	-	4,838,836
Comprehensive Expenditure for the Year		(4,869,217)	1,412	(4,867,805)
Non-Cash Adjustments:				
Auditor's remuneration	3, 4	132	-	132
Other	3, 4	4,214	-	4,214
Movements in Reserves:				
Other reserves movements including transfers		427	(427)	-
Balances at 31 March 2018		1,835,514	28,922	1,864,436
Changes in taxpayers' equity for 2018-19				
Net assembly funding		5,249,764	-	5,249,764
Supply (payable)/receivable adjustment		4,361	-	4,361
CFERs repayable to Consolidated Fund		(107)	-	(107)
Net Assembly Funding		5,254,018	-	5,254,018
Comprehensive Expenditure for the Year		(5,256,653)	1,293	(5,255,360)
Non-Cash Adjustments:				
Auditor's remuneration	3, 4	138	-	138
Other	3, 4	4,241	-	4,241
Movements in Reserves:				
Transfer of Asset ownership		(19)	-	(19)
Other reserves movements including transfers		92	(92)	-
Balances at 31 March 2019		**1,837,331**	**30,123**	**1,867,454**

Notes 1 to 22 form part of these accounts.

Core Statement of Changes in Taxpayers' Equity for the year ended 31 March 2019

	Note	General Fund	Revaluation Reserve	Taxpayers' Equity
		£000	£000	£000
Balances at 31 March 2017		2,035,909	19,528	2,055,437
Changes in taxpayers' equity for 2017-18				
Net assembly funding		3,783,405	-	3,783,405
Supply (payable)/receivable adjustment		(9,235)	-	(9,235)
CFERs repayable to Consolidated Fund		(83)	-	(83)
Net Assembly Funding		3,774,087	-	3,774,087
Comprehensive Expenditure for the Year		(3,793,683)	1,168	(3,792,515)
Non-Cash Adjustments:				
Auditor's remuneration	3,4	64	-	64
Other	3,4	4,214	-	4,214
Movements in Reserves:				
Other reserves movements including transfers		427	(427)	-
Balances at 31 March 2018		2,021,018	20,269	2,041,287
Changes in taxpayers' equity for 2018-19				
Net assembly funding		4,166,592	-	4,166,592
Supply (payable)/receivable adjustment		4,361	-	4,361
CFERs repayable to Consolidated Fund		(107)	-	(107)
Net Assembly Funding		4,170,846	-	4,170,846
Comprehensive Expenditure for the Year		(4,170,189)	1,087	(4,169,102)
Non-Cash Adjustments:				
Auditor's remuneration	3,4	64	-	64
Other	3,4	4,241	-	4,241
Movements in Reserves:				
Transfer of Asset ownership		(19)	-	(19)
Other reserves movements including transfers		92	(92)	-
Balances at 31 March 2019		**2,026,053**	**21,264**	**2,047,317**

Notes 1 to 22 form part of these accounts.

Notes to the Departmental Resource Accounts

1. Statement of Accounting Policies

These financial statements have been prepared in accordance with the 2018-19 Government Financial Reporting Manual (FReM) issued by the Department of Finance. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context.

Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Department of Health for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Department are described below. They have been applied consistently in dealing with items considered material to the accounts.

The FReM requires the following primary statements:

- Statement of Assembly Supply;
- Statement of Comprehensive Net Expenditure;
- Statement of Financial Position;
- Consolidated Statement of Cash Flows;
- Consolidated Statement of Changes in Taxpayers Equity; *and*
- Core Statement of Changes in Taxpayers Equity.

The Statement of Assembly Supply and supporting notes show outturn against Estimate in terms of the net resource requirement and the net cash requirement. The Consolidated Statement of Changes in Taxpayer's Equity and supporting notes analyses movement in the General Fund and Revaluation Reserve.

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. Currency and Rounding

These accounts are presented in £ sterling and rounded in thousands.

1.3. Basis of Consolidation

These accounts (and accounting policies) comprise a consolidation of the Core Department, the Health and Social Care (HSC) Board and the Public Health Agency (PHA). Transactions between entities included in the consolidation are eliminated.

1.4. Health and Social Care Board & Public Health Agency

The accounts of the Health and Social Care (HSC) Board and Public Health Agency (PHA) have been prepared in accordance with the accounting standards and policies directed by the Department of Health (the Department) as being relevant to HSC bodies in Northern Ireland.

The accounting policies adopted follow International Financial Reporting Standards (IFRS) to the extent that it is meaningful to HSC bodies in Northern Ireland, and, where possible, are selected in accordance with the principles set out in International Accounting Standard (IAS) 8 "Accounting Policies" as the most appropriate for giving a true and fair view in this context.

1.5. Property, Plant and Equipment and Intangible Assets

Property, plant and equipment assets comprise Land, Buildings, Dwellings, Transport Equipment, Plant & Machinery, Information Technology, Furniture & Fittings and Assets under construction.

Recognition

Property, Plant and Equipment must be capitalised if:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential will be supplied to the business;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; *and*
- the item has a cost of at least £5,000; *or*
- collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £1,000, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; *or*
- items form part of the initial equipping and setting-up cost of a new unit, irrespective of their individual or collective cost.

On initial recognition property, plant and equipment and intangible non-current assets are measured at cost including any expenditure, such as installation, directly attributable to bringing them into working condition.

Assets classified as "under construction" are recognised in the Statement of Financial Position to the extent that money has been paid or a liability has been incurred. They are carried at cost, less any impairment loss. Assets under construction are revalued and depreciation commences when they are brought into use.

Emergency planning stockpiles are included within plant and machinery and are capitalised in accordance with FReM.

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately for the rest of the business or which arise for contractual or other legal rights. Intangible assets are considered to have a finite life.

Intangible assets includes any of the following held – software, licences, trademarks, websites, development expenditure, patents, goodwill and intangible assets under construction. Intangible non-current assets in use within the Department, Board and PHA comprise IT, software and websites.

Software that is integral to the operating of hardware, for example an operating system is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, for example application software, is capitalised as an intangible non-current asset. There is no difference between the requirements for (a) intangible assets that are acquired externally and (b) internally generated intangible non-current assets, whether they arise from development activities or other types of activities.

The capitalisation threshold for intangible assets is the same as for tangible assets.

Valuation

All Property, Plant and Equipment and Intangible non-current assets are carried at fair value.

Fair value for Property is estimated as the latest professional valuation revised annually by reference to indices supplied by Land and Property Services.

Fair value for Plant, Equipment and Intangibles is estimated by restating the value annually by reference to indices compiled by the Office of National Statistics (ONS), except for assets under construction which are carried at cost, less any impairment loss. This year, indices at the end of December 2018 were used.

Land and buildings are carried at the last professional valuation, in accordance with the Royal Institute of Chartered Surveyors Statement of Asset Valuation Practice in so far as these are consistent with the specific needs of the HSC.

A formal revaluation of the Retained Estate and the HSC Estate was last carried out as at 31 January 2015, by Land and Property Services of Upper Queen's Street, Belfast, with the next review due by 31 January 2020.

Properties are valued on the basis of open market value for existing use, unless they are specialised, in which case they are valued on the basis of depreciated replacement cost.

Properties surplus to requirements are valued on the basis of open market value less any material directly attributable selling costs.

1.6. Depreciation

Property, plant and equipment and intangible non-current assets are depreciated at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated useful lives. Depreciation is charged in the month of acquisition.

No depreciation is provided on freehold land since land has unlimited or a very long established useful life. Items under construction are not depreciated until they are commissioned. Properties that are surplus to requirements and not in use are not depreciated. Capital expenditure on leasehold improvements is depreciated over the shorter of the life of the asset or the remaining term of the lease.

Depreciation is charged on short life assets (up to 5 years) based on the historic cost without indexation being applied.

Depreciable assets normally have useful lives in the following ranges:

Asset Type	Asset Life
Freehold Buildings	25 – 60 years
Leasehold property	Remaining period of lease
IT Assets	3 – 10 years
Software /Licences	3 – 10 years
Other Equipment	3 – 15 years

The majority of furniture and fittings are rented from the Department of Finance and have not been capitalised. Instead this forms part of the notional accommodation costs included in the Statement of Comprehensive Net Expenditure.

Most of the buildings used by the core Department are part of the government estate. As rents are not paid for these properties, notional accommodation costs are based on a capital charge for the properties. These costs have been charged to the Statement of Comprehensive Net Expenditure.

The overall useful life of the Department's buildings takes account of the fact that different components of those buildings have different useful lives. This ensures that depreciation is charged on these assets at the same rate as if separate components had been identified and depreciated at different rates.

1.7. Subsequent Expenditure

Where subsequent expenditure enhances an asset beyond its original specification the directly attributable cost is capitalised. Where subsequent expenditure which meets the definition of capital restores the asset to its original specification, the expenditure is capitalised and any existing carrying value of the item replaced is written-out and charged to operating expenses.

The overall useful life of buildings takes account of the fact that different components of those buildings have different useful lives. This ensures that depreciation is charged on those assets at the same rate as if separate components had been identified and depreciated at different rates.

1.8. Impairments

At each reporting period end, the Department checks whether there is any indication that any of its tangible or intangible non-current assets have suffered an impairment loss. If there is indication of an impairment loss, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount.

If there has been an impairment loss due to price change, the asset is written down to its recoverable amount, with the loss charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to the Statement of Comprehensive Net Expenditure.

DoF/HM Treasury has directed that economic impairments be treated in a different way from that shown in IAS 36 for 2010-11 and future periods. As a result where the loss arises from an economic impairment the full amount of the impairment is charged to the Statement of Comprehensive Net Expenditure and there is a corresponding movement from the revaluation reserve to the Statement of Comprehensive Net Expenditure reserve up to the amount of the economic impairment which is in the revaluation reserve.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount but capped at the amount that would have been determined had there been no initial impairment loss. The reversal of the impairment loss is credited to expenditure to the extent of the decrease previously charged there and thereafter to the revaluation reserve.

1.9. Profit/Loss on sale of Non-Current Assets

The profit from sale of land which is a non-depreciating asset is recognised within Income. The profit from sale of any depreciating assets is shown as a reduction in the expense within the Statement of Comprehensive Net Expenditure The loss from sale of land or loss from the sale of any depreciating assets is show as an increased expense.

1.10. Non-Current Assets Held for Sale

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 held for sale are valued on the basis of open market value where one is available or at carrying amount if an open market value is not available less any material directly attributable selling costs.

1.11. Stockpile Goods

The Department has acquired equipment and stock for use in the event of a national emergency.

These stocks consist mainly of drugs and protective clothing and are regarded as the minimum levels necessary to provide an emergency response. In accordance with FReM, these minimum levels are treated as Property, Plant and Equipment (PPE). The goods are recorded at the lower of cost price and net realisable value. It is considered that depreciation is not applicable for the majority of emergency stock items held. An impairment charge is recognised for any stockpile goods which are disposed of e.g. because they are past their 'use by' date. The Department also considers that due to the unique nature of stockpile goods it is inappropriate to apply a capitalisation threshold. The Emergency Planning Branch of the Department is responsible for managing these items.

1.12. Investments

The only Interest Bearing Debt (IBD) remaining in Trusts is held by the Northern Ireland Ambulance Service (NIAS) as the IBD in the legacy Trusts was cancelled and replaced by Public Dividend Capital (PDC) when the new Trusts were established on 1 April 2007. The IBD held by the Department in respect of NIAS is no longer legally classed as a debt repayable to the Department and the Trusts are not required to make a dividend payment in respect of Public Dividend Capital.

The PDC of the Trusts is held in the name of the Secretary of State. These bodies are managed independently from the Department and their accounts are not consolidated with those of the Department.

The Department's investment in these bodies is shown, in line with public sector interpretation and DoF NI-specific guidance, in the Statement of Financial Position at historical cost.

1.13. Inventories and Work in Progress

Inventories are valued at the lower of cost and Net Realisable Value (NRV) and are included exclusive of VAT.

Within the Core Department, HSC Board and PHA, inventories consist only of consumable items and are therefore expensed in the year of purchase.

1.14. Research and Development

Research and Development expenditure is expensed in the year it is incurred in accordance with IAS 38.

1.15. Income

Income is classified between Revenue from Contracts and Other Operating Income as assessed necessary in line with departmental activity, under the requirements of IFRS 15 and as applicable to the public sector. Judgement is exercised in order to determine whether the five essential criteria within the scope of IFRS 15 are met in order to define income as a contract.

Income relates directly to the activities of the Department and is recognised on an accruals basis when, and to the extent that a performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

In year of initial application, the introduction of IFRS 15 has not impacted on the timing of satisfying performance obligations of contracts in existence therefore the transaction price determined has not changed as a result of its introduction. The current impact of its introduction has resulted in reclassification of income based on consideration of whether there is a written, oral or implied contract in existence. There is no significant impact on contract asset and contract liability balances. Note 5 Income provides initial application disclosures in line with HM Treasury application guidance on transition to IFRS 15.

Where the criteria to determine whether a contract is in existence is not met, income is classified as Other Operating Income within the Statement of Comprehensive Net Expenditure and is recognised when the right to receive payment is established. Income is stated net of VAT.

Income is split between Administration Income and Programme Income within the Statement of Comprehensive Net Expenditure.

The Department are in receipt of the Northern Ireland share of NHS National Insurance contributions. The Department accounts for this as income on a cash basis. This is a departure from FReM which has been authorised by the Department of Finance.

1.16. Leases

Department, HSC Board and PHA as lessee

Where substantially all the benefits of control of a leased asset are borne by the business, it is recognised as a finance lease and the asset is recorded as property, plant and equipment, with a corresponding liability to the lessor of the minimum lease payments discounted by the interest rate implicit in the lease. 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.

Where a lease is for land and buildings, the land and building components are separated where the amounts are material. Leased land is treated as an operating lease. Leased buildings are assessed as to whether they are operating or finance leases. The Department does not currently hold any finance leases.

Other leases are regarded as operating leases and the rentals are charged to the Consolidated Statement of Comprehensive Net Expenditure on a straight-line basis over the term of the lease.

Department, HSC Board and PHA as a lessor

The Department leases a number of land and building assets to voluntary bodies for which it receives small sums of money know as peppercorn rent. These land and buildings assets are included within the Department's Property, Plant and Equipment asset register.

1.17. Financial Instruments

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The Department, HSC Board and PHA has financial instruments in the form of trade receivables and payables and cash and cash equivalents.

Financial assets

Financial assets are recognised on the Statement of Financial Position when the Department becomes party to the financial instrument contract or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or the asset has been transferred.

Financial assets are initially recognised at fair value. IFRS 9 introduces the requirement to consider the expected credit loss model on financial assets. The measurement of the loss allowance depends upon the Department's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument, where judged necessary.

Financial assets are classified into the following categories:

- financial assets at fair value through Statement of Comprehensive Net Expenditure;
- held to maturity investments;
- available for sale financial assets; and
- loans and receivables.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial liabilities

Financial liabilities are recognised on the Statement of Financial Position when the Department becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been discharged, that is, the liability has been paid or has expired.

Financial liabilities are initially recognised at fair value.

Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial assets and liabilities and held at fair value. The Department, HSC Board and PHA do not have any embedded derivatives.

Financial Risk Management

IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the manner in which they are funded, financial instruments play a more limited role in creating risk than would apply to a non-public sector body of a similar size, therefore the Department, HSC Board and PHA are not exposed to the degree of financial risk faced by business entities. There are limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day to day operational activities rather than being held to change the risks facing its activities. Therefore the Department, HSC Board and PHA are exposed to limited credit, liquidity or market risk.

Currency Risk

The Department, HSC Board and PHA are principally domestic organisations with the great majority of transactions, assets and liabilities being in the UK and sterling based. There is therefore low exposure to currency rate fluctuations.

Interest Rate Risk

The Department, HSC Board and PHA have limited powers to borrow or invest and therefore there is low exposure to interest rate fluctuations.

Credit and Liquidity risk

As the Department, HSC Board and PHA are funded largely with government funding there is low exposure to credit risk and to significant liquidity risks.

1.18. Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.19. Grants Payable

Grants payable are recorded as expenditure in the period that the underlying event or activity giving entitlement to the grant occurs.

1.20. 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 this can be determined. Where the effect of the time value of money is significant the estimated risk-adjusted cash flows are discounted using the Treasury Discount Rate.

The Department does not reflect the HSC Trust clinical negligence provision as a core provision, rather the cash funding issued to HSC Trusts in respect of clinical negligence is accounted for as grant in aid.

1.21. Contingent Assets / Liabilities

Under IAS 37 the Department discloses contingent liabilities where there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Department, or a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured sufficiently reliably. In addition to contingent liabilities being disclosed under IAS 37, the Department also reports liabilities for which the likelihood of a transfer of economic benefit in settlement is too remote to meet the definition of contingent liability within the Audit and Accountability Report.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Department, HSC Board or PHA. A contingent asset is disclosed where an inflow of economic benefits is probable.

Where the time value of money is material, contingencies are disclosed at their present value.

In addition to contingent liabilities disclosed in accordance with IAS 37, the Department is required to disclose for Assembly reporting and accountability purposes certain contingent liabilities where the likelihood of a transfer of economic benefit is remote but which have been reported to the Assembly in accordance with the requirements of Managing Public Money Northern Ireland.

Where the time value of money is material, contingent liabilities which are required to be disclosed under IAS 37 are stated at discounted amounts and the amount reported to the Assembly separately noted. Contingent liabilities that are not required to be disclosed under IAS 37 are stated at the amounts reported to the Assembly.

1.22. Change to Estimation Technique

As a result of uncertainties inherent in all business activities, many items in financial statements cannot be measured with precision but can only be estimated. Where estimates have been required in order to prepare these financial statements in conformity with FReM, management have used judgements based on the latest available, reliable information.

Management continually review estimates to take account of any changes in the circumstances on which the estimate was based or as a result of new information or more experience.

1.23. Value Added Tax

Most of the activities of the Department, HSC Board and PHA are outside the scope of VAT and in general output tax does not apply. Input VAT on purchases is generally recoverable.

1.24. Third Party Assets

Third Party assets are assets for which the Department acts as custodian or trustee, but in which neither the Department nor government more generally has a direct beneficial interest in them. Third Party assets are not public assets, and hence are not recorded in the primary financial statements.

1.25. Losses and Special Payments

Losses and special payments are items that the Assembly would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled.

Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had the government bodies not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure). However, the note on losses and special payments is compiled directly from the losses and compensations register which reports amounts on an accruals basis with the exception of provisions for future losses.

1.26. Administration and Programme Expenditure

The Consolidated 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 as set out in Managing Public Money Northern Ireland (MPMNI), issued by the Department of Finance.

Administration costs reflect the costs of running the Core Department and associated operating income. Revenue is analysed in the notes between that which is allowed to be offset against gross administrative costs in determining the outturn against the administrative cost limit, and that revenue which is not.

Core programme costs reflect non-administration costs and mainly consist of expenditure in health and social services. This includes payments of capital and current grants and other disbursements by the Department.

The costs of the HSC Board and PHA which are consolidated into the Departmental account are both treated as programme costs.

1.27. Employee Benefits including pensions

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.

Past and present employees of the Department are covered by the Principal Civil Service Pension Scheme (PCSPS) (NI). The defined benefit schemes are unfunded and are non-contributory except in respect of dependant's benefits. 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 PCSPS(NI) of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS(NI). In respect of the defined contribution schemes, the Department recognises the contributions payable during the year.

The HSC Board and PHA participate in the HSC Superannuation Scheme, which is administered by the Department. Under this defined benefit scheme both the HSC Board and the PHA employees pay specified percentages of pay into the scheme and the liability to pay benefit falls to the Department.

The cost of early retirements are met by and charged to the SoCNE at the time a commitment is made to fund the early retirement.

As per the requirements of IAS 19 and IAS 26, as amended by FReM, full actuarial valuations by a professionally qualified actuary are required at intervals not exceeding four years. The actuary reviews the most recent actuarial valuation at the statement of financial position date and updates it to reflect current conditions.

1.28. Impact of implementation of ESA 2010 on research and development expenditure

Following the introduction of the 2010 European System of Accounts (ESA10), and the change in budgeting treatment (from the revenue budget to the capital budget) of research and development (R&D) expenditure additional disclosures are included in the notes to the accounts. This treatment was implemented from 2016-17.

1.29. Accounting Standards issued not included in 2018-19 FReM

The International Accounting Standards Board have issued the following new standards but which are either not yet effective or adopted. Under IAS 8 there is a requirement to disclose these standards together with an assessment of their initial impact on application.

IFRS 16 *Leases*:

IFRS 16 *Leases* replaces IAS 17 *Leases* and is effective with EU adoption from 1 January 2019. In line with the requirements of the FReM, IFRS 16 will be implemented, as interpreted and adapted for the public sector, with effect from 1 April 2020. Due to the practical expedient advised by HM Treasury on initial application, management have assessed that there will be minimal impact on application to the Department's consolidated financial statements.

IFRS 10 *Consolidated Financial Statements*, IFRS 11 *Joint Arrangements*, IFRS 12 *Disclosure of Interests in Other Entities*:

The IASB issued new and amended standards (IFRS 10, IFRS 11 & IFRS 12) that affect the consolidation and reporting of subsidiaries, associates and joint ventures. These standards were effective with EU adoption from 1 January 2014.

Accounting boundary IFRS are currently adapted in the FReM so that the Westminster departmental accounting boundary is based on ONS control criteria, as designated by Treasury.

A similar review in NI, which will bring NI departments under the same adaptation, has been carried out and the resulting recommendations were agreed by the Executive in December 2016. With effect from 2020-21, the accounting boundary for departments will change and there will also be an impact on departments around the disclosure requirements under IFRS 12. ALBs apply IFRS in full and their consolidation boundary may change as a result of the new Standards.

2. Statement of Operating Costs by Operating Segment

The Operating segments are:

The following are separate identifiable units of business which have their own set of activities which contribute to the Department's objectives. The funding for all reportable segments is shown in the table below. No material transactions occurred between the segments.

	2018-19		
	Gross Expenditure £000	Income £000	Net Expenditure £000
Funded Bodies			
Health & Social Care Board	1,072,931	(53,243)	**1,019,688**
Public Health Agency	65,494	(1,197)	**64,297**
Business Services Organisation	48,839	-	**48,839**
Patient Client Council	1,497	-	**1,497**
NI Practice & Education Council for Nursing & Midwifery	1,256	-	**1,256**
NI Social Care Council	3,196	-	**3,196**
Regulation & Quality Improvement Authority	7,021	-	**7,021**
NI Medical & Dental Training Agency	18,266	-	**18,266**
NI Guardian ad Litem Agency	4,421	-	**4,421**
NI Fire & Rescue Service	94,105	-	**94,105**
Health and Social Care Trusts	4,410,235	-	**4,410,235**
Centrally Managed			
Administration	27,937	(260)	**27,677**
Programme	75,749	(526,864)	**(451,115)**
Depreciation / Impairments	7,270	-	**7,270**
Total	**5,838,217**	**(581,564)**	**5,256,653**

NI Blood Transfusion Service expenditure is included within Centrally Managed Programme Expenditure.

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

	2017-18		
	Gross Expenditure £000	Income £000	Net Expenditure £000
Funded Bodies			
Health & Social Care Board	1,061,097	(51,285)	1,009,812
Public Health Agency	64,428	(1,022)	63,406
Business Services Organisation	31,725	-	31,725
Patient Client Council	1,501	-	1,501
NI Practice & Education Council for Nursing & Midwifery	1,307	-	1,307
NI Social Care Council	2,545	-	2,545
Regulation & Quality Improvement Authority	6,176	-	6,176
NI Medical & Dental Training Agency	18,892	-	18,892
NI Guardian ad Litem Agency	3,877	-	3,877
NI Fire & Rescue Service	90,583	-	90,583
Health and Social Care Trusts	4,058,213	-	4,058,213
Centrally Managed			
Administration	28,001	(201)	27,800
Programme	62,935	(514,247)	(451,312)
Depreciation / Impairments	4,692	-	4,692
Total	5,435,972	(566,755)	4,869,217

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

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

Health and Social Care Board (HSCB)
The HSCB is responsible for commissioning the provision of health and social care, monitoring health and social care performance and ensuring the best possible use of the resources of the health and social care system.

Public Health Agency (PHA)
The PHA is responsible for improvements in health and social well-being, health protection and service development.

Business Services Organisation (BSO)
The BSO is responsible for the provision of a range of business support and specialist professional services to other health and social care bodies.

Patient Client Council (PCC)
The PCC is responsible for ensuring a strong patient and client voice at both regional and local level, and strengthening public involvement in decisions about health and social care services.

NI Practice and Education Council for Nursing and Midwifery (NIPEC)
NIPEC provides advice and guidance on best practice and matters relating to nursing and midwifery.

NI Social Care Council (NISCC)
NISCC registers and regulates the social care workforce, setting and monitoring the standards for professional social work training and promoting training within the broader social care workforce.

Regulation and Quality Improvement Authority (RQIA)
The RQIA registers and inspects a wide range of HSC services and has a role in assuring the quality of services provided by a number of HSC bodies.

NI Medical and Dental Training Agency (NIMDTA)
NIMDTA ensures that doctors and dentists are effectively trained to provide the highest standards of patient care and to fund, manage and support postgraduate medical and dental education.

NI Guardian ad Litem Agency (NIGALA)
NIGALA is responsible for maintaining a register of Guardians ad Litem who are independent officers of the Court experienced in working with children and families.

NI Fire and Rescue Service (NIFRS)
NIFRS is responsible for delivering Fire and Rescue Services.

Health and Social Care Trusts
The six HSC Trusts are responsible for providing goods and services for the purpose of health and social care work and, with the exception of the Ambulance Service Trust, are also responsible for exercising on behalf of the Health and Social Care Board certain statutory functions. The Ambulance Service Trust provides emergency response to patients with sudden illness and injury and non-emergency patient care and transportation.

2.1 Reconciliation between Operating Segments and CSoFP

	2018-19		
	Total assets £000	**Total liabilities £000**	**Net assets less liabilities £000**
Funded Bodies			
Health & Social Care Board	25,094	(199,907)	(174,813)
Public Health Agency	2,448	(7,498)	(5,050)
Business Services Organisation	-	-	-
Patient Client Council	-	-	-
NI Practice & Education Council for Nursing & Midwifery	-	-	-
NI Social Care Council	-	-	-
Regulation & Quality Improvement Authority	-	-	-
NI Medical & Dental Training Agency	-	-	-
NI Guardian ad Litem Agency	-	-	-
NI Fire & Rescue Service	-	-	-
Health and Social Care Trusts	-	-	-
Centrally Managed	2,075,216	(27,899)	2,047,317
Total	**2,102,758**	**(235,304)**	**1,867,454**

	2017-18		
	Total assets £000	**Total liabilities £000**	**Net assets less liabilities £000**
Funded Bodies			
Health & Social Care Board	28,396	(199,571)	(171,175)
Public Health Agency	1,669	(7,345)	(5,676)
Business Services Organisation	-	-	-
Patient Client Council	-	-	-
NI Practice & Education Council for Nursing & Midwifery	-	-	-
NI Social Care Council	-	-	-
Regulation & Quality Improvement Authority	-	-	-
NI Medical & Dental Training Agency	-	-	-
NI Guardian ad Litem Agency	-	-	-
NI Fire & Rescue Service	-	-	-
Health and Social Care Trusts	-	-	-
Centrally Managed	2,069,939	(28,652)	2,041,287
Total	2,100,004	(235,568)	1,864,436

3. Other Administration Expenditure

	Note	2018-19 Core Department £000	2018-19 Consolidated £000	2017-18 Core Department £000	2017-18 Consolidated £000
Staff costs[1]:					
Wages and salaries		15,623	15,415	15,841	15,667
Social security costs		1,624	1,599	1,643	1,621
Other pension costs		3,490	3,464	3,509	3,483
Rentals under operating leases		5	5	3	3
Interest charges		11	11	-	-
PFI and other service concession arrangements service charges		-	-	-	-
Research and development expenditure		-	-	-	-
Staff related costs		75	75	70	70
Accommodation Costs		40	40	25	25
Office Services		274	274	364	364
Contracted Services		546	546	599	599
Professional Costs		222	222	177	177
Purchase of goods and services		1,938	1,938	1,696	1,693
Other Admin Expenditure		44	44	20	20
		23,892	23,633	23,947	23,722
Non-Cash Items					
Depreciation		7	7	7	7
Amortisation		-	-	-	-
Profit on disposal of property, plant and equipment		-	-	-	-
Loss on disposal of property, plant and equipment		-	-	-	-
Profit on disposal of intangibles		-	-	-	-
Loss on disposal of intangibles		-	-	-	-
Auditors' remuneration and expenses[2]		64	64	64	64
Increase/decrease in provisions (Provision provided for in year less any release)	15	-	-	-	-
Borrowing costs (unwinding of discount) on provisions	15	-	-	-	-
Accommodation costs		2,146	2,146	2,181	2,181
Other indirect charges and services		2,095	2,095	2,033	2,033
Total Non-Cash Items		**4,312**	**4,312**	4,285	4,285
Total		**28,204**	**27,945**	28,232	28,007

[1] Further analysis of staff costs is located in the Accountability Section.

[2] During the year, the Department purchased no non-audit services from its auditor (NIAO).

4. Programme Expenditure

	Note	2018-19		2017-18	
		Core Department	Consolidated	Core Department	Consolidated
		£000	£000	£000	£000
Staff costs[1]:					
Wages and salaries		1,562	36,794	586	34,026
Social security costs		131	3,933	40	3,673
Other pension costs		289	5,618	93	5,098
Rentals under operating leases		126	332	160	316
Interest charges		-	-	-	-
PFI and other service concession arrangements service charges		-	-	-	-
Research and development expenditure		4	7,956	25	8,850
EU Grants		3,074	3,074	514	514
Purchase of goods and services[2]		4,627,001	5,696,530	4,249,876	5,294,347
Other Grants and Disbursements		32,437	55,061	26,069	47,886
		4,664,624	5,809,298	4,277,363	5,394,710
Non Cash Items					
Depreciation		232	2,382	225	2,355
Amortisation		-	622	-	460
(Profit)/Loss on disposal of property, plant and equipment		(22)	(15)	-	72
Auditors' remuneration and expenses		-	74	-	68
Increase/decrease in provisions (Provision provided for in year less any release)	15	(17)	(5,542)	405	9,145
Borrowing costs (unwinding of discount) on provisions	15	-	(806)	-	(715)
Permanent diminution in value		4,292	4,259	1,906	1,870
		4,485	**974**	2,536	13,255
Total		**4,669,109**	**5,810,272**	4,279,899	5,407,965

[1] Further analysis of staff costs is located in the Accountability Section

[2] This figure incorporates Grant in Aid paid to the HSC as a means of supporting health care provision.

5. Income

5.1 Revenue from contract with customers

	2018-19		2017-18	
	Core Department	Consolidated	Core Department	Consolidated
	£000	£000	£000	£000
Income from customers	87	1,647	71	1,550
Income from other departments	152	25,597	118	25,414
Family Health Service receipts	-	25,928	-	24,670
Interest receivable and other similar income	-	15	-	17
Total revenue from contracts with customers	**239**	**53,187**	189	51,651

5.2 Other operating income

	2018-19		2017-18	
	Core Department	Consolidated	Core Department	Consolidated
	£000	£000	£000	£000
EU income	2,613	2,613	437	437
Miscellaneous Grants and Disbursements*	-	192	-	43
Interest receivable and other similar income	20	20	12	12
Health & Social Services Grants and Disbursements**	524,252	525,552	513,810	514,612
Profit on disposal of non-depreciable property, plant and equipment	-	-	-	-
Total other operating income	**526,885**	**528,377**	514,259	515,104

*Miscellaneous Grants & Disbursements includes income from Department of Education payable to HSCB for Surestart and Early Years of £25,445k (2017-18: £25,296k).
**Health & Social Services Grants and Disbursements include National Insurance contributions received of £518m (2017-18: £507m).

This is the initial year of application of IFRS 15 Revenue from Contracts with Customers. Under IAS 18 Revenue, should IFRS 15 not have been adopted, £87k would have been disclosed as Income from sale of goods and services and £581,442k as Other operating income, therefore a total operating figure of £581,529k for 2018-19 (excluding interest of £35k).
Refer to accounting policy note 1.15 for further information.
All income relates to Request for Resources A.

6. Property, plant and equipment 2018-19

6.1 Consolidated Property, plant and equipment 2018-19

	Land	Buildings	Dwellings	Information Technology	Plant & Machinery	Transport Equipment	Furniture & Fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation								
At 01 April 2018	47,875	13,018	454	17,756	12,907	21	195	92,226
Additions	100	236	-	3,049	1,328	-	80	4,793
Disposals	(20)	-	-	(1,586)	(54)	-	-	(1,660)
Transfers	(19)	30	-	(14)	-	-	-	(3)
Impairments transferred to Revaluation Reserve	-	-	-	-	-	-	-	-
Impairments transferred to Consolidated Statement of Comprehensive Net Expenditure	32	9	-	-	(4,322)	-	-	(4,281)
Reclassifications	-	-	-	-	-	-	-	-
Indexation	1,620	159	13	7	-	-	-	1,799
Revaluations	-	-	-	-	-	-	-	-
At 31 March 2019	**49,588**	**13,452**	**467**	**19,212**	**9,859**	**21**	**275**	**92,874**
Depreciation								
At 01 April 2018	12,495	3,436	180	12,472	112	14	171	28,880
Charged in year	-	522	12	1,803	39	7	6	2,389
Disposals	(5)	-	-	(1,579)	(23)	-	-	(1,607)
Transfers	-	5	-	11	-	-	-	16
Impairments transferred to Revaluation Reserve	-	-	-	-	-	-	-	-
Impairments transferred to Consolidated Statement of Comprehensive Net Expenditure	5	6	-	-	-	-	-	11
Reclassifications	-	-	-	-	-	-	-	-
Indexation	445	54	6	3	-	-	-	508
Revaluations	-	-	-	-	-	-	-	-
At 31 March 2019	**12,940**	**4,023**	**198**	**12,710**	**128**	**21**	**177**	**30,197**
Carrying amount at 31 March 2019	**36,648**	**9,429**	**269**	**6,502**	**9,731**	**-**	**98**	**62,677**
Carrying amount at 31 March 2018	35,380	9,582	274	5,284	12,795	7	24	63,346
Asset financing:								
Owned	36,648	9,429	269	6,502	9,731	-	98	62,677
Finance leased	-	-	-	-	-	-	-	-
PFI and other service concession arrangements	-	-	-	-	-	-	-	-
Carrying amount at 31 March 2019	**36,648**	**9,429**	**269**	**6,502**	**9,731**	**-**	**98**	**62,677**
Of the total:								
Department	33,064	2,793	269	-	9,731	-	80	45,937
Agencies	3,584	6,636	-	6,502	-	-	18	16,740
Carrying amount at 31 March 2019	**36,648**	**9,429**	**269**	**6,502**	**9,731**	**-**	**98**	**62,677**

6.2 Consolidated Property, plant and equipment 2017-18

	Land	Buildings	Dwellings	Information Technology	Plant & Machinery	Transport Equipment	Furniture & Fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation								
At 01 April 2017	46,301	12,310	422	17,770	14,263	20	266	91,352
Additions	-	312	-	1,863	633	-	-	2,808
Disposals	-	-	-	(1,895)	(43)	-	(71)	(2,009)
Transfers	-	-	-	-	-	-	-	-
Impairments transferred to Revaluation Reserve	-	-	-	-	-	-	-	-
Impairments transferred to Consolidated Statement of Comprehensive Net Expenditure	35	25	-	-	(1,946)	-	-	(1,886)
Reclassifications	-	-	-	-	-	-	-	-
Indexation	1,539	371	32	18	-	1	-	1,961
Revaluations	-	-	-	-	-	-	-	-
At 31 March 2018	47,875	13,018	454	17,756	12,907	21	195	92,226
Depreciation								
At 01 April 2017	12,067	2,813	156	12,535	107	7	193	27,878
Charged in year	-	493	11	1,805	39	7	7	2,362
Disposals	-	-	-	(1,874)	(34)	-	(29)	(1,937)
Transfers	-	-	-	-	-	-	-	-
Impairments transferred to Revaluation Reserve	-	-	-	-	-	-	-	-
Impairments transferred to Consolidated Statement of Comprehensive Net Expenditure	4	16	-	-	-	-	-	20
Reclassifications	-	-	-	-	-	-	-	-
Indexation	424	114	13	6	-	-	-	557
Revaluations	-	-	-	-	-	-	-	-
At 31 March 2018	12,495	3,436	180	12,472	112	14	171	28,880
Carrying amount at 31 March 2018	35,380	9,582	274	5,284	12,795	7	24	63,346
Carrying amount at 31 March 2017	34,234	9,497	266	5,235	14,156	13	73	63,474
Asset financing:								
Owned	35,380	9,582	274	5,284	12,795	7	24	63,346
Finance leases	-	-	-	-	-	-	-	-
On-balance sheet (SoFP) PFI and other service concession arrangements contracts	-	-	-	-	-	-	-	-
Carrying amount at 31 March 2018	35,380	9,582	274	5,284	12,795	7	24	63,346
Of the total:								
Department	31,967	2,895	274	-	12,795	7	-	47,938
Agencies	3,413	6,687	-	5,284	-	-	24	15,408
Carrying amount at 31 March 2018	35,380	9,582	274	5,284	12,795	7	24	63,346

Valuation of Land and Buildings

Land and buildings are carried at the last professional valuation, in accordance with the Royal Institute of Chartered Surveyors (RICS) Valuation - Professional Standards in so far as these are consistent with the specific needs of the HSC. The last valuation was carried out on 31 January 2015 by Land and Property Services (LPS) which is part of the Department of Finance. The valuers are qualified to meet the 'Member of Royal Institution of Chartered Surveyors' (MRICS) standard. Professional revaluations of land and buildings are undertaken at least once in every five year period and are revalued annually, between professional valuations, using indices provided by LPS. Land and buildings used for the Arms Length Body (ALB) services or for administrative purposes are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

6.3 Assets Classified as Held for Sale

	Land		Buildings		Total	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	£000	£000	£000	£000	£000	£000
Opening Balance at 1 April	846	846	4,875	4,875	5,721	5,721
AHFS Reclassifications from/(to) Non-current assets	-	-	-	-	-	-
Disposals of carrying value	-	-	(124)	-	(124)	-
Impairments	-	-	-	-	-	-
Closing Balance at 31 March	**846**	846	**4,751**	4,875	**5,597**	5,721

Non-current assets held for sale comprise non-current assets that are held for resale rather than for continuing use within the business. The carrying value represents estimated sales proceeds.

At 31 March 2019, there were 6 land and buildings assets, (2017-18: 7) held by Core Department which were classified as held for resale with a fair value of £5,597k (2017-18: £5,721k).

7. Intangible Assets

7.1 Consolidated Intangible Assets 2018-19

	Information Technology	Software Licenses	Development expenditure	Payments on Account & Assets Under Construction	Total
	£000	£000	£000	£000	£000
Cost or Valuation					
At 01 April 2018	5,598	2,334	44	-	7,976
Additions	321	406	-	49	776
Disposals	(118)	(303)	-	-	(421)
Transfers	(16)	-	-	-	(16)
Indexation	3	-	-	-	3
Impairments transferred to Revaluation Reserve	-	-	-	-	-
Impairments transferred to Consolidated Statement of Comprehensive Net Expenditure	-	-	-	-	-
Revaluations	-	-	-	-	-
At 31 March 2019	**5,788**	**2,437**	**44**	**49**	**8,318**
Amortisation					
At 01 April 2018	4,241	1,526	44	-	5,811
Charged in year	402	220	-	-	622
Disposals	(118)	(303)	-	-	(421)
Transfers	(16)	-	-	-	(16)
Impairments transferred to Revaluation Reserve	-	-	-	-	-
Impairments transferred to Consolidated Statement of Comprehensive Net Expenditure	-	-	-	-	-
Revaluations	1	-	-	-	1
At 31 March 2019	**4,510**	**1,443**	**44**	**-**	**5,997**
Carrying amount at 31 March 2019	**1,278**	**994**	**-**	**49**	**2,321**
Carrying amount at 31 March 2018	1,357	808	-		2,165
Asset financing:					
Owned	1,278	994	-	49	2,321
Finance leased	-	-	-		-
Carrying amount at 31 March 2019	**1,278**	**994**	**-**	**49**	**2,321**
Of the total:					
Department	-	-	-	-	-
Agencies	1,278	994	-	49	2,321
Carrying amount at 31 March 2019	**1,278**	**994**	**-**	**49**	**2,321**

7. Intangible Assets

7.2 Consolidated Intangible Assets 2017-18

	Information Technology	Software Licences	Development expenditure	Total
	£000	£000	£000	£000
Cost or Valuation				
At 01 April 2017	5,145	1,783	44	6,972
Additions	442	642	-	1,084
Disposals	-	(91)	-	(91)
Transfers	-	-	-	-
Indexation	11	-	-	11
Impairments transferred to Revaluation Reserve	-	-	-	-
Impairments transferred to Consolidated Statement of Comprehensive Net Expenditure	-	-	-	-
Revaluations	-	-	-	-
At 31 March 2018	5,598	2,334	44	7,976
Amortisation				
At 01 April 2017	3,883	1,512	44	5,439
Charged in year	355	105	-	460
Disposals	-	(91)	-	(91)
Transfers	-	-	-	-
Impairments transferred to Revaluation Reserve	-	-	-	-
Impairments transferred to Consolidated Statement of Comprehensive Net Expenditure	-	-	-	-
Revaluations	3	-	-	3
At 31 March 2018	4,241	1,526	44	5,811
Carrying amount at 31 March 2018	1,357	808	-	2,165
Carrying amount at 31 March 2017	1,262	271	-	1,533
Asset financing:				
Owned	1,357	808	-	2,165
Finance leased	-	-	-	-
Carrying amount at 31 March 2018	1,357	808	-	2,165
Of the total:				
Department	-	-	-	-
Agencies	1,357	808	-	2,165
Carrying amount at 31 March 2018	1,357	808	-	2,165

8. Impairments

	2018-19	2017-18
	£000	£000
Impairment charged to Statement of Comprehensive Net Expenditure within Net Expenditure	4,259	1,870
Impairment charged to Statement of Comprehensive Net Expenditure as Other Comprehensive Expenditure	-	-
Total Impairment	**4,259**	1,870

9. 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.

10. Investments

	2018-19			2017-18		
	Investments	Assets	Liabilities	Investments	Assets	Liabilities
	£000	£000	£000	£000	£000	£000
Balance at 1 April	2,009,000	898	-	2,009,000	975	-
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Repayments and redemptions	-	(115)	-	-	(113)	-
Interest capitalised	-	-	-	-	-	-
Revaluations	-	181	-	-	217	-
Impairments	-	(148)	-	-	(181)	-
Balance at 31 March	2,009,000	816	-	2,009,000	898	-

The above investments are held by the Core Department and represent the Department's original investment in the 6 Health and Social Care Trusts as formulated during 2009 and representing the then net value of the Trusts Statement of Financial Position. In line with NI-specific treatment within the FReM, investments in public bodies are carried at historical cost, less any impairment.

The asset investments are held by the HSCB and represent the GP Infrastructure Loans Scheme. This scheme utilises Financial Transactions Capital (FTC) in the form of loans to GPs to enable them to undertake premises developments and improvements for HSC purposes. The first two loans were issued in 2015-16, with a third loan issued in 2016-17. These assets have been initially recognised at fair value in the Statement of Financial Position.

11. Inventories

	31 March 2019		31 March 2018	
	Core Department	Consolidated	Core Department	Consolidated
	£000	£000	£000	£000
Inventories	-	-	-	-

12. Cash and cash equivalents

	2018-19		2017-18	
	Core Department	Consolidated	Core Department	Consolidated
	£000	£000	£000	£000
Balance at 1 April	(1,048)	4,900	175	1,635
Net change in cash and cash equivalent balances	288	(4,340)	(1,223)	3,265
Balance at 31 March	**(760)**	**560**	(1,048)	4,900
The following balances at 31 March are held at:				
Government Banking Service	-	-	-	-
Commercial banks and cash in hand	(760)	560	(1,048)	4,900
Short term investments	-	-	-	-
Balance at 31 March	**(760)**	**560**	(1,048)	4,900

The consolidated 'Cash and Cash Equivalent' balance in the Statement of Financial Position reflects the HSCB and PHA bank balances of £1,320k (2017-18: £5,948k). As the Core bank balance at 31 March 2019 was overdrawn by £760k (2017-18: £1,048k) this has been reflected in Trade Payables in the Statement of Financial Position.

12.1 Reconciliation of Liabilities arising from financing activities

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

13. Trade receivables, financial and other assets

	2018-19		2017-18	
	Core Department	Consolidated	Core Department	Consolidated
	£000	£000	£000	£000
Amounts falling due within one year:				
VAT	455	2,436	439	1,459
Trade receivables	2,075	5,003	2,410	5,976
Other receivables – not relating to fixed assets	7,650	8,143	3,750	4,026
Other receivables - relating to property plant and equipment	-	-	-	
Other receivables - relating to intangibles	-	-	-	
Amounts due from the Consolidated Fund in respect of supply	4,824	4,824	-	-
Current Trade and Other Receivables	**15,004**	**20,406**	6,599	11,461
Deposits and advances	-	59	-	-
Prepayments	438	533	297	376
Accrued income	29	29	1,089	1,089
Other Current Assets	**467**	**621**	1,386	1,465
Amounts falling due after more than one year:				
Trade receivables	-	-	-	-
Other receivables	-	-	-	-
Deposits and advances	-	-	-	-
Prepayments	-	-	-	-
Non Current Trade and Other Receivables	-	-	-	-
Total amounts falling due within one year	**15,471**	**21,027**	7,985	12,926
Total amounts falling due after more than one year	**-**	**-**	-	-
Total Receivables and Other Assets	**15,471**	**21,027**	7,985	12,926
Included within Other Receivables is that which will be due to the Consolidated fund once the debts are collected	49	49	46	46

14. Trade payables, financial and other liabilities

	2018-19		2017-18	
	Core Department	Consolidated	Core Department	Consolidated
	£000	£000	£000	£000
Amounts falling due within one year:				
Bank overdraft	760	760	1,048	1,048
Other taxation and social security	-	956	-	-
Trade revenue payables	302	49,133	15	46,595
Trade capital payables – property plant & equipment	-	735	-	671
Trade capital payables - intangibles	-	624	-	76
Other payables	59	15,951	60	16,928
Government grants payable	40	40	115	115
Accruals	21,785	128,521	12,759	110,565
Deferred income	2,961	3,241	2,632	3,033
Amounts issued from the Consolidated Fund for supply but not spent at year end	-	-	9,235	9,235
Other amounts due to the Consolidated Fund	463	463	-	-
Consolidated Fund extra receipts due to be paid to the Consolidated Fund:				
received	58	58	37	37
receivable	49	49	46	46
Current part of finance leases	-	-	-	-
Current part of imputed finance lease element of PFI contracts and other service concession arrangements	-	-	-	-
Current part of NLF loans	-	-	-	-
Current Trade and Other Payables	**26,477**	**200,531**	25,947	188,349
Amounts falling due after more than one year:				
Other payables, accruals and deferred income	-	-	-	-
Finance leases	-	-	-	-
Imputed finance lease element of PFI contracts and other service concession arrangements	-	-	-	-
NLF loans	-	-	-	-
Non Current Trade and Other Payables	-	-	-	-
Total Payables falling due within one year	**26,477**	**200,531**	25,947	188,349
Total Payables falling due after more than one year	-	-	-	-
Total Payables	**26,477**	**200,531**	25,947	188,349

15. Provisions for Liabilities and Charges

15.1 Core Provisions for liabilities and charges 2018-19

	2018-19			2017-18		
Core	Clinical Negligence £000	Other £000	Total £000	Clinical Negligence £000	Other £000	Total £000
Balance at 1 April	-	3,410	3,410	-	3,595	3,595
Provided in the year	-	-	-	-	405	405
Provisions not required written back	-	(17)	(17)	-	-	-
Provisions utilised in the year	-	(1,182)	(1,182)	-	(590)	(590)
Borrowing costs (unwinding of discounts)	-	-	-	-	-	-
Balance at 31 March	**-**	**2,211**	**2,211**	-	3,410	3,410

Analysis of expected timing of discounted flows

	2018-19			2017-18		
Core	Clinical Negligence £000	Other £000	Total £000	Clinical Negligence £000	Other £000	Total £000
Not later than one year	-	1,491	1,491	-	1,077	1,077
Later than one year and not later than five years	-	397	397	-	1,907	1,907
Later than five years	-	323	323	-	426	426
Balance at 31 March	**-**	**2,211**	**2,211**	**-**	3,410	3,410

15.2 Consolidated Provisions for liabilities and charges 2018-19

	2018-19			2017-18		
Consolidated	**Clinical Negligence** **£000**	**Other** **£000**	**Total** **£000**	**Clinical Negligence** **£000**	**Other** **£000**	**Total** **£000**
Balance at 1 April	32,757	14,462	47,219	26,451	15,281	41,732
Provided in the year	1,520	964	2,484	8,947	747	9,694
Provisions not required written back	(7,509)	(517)	(8,026)	(323)	(226)	(549)
Provisions utilised in the year	(3,989)	(2,109)	(6,098)	(1,604)	(1,339)	(2,943)
Borrowing costs (unwinding of discounts)	(793)	(13)	(806)	(714)	(1)	(715)
Balance at 31 March	**21,986**	**12,787**	**34,773**	32,757	14,462	47,219

Analysis of expected timing of discounted flows

	2018-19			2017-18		
Consolidated	**Clinical Negligence** **£000**	**Other** **£000**	**Total** **£000**	**Clinical Negligence** **£000**	**Other** **£000**	**Total** **£000**
Not later than one year	1,245	2,112	3,357	4,435	2,275	6,710
Later than one year and not later than five years	4,310	2,321	6,631	4,291	4,954	9,245
Later than five years	16,431	8,354	24,785	24,031	7,233	31,264
Balance at 31 March	**21,986**	**12,787**	**34,773**	32,757	14,462	47,219

Clinical Negligence

Provision is made for HSCB clinical negligence claims only where it is more probable that a settlement will be required. Contingent liabilities for clinical negligence are given in Note 16. The DoH accounts show the clinical negligence provision for the HSCB because the HSCB is within the DoH accounting boundary and fully consolidated into the DoH accounts, whereas the HSC Trusts are outside the accounting boundary and HSC Trust expenditure is reflected as Grant in Aid.

Other - Legal

The one material legal claim against the Department in 2017-18 continues into 2018-19. A provision has been set up in respect of potential legal and compensatory claims arising from a UK-wide initiative. £1.3m represents Northern Ireland's share under the Barnett formula as at 31 March 2019.

DoH has provided for a lifetime personal injury award of £0.27m (2017-18: £0.28m).
The full amount of this provision is shared jointly with the Department for Communities.

Other - Hepatitis C Compensation Scheme

This provision was set up in 2004 when in 2003 the Secretary of State for Health and Health Ministers of the Devolved Administrations announced that a UK-wide scheme would be set up to make ex-gratia payments to certain persons who had been infected with the hepatitis C virus by blood products received through NHS treatment. This became known as the Skipton Fund. Provision was made for first and second stage lump sum payments and also from March 2011 for the additional financial measures introduced across the UK following a DH (L)-led expert team review for patients infected with contaminated blood.

It was announced by the government in 2017, that following further financial reform, the existing charities providing financial support to individuals infected with, or otherwise affected by, Human Immunodeficiency Virus (HIV) and/or Hepatitis C Virus (HCV), through contaminated blood, tissue or blood products provided during National Health Service (NHS) treatment were to close and each UK country would have sole responsibility for their own beneficiaries. This included the Skipton Fund.

The Department of Health in NI directed the Regional Business Services Organisation (BSO) to administer the payments for beneficiaries in Northern Ireland and the Infected Blood Payment Scheme for Northern Ireland was subsequently established. The Northern Ireland scheme has been operational from November 2017. One-off lump sum payments still continue to be paid and the existing provision is still required.

The provision is £630k at 31 March 2019.

16. Contingent liabilities

The Department, HSC Board and PHA have the following contingent liabilities:

Clinical Negligence Claims

The HSC Board has contingent liabilities of £180k (2017-18: £139k) representing clinical negligence incidents. The Department are in direct receipt of litigation from a small number of patients which may result in a financial outflow however at this stage it is not possible to determine the timing or financial impact, if any. Other clinical negligence claims could arise in the future due to incidents which have already occurred. The expenditure which may arise from these claims cannot be determined as yet. In addition to the above contingent liability, the provision for HSC Board clinical negligence is given in note 15.

Contingent liabilities held by the HSC Trusts, in respect of clinical negligence incidents, is £12.6m (2017-18: £13.3m).

Change in Discount Rate

The discount rate which courts in England and Wales must take into account when awarding compensation for future financial losses in a lump sum in personal injury cases changed to -0.75% in March 2017. The Government subsequently legislated to change how the rate in England and Wales is set and the first review of the rate in that jurisdiction under the new legal framework introduced by the Civil Liability Act 2018 is being carried out. The Department of Justice has power to prescribe the discount rate for Northern Ireland (in consultation with the Government Actuary and the Department of Finance). Secondary legislation to change the discount rate for Northern Ireland under the current legal framework has not been taken forward in the absence of a Minister, although the Department of Justice is keeping the rate under review in the context of the Northern Ireland (Executive Formation and Exercise of Functions) Act 2018 and having regard to ongoing legislative developments in the rest of the UK. In these circumstances, it has not been possible at this time to quantify the potential impact on the Department of any change in the discount rate. Changing the legal framework for setting the rate in Northern Ireland would require primary legislation.

Asbestos

A claim for damages due to Asbestos exposure prior to 1 October 1973 has been received by the Department. There is a potential for the Department to make a payment if a Court decides the Department is liable. The estimated financial impact, if any, is unquantifiable at present.

Neurology

The Department is in the process of considering the approach to providing redress in respect of recalled patients who were potentially misdiagnosed by a consultant neurologist at Belfast Health and Social Care Trust and who have suffered harm as a result. Whilst the Department determines the most appropriate approach to redress there remains significant uncertainty in respect of the number of patients who would be expected to seek redress thus it is not possible to quantify the timing or financial impact, if any, at present.

Public Appointments to NIFRS Board

Litigation has arisen following the Department's appointment of Board members to NIFRS Board. If a Tribunal rules against the Department, an estimate of the financial effect is £80k. Uncertainty remains over the timing and amount, if any, of this potential financial outflow.

Court of Appeal judgment on backdated PSNI Holiday Pay

On 17 June 2019 the Court of Appeal ruled in respect of Northern Ireland Industrial Tribunal's November 2018 decision on cases taken against the PSNI on backdated Holiday Pay. It is recognised that the final detail remains to be determined by the Industrial Tribunal who will be guided by the Court of Appeal's Judgement.

This is an extremely rare and complex case with a significant number of issues that still need to be resolved, including further legal advice with regards to the Judgement; the scope; timescales; process of appeals and engagement with Trade Unions. The legal issues arising from this judgment and the implications for the Northern Ireland Civil Service (NICS) and wider public sector will need further consideration. The Department of Finance (DoF) is leading a piece of work across the NICS, reviewing the implications for each of the major staffing groups across the public sector.

Until there is further clarity when this work has concluded, and based on the inherent uncertainties in the final decision that will be made, a reliable estimate cannot be provided at this stage.

Historical institutional child abuse cases

The Department is a named defendant, along with others, in a number of civil cases relating to allegations by individuals that they were abused as children while in the care of institutions where the Department's predecessor organisations and/or its Arms' Length Bodies had some level of responsibility. The periods to which the claims relate and the institutions to which they relate vary. Some of the cases have been on-going for years. Given the nature of the cases and the stage of proceedings there is uncertainty around the amount and timing of any financial impact therefore it is unquantifiable at present.

Other litigation cases

There has been one medical litigation case lodged against the Department in 2018-19 which does not fall into any of the above categories. At this stage there is no certainty around the timing or financial outflow, if any, and until such times as a Court decision is granted the financial impact is unquantifiable.

Details of the Department's remote contingent liabilities are disclosed within Other Assembly Accountability Disclosures section of the Audit and Accountability report.

16.1 Financial Guarantees, Indemnities and Letter of Comfort

The Department has entered into the following guarantees, indemnities or provided letters of comfort.

Guarantees

The Department is a party to the Deed of Safeguard for the following PFI/PPP agreements;

- Altnagelvin Laboratories and Pharmacy (April 2005) (Altnagelvin is now within the Western HSC Trust);
- The Royal Group of Hospitals Managed Equipment Service (December 2005) (RGH is now within the Belfast HSC Trust); and
- South Western Hospital at Enniskillen (Western HSC Trust).

Under the terms of the Deed of Safeguard the Department will, in the event of Trust insolvency or inability to meet its obligations, excluding succession by another body, is obliged to fulfil the Trust's obligations under the agreement.

There were no new Guarantees issued during 2018-19.

Indemnities

There is a financial indemnity issued by the Department in respect of one of its arm's length sponsor bodies to indemnify against the exceptional circumstance of a short term funding deficit.

Letters of Comfort

There is a letter of comfort issued by the Department to one of its special agencies, being agreement by the Department to fund the disposal of specialist equipment on behalf of the agency should the need arise. The current estimated cost is £60k. The likelihood of occurrence is unknown at present. This letter of comfort will act as a guarantee to ensure the agency complies with the necessary regulations.

The Department has signed a Letter of Comfort for the following Third Party Developer (3PD) Project:

- Lisburn Primary and Community Care Centre (October 2018)

Under the terms of the Letter of Comfort, if the Health and Social Care Trust were unable to meet its obligations (including its liabilities to its contractors or their financiers), the Department would intervene in a timely manner to ensure that either the Trust itself, or anybody to which its liabilities were transferred in accordance with the relevant legislation, would be in a position to meet its liability on time and in full. The likelihood of transfer of economic benefit is minimal and thus has been measured at nil.

17. Leases

17.1 Finance Leases

The Department, HSC Board and PHA have no finance leases.

17.2 Operating Leases

Total future minimum lease payments under operating leases are given in the table below for each of the following periods.

	31 March 2019		31 March 2018	
	Core Department	Consolidated	Core Department	Consolidated
	£000	£000	£000	£000
Land				
Not later than one year	-	-	-	-
Later than one year and not later than five years	-	-	-	-
Later than five years	-	-	-	-
	-	**-**	-	-
Buildings				
Not later than one year	20	226	1,184	1,391
Later than one year and not later than five years	-	223	3,083	3,513
Later than five years	-	-	685	685
	20	**449**	4,952	5,589
Other				
Not later than one year	-	-	-	-
Later than one year and not later than five years	-	-	-	-
Later than five years	-	-	-	-
	-	**-**	**-**	-

18. Commitments under PFI contracts and other service concession arrangements

The Department, HSC Board and PHA do not have any commitments under PFI contracts, or other service concession arrangements.

19. Capital and Other Commitments

19.1 Capital commitments

The Core Department, HSC Board and Public Health Agency have no Capital Commitments.

19.2 Other Financial commitments

The department and its agencies have entered into non-cancellable contracts (which are not leases or PFI contracts or other service concession arrangements), to manage and maintain its Health counter measures stockpile and for grant letters of offer to voluntary and community bodies. The payments to which the department and its agencies are committed are as follows.

	2018-19		2017-18	
	Core Department	Consolidated	Core Department	Consolidated
	£000	£000	£000	£000
Not Later than one year	1,883	1,883	1,050	1,050
Later than one year and not later than five years	2,306	2,306	2,881	2,881
Later than five years	45	45	4	4
Total	**4,234**	**4,234**	3,935	3,935

20. Related-party transactions

The Department of Health (DoH) is the parent of its agencies, listed at Annex A and sponsors of those bodies listed at Annex B. These bodies are regarded as related parties with which the Department has had various material transactions during the year.

In addition, the Department has had a small number of transactions with other government departments and other central government bodies. Most of these transactions have been with the Department of Finance.

No board members, key managers or other related parties has undertaken any material transactions with the Department during the year.

21. Third-party assets

The Department has no third party assets.

22. Events after the Reporting Period

There are no events that have taken place after the reporting period date affecting these accounts.

Date of authorisation for issue

The Accounting Officer authorised the issue of these financial statements on 28 June 2019.

ANNEX A

BODIES WITHIN THE DEPARTMENTAL BOUNDARY

The accounts of the following bodies have been consolidated in the group accounts of the Department:

- Health and Social Care Board; *and*
- Public Health Agency

Health and Social Care (HSC) Bodies – General

A framework document sets out the main priorities and objectives of each health and social care body. Each HSC body also has an individual management statement and financial memorandum (MSFM). This sets out the arrangements for operations, financing, accountability and control of the body and the conditions under which government funds are provided to it. HSC bodies are furthermore subject to the principles of the guidance in *Managing Public Money Northern Ireland* and circulars issued by the Department. Further details on the individual health and social care bodies are given below.

The Health and Social Care Board (HSCB)

The **Health and Social Care (HSC) Board**, as agent of the Department, commissions health and personal social services for the Northern Ireland population from a range of providers, including HSC Trusts and voluntary and private sector bodies.

The Board was established by the Health and Social Care (Reform) Act (Northern Ireland) 2009. In addition to statute, it is governed by the strategic documents mentioned above, standing orders, standing financial instructions, circulars from the Department and the need to seek approval for any expenditure which exceeds certain limits set by the Department.

The Health and Social Care Board has a Board of Directors including Executives and Non-Executives. The Chief Executive is appointed by the Department as Accounting Officer and is personally accountable to the Departmental Accounting Officer (DAO) and through the DAO to the NI Assembly and Parliament for the stewardship of resources supplied to the Board. It also holds the budget for five Local Commissioning Groups, (LCGs), which, in collaboration with the Public Health Agency, provide information on the health and wellbeing needs for their local area and feed into an overall commissioning plan for the region.

The Reform Act requires the HSCB, in respect of each financial year, to prepare and publish a commissioning plan in full consultation with and approved by the Public Health Agency (PHA). The commissioning direction specifies the form and content of the commissioning plan in terms of the services to be commissioned and the resources to be deployed. In addition, the HSC Board reports monthly to the Department on financial performance, and annually on actual and planned spend on programmes of care and key services. These in turn feed into the Department's Estimates process, informing bids for resources.

The Public Health Agency (PHA)

The Public Health Agency has a health improvement, health promotion and health protection role. This entails developing and providing or securing provision of programmes and initiatives designed to improve the Northern Ireland population's health and wellbeing and to reduce health inequalities. The Agency also has a role in the prevention and control of communicable disease and other dangers to health and wellbeing, including those arising out of environmental or public health grounds or arising out of emergencies.

The Agency liaises with the HSC Board and the Local Commissioning Groups in devising the commissioning plan for health and wellbeing services in Northern Ireland and to this end it may engage in or commission research, obtain and analyse data, provide laboratory and other technical and clinical services and provide training, information, advice and assistance as appropriate.

The Safeguarding Board for Northern Ireland (SBNI)

A Regional Safeguarding Board for NI (SBNI) was established on 17 September 2012 under the Safeguarding Board (Northern Ireland) Act 2011 (The Act) by the Department as an unincorporated statutory body. It is sponsored by the Department and hosted by the PHA.

The SBNI is a multi-disciplinary interagency partnership and its statutory objective is to coordinate and ensure the effectiveness of activities undertaken by its members to safeguard and promote the welfare of children in Northern Ireland.

The Department will exercise oversight of the SBNI on an ongoing basis throughout the year. SBNI must provide regular performance reports and documentation demonstrating progress against strategic priorities agreed by the Department. In terms of assurance mechanisms, these will include twice yearly meetings between the Department and the SBNI Chair to specifically provide assurance on the SBNI's exercise of its statutory objective, functions and duties. As corporate host to the SBNI, the PHA will be accountable to the Department through ALB assurance arrangements.

Non-Executive Non-Departmental Public Bodies

These small bodies have specialist functions with either few or no permanent staff. They are classed as inside the boundary as any expenditure is managed by sponsor branches within the Department.

- Clinical and Excellence Awards Committee – previously this committee had a complement of 9 members drawn from medical and lay backgrounds with a publicly appointed chair. It met two to three times a year to score self-nominations from medical and dental consultants for centrally funded awards, however it has not been required in a number of years. The members' expenses and secretariat are provided by the Department's Pay and Employment Unit, but there are no annual costs associated with it currently.

- Poisons Board- the Northern Ireland Poisons Board was set up in 1976 to advise the Department on substances to be treated as non-medicinal poisons and matters concerning their sale, supply and storage. It has been in abeyance but consideration has been given to re-establishing the Poisons Board.

- Tribunal under Schedule 11 to the HPSS (NI) Order 1972 – This tribunal meets on an ad hoc basis upon request of the Health and Social Care Board to the Department to consider requests to remove family practitioners from public service because of fraud or improper conduct. The Chair and Chief Executive are appointed by the Lord Chief Justice. The tribunal has not met for a number of years as there have been no such requests and there are currently no staff or members.

ANNEX B

BODIES OUTSIDE THE BOUNDARY

DoH has operational relationships with a number of bodies outside the Departmental boundary for which the Minister has some degree of responsibility.

These include 6 Health and Social Care Trusts, 3 Health and Social Care Agencies, 2 Health and Social Care bodies, 4 NDPBs and 2 North-South bodies.

Health and Social Care Trusts

- Belfast HSC Trust
- Northern HSC Trust
- South Eastern HSC Trust
- Southern HSC Trust
- Western HSC Trust
- Northern Ireland Ambulance Service HSC Trust

The Health and Social Care Trusts are the main providers of health and social care services and work within the commissioning arrangements agreed with the HSC Board. They have responsibility for the management of staff and services of hospitals and other health and social care establishments. Although managerially independent, Trusts are accountable to the Minister. There are 6 Trusts in Northern Ireland. One Trust, the NI Ambulance Service HSC Trust, provides ambulance services for the whole of Northern Ireland.

Trust Chief Executives are appointed as Accounting Officers by the DoH Accounting Officer and each Trust has a Board of Directors with both Executive and Non-Executive members. The Board operates subject to standing financial instructions, standing orders, delegated limits set by the Department and financial guidance issued by the Department as well as the principles of the guidance in Managing Public Money Northern Ireland. Their reporting relationships and the respective responsibilities of each trust and the Department are summarised in individual Management Statement and Financial Memorandums (MSFMs).

Trusts are required to meet certain financial targets which are enshrined in legislation.
The Commissioning Plan provides the framework for each HSC Trust to develop its annual Trust Delivery Plan (TDP) detailing the Trust's response to the annual commissioning priorities and targets set out in the commissioning plan.

The Trusts also submit monthly monitoring returns to the HSC Board which provide an overall assessment of their financial position at the end of each month detailing actual and planned spend and a forecast of their position to the end of the year. The HSC Board then sends a return to the Department which summarises the trusts' financial positions and also includes individual trust tables covering non-cash, provisions and capital spend.

This information assists the Department in assessing its performance in achieving its objectives, planning for future healthcare services and bidding for resources.

Health and Social Care Agencies and Other HSC Bodies

- **Northern Ireland Blood Transfusion Service** (Special Agency) - supplies blood and blood products and related clinical services to all hospitals and clinical units.
- **Northern Ireland Guardian ad Litem Agency** (Special Agency) - establishes and maintains a panel of guardians who are appointed by the courts to safeguard the interests of children in proceedings specified under the Children (NI) Order 1995 and the Adoption (NI) Order 1987.
- **Northern Ireland Medical and Dental Training Agency** - oversees the postgraduate education and training of doctors and dentists. It is also responsible for the development and delivery of vocational training and continuing medical education for General Practitioners and General Dental Practitioners.
- **Business Services Organisation** - established under the Health and Social Care (Reform) Act (Northern Ireland) 2009, as a shared services organisation to provide or secure provision of a range of services in the most economic, efficient and effective way possible. It provides a wide range of support services to other health and social care bodies, including financial, personnel, legal, information technology, procurement, internal audit and fraud prevention services. The other HSC bodies are charged for these services.
- **Patient Client Council** - established under the Health and Social Care (Reform) Act (Northern Ireland) 2009, this body has the role of representing the interests of the public, promoting involvement of the public, providing assistance to individuals making a complaint about a health and social care body and promoting the provision of advice and information to the public about the design, commissioning and delivery of health and social care.

The bodies' relationships with the Department are governed through an individual MSFM and circulars issued by the Department. The MSFM is a relationship document which sets out management (including board composition), reporting and monitoring arrangements, delegated limits and the respective responsibilities of each body and the Department through its particular nominated sponsoring team. The sponsor team, a branch within the Department, has responsibility for liaison on budgetary and performance matters and is the main point of contact for each body in obtaining approval for its corporate and business plans, securing resources and in resolving any issues with the Department.

Performance of each body is monitored quarterly by the department. Financial monitoring returns are submitted monthly. In addition, regular (at least biannual) review meetings are held between the bodies and their sponsor team to discuss financial and performance issues and progress against the objectives set out in their corporate plan, as augmented by their annual business plan. Twice yearly accountability meetings are held by the Permanent Secretary.

The Chief Executive of each body is designated as an Accounting Officer by the Departmental Accounting Officer. The Accounting Officer is personally accountable to the Departmental Accounting Officer (DAO) and through the DAO to the NI Assembly and Parliament for the stewardship of resources supplied.

Executive Non-Departmental Public Bodies

- **Regulation and Quality Improvement Authority** (**RQIA) -** has two main functions: inspection of the services provided by the HSC system in Northern Ireland and regulation of specified health and social care services provided by the HSC and independent sector. This includes, since dissolution of the Mental Health Commission for Northern Ireland under the Health and Social Care (Reform) Act (Northern Ireland) 2009, the duty of keeping under review the care and treatment of persons suffering from mental disorder.

- **Northern Ireland Social Care Council** - is responsible for developing, promoting and regulating social work and social care education and training. It is also responsible for regulating the social care workforce.

- **Northern Ireland Practice and Education Council for Nursing and Midwifery** - seeks to support the best performance of nurses and midwives in all contexts, through developing their practice and enhancing their education.

- **Northern Ireland Fire and Rescue Service** - is responsible for providing regional fire and rescue services efficiently mobilised to emergencies and for keeping the public safe from fires and other dangers. It is charged with extinguishing fires while saving lives, protecting the environment and property and responding effectively to all emergency situations in Northern Ireland including road traffic collisions, collapsed buildings and specialist rescues.

These bodies are chiefly funded by grant-in-aid, which is a provision voted by the Assembly and recorded as a grant in the Department's resource accounts. The Department remains answerable for the general manner in which a NDPB discharges its functions and the bodies therefore operate within guidelines issued by the Department.

Accountability arrangements are generally similar to those for agencies. Governing guidelines for NDPBs are principally contained within a management statement and financial memorandum issued by the Department. In addition, NDPBs are subject to the rules in Managing Public Money Northern Ireland, relevant Departmental circulars and guidance issued by the Department of Finance. Each NDPB has a Board of Directors with both executive and non-executive members and the Chief Executive is appointed as the Accounting Officer for the organisation by the Departmental Accounting Officer.

Regular (at least biannual) review meetings are held between the bodies and their sponsor team to discuss financial and performance issues and progress against the objectives set out in their corporate plan, as augmented by their annual business plan. Twice yearly accountability meetings are held by the Permanent Secretary.

North- South Bodies

The Department has relationships with 2 North- South bodies: The Institute of Public Health in Ireland (IPHI) and Safefood (previously known as the Food Safety Promotion Board).

Institute of Public Health in Ireland (IPHI)

The IPHI is a charitable limited company and is funded by both the Department, which meets one third of its costs and the Department of Health and Children in the Republic of Ireland (RoI), which funds the other two thirds expenditure. As the RoI is the main funder, the accounts of the Institute are audited by its Comptroller and Auditor General. The Department is represented on the IPHI Board of Directors and also on its finance sub-committee, both of which meet regularly during the year.

Safefood (formerly Food Safety Promotion Board)

Safefood was established under the Good Friday Agreement and is funded 30% by the Department and 70% by the RoI Department of Health and Children. It is therefore required to prepare a corporate plan on a tri-annual basis for the North South Ministerial Council, which is augmented by an annual business plan. These are also approved by the respective departmental ministers. The Department's relationship with the body is set out in a financial memorandum and, as for NDPBs, a sponsor branch (the Health Protection Team) liaises with the body throughout the year on progress against financial and performance targets.

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