



Northern Ireland
Executive

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Transforming Public Services:

Annual Report on the Public
Sector Transformation Fund
2025/26



**Public Sector
Transformation Fund
Annual Report
2025-2026**

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Introduction

Our public services are under increasing strain. Rapid growth in both the cost and demand for public services is placing huge pressure on public finances, is undermining service provision and all too often leading to poor outcomes for our population.

Recognising the urgent need for reform, as part of the financial package associated with the restoration of the Executive in February 2024, £235m was committed over a five year period, commencing in 2024/25, to support public sector transformation.

This report provides an update on the application and impact of this ringfenced public sector transformation funding to date. It provides an update on progress across the first six projects to receive funding (totalling £129m) in March 2025. More than £13m of this funding has been spent in Year 1, a foundational year for all the projects, as they focused on planning and designing delivery and recruiting the staff needed to implement changes on the ground. It was always expected that implementation activity would increase in future years of the fund, and the spend trajectory shown later in this report makes that clear.

Nevertheless, all of the funded projects are already delivering benefits. Over 300,000 more people now have access to a wider range of supports in their GP practice than at March last year. 114 student classroom assistants are availing of new training aimed at supporting children with additional needs in early years settings, and families of very young children are already availing of new supports aimed at identifying and responding earlier to their specific needs. 4,000 policing

hours have been saved and court time is already being freed up to focus on the most serious criminal cases. A 10% increase in the use of electronic monitoring is helping to make communities safer and providing a more cost-effective alternative to prison where it is safe to do so. The first natural flood management scheme has already commenced, with the potential to reduce flooding, improve water quality, and make our urban spaces greener; and there is already significant interest from individuals wishing to help speed up our planning system. A Digital Maturity Assessment of the NI Civil Service has been completed, and work is in train to appoint a Chief Digital Officer. These are just some of the early successes resulting from the fund and this report shows plans to scale up delivery and build on these benefits in future years.

£235m of funding, while significant, will not in itself address all of the challenges facing public services here. It is therefore all the more important that this funding is being used to test new ways of working and deliver sustainable improvements in services. The Public Sector Transformation Board has been established to make recommendations on how the funding should be utilised to have the greatest impact. As this report shows, since its inception the Transformation Board has had a positive impact in encouraging innovation, acting as a catalyst for change, identifying opportunities for cost savings, prioritising evidence and learning, and focusing on long-term sustainability as well as early progress. The Board is also providing an active challenge function, encouraging projects to be innovative and agile, to take managed risks and adopt new ways of doing business. Alongside the Board, the First Minister's

and deputy First Minister's Delivery Unit is also playing a key role in monitoring delivery of funded projects and helping to embed a reform and transformation mindset across the projects and more widely.

The next suite of transformation projects is due to commence early in 2026/27. Informed by recommendations from the Board, the Executive has agreed six further projects to receive funding totalling £102.6m. Building

on lessons learned from the first call for transformation proposals, the next tranche of projects go further in unlocking additional funding, encouraging cross-sectoral and cross-departmental collaboration, and will maximise the impact of transformation funding in driving improvements in service delivery, promoting prevention and early intervention approaches, delivering cost savings and placing public services on a more sustainable footing.

At a glance: Transformation Fund 2025/26

£235m

UK Government funding over five years – up to March 2029

£129m

committed to six transformative projects in March 2025

£13m

spent up to March 2026 with significantly increasing spend and activity forecast in future years

£103m

agreed for six further projects

First full year of delivery completed across six funded projects.

Early evidence of:

- ▶ improved access to services;
- ▶ time being freed up for frontline services; and
- ▶ stronger foundations for long term reform.

Governance and Oversight

Public Sector Transformation Board

The allocation of £235m public sector transformation funding was conditional on the establishment of a Public Sector Transformation Board. That Board was established, initially in interim form, in May 2024.

Public Sector Transformation Board Membership

Jayne Brady	Head of the Civil Service (Chair)
Julie Harrison	Permanent Secretary Northern Ireland Office (NIO)
Gareth Hetherington	Director, Ulster University Economic Policy Centre
Helen McCarthy	The Executive's Chief Scientific and Technology Adviser
Frances Ruane	Non-Executive Member NI Civil Service Board

In accordance with its Terms of Reference, the role of the Public Sector Transformation Board is to advise and make recommendations to the Finance Minister on how to utilise ringfenced transformation funding to improve public service outcomes. The Finance Minister, in consultation with Executive colleagues, will allocate funding based on the list of transformative proposals put forward by the Board.

The Board has a specific remit to assess funding proposals on their ability to:

- improve the **financial sustainability** of public services, and deliver **cost savings**;

- **transform the model of delivery** to meet increasing demands and improve outcomes for citizens; and
- shift the system towards **prevention and early intervention**.

In addition to assessing proposals' transformation potential and making recommendations on the application of transformation funding, the Board also has an important role in monitoring and evaluating progress of funded projects, to assess the extent to which they are delivering their objectives. Conditions of funding for all projects emphasise the importance of

identifying clear outcomes and benefits, and ensuring arrangements are in place to monitor progress against these. The Board has sought to encourage openness and transparency, and while it seeks to hold projects to account for delivery, it does so in a supportive and constructive way.

A key feature of the Board’s approach is the requirement for each funded project to appoint at least one independent, external

expert to act as a critical friend, strengthening challenge, bringing lessons based on national or international evidence and best practice, and improving delivery confidence. The view of these experts, including their assessment of each project’s progress to date, has been sought to inform this annual report and excerpts are included throughout.

A summary of the Board’s work to date, and its key milestones is shown below:

DATE	MILESTONE
May 2024	<ul style="list-style-type: none"> Board established in interim form First call for transformation proposals issued
June 2024	<ul style="list-style-type: none"> 47 proposals received in response to first call
July–November 2024	<ul style="list-style-type: none"> Board assessment of proposals and engagement with departments
November 2024	<ul style="list-style-type: none"> Board finalises its recommendations on outcome of first call
January 2025	<ul style="list-style-type: none"> Board recommendations agreed by the Executive
February 2025	<ul style="list-style-type: none"> UK Government agrees drawdown of funding
March 2025	<ul style="list-style-type: none"> Funding confirmed to first six successful projects NICS Digital Maturity Assessment commenced
May 2025	<ul style="list-style-type: none"> Substantive Terms of Reference and membership of Transformation Board agreed by Executive
June 2025	<ul style="list-style-type: none"> Second call for proposals issued Digital Maturity Assessment completed
August 2025	<ul style="list-style-type: none"> 25 proposals received in response to second call
September 2025–February 2026	<ul style="list-style-type: none"> Board assessment of second call proposals
December 2025	<ul style="list-style-type: none"> Funding confirmed for appointment of Chief Digital Officer
February 2026	<ul style="list-style-type: none"> Recommendations on second call agreed by Executive
April 2026	<ul style="list-style-type: none"> Funding confirmed for six additional projects

“I was pleased to see the depth of collaborative working across different organisations/departments which gives me confidence that the project will be able to more fully maximise the multiple benefits of the interventions”

Independent Stormwater and Blue Green Infrastructure Expert, Urban Drainage project

Role of the First Minister’s and deputy First Minister’s Delivery Unit

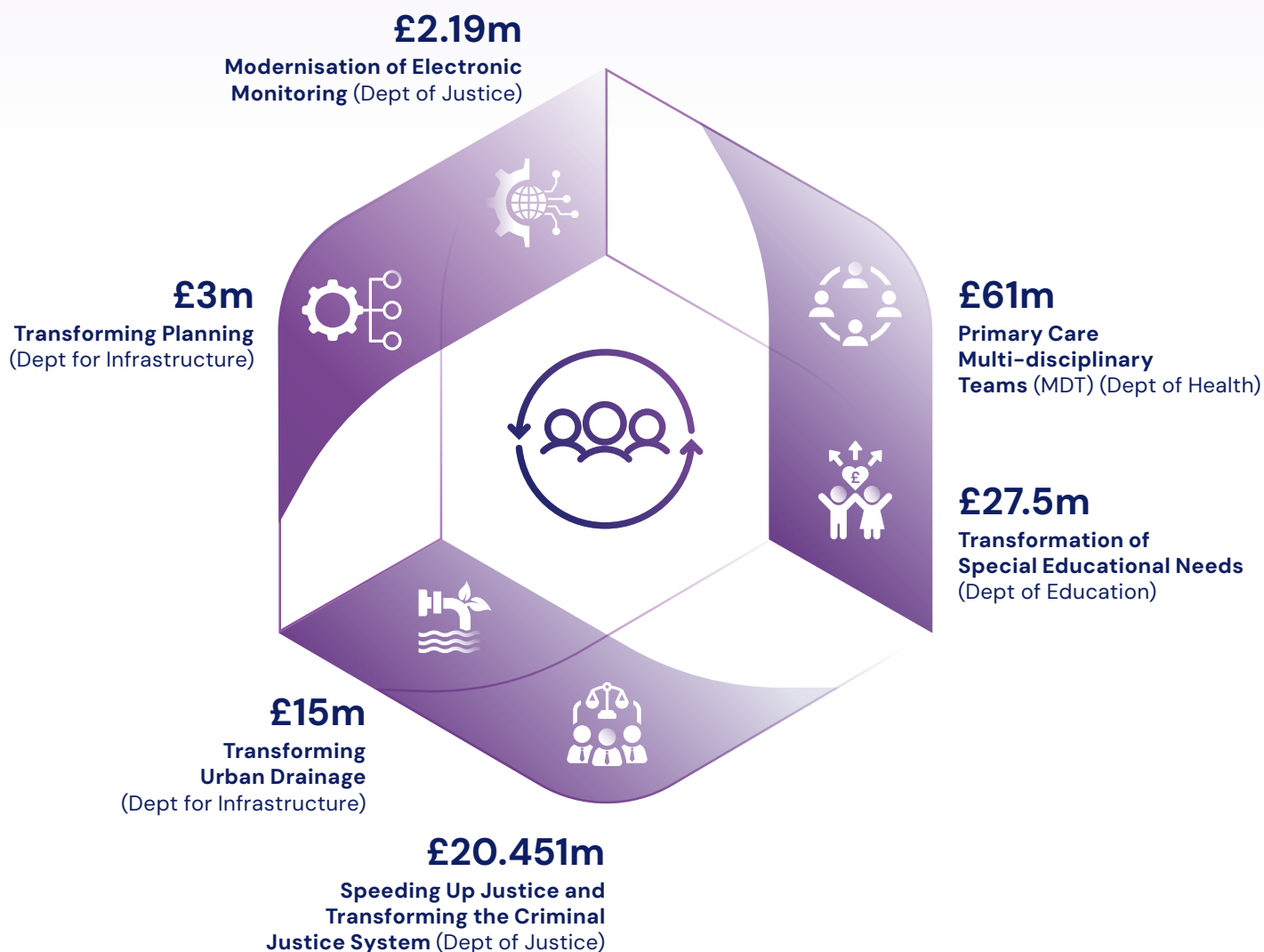
The First Minister’s and deputy First Minister’s Delivery Unit is playing a key role in driving the delivery of public sector transformation projects. This team is working across departments and with their delivery partners to ensure that sufficient progress is being made, providing constructive challenge on delivery, and identifying any areas where additional support may be required. The Delivery Unit provides advice to the Public Sector Transformation Board on the delivery status of individual projects, as well as emerging systems issues as appropriate. It has also played a key role in the recently concluded second call for proposals to utilise the remaining £102.6m of transformation

funding, assessing and providing advice to the Board on the proposals received. The Delivery Unit will continue to identify learning and good practice across the suite of transformation projects, help to make connections between funded projects and more widely, and create opportunities to share learning and embed a transformation and delivery mindset across the NICS and its partners.



Overview of Funded Projects (2025/26)

Following recommendations by the Public Sector Transformation Board, in March 2025 funding totalling £129.141m was agreed for six projects, spanning health, education, justice, infrastructure, and planning.



Overall delivery status (RAG)

To provide a clear, at-a-glance view of progress, each funded project is assigned a single overall RAG (Red/Amber/Green) status reflecting delivery confidence at the time of reporting:

Green – on track to deliver planned outcomes and milestones.

Amber – delivery risks or issues require active management to remain on track.







Red – significant delivery risks mean plans need material change and/or additional support.

The RAG status of each of the current tranche of projects is set out below. While this is based on each project’s own assessment of progress to date, it has been scrutinised and agreed by the Public Sector Transformation Board. Statuses are intended to provide an assessment of the overall delivery confidence rating for each project. Fuller detail on each project is provided in the following section.

 **Amber** (improving)

 **Amber** (stable)

 **Green** (stable)

Overall RAG (trend)	Funded project	RAG status explanation (summary)
	Primary Care Multi-Disciplinary Teams (MDTs) (DoH)	<ul style="list-style-type: none"> Some slippage against recruitment plans. Expected that delays will be rectified in the first quarter of 2026–27.
	Special Educational Needs (SEN) Transformation (DE)	<ul style="list-style-type: none"> Some delay to the “go live” dates for elements of this project. Project expected to be fully operational from September 2026.
	Speeding Up Justice and Transforming the Criminal Justice System (DoJ)	<ul style="list-style-type: none"> Delivery of some elements of the project constrained by challenges in achieving stakeholder buy-in and recruiting the necessary staff. Risks actively managed to minimise impact on the overall project.
	Transforming Urban Drainage (Dfl)	<ul style="list-style-type: none"> Project on track for delivery.
	Transforming Planning – Independent Inspectors (Dfl)	<ul style="list-style-type: none"> Project on track for delivery.
	Modernisation of Electronic Monitoring (DoJ)	<ul style="list-style-type: none"> Delays in recruiting and releasing operational staff to join the multi-agency delivery team. As of March 2026, all organisations now represented on the multi-agency team.

Assessment of Independent Experts

Each project is required to appoint at least one independent, external expert to act as a critical friend and provide an additional layer of support and constructive challenge to help drive progress. Individuals appointed to the projects include a clinician, academics and other professionals with a wealth of experience in their particular fields.

In preparing this report, and to provide additional assurance to the Transformation Board and Ministers, staff from the First Minister's and deputy First Minister's Delivery Unit sought input from each of these experts. No areas of significant concern were raised at this stage, and experts welcomed the opportunity to engage with the Board via the Delivery Unit. While some have only been appointed relatively recently and have not therefore had sufficient opportunity to make a full assessment of progress and plans, others were positive about progress made to date, and future plans, and have made a number of recommendations to help improve delivery. The Transformation Board, supported by the Delivery Unit, will seek the views of these independent experts on a regular basis to ensure that their advice is being acted on.

Other funding allocations

In addition to the first six transformation projects, £300,000 of public sector transformation funding has been allocated for the purposes of completing a Digital Maturity Assessment of the NICS and £3m has been set aside to support the operation and administration of the Public Sector Transformation Board. This Digital Maturity Assessment has now been completed and work is underway to implement its recommendations. Further information on digital transformation, and how the £3m of support costs can help embed transformation across the NICS, is provided later in this report.

“The overall programme delivery appears well led, with robust programme management structures, clear decision making, and effective governance through quarterly steering group meetings that enable constructive challenge and high level oversight”

Independent Expert and NHS Clinical Lead,
Primary Care MDT Programme



Primary Care Multi-Disciplinary Teams (MDTs)

Lead Department:
Department of Health

The challenge

Primary care services are under significant pressure due to an ageing population, rising levels of chronic disease and increasing demand. The current system is overly reliant on hospital-based, reactive care, which is financially and operationally unsustainable. More care needs to be provided at local level to support patients in their communities to manage their health, yet capacity constraints in primary care are contributing to further system strain. At the start of 2024/25, only around 30% of the population had access to the full MDT model, creating regional inequalities and limiting the system's ability to shift towards prevention and early intervention.

What the project is doing

Through an investment of **£61m** of transformation funding, the MDT programme is expanding multi-disciplinary teams across GP practices, bringing together physiotherapists, social workers, mental health practitioners and others to provide care closer to home, shift the focus of care towards prevention and early intervention, and improve access for patients. At the advice of the Public Sector Transformation Board, the funding is being used to target implementation across

high-need areas to ensure the greatest possible impact and help build long-term sustainability.

Central to the MDT model is its capacity to deliver holistic, person-centred support tailored to the health and wellbeing needs of local practice populations. A critical enabler of this approach is the establishment of strong, effective partnerships between multi-disciplinary teams and the Voluntary and Community Sector. To support this, each area receives dedicated seed funding to empower MDT practitioners to deliver rapid, responsive, low-level interventions for service users. Over £300,000 has been invested in seed funding in 2025/26 to build on existing community strengths and resources, and enable the development of more integrated and preventative models of care shaped by local insight and patient need.

Why this matters

The MDT Programme will improve people's access to timely, local health and wellbeing support by expanding the range of professionals available in GP practices. As a result, more patients will receive the help they need – physiotherapy, mental health support, social work input and pharmacy advice – often without the need to see their GP first or having to wait for hospital appointments.

Key Achievements in 2025/26



Over **1.1m citizens** now have access to at least one MDT role locally – an increase of over 40% since March 2025.



More than **350,000 additional MDT consultations** delivered during the year.



Three quarters of patients managed within primary care, without the need for onward referral.



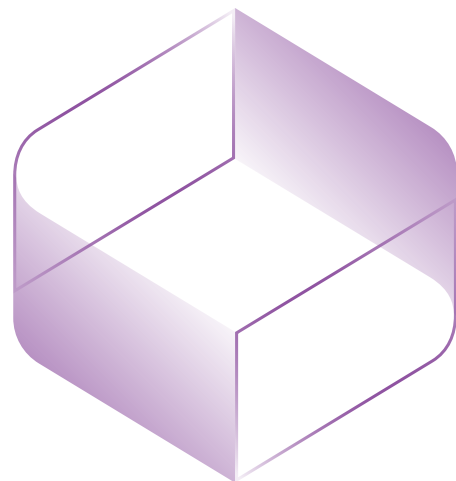
165 GP practices have at least one MDT service, an increase of over 40% since March 2025.

By March 2029, the programme aims to deliver almost 700,000 additional primary care consultations each year, reducing delays and ensuring that more people can be treated close to home. At least two-thirds of patients seen by MDT staff will have their needs fully met in primary care, avoiding unnecessary onward referrals and enabling faster, more convenient treatment.

What happens next

Focus will continue on recruiting to a range of MDT roles and expanding access to MDT services, in line with the MDT Implementation Plan. By March 2027, it is anticipated that more than 460,000 additional MDT consultations will have been provided, increasing to almost 700,000 by March 2029. This will have a significant benefit for patients, with many more people able to access the care they need more quickly and closer to home than is currently the case, and will also deliver more sustainable primary

care services. In addition, by the end of the transformation funding period, it is expected that MDT services (as one element of a wider shift to a model of neighbourhood health) will also have a tangible impact on acute services, with more people having their needs met in a primary care setting without onward referral to secondary care services.



PROJECT 2



Special Educational Needs Transformation

Lead Department:
Department of Education

The challenge

The current system of support for children with special educational needs (SEN) and their families is under unprecedented strain. Built on a statutory framework that has remained largely unchanged since its inception, the system is struggling to meet the needs of a growing and increasingly complex pupil population. Despite significant increases in funding and staffing, outcomes for children and young people with SEN remain disproportionately poor, particularly for those with the most intensive needs. At the same time, the financial trajectory of SEN expenditure is unsustainable, with projections indicating a rise to £1.2 billion by 2027/28 if no action is taken.

What the project is doing

Transformation funding of **£27.5m** is supporting a range of measures – as part of the Department of Education’s wider SEN Reform Agenda and Delivery Plan – focused on early intervention; transforming the model of support for children with a statement of SEN; building a skilled education workforce confident in meeting children’s needs; and creating a more inclusive education system.

The cornerstone of the planned reforms is the development and implementation of an **Enhanced Support Model** for children with a statement of SEN. This new model will enable schools to adopt a more flexible, child-centred approach, that respects professional

judgment and allows schools to make decisions that best meet the needs of pupils.

Other specific planned actions aligned to this new support model include:

- A SEN Learning Support Model will be tested in **28 schools and pre-school settings**, to understand how schools can better support children without the need for a statement of SEN;
- Accredited SEN-specific training for Early Years Assistants will be offered to a minimum of **360 classroom assistants** working in pre-school and Foundation Stage to build their skills and confidence;
- An Inclusive Play Programme targeting education staff working with children with SEN will be delivered to **48 schools / pre-school settings over three years**;
- **Seven special schools will be established as Centres of Expertise**, collectively supporting **70 local mainstream schools** sharing best practice and training and providing a mentoring role to meet the needs of children with a statement of SEN.

Overall, the programme aims to build an evidence base of what works to improve outcomes for children with SEN; strengthen the support provided to them, their families, schools and the education workforce; and build a more sustainable service model in the longer term.

Key Achievements in 2025/26



Early Years Classroom Assistant SEN Training – **114 students** participating in a range of SEN-specific accredited courses across **5 Further Education Colleges**.



2-3 year-old programme – **60 children** with additional needs in the Belfast area commenced programme in September 2025.



Transforming Inclusive Play Environments – Playboard has been engaged as the delivery partner for this programme. Recruitment of staff has been completed with in-school delivery commencing later this academic year.



Enhanced Support Model developed and published for consultation in March 2026.

Why this matters

This programme is focused on improving outcomes for children and young people with additional needs, and on reducing the pressure and uncertainty they, their families and schools can face when support is hard to access. Taken together, the different elements of the programme are intended to help needs be identified earlier, to strengthen the skills and confidence of staff across early years and school settings, and to enable more flexible, child-centred support. Over the funding period, several components will operate on a pilot ('test and learn') basis and implementation will be phased, so the programme will not resolve all system challenges immediately. However, it is expected to build practical capacity in services, improve consistency and timeliness of support, and generate a stronger evidence base for wider reform and more sustainable SEN provision in the longer term.

What happens next

From 2026/27, all projects will move into active delivery, with a phased rollout across schools and early years settings and a strong focus on evaluation and learning. An interim evaluation will be completed in December 2027, with a final evaluation report in December 2028 to inform next steps. Children and young people, their parents and carers, teachers and other school staff, and healthcare professionals will continue to be closely involved in the design, delivery and evaluation of the project.

PROJECT 3



Speeding Up Justice and Transforming the Criminal Justice System

Lead Department:
Department of Justice

The challenge

Delays within the criminal justice system have significant and wide-ranging impacts, undermining confidence in the delivery of justice and causing harm to victims, witnesses and accused persons alike. Prolonged case processing times can exacerbate trauma for victims and witnesses, leaving cases unresolved for years and making it more difficult for individuals to move on, while also reducing confidence in reporting crime. For those accused, lengthy delays can mean extended periods on remand, contributing to pressure on an already overstretched prison system and, in some cases, resulting in individuals being released having served time without access to rehabilitation. System-wide delay also places strain on courts, legal practitioners and criminal justice agencies, diverts resources from the most serious offending, and weakens public trust in the fairness and effectiveness of the justice system as a whole.

What the project is doing

£20.451m of transformation funding is supporting targeted reforms, focused on improving early engagement and expanding Out of Court Disposals, as part of a wider Speeding Up Justice programme. These

initiatives aim to resolve cases earlier where appropriate, improve the quality and timeliness of decision making, and reduce unnecessary progression through the courts.

Why this matters

Improved early engagement between criminal justice agencies and enhanced use of Out of Court Disposals are central to addressing delay. Early engagement tackles delay by reducing avoidable “back-and-forth” between justice agencies, speeding up decisions on whether to prosecute, and supporting earlier disclosure and clarity on the direction of investigations. Out of Court Disposals reduce system demand by providing a proportionate response to lower-level offending and increasing non-court outcomes. Together, these interventions will free capacity to focus on serious offending, help reduce end-to-end delay, and support better outcomes for victims and all those who come into contact with the criminal justice system.

What happens next

In 2026/27 the focus will be on evaluating pilots and scaling these where successful, embedding changes into business as usual processes, and continuing to monitor system wide impacts.

Key Achievements in 2025/26



Over 4,000 cases diverted through a No File Decision pilot (seeking to reduce the number of case files submitted by the PSNI to the Public Prosecution Service) **saving an estimated 4,000 policing hours** and reducing unnecessary demand on prosecutors and courts. Work is ongoing to mainstream this approach.



Public consultation completed on the expansion of the use of Out of Court Disposals.



Early indicators of reduced case volumes and improved processing times from the March 2025 baseline:

- a 4% reduction in the number of cases in the Crown Court and processing times reduced by 4%;
- Magistrates' court cases reduced by almost 5%;
- Stage 3 case processing times (the time from file submitted to PPS and PPS decision) reduced by almost 9%.



PROJECT 4



Transforming Urban Drainage

Lead Department:
Department for Infrastructure

The challenge

Urban drainage systems are struggling to cope with more intense rainfall, ageing infrastructure and a reduction in permeable surfaces. This has led to more frequent surface water flooding, sewer overflows and associated environmental impacts.

What the project is doing

The Urban Drainage transformation project is testing an integrated, catchment based approach using sustainable drainage systems, natural flood management and nature based solutions. The project is supported by £15m of public sector transformation funding, as well as additional investment by the Department for Infrastructure.

Why this matters

Nature-based drainage solutions aim to sustainably manage stormwater at source, reduce flood risk, limit pollution and improve water quality. The project is designed to build an evidence base for the potential of

collaborative, nature-based solutions to enhance resilience, improve environmental outcomes and provide a scalable model to inform future investment and policy decisions.

What happens next

Construction activity will commence from 2026/27, alongside continued evidence gathering to support wider adoption of sustainable drainage approaches. Key evaluation measures will include the volume of rainwater diverted from the sewer network, any reductions in surface-water flooding during significant rainfall events, changes in peak flows, and improvements in local water quality and biodiversity enhancement.

The programme will also gather feedback from residents, businesses and stakeholders on perceived improvements to local amenity areas, environmental quality, and reduced nuisance flooding, alongside observations on increased biodiversity and better use of public spaces.

Key Achievements in 2025/26



First natural flood management project commenced in partnership with the National Trust.



Initial sites identified and progressed for sustainable drainage schemes.

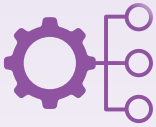


Ground investigations completed for priority locations.



Strong collaboration established across councils, NI Water and environmental partners.

PROJECT 5



Transforming Planning – Independent Inspectors

Lead Department:
Department for Infrastructure

The challenge

Independent examinations of local development plans and public local inquiries/hearings for certain planning applications are an important aspect of the planning system. In recent years, constraints on capacity within the Planning Appeals Commission (PAC) to undertake this “hear and report” work have contributed to delays and uncertainty. Prolonged timescales can reduce confidence in planning decisions and create uncertainty for people waiting on major proposals that affect housing, jobs, transport and the environment.

What the project is doing

This project is increasing capacity in the planning system by appointing a pool of independent inspectors to carry out “hear and report” work. In practice, this means an independent person holds an independent examination, public local inquiry or hearing to consider evidence and then produces a written report of their findings (and, where appropriate, recommendations) to inform the final planning decision. This includes independent examinations of local development plans and public local inquiries/hearings for regionally significant and called in planning applications. The Planning Act (Northern Ireland) 2011 provides

the Department with the power to appoint a person to undertake this work; the project will enable the Department to use that provision for the first time as an additional option to the PAC, while maintaining clear safeguards around independence.

Why this matters

A more timely “hear and report” process will help people and organisations get decisions sooner. For citizens, this can mean less uncertainty about developments that affect daily life—such as new homes, local regeneration, road schemes or environmental protections. For councils and applicants, it supports better planning decisions and helps reduce delay-related costs. Over time, improved timeliness and clarity can strengthen confidence in the planning system and support sustainable economic growth and investment.

What happens next

In 2026/27 the focus will shift from preparation to implementation – appointing inspectors, allocating initial workstreams, and putting in place proportionate monitoring so that performance, quality and value for money can be demonstrated transparently. It is anticipated that inspectors will be appointed in Q1 of 2026/27 with work allocated in Q2.

Key Achievements in 2025/26



Appointment process initiated to identify and appoint suitably qualified independent inspectors. This has included preparatory work on eligibility criteria, terms of appointment and appointment routes.



Early market interest generated: within the first week of the awareness launch, **over 20 expressions of interest** in the forthcoming application process were received.



Public awareness launched, including a dedicated webpage, events information and a short video to explain the new inspector role and encourage applications.

PROJECT 6



Modernisation of Electronic Monitoring

Lead Department:
Department of Justice

The challenge

There are core challenges in the criminal justice system relating to the management and monitoring of individuals on bail or probation in a way that balances public safety, accountability, and rehabilitation while also providing a viable alternative to remand. Currently, electronic monitoring is limited to radio frequency curfew monitoring and work is required to modernise the current service by increasing available technologies to support the work of the judiciary, police and probation and reduce pressures on the prison system while protecting public safety.

What the project is doing

Supported by £2.19m of transformation funding, and by employing a multi-agency delivery model, this project will provide a more accurate, real-time way to track individuals' movements and compliance with agreed conditions through the introduction of GPS monitoring. The availability of continuous location data will enable authorities to enforce exclusion zones and respond more quickly to potential violations.

Why this matters

Modernised electronic monitoring enhances the effectiveness of the criminal justice system by providing a cost-efficient, community-based alternative to custody that maintains public safety while supporting rehabilitation, delivering better outcomes at lower cost.

What happens next

During 2026/27 the project will move into further pilots and phased implementation, with a focus on legal robustness, operational readiness and evaluation of impact. Pilots planned for 2026/27 will focus on supervision of individuals on temporary release from prison and those on probation, with further pilots planned for 2027/28. A full evaluation of the pilots, including consideration of wider rollout, will be completed by the end of the funding period.

Key Achievements in 2025/26



Multi-agency delivery team fully established across justice partners.



GPS electronic monitoring proof-of-concept pilots successfully completed to test operational use.



10% increase in the use of traditional electronic monitoring over the year as a result of awareness raising activity.



Digital Transformation

Digital transformation is a critical enabler of sustainable public service reform. It supports more efficient and resilient organisations, improves the experience of citizens accessing services, and helps staff to work more effectively by making information, processes and decision making easier, faster and more consistent.

To support a sufficiently strategic, system-wide approach, £300,000 of public sector transformation funding has supported an independent Digital Maturity Assessment of the NI Civil Service. This assessment provided an objective view of current capability and identified the key barriers and opportunities for progress. It also informed the second call for transformation proposals and is shaping the direction of digital transformation more broadly across the NICS. In response to its findings and recommendations, recruitment of a Chief Digital Officer has been agreed and is progressing – this will be a critical role in providing system-wide leadership for digital transformation.

Digital transformation is closely linked to the Executive's wider ambitions on Artificial Intelligence. The Office of AI and Digital has been established as a Programme for Government commitment. It is supporting the development of an AI Strategy to guide responsible and ethical adoption of AI in the public sector, contributing to modern, efficient and citizen-focused public services. In parallel, officials are working across departments to map interdependencies, opportunities, risks and capacity requirements that will help shape a detailed AI Action Plan. This work is

aligned with the Public Sector Transformation Board's focus on evidence, outcomes and long-term sustainability.

Up to £3m of transformation funding has been set aside to support the administration and operation of the Public Sector Transformation Board, and to help embed transformation more widely. Ministers have been clear that administration and operation costs should be kept to a minimum, and to date none of this £3m has been allocated. Options are being developed to utilise this funding to strengthen the conditions for sustained digital progress and delivery across the NICS.

Looking ahead, the next tranche of Transformation Fund projects will lay important foundations for wider digital transformation, including creating a secure, modern foundation for the safe use of AI and freeing up resources to support a more resilient, cost-effective and digitally sustainable public sector that delivers better outcomes for citizens.

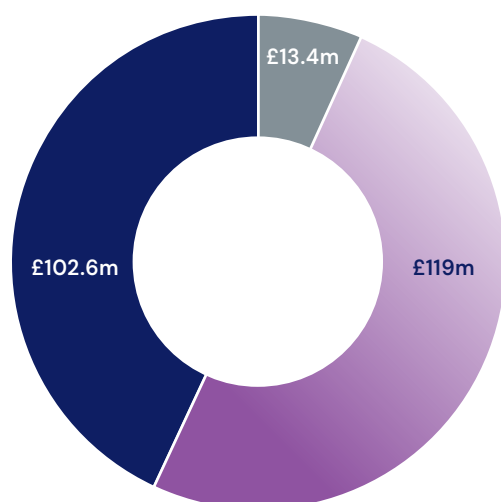
Overall, the Digital Maturity Assessment, the forthcoming appointment of a Chief Digital Officer and the emerging pipeline of enabling projects provide a clear opportunity to accelerate progress and embed digital as a core part of how the public sector delivers. This will require continued focus on delivery, adoption and benefits realisation, supported by strong governance and challenge; where progress is not meeting expectations, issues will be escalated and action taken to keep digital transformation on track and aligned to outcomes for citizens.

Overview of Funding – Commitments and Spend to Date

Following recent agreement to the second tranche of projects, all of the £235m ringfenced public sector transformation funding has now been fully committed. A summary of the overall fund position is shown below:

Fund position – Summary (£'000s)	
Total agreed funding	235,000
Agreed commitments (March 2025)	
• Tranche 1 Projects	129,141
• NICS Digital Maturity Assessment	300
• Administration and Support Costs	3,000
Total commitments (March 2025)	132,441
Committed for Tranche 2 Projects	102,559
TOTAL COMMITMENTS	235,000

Spend to date across the first six projects is £13.115m (just over 10% of the £129.141m funding agreed for those projects). The overall spend to date, including the NICS Digital Maturity Assessment, is £13.415m.

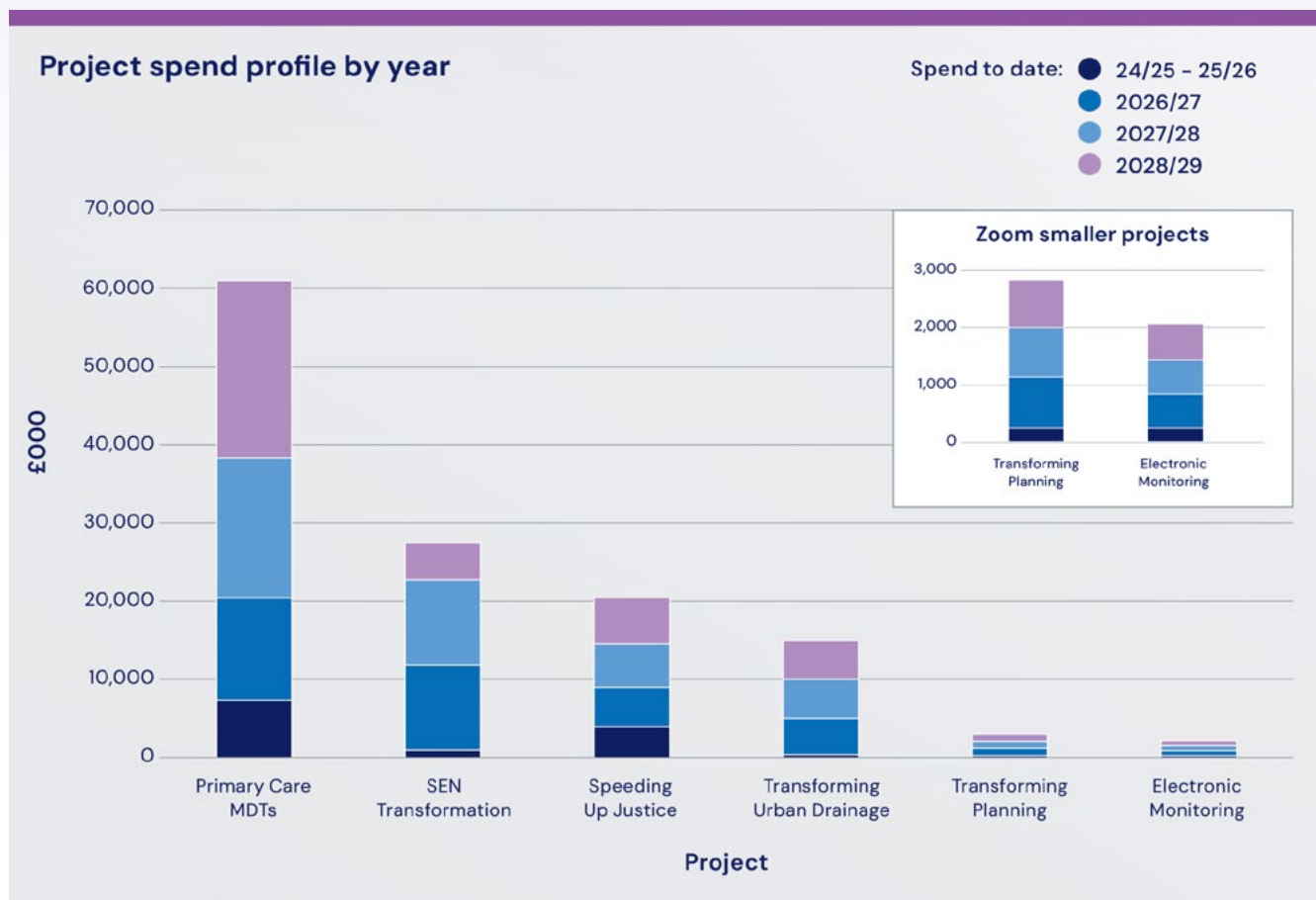


Fund position – Spend and Commitments

- Spend to Date
£13.4m / 6%
- Committed March 2025
£119m / 51%
- Committed April 2026 – Tranche 2
£102.6m / 43%

Overview of Funding – Commitments and Spend to Date *continued*

Further information on the spend profile for the six tranche 1 projects, including the planned spend trajectory over future years, is shown in the chart below. This clearly demonstrates the planned increases in spend and activity over the remaining years of the fund.



Looking Ahead: 2026/27 and Beyond

2026/27 marks a critical expansion phase for the Transformation Fund and the projects it is supporting.

“I look forward to increasing my engagement with project teams as the year progresses and seeing the MDT model in action. It will be important to maintain a clear focus over the next 6–12 months on meeting key recruitment milestones, budgetary delivery, communication, engagement, and wide stakeholder collaboration at all levels of the programme.”

Independent Expert and NHS Clinical Lead,
Primary Care MDT Programme

As shown in the preceding sections, implementation is expected to ramp up across the six tranche 1 projects, with all projects moving from planning and design phases into the delivery phase. The Public Sector Transformation Board, supported by the First Minister’s and deputy First Minister’s Delivery Unit, will provide oversight of projects to ensure that sufficient tangible progress continues to be made.

A further six projects have also been agreed for funding which have significant potential to bring about visible and lasting improvements to the way frontline services are delivered, including to some of the most vulnerable in society; embed prevention and early intervention to ensure that people can access the services they need, where and when they need them; establish promising new partnerships which, if successful, will lay the groundwork for real changes in how public services here are funded and delivered; address some of the most pressing public

sector challenges; and lay the foundations for system-wide reforms to improve the sustainability of services in the longer term.

A summary of these six additional projects is shown below and on the following page.

▶ **ePharmacy Primary Care Digital Reform Programme** (Dept of Health)

£42m investment will deliver:

- **Digitisation of the over 45m prescription items issued each year**, replacing paper prescriptions with a faster, safer electronic system capable of being available **24/7**, including evenings, weekends and bank holidays.
- **Over 500 community pharmacies across the region** providing more clinical services, improving access to care closer to home and reducing reliance on GP appointments.
- **Reduced waiting and travel for patients**, with no need to collect paper prescriptions from GP practices or out of hours centres, improving convenience and patient experience.
- **Reduced pressure on GPs, hospitals and emergency services**, supporting the shift of care into the community and allowing clinicians to focus on more complex cases.
- **£18m cash releasing savings over 10 years**, with **£3.5m recurring annually**, alongside reduced paper use and travel, contributing to more sustainable health services.

Summary of these six additional projects *continued*:

▶ **Together for Families** (Dept of Health)

£29.2m investment will deliver:

- **Earlier, easier help for families at scale:** strengthens **29 Family Support Hubs (region-wide coverage)** and adds new targeted neighbourhood support so families get timely, non-stigmatising help before problems escalate.
- **Fewer children entering care; more safe returns home:** intensive support aims to reduce care entry and support safe reunification, helping to curb projected growth of the looked after population.
- **Reduced pressure on crisis services:** addresses sustained demand including **~3,000 referrals per month** and **1,365 children** currently waiting to be allocated a social worker.
- **£30m investment from National Lottery Community Fund:** a transformative new partnership between DoH, the Fund and the Voluntary & Community sector.
- **Better value for the public purse by shifting spend “left”:** investment will focus on prevention and reduce reliance on high cost interventions.
- **Measurable efficiency and savings potential:** moderate estimate of **c. £34m** in savings over 10 years.

▶ **Pathways to Work and Wellbeing** (Dept for Communities)

£16m investment and a contribution from the department will deliver:

- **A redesigned Health and Work model:** Delivered in partnership with Department for Health and Department for the Economy, offering stronger integration between employability and health services to support more people to find and sustain employment.
- Support for **3,750 people to improve work and wellbeing outcomes**, working in partnership with local organisations and piloted in Belfast City Council and Derry and Strabane District Council.
- A **Commission on Work and Wellbeing**, bringing together independent experts across health and employability, to set a forward approach to tackling health and disability related economic inactivity, and shape long-term recommendations for scaling up interventions.
- **A shift to early intervention and prevention:** Responding to individual needs as early as possible, to prevent long-term economic detachment and higher cost Public Service Interventions in the long term.
- An estimated **long term financial benefit of £103m**, driven by reduced duplication, higher productivity, and lower long-term demand on public services.

▶ Digital Workplace (Dept of Finance)

£6m investment will deliver:

- Modernised records and information management across the NI Civil Service, replacing an ageing system used by **26,900 staff** and managing over **107m records (99TB)**.
- **Recurring savings of £399k per year from 2029/30**, once legacy support and infrastructure costs are removed.
- Reduced duplication and manual handling, supporting **faster access to information and freeing staff time for citizen-facing activity**.
- The secure foundations required for the future use of **AI-enabled tools** within government, **strengthening transparency, auditability and decision making** over the long term.

▶ NISRA Data Linkage Office (Dept of Finance)

£5.3m investment will deliver:

- **Two Data Pathfinder projects** in Education and Health to highlight the power of integrated data for policy making and address key Programme for Government priorities.
- **A stronger data-driven culture in government** to provide better outcomes for citizens by strengthening the data literacy, capability and confidence of policy teams.
- **Increased interoperability and wider sharing of public sector data** through established legal mechanisms.

▶ Bovine TB: A pilot for transformation of disease control delivery (DAERA)

£4m investment will deliver:

- A first of its kind **regionalised research pilot** to redesign the control of bovine tuberculosis.
- A preventative, evidence-led approach to target a disease programme currently costing over £60m per year.
- **Shared Island funding of €6.4m (c£5.6m)**.
- **Direct savings of c£274k by 2028/29**, with substantially larger savings expected as the model scales. Long term projections show that sustained reduction in disease prevalence could deliver **annual savings of up to £2.8m**, improving the financial sustainability of a programme that has cost **~£750m over the past 20 years**.

In addition, the Public Sector Transformation Board has also recommended that a further £66m of funding should be made available as soon as possible, to support another five projects which the Board has assessed as meeting the criteria for funding but which could not be funded from the £235m funding envelope currently available. Further announcements on these projects will be made as soon as possible.

Building a lasting legacy

The Transformation Fund is not an end in itself. Over the coming years, the focus of the Executive will increasingly be on embedding successful approaches into mainstream delivery and sharing learning and good practice across the NICS and more widely, to help embed a reform and delivery mindset across the public sector.

Across the first tranche of funded projects, sustainability planning is already under way. While each project has its own context, the approaches to building a lasting legacy are consistent and can be grouped around a small number of themes:

- **Mainstreaming what works:** using time-limited funding to test and prove new ways of working, with a clear route to embed successful approaches into business as usual beyond March 2029.
- **Evidence and evaluation:** strengthening data, monitoring and formal reviews so that decisions on scale, policy change and future investment are grounded in demonstrable impact.
- **Sustainable funding and affordability:** identifying how ongoing costs will be met—whether through recurrent departmental budgets, agreed contractual arrangements, or other sustainable funding mechanisms.
- **Capability, capacity and system change:** building the skills, workforce and processes needed to sustain improvement, and shifting effort upstream through prevention and early intervention where appropriate.
- **Wider adoption and learning:** designing approaches that can be replicated and scaled across places and services, supported by transparent reporting of lessons learned.



For example, the Primary Care MDT project is strengthening the data and evidence it will use to demonstrate benefits and support decisions on securing recurrent funding to complete rollout and embed MDTs as a core feature of primary care. The SEN transformation project is explicitly focused on building capability and testing early intervention approaches, with evaluation informing what should be sustained and scaled. In justice, both the Speeding Up Justice and the Modernisation of Electronic Monitoring projects are focused on embedding reforms and building operational models that reduce demand on the system over time and support long-term sustainability, including through agreed contractual and funding arrangements. In infrastructure and planning, the Urban Drainage and Transforming Planning projects are building practical evidence, governance and operational arrangements that can underpin longer term adoption, alongside consideration of how successful approaches can be and sustained beyond the life of the Fund.

The Public Sector Transformation Board, supported by the First Minister's and deputy First Minister's Delivery Unit, will continue to focus on ensuring that each project has a credible route to sustainability. This will include ongoing oversight of delivery and benefits realisation, promoting shared learning across projects, and supporting evidence-based decisions on where successful models should be embedded into mainstream

delivery and expanded to deliver lasting improvements for citizens.

This is the first of what will be a series of progress reports on the use of the Public Sector Transformation Fund. The first year of delivery has demonstrated the real potential of the Transformation Fund to improve services and strengthen long-term sustainability, with early progress already visible across a diverse portfolio of reforms. Over the coming year the expectation is that this momentum will build, delivery will be scaled, the evidence base will be strengthened and learning will be shared across funded projects and more widely, supported by robust governance and independent challenge.

Where progress is slower than planned or benefits are not materialising, the Public Sector Transformation Board and the Delivery Unit will escalate issues promptly and agree the actions needed to bring delivery back on track, ensuring that the programme remains focused on outcomes, value for money, and lasting impact for citizens.





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**Public Sector
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