

# Northern Ireland Environment Agency

## Annual Report and Accounts 2024-25



[www.daera-ni.gov.uk](http://www.daera-ni.gov.uk)

Northern Ireland Environment Agency  
Gníomhaireacht Comhshaoil Thuaisceart Éireann  
Norlin Airlan Environment Agency

# **Northern Ireland Environment Agency**

ANNUAL REPORT AND ACCOUNTS 2024-25

For the year ended 31 March 2025

Laid before the Northern Ireland Assembly under section 11(3) (c) of the  
Government Resources and Accounts Act (Northern Ireland) 2001  
by the Department of Agriculture, Environment and Rural Affairs  
on 4 July 2025



© Crown Copyright 2025

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit [nationalarchives.gov.uk/doc/open-government-licence/version/3](https://nationalarchives.gov.uk/doc/open-government-licence/version/3).

Where we have identified any third-party copyright information, you will need to obtain permission from the copyright holders concerned.

This publication is available at [www.daera-ni.gov.uk](http://www.daera-ni.gov.uk).

Any enquiries regarding this document should be sent to us at Department of Agriculture, Environment and Rural Affairs, Information Management Branch, Clare House, 303 Airport Road West, Belfast, BT3 9ED

## CONTENTS

<b>CHIEF EXECUTIVE'S PERSPECTIVE ON PERFORMANCE</b>	1
<b>NON-EXECUTIVE BOARD MEMBER REPORT</b>	3
<b>PERFORMANCE REPORT</b>	
Performance Overview	4
Performance Analysis	18
<b>ACCOUNTABILITY REPORT</b>	
Corporate Governance Report	
• Directors' Report	40
• Statement of the Accounting Officer's Responsibilities	44
• Governance Statement	45
Agency Remuneration and Staff Report	55
Assembly Accountability and Audit Report	74
<b>The Certificate of the Comptroller and Auditor General to the Northern Ireland Assembly</b>	76
Statement of Comprehensive Net Expenditure	82
Statement of Financial Position	83
Statement of Cash Flows	84
Statement of Changes in Taxpayers' Equity	86
Notes to the Accounts	87

# **ANNUAL REPORT**

## Chief Executive's Perspective on Performance

I am pleased to present the Northern Ireland Environment Agency's (NIEA) Annual Report and Accounts for 2024-25.

As NIEA Chief Executive, I am proud to reflect on the performance of the Agency over the past year. Our achievements are a testament to the dedication and hard work of our entire team. We have made significant strides in several key areas that align with the Minister's priorities, and we have worked hard to protect and enhance Northern Ireland's natural environment.

NIEA continued to focus on core business and delivery against our targets which underpin the Agency's primary purpose as Northern Ireland's principal environmental regulator and environmental advisor, protecting and enhancing our natural environment whilst regulating activities that can adversely affect it.

The 2024-25 Annual Report and Accounts show that five out of six NIEA Key Performance Targets (KPTs) were achieved or partially achieved during the reporting year, while one KPT on 'Planning' was not achieved.

The KPTs are outlined in more detail in the 'Performance Report' section of the Annual Report and Accounts.

Some of the highlights during the year included:

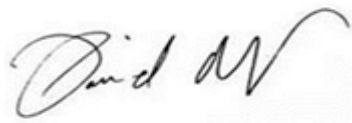
- The protection of public health and the environment remained a driving principle of our work with ongoing effective and efficient regulation and enforcement of drinking water supplies;
- Our operational response to the blue-green algae crisis and our contribution to the Lough Neagh Action Plan;
- The ongoing development and publication of Conservation Management Plans;
- £9.3m funding was provided under the Environment Fund, which included support for habitats and species, improved water quality, engagement with nature and access to the countryside;
- We continued to support sustainable access to our natural environment which included the ongoing management and care of our seven country parks and 65 nature reserves, which alone attracted almost three million visitors during 2024-25; and
- The ongoing monitoring of the Mobuoy waste site and the development of a draft Remediation Strategy, which is planned for public consultation in 2025.

The ongoing blue-green algae blooms continues to reflect the damaging impacts and consequences that we have on our natural environment. More than ever, this highlights the need for urgent action to improve the quality of our water bodies and to restore our natural environment and biodiversity.

Our performance has fallen short of the standards we wish to maintain and the service we provide as a statutory consultee in the planning process. Therefore, it will be critical in 2025-26 to ensure that appropriate steps are taken to significantly improve our performance in the provision of environmental advice to planning authorities. To facilitate the improvements required in this area, NIEA will develop and execute a "Planning Improvement Plan" in 2025-2026.

In 2024-25, I launched an Operational Review Programme to review and optimise NIEA's structures to bring a stronger focus to the delivery of our key Ministerial priorities. This aims to enhance the delivery of NIEA's regulatory functions, supporting Ministerial priorities and the Department of Agriculture, Environment and Rural Affairs' (DAERA) objectives. This initiative will refine and improve our operations, guiding our strategic direction to ensure staff are well-equipped to address the environmental challenges we face and protect Northern Ireland's environment for future generations.

In navigating the challenges of 2024-25, and delivering environmental regulation throughout the past year, I am grateful for the continued support of environmental organisations, volunteers, businesses, law enforcement and community organisations. Our focus for 2025-26 will be to build on the partnerships with all our stakeholders inside and outside of government, to ensure that by providing more efficient, effective and targeted services, we help to deal with the environmental challenges we face.

A handwritten signature in black ink, appearing to read 'David Reid', with a stylized flourish at the end.

**David Reid**  
Chief Executive  
1 July 2025

## Non-Executive Board Member Report

The 2024-25 reporting year has been another challenging period for the Northern Ireland Environment Agency (NIEA). As a complex and diverse operational organisation, the Agency continues to meet competing demands in this evolving environment, as it fulfils its regulatory, enforcement and operational duties to ensure compliance with current environmental legislation and standards.

As a Non-Executive Member of the Agency Board, I have provided strategic input and supported to NIEA's activities through contributing at Board meetings, as well as undertaking regular scrutiny reviews of progress and risks at each Audit Risk and Assurance Committee (ARAC) meeting, which I chair. I would like to extend my gratitude to all Agency staff for their dedicated efforts and assistance throughout the past year.

### NIEA Board

The Management Board met six times during 2024-25. In addition to considering papers on operational issues, the NIEA Board Agenda included standing briefing papers on a wide range of strategic issues including finance, corporate governance, human resources, corporate and business annual business planning, and health and safety.

### Board Effectiveness

A Board Effectiveness Review was conducted during the 2024-25 reporting year, and an Action Plan is being actively considered by the Board to determine ways to drive improvements and efficiencies in the process.

### Audit and Risk Assurance Committee (ARAC)

The Audit Risk and Assurance Committee met on three occasions during 2024-25 and continued to support the Accounting Officer and Management Board with their risk, control and governance responsibilities.

At each meeting the Committee reviewed progress on audit recommendations, considered fraud and whistleblowing cases, the NIEA Risk Register and other governance related issues such as Post Project Evaluations (PPEs), and any Direct Award Contracts awarded.

The Committee note the NIAO audit opinion on the 2024-25 accounts and will continue to monitor the underlying factors going forward. The Committee welcomes the satisfactory audit opinion presented by Internal Audit in their 2024-25 Annual Opinion and Report. The Committee continued to reflect upon the recommendations in relation to risk management within the Agency.

Lastly, NIEA would like to record its thanks to Paul Douglas, who served for seven years as a Non-Executive Board Member (NEBM). Paul Douglas offered his thanks to the NIEA Senior Management Team, and Internal Audit, for their support during his time as an NEBM for the Agency.



Stephen Welch  
Non-Executive Board Member  
1 July 2025

# 1. PERFORMANCE REPORT

## 1.1 Performance Overview

### Introduction

This commentary sets out the Northern Ireland Environment Agency's main objectives, comments upon the organisational context within which the Agency operated and provides a detailed report on performance during 2024-25.

### History and Statutory Background

The Northern Ireland Environment Agency (NIEA, the Agency) hereby presents its Annual Report and Accounts for the year ended 31 March 2025.

The Annual Report and Accounts have been prepared in compliance with the accounting principles and disclosure requirements of the Government Financial Reporting Manual (*FReM*) and under an Accounts Direction given by the Department of Finance (DoF) in accordance with Section 11(1) and (2) of the Government Resources and Accounts Act (Northern Ireland) 2001.

NIEA is an Executive Agency within the Department of Agriculture, Environment and Rural Affairs (DAERA, the Department) in Northern Ireland. NIEA became an Executive Agency within DAERA following the 2016 Assembly Election on 5 May 2016, in accordance with the Stormont House Agreement's commitment to reduce the number of Northern Ireland Civil Service (NICS) Departments from twelve to nine. NIEA, the successor of the Environment & Heritage Service (EHS) which was established on 1 April 1996, was launched on 1 July 2008, pursuant to a Ministerial decision that the EHS would be reorganised.

The Chief Executive of the Agency is also the Agency Accounting Officer with the responsibilities and delegations outlined in Chapter 3 of the Department of Finance (DoF) Guide - Managing Public Money Northern Ireland (MPMNI).

### Structure

NIEA is an executive agency within DAERA and works under the direction and control of the DAERA Minister. The Agency is headed by a Chief Executive with the support of two operational Directors; Natural Environment Division and Regulation and Enforcement Division. A Non-Executive Board Member (NEBM) was appointed on 1 September 2018 for a three-year period which was extended for a further three-year period and ceased on 31 March 2025. A second NEBM was appointed to the Board on 1 February 2023.

From 1 April 2025 a further NEBM was appointed to the NIEA Board to replace the NEBM that left the Board on 31 March 2025.

The Central Support Team assists the Chief Executive and Directors in the delivery of key corporate functions such as strategic planning, governance, financial and budget management.

### NIEA Resourcing Framework

The NIEA staff resourcing framework during this reporting cycle has experienced pressures similarly to other public sector organisations, which has had a direct and ongoing impact on the operational activities undertaken by NIEA. This has resulted in a number of risks and poor performance levels as it was not possible to fully resource all aspects of our work. Staffing

levels within the Agency will continue to present challenges in the year ahead and it is clear that we have more to do to ensure that we fully align our resources with our key priorities and statutory responsibilities.

### Business Priorities for 2024-25

For 2024-25, NIEA's primary purpose was to be Northern Ireland's principal environmental regulator and environmental advisor, protecting and enhancing our natural environment whilst regulating activities that can adversely affect it. This purpose underpinned and contributed to DAERA's 2024-25 vision of *'Sustainability at the heart of a living, working, active landscape valued by everyone'*.

Of the 20 targets in the NIEA Business Plan 2024-25, there was one specific target which featured in the DAERA Business Plan 2024-25 which NIEA was responsible for delivering: *'We will continue to take action to safeguard water quality and the environment at Mobuoy site'*.

### Principal Activities

The 20 targets included in the NIEA Business Plan 2024-25 set out the Agency's priorities for the year. These targets set the direction for the Agency so that our people know what they have to deliver, our customers and stakeholders know what to expect from us, and the public know what we intend to deliver.

One of DAERA's six Key Priorities for 2024-25 was 'Protecting Our Natural Environment', underpinned by the DAERA vision of *'Sustainability at the heart of a living, working, active landscape valued by everyone'*.

In line with NIEA's overall purpose, the Agency had a pivotal role in delivering the DAERA Key Priorities through its own three Key Priorities:

### NIEA Key Priorities 2024-2025

	<b>NIEA Key Priority 1:</b> Environmental Regulation, Protection and Enforcement.
	<b>NIEA Key Priority 2:</b> Water Quality
	<b>NIEA Key Priority 3:</b> Nature Recovery

# What We Do & How We Performed During 2024-25

The key activities and functions which helped to deliver against our three NIEA Key Priorities were:

## **NIEA Key Priority 1: Environmental Regulation, Protection and Enforcement**

To help achieve this Key Priority the NIEA:

- Promotes a sustainable approach to managing waste and land resources in Northern Ireland to protect our shared environment. This encourages the efficient use of resources and economic growth in a co-ordinated and sustainable manner.
- Monitors, audits, and regulates authorised and exempt waste facilities, waste carriers, certain waste movements and those organisations falling under the Producer Responsibility Regulations to protect and minimise impacts to the environment and human health.
- Monitors and regulates discharges to the aquatic environment. This key activity is underpinned by an extensive compliance sampling and reporting programme. The Agency provides advice and guidance to Northern Ireland Water to enhance its operational asset performance.
- Regulates all emissions from a range of industrial installations such as power generation, waste incineration, manufacture of cement, glass, chemicals, pharmaceuticals, food drink and milk processing, slaughterhouses and meat processing, rendering, plus farms rearing pig and poultry above prescribed thresholds, to ensure the latest best available techniques are being used in order to protect and minimise impacts to the environment and human health.
- Monitors and regulates the use of radioactive substances. This includes an extensive environmental monitoring programme to assess the impacts of radiological discharges elsewhere into the Northern Ireland aquatic environment.
- Undertakes a wide-ranging programme of visits to industrial, agricultural, construction, demolition, and other industrial sites providing prevention advice, carrying out risk assessments with the aim of minimising the impact of these activities on the environment.
- In partnership with the Health and Safety Executive Northern Ireland (HSENI), is the joint competent authority for the Control of Major Accidents and Hazards (COMAH) for Northern Ireland, responsible for carrying out inspections on higher and lower tier sites, reviewing safety reports for sites and participating in the planning and co-ordination of on and off-site emergency exercises.
- Implements the UK and EU Emissions Trading Schemes which is a market-based system designed to reduce greenhouse gas emissions with the aim of helping the EU and UK meet its climate change targets and transition to a low-carbon economy.
- Undertakes cross-compliance farm inspections throughout Northern Ireland under three environmental Statutory Management Requirements (SMRs), and three Good Agricultural and Environmental Conditions (GAECs). These requirements cover a range of environmental conditions relating to protected Habitats, Birds, Groundwater, Buffer Strips, Irrigation Authorisations and the Nitrates Directive.

- Investigates serious, persistent and organised crime through the analysis and research of information and the conducting of criminal and financial investigations. This includes enforcing compliance, creating and enhancing opportunities to frustrate, disrupt, deter and prosecute those involved in environmental crime, bringing offenders to justice and promoting the 'Polluter Pays' principle.

Furthermore, throughout 2024-25, NIEA has worked to achieve Key Priority 1 across its various units:

### **Regulation Unit – Waste Management Licensing Team**

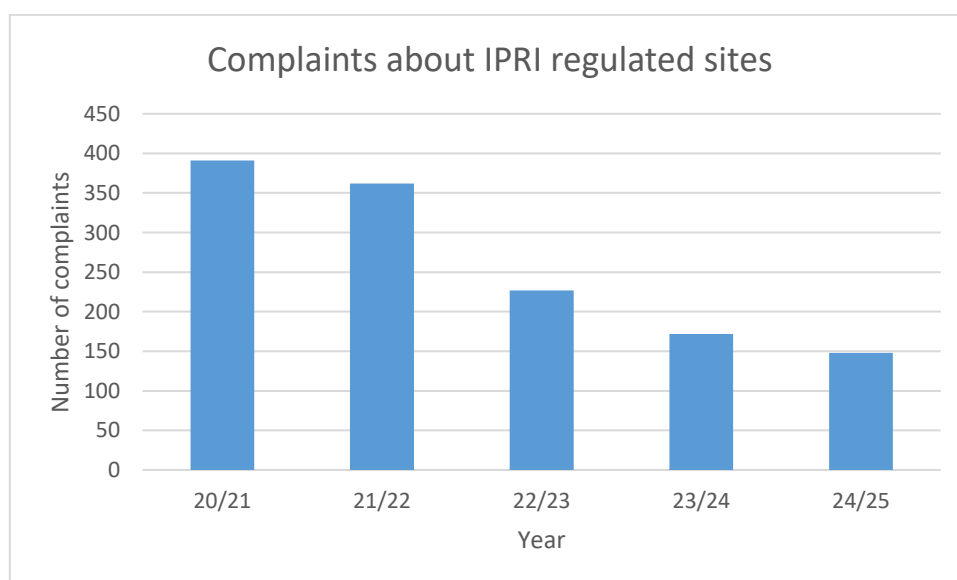
- The Waste Management Licensing Team (WMLT) is responsible for the authorisation, regulation, and enforcement of approximately 760 non-landfill waste management facilities i.e. transfer stations, material recycling facilities, scrap metal facilities, and household recycling centres.
- WMLT completed 1,123 inspections in the reporting year 2024-25. 819 inspections were risk-based scheduled monitoring inspections linked to NIEA Target 14, and 304 inspections were unscheduled monitoring inspections.
- WMLT processed 192 waste management authorisations applications, achieving 74% of the target. Due to Ministerial casework, competing priorities, resourcing difficulties and staff vacancies, the team fell short of our key performance target.
- In 2024-25, WMLT received 542 complaints about sites they regulate.
- In relation to some High Public Interest facilities that the WMLT regulate, multi-Agency approaches have been adopted by the WMLT and have been effective. WMLT took the lead in these multi-agency approaches in order to address concerns raised by local citizens.
- In 2024-25, WMLT had to manage responses to several judicial challenges, which directed resource away from statutory duties and the delivery of targets.
- In 2024-25, WMLT issued 82 warning letters, 24 enforcement notices and 1 fixed penalty notice.

### **Regulation Unit - Waste Permitting Team**

- The Waste Permitting Team is responsible for the regulation of 148 large scale waste facilities across Northern Ireland. These facilities include landfills, large scale composting facilities and large material recycling facilities.
- The team issues permits under the Pollution Prevention and Control (Industrial Emissions) Regulations (NI) 2013 and has carried out 233 planned inspections of these facilities.
- Of the 581 incidents/complaints reported over the year the vast majority related to odour from a few high public interest sites. These high public interest sites continue to be the focus for regulatory effort within the team.

## Industrial Pollution and Radiochemical Inspectorate

- Industrial sites regulated by the Industrial Pollution and Radiochemical Inspectorate (IPRI) are regulated under a number of regimes including the Pollution Prevention and Control (Industrial Emissions) Regulations (Northern Ireland) 2013 (PPC), the Control of Major Accident Hazards Regulations (Northern Ireland) 2000 (COMAH), the Radioactive Substances Act 1993 (RSA), the Greenhouse Gas Emissions Trading Scheme Order 2020 (ETS) as well as a number of chemicals regulatory regimes covering substances such as fluorinated gases and oxygen depleting substances; Persistent Organic Pollutants (POPs) and other high risk chemicals including those covered by REACH (Registration, Evaluation, Authorisation and restriction of Chemicals) regulations.
- IPRI had 543 inspections scheduled across the different regulatory regimes in the reporting year 2024-25. Due to resourcing difficulties, we fell short of our key performance target of 90% with 77% inspections completed (418 inspections).
- All significant non-compliances detected on our regulated sites were dealt with according to our procedures and IPRI inspectors have worked closely with a number of our poorer performing regulated sites to bring them back into compliance through carrying out significant investment in abatement plant, new or upgraded effluent treatment plants etc. Enforcement work carried out included issuing 10 enforcement notices and submitting one case file to the PPS with a further two in preparation.
- In 2024-25, 152 complaints were received about sites we regulate and 100% of these were responded to within one working day (which is our key performance target). The number of complaints received about sites we regulate has been consistently falling since 2020-21 (see graph below).



- IPRI has a statutory duty to process applications received for new or varied authorisations under the various regulatory regimes within set deadlines. In 2024-25, 24 new authorisations (permits, variations or certificates) were issued under the PPC and RSA regimes, 23 of these were within target (96% against a key performance target of 90%).

- Under COMAH regulations in Northern Ireland, both HSENI and NIEA, acting on behalf of DAERA, jointly perform the role of the Competent Authority. Regulatory functions on behalf of DAERA are delivered by IPRI. There are currently 29 COMAH establishments in Northern Ireland: 10 Upper Tier, and 19 Lower Tier. All planned inspections were completed during 2024-25, achieving 100% of inspection targets. Upper Tier COMAH operators must review and update their Safety Reports at least every 5 years to show they continue to manage major accident hazards effectively. In 2024-25, four safety reports were submitted, and are currently being assessed. HSENI leads on emergency planning and the development of external emergency plans, with IPRI attending exercises to support the delivery of the joint Competent Authority responsibilities.
- An improvement notice was jointly issued by NIEA and HSENI in April 2024 to ensure that a Major Accident Hazard site was complying with best practice for firefighting foam application systems. The notice was complied with in full, as new firefighting foam pourers installed on petrol tanks to extinguish tank surface fires. The firefighting foam stock was also replaced to comply with restrictions on PFOA (perfluoro-octanoic acid), a persistent organic pollutant containing foam.
- Within Northern Ireland, IPRI dual regulate the Emissions Trading Scheme (ETS). Under the Windsor Framework electricity generators report under the EU ETS whilst all other sectors currently report under the UK ETS. This is a cap-and-trade system where the government sets a limit on the total amount of emissions allowed from specific sectors, and participants can buy and sell emission allowances.
- IPRI currently regulate seven EU ETS electricity generators, 13 UK ETS installations and two airline operators. In 2024-25 IPRI took enforcement action against one company for operating without a permit resulting in a civil Penalty of £1,064,889 being issued.
- On the regulation of mercury, IPRI has been collaborating with the UK Government Cabinet Office, the Department for Environment, Food and Rural Affairs (DEFRA), DAERA and the Department of Health (DoH) to ensure the Commission Notice (with conditions) issued by the European Commission on mercury in dental amalgam, to extend the permitted use of mercury dental amalgam in Northern Ireland to 2035, is complied with. NIEA has been developing a regulatory and enforcement position, alongside DoH, as well as working collaboratively with HMRC (His Majesty's Revenue and Customs) on imports of mercury dental amalgam into Northern Ireland. Work is underway on establishing a compliance inspection programme for holders of mercury dental amalgam.
- An online registration system has been developed for holders of equipment containing PCBs (polychlorinated biphenyls, persistent organic pollutants) above the legal threshold to register inventories of PCB-contaminated equipment with NIEA. This system is ready to go live when PCB regulation amendments are in force. There has also been collaboration with DAERA policy teams and NIEA Waste teams to develop a framework to implement the regulations expediently.
- IPRI has been tracking holders of PFOA (perfluoro-octanoic acid) containing firefighting foam in NI. Over 122 tonnes of PFOA containing foam have been registered with NIEA, and to date 58 tonnes has been confirmed to have been disposed of. NIEA will continue to track the remaining inventory to confirm compliance with the July 2025 deadline for disposal set in the EU Regulation on Persistent Organic Pollutants.

Working groups have been set up with NIEA Waste teams to ensure operators comply with waste legislation.

- A compliance assessment regime is underway for REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals), working across industry sector by sector. Holders of chemicals have been engaged to provide required documentation, and to demonstrate adequate controls. Site inspections have taken place as required. A working group with HSENI (which is the joint enforcing authority for REACH) has been established to share expertise and intelligence.

### **Environmental Crime Unit**

- The Environmental Crime Unit (ECU) aims to protect the environment, public health and the economy through the prevention, investigation, remediation and prosecution of serious, organised and persistent waste criminality. The unit manages the receipt of a large number of reports received into NIEA relating to potential waste offences.
- A key objective for ECU was to renew its focus on organised, serious and persistent waste criminality. During the reporting year the unit have put in place a new acceptance criteria, risk and harm assessment, case categorisation process and a new internal referral procedure. This aims at managing resourcing pressures and capability by filtering out reports that fall outside of ECU's remit and by prioritising investigations which present the most risk.
- ECU accepted a total of 479 incidents. Of the 479 incidents, 52 are currently under active investigation, 40 have been assessed for investigation and 387 have been closed.
- During this reporting year, ECU opened 24 criminal cases for further investigation, secured six convictions which resulted in fines totalling £7,750 and two suspended sentences. One case awaits sentencing. There are currently 14 criminal cases either with the Public Prosecution Service or are proceeding through the criminal courts.
- Over the same period, eight Fixed Penalty Notices were issued equating to £3,200. A total of 19 "Article 27s", 39 warning letters and 62 incidents of advice and guidance were issued to appropriate parties to ensure waste was disposed of or treated effectively.
- Once assessed and categorised the unit conducts evidence based criminal investigations aimed at enforcing relevant legislation, bringing offenders to justice and with the assistance of a Financial Investigations Team promoting the 'Polluter Pays' principle utilising the Proceeds of Crime Act 2002 to disrupt and dismantle the apparatus of those involved in environmental crime.
- At the end of March 2025, ECU were managing eight Restraint Orders covering 10 entities (one corporate body and 9 individuals). The total value of these orders were approximately £8,005,058. ECU has received one confiscation order totalling £16,516.
- Alongside greater co-operative working within NIEA and DAERA, the unit is also represented on the Organised Crime Task Force (OCTF) at both a strategic and subgroup level. This year ECU have liaised with the Department of Justice to set up a new OCTF subgroup on Waste Crime. Organised waste crime has been identified as an emerging threat by both NIEA and HMRC and this group has been established to understand and address this threat in an organised and consistent manner. We aim to

increase our capacity and capability to receive, assess, develop and disseminate intelligence, develop our understanding of Organised Crime Groups and crime types to ensure both organisations deploy our resources where they will have the highest impact and develop partnership working to deliver disruption and enforcement interventions. The overarching aim is to deliver a co-ordinated and multi-agency approach to waste crime occurring in the UK and Ireland.

- ECU also sit on the Joint Unit on Waste Crime alongside other law enforcement colleagues and on Cross Border groups involving the PSNI, ROI Councils, An Garda Síochána, ROI Revenue and Customs, and the Foods Standards Agency.
- NIEA's Intelligence Branch (IB), who sit under the management of ECU, is central to tackling waste criminality and have been instrumental in maximising the collection, analysis and research of information to support the identification of unlawful waste activity, enforcing compliance and creating and enhancing opportunities to frustrate, disrupt, deter and dismantle groups involved in organised waste crime.
- During quarter four of the reporting year, IB have undertaken 32 separate pieces of engagement and have established 10 new professional relationships both within DAERA and with outside agencies such as the Foods Standards Agency and The Harbour Police. IB have also developed greater corroborative working with NIEA's Regulation Unit; in particular the Transfrontier Shipment Team and the Producer Responsibility Team in supporting completion of fit and proper person tests.
- NIEA remain fully committed to the agreements under the Fly Tipping Protocol with District Councils taking responsibility for small scale offending (under 20m<sup>3</sup>) and NIEA focusing on larger scale offending (over 20m<sup>3</sup>) and hazardous wastes.
- During January 2025, officials from ECU provided input to a Council led training event focused on the enforcement of illegal waste dumping. This event allowed ECU to provide clarity on the work the unit undertakes, to provide guidance on the use of the joint legislative environmental powers and encourage local councils to take forward their own prosecutions for waste crimes.

## NIEA Key Priority 2: Water Quality

DAERA is the lead Department responsible for co-ordinating programmes of measures across government and industry aimed at improving water body status under the Programme for Government (PfG).

In helping to achieve this Key Priority:

- NIEA has a key role in protecting water quality, with the aim of achieving 'good chemical and good quantitative status' in groundwater and 'good ecological and good chemical status' in surface water. This is underpinned by a legislative framework supporting the objective of managing polluted clean waters, to ensure that sufficient water is available to support the natural environment and its users. NIEA, as an operational policy implementer, works in partnership with policy teams in DAERA's Marine and Fisheries Division and the Department for Infrastructure's Water Policy Division and is responsible for the River Basin Management Plan, to encourage a sustainability and integrated approach. The essential work done is based on robust scientific evidence derived from comprehensive, long-term monitoring and research programmes to understand the pressures and impacts affecting our water environment.
- NIEA published updated Northern Ireland Water Classification Statistics for surface waters showing stagnation in water quality and the ongoing challenges in reducing pressures acting on the water environment.
- NIEA protects the natural environment through the regulation of a wide range of sectors. This includes the regulation of discharges to the aquatic environment from industry and sewerage providers. Consents to Discharge into water bodies are issued under Part II and Schedule 1 of the Water (NI) Order 1999. NIEA issued 2,845 consents to discharge in 2024-25. NIEA completed 1,028 site inspections/visits at sites proposing/discharging to the environment. In addition, NIEA collected 2,156 discharge effluent samples to assess compliance.
- NIEA Water Chemistry Group's laboratories provide an ISO17025 UK Accreditation Service (UKAS) quality assured analytical service to various partners across the Agency and wider Department. The group facilitates analysis for a variety of regulatory, statutory and investigatory programmes. Importantly NIEA's laboratories continued to maintain their sampling and analysis UKAS Quality Accreditation ensuring independent quality assurance of activities underpinning regulatory and enforcement processes.
- We also work closely with Northern Ireland Water to ensure that drinking water is maintained to a quality that protects public health. We work closely with DAERA's College of Agriculture, Food and Rural Enterprise (CAFRE), Knowledge Advisory Service (KAS) to identify and agree key environmental issues, priorities and programmes, and provide specialist advice to ensure environmental outcomes are achieved.
- The majority of statutory river and lake water quality monitoring was undertaken as planned in 2024-25. During the 2024-25 year, the Water Quality Monitoring Programme exceeded the 95% completion target, by achieving 97% delivery overall. The Water Chemistry laboratories continued to deliver an effective quality assured analytical service throughout 2024-25, delivering 99.6% of the water quality monitoring programme. The Freshwater Monitoring and Assessment group successfully delivered

95% of the freshwater ecology programme for Northern Ireland, completing over 500 samples and surveys. The team also reviewed 324 reports of algal blooms of which 222 were confirmed as blue-green algae from 90 unique locations across Northern Ireland. The Freshwater Investigations (FI) team processed 154 Water Framework Directive (WFD) river biological invertebrate samples and 60 investigative invertebrate samples in 2024. In response to the blue-green algal blooms in 2023-24, FI increased the in-situ temperature monitoring of Lough Neagh and its six main tributaries and implemented the 2024 monitoring of 13 historical invertebrate sites around the lough in spring and autumn.

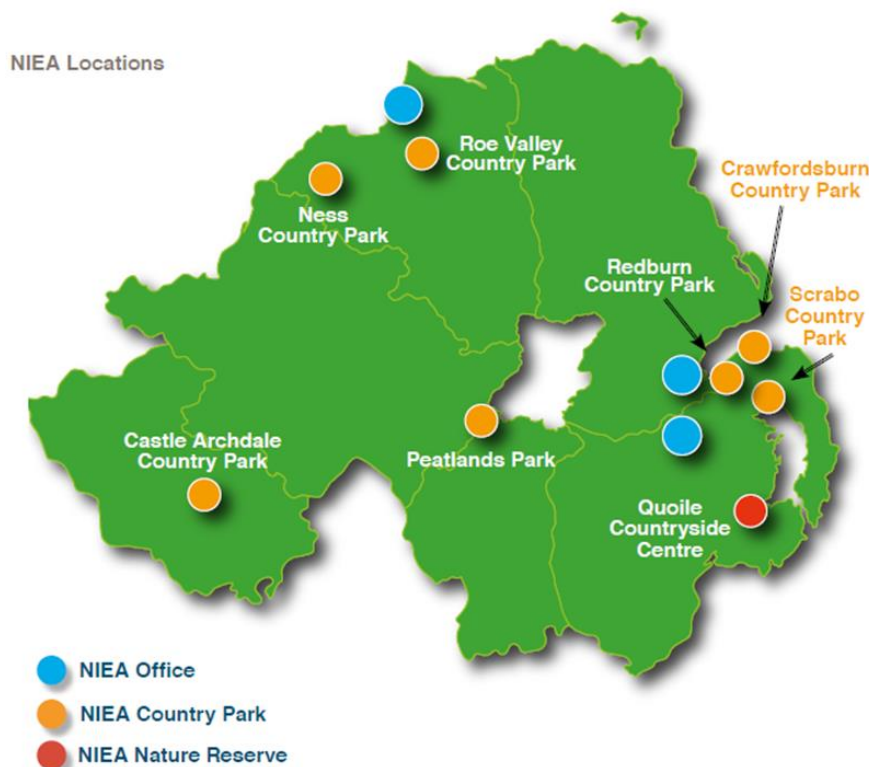
- A new Lake Monitoring and Evidence team was established in September 2024, responsible for the verification and analysis of blue-green algae through a range of channels, including via photos received through the Bloomin' Algae app but also through taxonomic identification of cyanobacteria in bloom samples. The team have established a new 2025 Lough Neagh Priority Catchment monitoring program, which includes the sampling of cyanobacteria blooms and routine phytoplankton sampling. Alongside this monitoring NIEA procured instrumentation to enable high frequency monitoring to be conducted. In 2025-26, the focus will be installation of this high frequency monitoring instrumentation on the tributaries of Lough Neagh to gain a better understanding of nutrient loadings entering the Lough.
- A new Priority Catchments team was also established in September 2024 to improve surface water quality status by undertaking investigations in priority waterbodies, to establish source-pathway-receptor models at a waterbody level. This work involves on the ground scientific assessments of both biological and nutrient indicators to establish key water quality issues to develop and implement measures to improve water quality. For the period of mid-September 2024 to April 2025, the Priority Catchments Team has undertaken 250 inspections, comprising of river surveys and further investigations.
- In 2024, NIEA's Water Pollution Response and Enforcement Team (WPRET) investigated 1,886 water pollution incidents that were either reported to NIEA or discovered by NIEA staff during inspections or proactive work. From investigation, 887 (47%) of the incidents were substantiated (confirmed) as having an impact on the water quality of the receiving waterway. Substantiated water pollution incidents are classified according to their environmental impact severity. In 2024, there were a total of 119 High and Medium Severity incidents confirmed, a 28% decrease compared with the 2023 figures. In 2024, 14 cases under the Water (NI) Order 1999, were heard in the Courts with total fines of £22,000 applied. One conviction was disposed of via a Conditional Discharge. One further case in respect of the Nutrient Action Programme Regulations (Northern Ireland) 2019 (NAP) resulted in a fine of £2,000.
- Pollution incidents relating to confirmed occurrences of potentially toxic blue green algae are included in the figures above. There was a decrease in the number of confirmed incidents related to potentially toxic blue green algae in 2024 (112) compared to 2023 (128). In respect of the blue green algae related incidents with greater environmental impact, there were 27 confirmed High and Medium Severity incidents in 2024, a decrease of 60 percent compared 2023 (68).

## NIEA Key Priority 3: Nature Recovery

### Country Parks and Nature Reserves

NIEA manages seven Country Parks and 65 Nature Reserve sites across Northern Ireland. These sites provide a unique value in terms of environmental heritage, wellbeing, conservation and connecting people to nature. Sites are open for public access throughout the year and ongoing works are undertaken to maintain and improve access and associated facilities.

Nature Reserve sites under NIEA management contain many important and protected habitats and species. NIEA site managers continually monitor these sites and facilitate positive and proactive management measures, contributing to the favourable management status of these important protected areas in accordance with conservation legislation.



NIEA country parks and nature reserves have seen almost 3 million visits over the course of 2024-25 and we have facilitated 200 events and activities across our sites. The NIEA natural estate has continued to provide an increasingly important platform, both for engagement with nature and to provide space for naturally inspired outdoor recreation. Our parks and reserves have remained accessible though out the year, with our staff working hard to main safe public access, despite often challenging adverse weather conditions, whilst also working to ensure biodiversity conservation and continuing to deliver projects to improve infrastructure, facilities and access across the estate.

Aside from ongoing site maintenance actions, works have included the installation of new steps and the complete refurbishment of the “Blue Bridge”, along with re-roofing of the “Corn Store” storage facility using sympathetic construction measures to ensure ongoing protection of the existing bat roost within the building.

## **Protection and Management to support Habitats and Species Recovery**

The key objective of nature conservation work is to get our priority habitats and species into favourable condition, protecting it for future generations. During 2024-25, the conclusion of work carried out by the Office for Environmental Protection identified significant gaps in the work we undertake in respect of protected sites. NIEA is considering the Office of Environmental Protection's (OEP) recommendations and will use the report to inform how best to deliver its remit in respect of protected sites whilst recognising the significant resource constraints within which we must operate.

In order to inform protected site management, we now have conservation management plans developed for 45 of our 57 Special Areas of Conservation (SAC), with clearly defined conservation measures to inform site management and protection.

We have completed and published updated supplementary advice to accompany the Conservation Objectives for our 6 river SACs (Cladagh (Swanlinbar) River, Owenkillew River, River Faughan & Tributaries, River Foyle & Tributaries, River Roe & Tributaries, and Upper Ballinderry River), which brings us in line with the UK JNCC Common Standards Monitoring guidance for rivers and freshwater fauna, and with the most up to date, available data and evidence. This enhances our protection for these important freshwater sites and vulnerable freshwater species, such as the Atlantic Salmon and Freshwater Pearl Mussel, and ensures greater legal compliance.

Recognising the need for concerted action to address species loss in Northern Ireland, NIEA has collaborated with RSPB and other eNGOs to establish the Northern Ireland Species Recovery Partnership. This partnership is developing plans for landscape-scale conservation action for a selection of Northern Ireland's priority terrestrial and freshwater species, funded through the Esmee Fairbairn Foundation.

### **Environment Fund**

A new Environment Fund to cover 2023 to 2028 was developed by NIEA in 2022-23. The Strategic Strand of the Environmental Impact contribute towards two priority areas:

- Nature and Climate Recovery: Building Ecological and Climate Resilience; and
- Connecting People with the Environment.

This includes support for projects aligning with the Environmental Improvement Plan which contribute towards:

- Landscape, water, habitats, species, and earth science condition maintained or improved and extent increased;
- Development and delivery of management measures which significantly contribute to maintaining and increasing the area of protected area in favourable condition;
- Developing Nature Recovery Networks; and
- Providing climate adaptation and resilience.

During 2024-25 as part of the Environment Fund, 40 Letters of Offer were issued to Strategic Strand and Strand 2 grant applicants and funding of £8.8m was provided. A Water Quality Challenge Fund was also delivered in 2024-25 which provided close to £0.3m to support 15 projects.

### Environmental Challenge Fund for Peatlands

A Peatland Challenge Fund Competition for 2024-27 was launched in May 2024, under the Environment Fund grant programme, with financial support for this fund secured from the Irish Government's Shared Island Fund Initiative.

The Environmental Impact Priorities for this competition are:

- Nature and Climate Recovery: Building Ecological and Climate Resilience in peatlands; and
- Connecting People with the Peatlands.

Five Letters of Offer were issued and funding of almost £0.2m was provided to three grant applicants in 2024-25.

### **Planning Consultations**

The Planning Response Team (PRT) provides a single point of contact for environmental advice on planning matters to councils, developers, and the public; and provides a single, integrated response for each consultation from each of the eight subject matter teams from across DAERA. The Agency received 5,317 consultations throughout 2024-25. This indicates that across NIEA and Marine and Fisheries Division, 67% of statutory consultations were responded to within statutory timeframes (21 calendar days or otherwise agreed timescales). This is a dip of five percentage points in comparison to last year's overall performance. Whilst recognising this dip, improvements, however, have been made holistically against response timeframes. This has resulted in the Agency reducing the average number of days taken to respond from 25 days in 2023-24 to a present rate of 23 days in 2024-25.

In the year ahead it will be important that we take action to address this dip in performance. To facilitate improvement, NIEA will develop and implement a "Planning Improvement Plan" in 2025-26. This plan will include a range of measures to seek to improve our planning performance and service, including in the area of update provision.

### **Further Information**

Further information about our activities is available on our website at <https://www.daera-ni.gov.uk/northern-ireland-environment-agency> including information on a wide range of publications explaining or reporting on our work in greater detail.

### **Future Developments**

NIEA continues to focus on activities that deliver the priorities of the Minister and the Executive in the years ahead. This will include our response to Lough Neagh, targeted enforcement, supporting the delivery of key departmental policy frameworks on climate change and nature recovery. We will also work to continually improve how we regulate and the effectiveness of what we do.

This emphasis ensures that our objectives and targets, and associated activities, underpin and help to deliver against Executive and Ministerial priorities and the Agency's primary purpose "to protect and enhance Northern Ireland's environment and in doing so, deliver health and well-being benefits and support economic growth".

The Agency aims to deliver on core business that reflects its ethos and core values:

- Carrying out appropriate environmental regulatory compliance assessments, monitoring/surveillance, and enforcement that will ensure the protection and enhancement of the environment, and inform future evidence led policy, strategies, and decisions to deliver improved environmental outcomes;
- Responding effectively and efficiently to issues on the environment, and develop and feed into any appropriate public sector work; and
- Taking appropriate enforcement action (where the offender can be identified) within seven months on 90% of breaches in legislation which lead to significant environmental consequences.

## **Risk**

A Risk Register has been prepared, centred on an assessment of the key risks impacting on the achievement of the Agency's Key Performance Targets (KPTs) and includes the following:

- **Resourcing** - There is a risk that the Agency may not achieve its objectives and targets due to poor financial management and/or limited financial resources which could result in a failure to provide perceived level of service and reputational damage.
- **Health and Wellbeing** - There is a risk that the Agency may not have sufficient staff, or the right people in the right place at the right time with the right capabilities, to deliver NIEA Business Plan and Statutory Requirements.
- **Functioning & Statutory Framework** - There is a risk that the Agency may have policies and programmes that are no longer fit for the challenges faced.
- **Health and Safety (Welfare and Resilience)** - There is a risk that the operation of the Agency, health & wellbeing of staff, and delivery of services is adversely impacted due to ineffective or non-compliance with H&S policies & procedures.
- **Information & Records Management** - There is a reputational and organisational risk to the Agency from the loss, mishandling, incorrect storage or incorrect disposal of information and sensitive data, which subsequently could result in a major incident and/or General Data Protection Regulation (GDPR) breach. Furthermore, there is a risk associated with poor records management procedures, resulting in the Agency's inability to provide the relevant type of information required, with a subsequent reputational risk.
- **Emergency Response & Organisational Agility** - There is a risk that the Agency does not have in place, or develop, effective contingency plans to be able or manage its response to evolving emergency situations.

## 1.2 Performance Analysis

The Agency had a total of 20 NIEA Group level targets during the 2024-25 reporting year - six of which were marked as NIEA Key Performance Targets (KPTs) i.e. NIEA targets 1-6.

All 20 Group level targets are available to view online via the published NIEA Business Plan.

The Year End summary position of the 6 NIEA KPTs is detailed below. Please note, the achievements reported are subject to validation by the Department of Finance’s Internal Auditors.

The noted NIEA targets are part of a wider programme of activities and achievement is reflective of the relevant component within the wider and longer-term target programme.

### NIEA Key Performance Targets (KPTs) 2024-25

NIEA Target Number	NIEA Target	Target Date	Year End Result	Year End Explanation for Result
1  Ministerial Priority  KPT 1	<p><b>LOUGH NEAGH</b> Deliver the recommendations identified in the Lough Neagh Report, for which NIEA has responsibility to deliver regulation, enforcement and nature recovery by:</p> <p><b>Regulation, Compliance and Enforcement:</b></p> <ul style="list-style-type: none"> <li>Developing a supplementary River Basin Management Plan for Lough Neagh to identify a Programme of Measures to improve water quality and support the co-ordination of the implementation on behalf of DAERA EMFG;</li> <li>Undertaking a programme of risk based cross compliance inspections on farms in identified priority sub catchments of Lough Neagh, taking appropriate enforcement action as required;</li> <li>Providing additional staffing resource to support catchment investigations, and complete an additional 100 waterway inspections in identified priority sub catchments of Lough Neagh; and</li> <li>Procuring and installing permanent monitoring stations at each river in-flow entering Lough Neagh, and at an outlet of the Lough to the Lower Bann, to enable the provision of almost real time data on the nutrient contributions and identify priority areas for action when commissioned.</li> </ul> <p><b>Nature Recovery:</b></p> <ul style="list-style-type: none"> <li>Scoping the development of a Conservation Management Plan for Lough Neagh ASSI/SPA/Ramsar and evidence programme on trophic links, and conservation measures needed to restore resilience and favourable conservation status.</li> </ul>	31 March 2025	<b>Green (Achieved)</b>	<p><b>Regulation, Compliance and Enforcement:</b></p> <ul style="list-style-type: none"> <li>The draft RBMP was agreed with the Minister and work undertaken to prepare for submission to the Executive. Furthermore, work was progressed on the actions in the Lough Neagh Report.</li> <li>During 2024-25, NIEA prioritised the Lough Neagh catchment for Cross compliance visits with 127 inspections conducted within the catchment area (52% of all planned inspections). A further 80 referral inspections were also undertaken within the Lough Neagh catchment following receipt of reports / complaints.</li> <li>Recruitment of staff to undertake additional inspections in the Lough Neagh catchment was undertaken. Four temporary scientific officers were recruited by the end of 2024, to carry out additional survey work in several water bodies in the Lough Neagh catchment, with 53 sites investigated by the end of 2024. Additional survey work continued in early 2025, with 100 sites completed by the end of March 2025. The outcome of these surveys is being used to plan further catchment investigation work in 2025 and beyond.</li> <li>NIEA was allocated £690k in 2024-25 for monitoring equipment for Lough Neagh, which was linked to work undertaken by AFBI within a new project, part of the DAERA-Directed AFBI research programme. This new equipment was procured during the 2024-25 reporting year.</li> </ul> <p><b>Nature Recovery:</b></p> <ul style="list-style-type: none"> <li>A Scoping document was developed, in relation to Conservation Management Plan for Lough Neagh ASSI/SPA/Ramsar and evidence programme on trophic links, and conservation methods needed to restore resilience and favourable conservation status.</li> </ul>

<p><b>2</b></p> <p><b>Ministerial Priority</b></p> <p><b>KPT 2</b></p>	<p><b>MOBUOY</b></p> <p>Safeguard water quality and the environment by:</p> <ul style="list-style-type: none"> <li>• Completing the consultation process on a long term, proportionate, affordable and sustainable remediation solution;</li> <li>• Delivering the Environmental Monitoring Programme; and</li> <li>• Publishing quarterly water quality reports.</li> </ul>	<p>31 March 2025</p>	<p><b>Amber (Partially Achieved)</b></p>	<ul style="list-style-type: none"> <li>• A Submission was issued to Private Office for Minister's consideration and approval to launch a public consultation on a draft Optimum Remediation Strategy (dORS). Completing the consultation process will run into the 2025-26 reporting year and will be a KPT.</li> <li>• Environmental Monitoring Programme ongoing at Mobuoy, including organics screening of River Faughan, monthly surface water sampling, and quarterly groundwater monitoring. Results to March 2025 indicated no impact from Mobuoy to the surface water environment, and no change in risk to the groundwater environment.</li> <li>• Monthly Water Quality Reports issued to NI Water up to February 2025, and Q1, Q2, Q3 and Q4 2024 (calendar year) Water Quality Reports published on the Mobuoy webpage.</li> </ul>
<p><b>3</b></p> <p><b>Ministerial Priority</b></p> <p><b>KPT 3</b></p>	<p><b>PLANNING</b></p> <p>Respond to at least 75% of statutory planning consultation requests within 21 days or otherwise agreed timeframes.</p> <p>Increase the capacity to deal with consultations relating to renewable energy within NIEA, in line with the target for 80% renewables by 2030 in the Climate Change Act (NI) 2022 by:</p> <ul style="list-style-type: none"> <li>• Engaging with other jurisdictions to explore how we could refine our processes and procedures regarding how we respond to planning consultations related to renewable energy leading to a measurable reduction in time taken to respond to renewable consultations; and</li> <li>• Securing and training additional staffing resource to increase the output of renewable applications processed.</li> </ul>	<p>31 March 2025</p>	<p><b>Red (Target Not Achieved)</b></p>	<ul style="list-style-type: none"> <li>• The Agency received 5,317 consultations throughout 2024-25. This indicates that across NIEA &amp; MFD teams, 67% of statutory consultations were responded to within statutory timeframes (21 calendar days or otherwise agreed timescales). This is a dip of 5 percentage points in comparison to last year's overall performance. Whilst recognising this dip, improvements, however, have been made holistically against response timeframes. This has resulted in the Agency reducing the average number of days taken to respond from 25 days in 2023-2024 to a present rate of 23 days in 2024-25.</li> <li>• A sub-group was established between NIEA and Councils to discuss and consider where improvements in services can be made. Furthermore, a workshop with planning officials occurred in March 2025.</li> <li>• Targeted NED advice was placed on the DAERA website which focused on quality of information being submitted, completion of all surveys before consulting with us, provision of a consultation checklist that will assist planners with the provision of documentation, and advice around submission of additional information.</li> </ul>
<p><b>4</b></p> <p><b>Ministerial Priority</b></p> <p><b>KPT 4</b></p>	<p><b>REGULATION OF DRINKING WATER SUPPLIES</b></p> <p>Protect public health by providing effective and efficient regulation and enforcement of drinking water supplies by:</p> <ul style="list-style-type: none"> <li>• 95% compliance with statutory duty to deliver annual monitoring programme for private drinking water supplies;</li> <li>• Categorising 90% of drinking water quality events notified by NI Water within 5 days; and</li> <li>• Publishing an independent annual report on drinking water quality in Northern Ireland.</li> </ul>	<p>31 March 2025</p>	<p><b>Green (Achieved)</b></p>	<ul style="list-style-type: none"> <li>• 95% compliance with statutory duty to deliver annual monitoring programme for private drinking water supplies was achieved.</li> <li>• 100% of the drinking water quality events reported from 01/04/2024 to 31/03/2024 have been categorised within 5 working days.</li> <li>• An independent annual report on drinking water quality in Northern Ireland was published on 13 November 2024.</li> </ul>

<p><b>5</b></p> <p><b>Ministerial Priority</b></p> <p><b>KPT 5</b></p>	<p><b>ENVIRONMENT FUND</b></p> <p>Manage at least 36 projects (totaling over £7million in Resource and Capital funding), delivering environmental priorities, through the Environment Fund which contribute to the Environmental Impact Priority Areas listed below, whilst ensuring this is consistent with the wider Departmental priorities.</p> <ul style="list-style-type: none"> <li>• Nature and Climate Recovery: Building Ecological and Climate Resilience;</li> <li>• Connecting People with Nature; and</li> <li>• Water Quality.</li> </ul>	<p>31 March 2025</p>	<p><b>Green (Achieved)</b></p>	<ul style="list-style-type: none"> <li>• During 2024-25, as part of the Strategic Strand of the Environment Fund, 40 Letters of Offer were issued to applicants totalling over £10.1m.</li> <li>• A Water Quality Challenge Fund was also delivered during 2024-25, which provided close to £0.3m to support 15 projects.</li> </ul>
<p><b>6</b></p> <p><b>Ministerial Priority</b></p> <p><b>KPT 6</b></p>	<p><b>PEATLANDS RESTORATION</b></p> <p>Peatlands Restoration by:</p> <ul style="list-style-type: none"> <li>• Developing and launching an Environmental Challenge Fund for Peatlands through support from the Shared Island Initiative, that will contribute to the protection and restoration of our (NI) Peatlands to become healthy functioning ecosystems by 2040, acting as a natural carbon sink to reduce emissions in line with the Climate Change Act (NI) 2022 and (draft) Climate Action Plan 2023-2027 (CAP) through projects that: develop, deliver and monitor peatland restoration plans to maintain and increase the area of peatlands in favourable condition; and that improve capacity building, engagement, citizen science, education and volunteering opportunities for peatland conservation.</li> </ul> <p>This will be an important step to achieving the overall peatland targets within the draft CAP, draft EIP and draft Peatlands Strategy.</p>	<p>30 June 2025</p>	<p><b>Green (Achieved)</b></p>	<ul style="list-style-type: none"> <li>• A Peatland Challenge Fund was launched during 2024, and applications were received and assessed with the target timeframes. 5 Letters of Offer issued totalling c£2.7 million.</li> </ul>

## Other Measures of NIEA's Performance

### Managing Our Human Resources Effectively

The NIEA staff resourcing framework during this reporting cycle has experienced pressures similarly to other public sector organisations, which has had a direct and ongoing impact on the operational activities undertaken by NIEA. The Agency has undertaken to identify key activities and commenced moving staff resources around and across the business to manage the risk profile and fulfil our legal obligations. It is anticipated that this position will continue into the next financial cycle and will remain a priority matter remaining in NIEA Board's agenda.

To address this pressure the NIEA Finance team are enhancing their workforce planning remit to support the early identification of resourcing pressures, in addition to supporting the elevation and management of recruitment competitions.

Corporately NIEA are continuing to invest time and resources across the workforce against a backdrop of high demand for staff by all public sector functions and across the employment market generally.

### Human Rights

The Agency is committed to respecting human rights. We believe that the services we provide and the activities that we undertake have a positive impact on society. The Agency complies with Section 75 statutory equality obligations and all aspects of the Department's Equality Agenda in the delivery of policy and delivery of services.

### Anti-Corruption and Bribery

It is crucial that the Agency maintains high ethical standards. The Agency does not tolerate fraud, bribery, any form of corruption or any illegal or unethical activity. DAERA Strategic Planning & Corporate Services Group Branch has responsibility for leading on Counter Fraud related matters within the Department. The Department's Principal Accounting Officer established the Departmental Counter Fraud Forum (CFF) as a sub-committee of the DAERA Audit and Risk Assurance Committee (ARAC). The role of the Counter Fraud Forum, which includes representation from NIEA, is to oversee, promote and provide guidance in relation to all Departmental activities associated with the prevention and detection of fraud.

### Managing Our Financial Resources Effectively Within a Strong Corporate Governance Framework

The NIEA 2024-25 Provisional Resource DEL overspend of £352K represents 1.08% of the closing net Resource budget (£32.455m), following the final in year monitoring round.

The Capital DEL underspend of £182K represents 3.02% of the closing Capital budget (£6.031m).

The over/under spends relating to Resource DEL and Capital DEL were managed and accommodated by planned over/underspends elsewhere within the parent Department.

### Funding

Our primary source of funding in terms of Resource and Capital Expenditure comes from Central Government. However, 29% (2023-24: 28%) of expenditure in 2024-25 was funded from external sources including income from Regulatory Charges and the Carrier Bag Levy. The total net assets held by the Agency at 31 March 2025 were £24,485K (2023-24: £23,913K).

## Results for the Year

The Statement of Comprehensive Net Expenditure is set out on page 82 and shows the net cost of operations as £45,774K (2023-24: £40,857K) representing an increase in net costs amounting to £4,917K (12.03%). The overall net increase is due to a marginal increase in staff costs as a result of the 2024-25 pay award; an increase in both capital and revenue grant expenditure; an increase in intra-departmental notional charges, in addition to the cumulative impact of other minor cost movements across a number of expenditure areas.

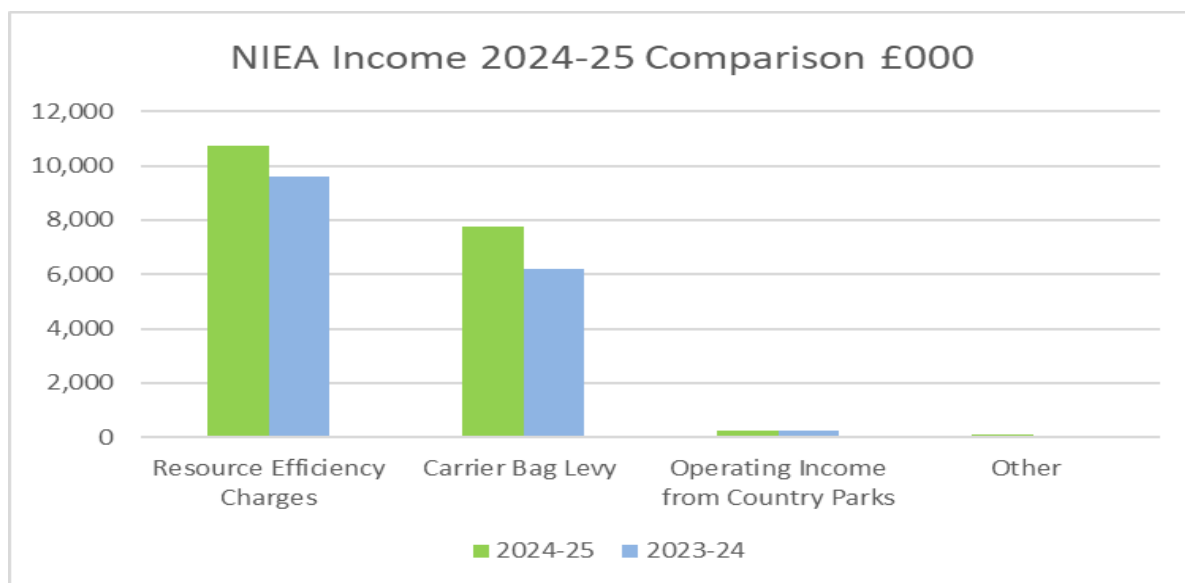
### Income

NIEA’s income increased by £2,773K (17%) on last year from £16,021K in 2023-24 to £18,794K in 2024-25.

The Agency’s share of income from the Carrier Bag Levy increased from £6,210k in 2023-24 to £7,744k in 2024-25, an increase of 25%. This increase is a reflection of the allocation made to the Agency by Committee for Agriculture, Environment and Rural Affairs (AERA) as part of the overall Carrier Bag Levy funds allocation and expenditure profile adopted to fund supplementary private sector programmes and projects compatible with NIEA’s environmental objectives.

The overall increase is also reflected in the Regulatory Income Charges made totalling £10,737K representing an increase of £1,149K compared to income of £9,588K in 2023-24, a rise of 12%. Likewise, income from Country Parks has increased marginally by 3% from £223K in 2023-24 to £230K in 2024-25.

The chart below provides a breakdown of income figures.

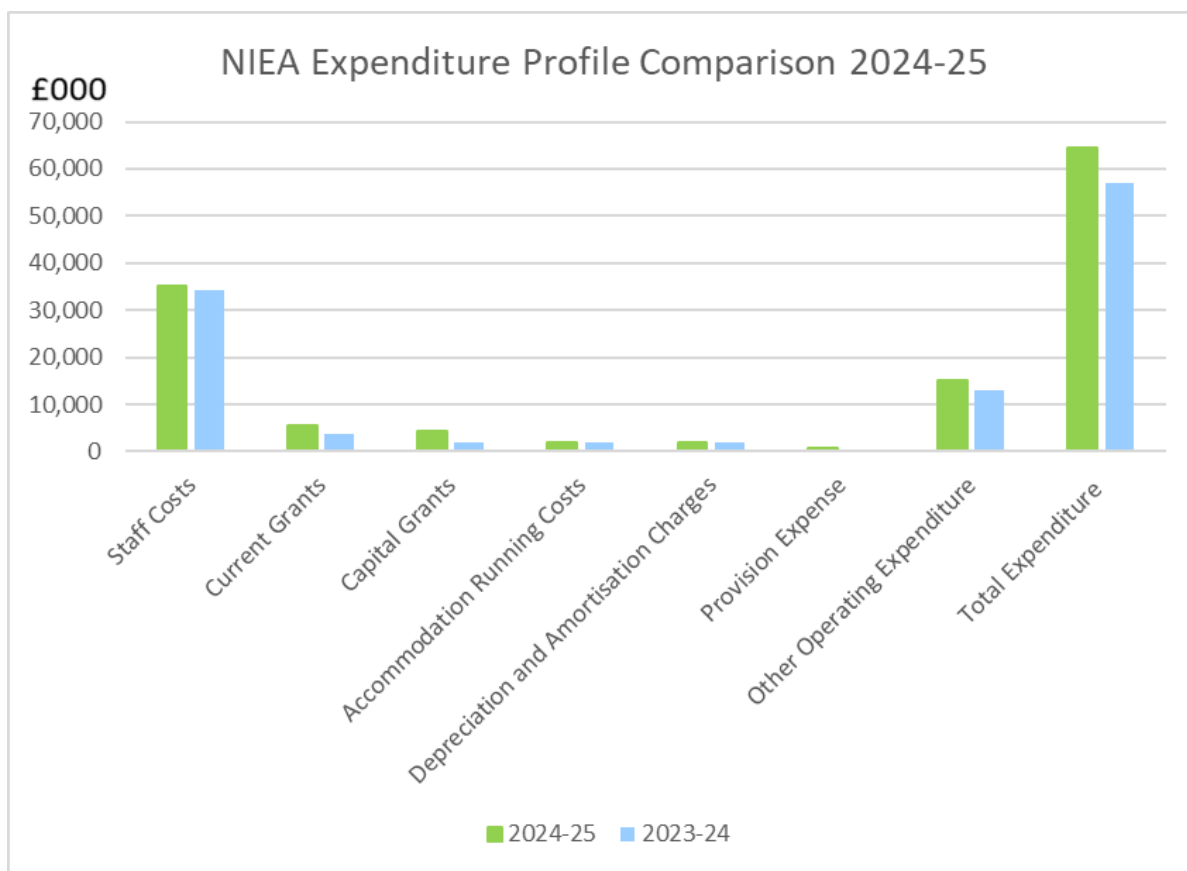


## Expenditure

The NIEA’s total expenditure for 2024-25 was £64,568K (2023-24: £56,878K) representing a 13.5% increase on the previous year. This is primarily due to a combined increase of £4,296K in current and capital grants, and a £2,2024K increase in notional charges during the reporting period.

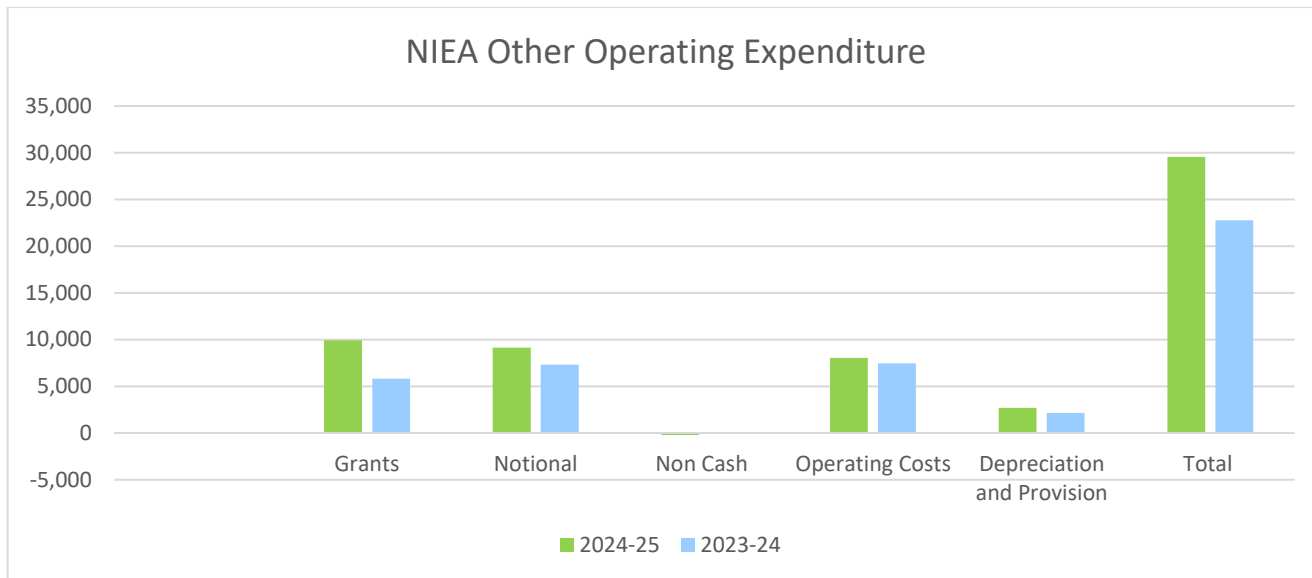
Staff costs amounting to £35,000K (2023-24: £34,103K) made up 54% (2023-24: 60%) of the total expenditure, representing a decrease in staff costs percentage of operating costs.

The chart below provides a comparison of the cost profile.



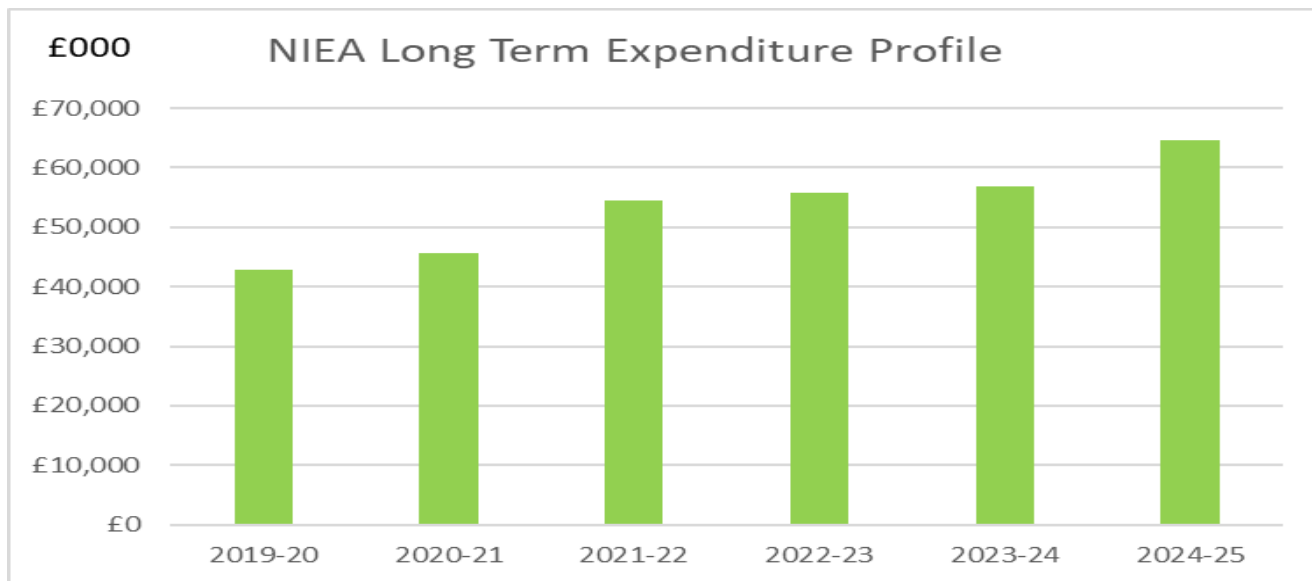
NIEA’s Notional costs of £9,146K (2023-24: £7,310k) make up 31% (2023-24: 32%) of the total other operating expenditure. Grant costs of £9,919K (2023-24: £5,823K) represent 34% (2023-24: 26%) of the total. A breakdown of grants by directorate is included in Note 4 of these accounts.

The chart below provides a breakdown of other operating expenditure.



### Long Term Expenditure Trends

The following chart shows the expenditure trends arising over the past six years.



The NIEA’s overall expenditure profile increase in spend in 2024-25 was primarily represented by an increase in grants, notional costs alongside a marginal increase in staff costs. Overall, the Agency has reduced its corporate estate and relocated to one principal office building, whilst accessing others across the DAERA estate. This reduces the accommodation costs and assists with minimising the environmental footprint of the NIEA.

## **Property, Plant and Equipment and Intangible Assets**

The Agency does not believe that there is any material difference between the market and book value of its property, plant and equipment and intangible assets. Movements on property, plant and equipment and intangible assets are set out in Note 8 to the accounts.

## **Supplier Payment Policy**

The Agency is committed to the prompt payment of bills for goods and services received in accordance with the Better Payment Practice Code. Unless otherwise stated in the contract, payment is made within 30 days of the receipt of the goods and services, or presentation of a valid invoice or similar demand, whichever is later. In November 2008, the Executive sought payments to be made within 10 days to help local businesses in the current economic climate. In 2024-25, 99% of invoices for goods or services were paid within 30 days (2023-24: 98.5%) and 95.6% were paid within 10 days (2023-24: 93.9%).

## **Political and Charitable Donations**

The Agency made no political or charitable donations within the financial year (2023-24: £Nil).

# Sustainability Report

## The Northern Ireland Government Department's Sustainability Activities

In June 2022 Northern Ireland obtained its first regional level climate change legislation. The Climate Change Act (Northern Ireland) 2022 (the Act) sets a clear statutory target of net zero emissions by 2050. This legislation places a statutory duty on all Government departments to exercise their functions in a manner that is consistent with achieving that target as far as possible. The legislation requires the publication of a series of Climate Action Plans which set out how carbon budgets will be achieved across five yearly intervals. These Plans contain policies, proposals and actions submitted by all departments to meet sector specific emissions targets.

The legislation also requires that each function monitors and reports on progress made in its area of responsibility, in implementing the proposals and policies set out in the Climate Action Plan. The information collected through sustainability reporting may form a part of the interim (after three years of carbon budget) and final (after final year of carbon budget) Climate Action Plan progress reports. Therefore, it's that functions gather baseline data and measure the impact of actions taken.

The requirements contained within the Act are underpinned by a number of additional key strategic drivers which require actions that contribute to achieving Net Zero, a clean environment rich in biodiversity and promoting a sustainable economy. These include for example: draft Programme for Government (PfG); draft Green Growth Strategy for Northern Ireland; draft Environment Strategy and draft Environmental Improvement Plan; the Executive's Energy Strategy for Northern Ireland; the Energy Management Strategy; draft Circular Economy Strategy; and the UN 2030 Agenda for Sustainable Development.

In addition, under the Wildlife and Natural Environment Act (Northern Ireland) 2011, it is the statutory duty of every public body, in exercising any function, to further the conservation of biodiversity as far as is consistent with the proper exercise of those functions.

It is essential that Government functions lead by example through delivering net zero operational carbon emissions with improved biodiversity, increased efficiency and procurement that aligns with 'green growth' and the furthering of sustainable development.

The ability to set SMART targets and report progress at this point is limited in some areas by a lack of available data and metrics. However, work is underway within to develop carbon baselines along with exploring actions which will enable the setting of specific measurable targets for the future. This will help set out plans to reduce our carbon emissions in line with policy and legislative requirements, ensuring that public functions lead by example in line with the draft Green Growth Strategy commitments.

### **Climate Change**

#### **Carbon Budgets and Targets**

The Climate Change Act 2022 (the Act) mandates the setting of carbon budgets, which limit the total amount of greenhouse gases that can be emitted over specific 5-year periods.

In December 2024, legislation was passed by the Northern Ireland Assembly, which set the first three carbon budgets in law.

The Act requires carbon budgets to be set in line with the 2050 net zero target and the 2030 & 2040 targets in the Act. The UK Climate Change Committee (CCC) published a report March 2023

entitled “The path to a Net Zero Northern Ireland” which included recommendations on the first three carbon budgets. The advice recommended that:

- The target for year 2030 is at least 48% lower than the baseline;
- The target for 2040 is at least 77% lower than the baseline;
- Carbon Budget 1 (2023-2027) be set at an average annual reduction of 33%;
- Carbon Budget 2 (2028-2032) be set at an average annual reduction of 48%; and
- Carbon Budget 3 (2033-2037) be set at an average annual reduction of 62%.

As required by the Act, DAERA as NIEA’s parent Department ran a 16-week consultation on the proposed carbon budgets and emission reduction targets between 21 June and 11 October 2023. DAERA received 235 written responses. The majority of respondents (approx. 70%) supported setting targets and the first three carbon budgets in line with the CCC’s recommendations. DAERA also held engagement events during the consultation and the events were attended by over 700 attendees.

On 9 December 2024, the DAERA Minister made a written statement to the Assembly to retain the 2030 48% emissions reduction target specified in the Act<sup>1</sup>. The Climate Change (2040 Emissions Target) Regulations (Northern Ireland) 2024 which set the 2040 emissions reduction target were made on 11th December 2024<sup>2</sup>. Targets in the Act are in line with the recommendations of the CCC.

The Climate Change (Carbon Budgets 2023-37) Regulations (Northern Ireland) 2024 which set the first three carbon budgets in legislation in line with the advice of the CCC came into operation on 11 December 2024<sup>3</sup>.

These carbon budgets set a trajectory that ensures a planned and gradual approach to reducing our emissions. This will help to ensure that we have a fair and just transition and that we bring all sectors and communities with us.

There will be significant benefits for the local population if we fully embrace the opportunities provided by addressing climate change, not only through welcome investment in sustainable, green energy and technologies but also through the new employment opportunities this will bring and to take advantage of the economic opportunities that are so clearly available as we shift towards a greener economy.

These legally binding targets are crucial as they will ensure accountability in tackling climate change and will ensure economic and social stability in the transition to a low carbon future, they will turn climate goals into action. Legally binding budgets create long term stability making it harder for future government, organizations, businesses to roll back on climate commitments. The setting of this legislation is a key milestone for Northern Ireland and its sustainable future, their success now will be dependent on effective policy implementation, stakeholder cooperation and Government commitment.

The table below shows that in 2023, Northern Ireland contributed 5.3% of all UK greenhouse gas emissions. Since the base year, Northern Ireland's total greenhouse gas emissions have decreased by 26.4% from 29.0 to 21.3 million tonnes of carbon dioxide equivalent (MtCO<sub>2</sub>e). Further detail can be obtained here - [Northern Ireland Greenhouse Gas Emissions 1990 -2022](#)

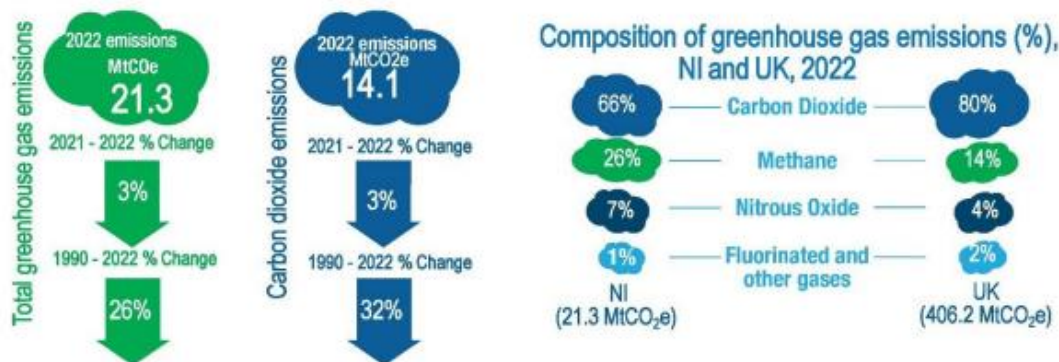
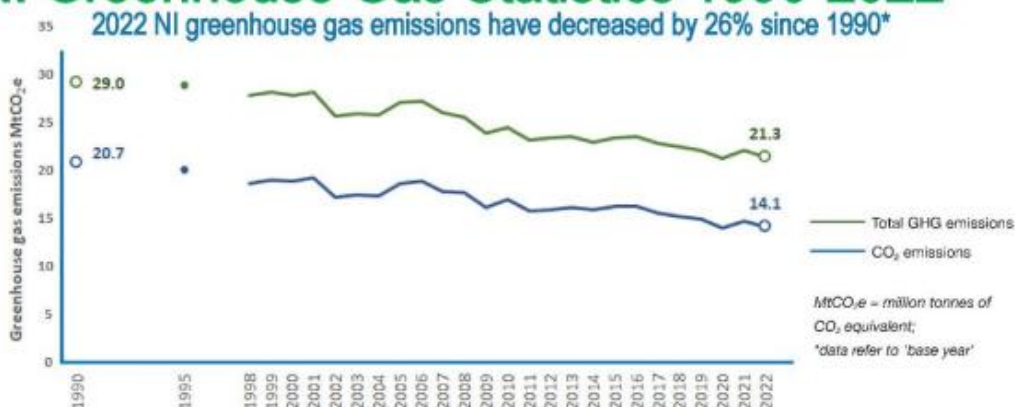
---

<sup>1</sup> <https://www.niassembly.gov.uk/assembly-business/official-report/written-ministerial-statements/department-of-agriculture-environment-and-rural-affairs---net-northern-ireland-emissions-account-for-the-year-2030/>

<sup>2</sup> <https://www.legislation.gov.uk/nisr/2024/214/made>

<sup>3</sup> <https://www.legislation.gov.uk/nisr/2024/215/made>

## NI Greenhouse Gas Statistics 1990-2022



### Climate Action Plan

NI's first Climate Action Plan (CAP) will set out the approach to meeting the first carbon budget (covering the period 2023-27) through a set of policies and proposals for emissions reductions. It will also establish a pathway towards the interim targets for 2030 and 2040 and the overall net zero by 2050 target.

Under the Climate Change Action (NI 2022) eight sectors have been identified for targeting Climate Action. Of the eight sectors, DAERA is responsible for four - Agriculture, Fisheries, Land Use, Land Use Change and Forestry (LULUCF); and Waste. Each sector is required to develop and implement specific plans detailing how they will contribute to achieving NI's Climate targets.

DAERA is leading the development of the CAP, and there has been significant cross departmental collaboration with all departments to ensure a comprehensive approach. A significant amount of work has taken place on the identification of policies and proposals to reduce emissions across sectors. The plan is being formulated based on robust scientific data and evidence, to ensure its effectiveness in addressing climate challenges.

The relevant departments have made notable progress in establishing this framework for Climate Action under these 8 sectors. The successful delivery will require continued cross departmental collaboration, stakeholder engagement and effective policy execution which will be necessary to achieve the requirements set in the Carbon Budget legislation.

## **Public Body Reporting**

DAERA were key in the development and the passing of the legislation which mandates public bodies to report on their climate change mitigation and adaptation efforts under the Climate Change Act NI 2022. These regulations became effective on the 3 May 2024. These regulations specified the reporting obligations for 40 designated public entities.

Under the requirements of this legislation, public bodies must report on both mitigation (efforts to reduce Greenhouse Gas Emissions) and adaptation (Strategies to cope with Climate change impacts). These regulations establish separate reporting cycles ensuring that reports are submitted at different times to manage workloads effectively. DAERA will be assisting public bodies to fulfil their reporting obligations and is currently developing a portal which will provide access to guidance, toolkits, training materials and a support network.

The formulation of these regulations involved extensive consultation, including public workshops, stakeholder engagements to ensure the reporting framework is practical and effective. The overall aim is to ensure transparency and accountability among public bodies in Northern Ireland.

## **Importance of Behaviour Change**

DAERA has a number of workstreams in progress on harnessing behavioural science to achieve the societal behaviour change needed to reach net zero by 2050 (and the 2030 and 2040 emissions reduction targets). Assisted by a UK Research and Innovation research fellow, DAERA commissioned a bespoke, NI survey of 1,000 households to examine behaviours and attitudes in the areas of energy, transport, consumption and food/diet in response to House of Lords recommendations. Analysis of this data in 2024 helped inform future behaviour change interventions to support delivery of CAPs and priorities for communications and engagement. DAERA has also developed a business case to provide a Social Science Service (including behavioural change) to DAERA staff in both policy and operational areas.

## **Emissions Trading Scheme**

DAERA, as part of the UK Emissions Trading Scheme (UK ETS) Authority, along with the UK, Scottish and Welsh Governments, implements the UK ETS in respect of NI. This UK wide scheme incentivises industrial sectors within scope to decarbonise by requiring payment for carbon emissions. On 1 January 2024, the Authority aligned the scheme with UK Government and Devolved Administration net zero climate targets. Throughout the year we have undertaken consultation on the expansion of scope of the Scheme to encompass emissions from waste incineration, domestic maritime, non-pipeline transport of emissions to permanent storage, and the integration of Greenhouse Gas Removals.

We were also crucial in the development and implementation legislation to develop and increase the effectiveness of the Scheme, including 'The Greenhouse Gas Emissions Trading Scheme (Amendment) (no. 2) Order 2024' laid in all 4 UK legislatures on 22 October 2024 (net zero cap implementation, CO2 venting, penalty amendments, extension of GB only amendments to NI), 'The Greenhouse Gas Emissions Trading Scheme (Amendment) Order 2025' laid on 3 December 2024 (permanent cessations) and 'The Greenhouse Gas Emissions Trading Scheme (Amendment) (No 2) Order 2025' (which made further technical amendments to the Scheme), laid on 12 February 2025.

## **Just Transition Commission**

Policy development work to establish an independent Just Transition Commission continues. The Commission, once established, is an independent advisory body that will help to ensure that the shift towards a low carbon, climate resilient economy is fair. It will provide advice to NI departments on just transition matters and provide oversight on the implementation of the just transition elements of the Climate Change Act which include objectives around sustainable jobs, supporting low carbon investment and infrastructure etc.

A public consultation on the proposals closed on the 20 January 2025. Engagement sessions undertaken during the consultation period were undertaken and now the Department is in the process of analysing the results, a summary of the outcomes will be published in due course. Regulations that establish the Commission have been drafted, in compliance with the CCA (NI) Act 2022 the advice of the CCC will be sought. Executive agreement on the Regulations will be sought in due course following which the Regulations will be laid in draft in NI Assembly for debate and approval in 2025-26. Once the Regulations are in place, members will be recruited to it following Public Appointments guidance.

## **Climate Adaptation**

In April 2023, the UK Climate Change Committee published an expert independent assessment of the over-arching second NI Climate Change Adaptation Programme (NICCAP2) following a request from DAERA. The independent review provided an independent expert assessment of the effectiveness and progress of action taken in adapting to climate change in NI and is now being used alongside the UK's Third Climate Change Risk Assessment (CCRA3) to help inform the development of the Third Northern Ireland Climate Change Adaptation Programme (NICCAP3) which DAERA is leading on the development of on behalf of all departments. Significant progress has been made on the development of NICCAP3, it is envisaged that subject to the Executive's agreement that the consultation on the draft NICCAP3 will issue early 2025-26 financial year.

In recognition of the important role key stakeholders such as local councils, eNGOs, and academia have in building resilience to the impacts of climate change the DAERA funded Climate NI Project has been engaging with a range of key stakeholders in the NICCAP3 development.

On 30 January 2025, DAERA published an end of Programme Report on the NICCAP2.

## **Education and Upskilling**

DAERA has continued to support Keep Northern Ireland Beautiful (KNIB) to develop and deliver climate change awareness materials for use by schools and community groups through continued provision of grant funding. Training has been provided to teachers, pupils, community groups and individuals through a range of tailored learning resources.

During 2024-25 DAERA, in conjunction with DoF, continued to make available our 'Climate Smart for Civil Servants' training courses - which was attended by over 700 staff from across a range of NICS departments.

## **Shared Buildings**

DAERA is very active in supporting the decarbonisation of its estate and improving energy efficiency across its buildings.

The transfer of NIEA's headquarters building to Lisburn and Clare House supported an opportunity to further utilise hybrid and devolved working to support the wider business development and to

support the flexible use of the Agency and DAERA estate. This has enabled NIEA to release a significant estate footprint that was no longer required back onto the market, enabling significant reductions in NIEA’s own carbon footprint.

This move coupled with operational developments, will support our ongoing commitment to reduce carbon emissions and help to protect our environment for future generations.

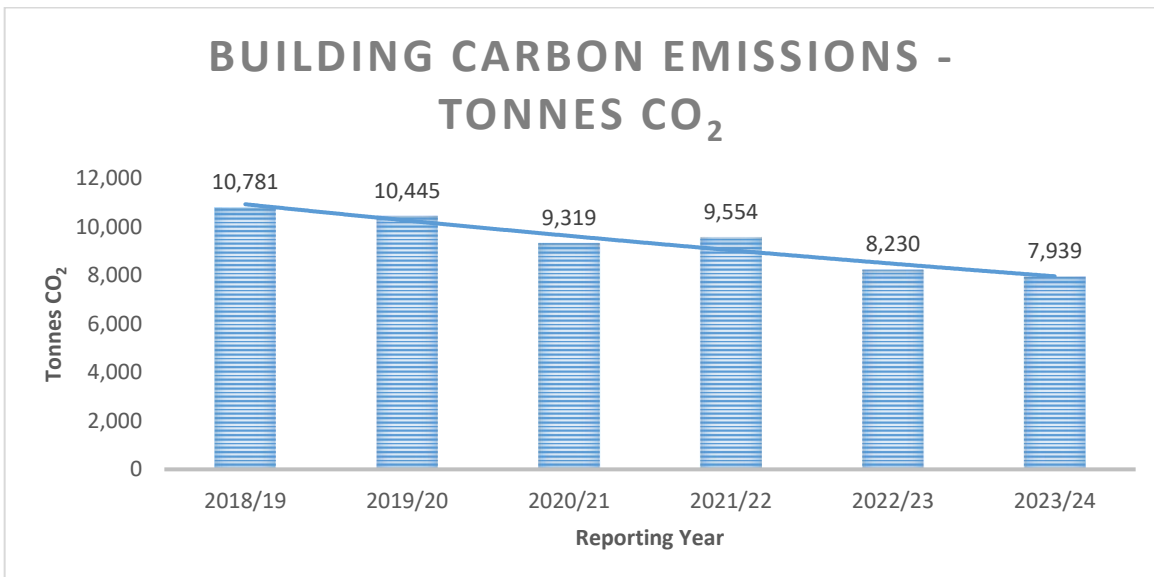
### DAERA Estate Sustainability and Energy Efficiency

NIEA is a contributor to the DAERA five-year Estate Sustainability Action Plan for the Built Estate (2022-27) which is now in Year 3 during 2024-25. The Plan details the actions being taken under a number of key themes to help reduce the Department’s carbon emissions and energy usage, whilst promoting sustainability measures across the built estate. The work undertaken within the Plan and through DAERA’s Estate Sustainability Forum will contribute to Net Zero carbon emissions by 2050. Work has also been undertaken across the range of estate new build projects to reduce their operational carbon footprints when constructed.

A carbon baseline exercise along with the production of a pilot site decarbonisation plan was completed in 2023-24 and during 2024-25 this work has been used to assist in prioritising and planning energy efficiency and emissions reductions programmes across the built estate.

On energy, the DAERA Dept. group has been working towards reducing our energy usage and carbon emissions through implementing energy efficiency measures and considering alternative low carbon fuels. Across the four areas of energy usage for 2023-24, the breakdown is: electricity (42%), gas/LPG (32%) - with these two sources accounting for nearly three quarters of the energy consumed, followed by oil (21%), and renewables (5%). During 2024-25, scoping work has completed on a number of projects to increase the percentage of renewable energy being generated across the estate. These projects are due to commence in 2025-26.

The DAERA Dept. group emissions reported over the last six years in tonnes CO<sub>2e</sub> are showing a steady downward trend. The reported figure for 2023-24 of 7,939 tonnes CO<sub>2e</sub> shows a 3.5% (or 291 tonnes) reduction in emissions from 2022-23. These reductions are due to reductions in energy usage through energy efficiency work programmes, efficiencies in estate operations and the use of lower emission fuel sources. These figures are calculated in line with the Department for Business, Energy and Industrial Strategy (BEIS) factors used to calculate carbon emissions.



## Carbon Budgets and Targets

In December 2024 legislation was passed by the Northern Ireland Assembly, which set the first three carbon budgets (covering the period 2023-27) and a 2040 Emissions Reduction Target for Northern Ireland into law. Carbon Budgets are a key mechanism under the Climate Change Act 2022 for limiting emissions in Northern Ireland over 5-year periods to remain on track for delivering on Northern Ireland's longer term emissions reduction targets.

This was an important development to provide clarity and certainty for NIEA and the wider public and private sector on the level of emissions reductions required over the coming years at a NI level. The setting of the carbon budgets also provide clarity for the purposes of developing and delivering Northern Ireland's first three Climate Action Plans and a clear focus on what is anticipated being delivered.

## Sustainable Initiatives

To help address the issue of excess nutrients from livestock slurry, DAERA has launched Phase 2 of the Sustainable Utilisation of Livestock Slurry. This phase will run from October 2024 to October 2027. £12m will be provided to help deliver proposals to address the issue of excess nutrients, particularly phosphorus, within NI agriculture and promote efficient recycling of organic nutrients.

The funding is being used to support demonstration projects to separate livestock slurry, and nutrients on farm. The separated dry fraction is used as a feedstock for anaerobic digesters (AD) to produce renewable energy. The resulting digestate from the AD process is further separated with the solid fraction being processed again to produce products which can be exported out of Northern Ireland, including organic fertiliser, biochar or cement products. A Mobile separation equipment was operational in the last quarter of 2024-25.

Implementation of the Plastic Reduction Action Plan has removed unnecessary single use plastics from across the government estate. All in scope products have been eliminated or replaced with environmentally friendly alternatives.

DAERA, as part of implementation of the Innovation Strategy and working in partnership with Digital Catapult (funded by a DAERA grant of £0.23m), completed the Tenfold Net Zero Accelerator Pilot Project in November 2024, an initiative aimed at testing the Accelerator collaboration model in NI in the sectors under DAERA's remit. During the pilot, three industry challenge owners were each paired with an innovative technical solution provider to craft a Proof-of-Concept (PoC), an initial step towards addressing specific challenges faced in their drive towards Net Zero. The PoCs concerned on-farm feed management and efficiency, optimisation of on-farm nutrient management and, waste reduction and energy efficiency in bottle manufacturing processes. The pilot also highlighted how collaborative approaches can encourage or support wider industry adoption of innovative processes and products. DAERA is currently assessing how the Accelerator collaboration model can be applied/adapted for future similar initiatives in DAERA or across the NICS.

DAERA, in conjunction with the Irish Government's Department of Agriculture, Food and the Marine (DAFM) and the Department of the Taoiseach, announced a €9 million funding initiative to support the development of the all-island bioeconomy in the agriculture and marine sectors. This Shared Island Initiative will pilot and demonstrate the bioeconomy in action across the island of Ireland, aiming to advance sustainable opportunities on an all-island basis from biomass produced from both land and marine areas through the development of innovative, higher added value

biobased products and solutions, with clear climate and environmental benefits. The initiative will support agri-bioeconomy innovation in Northern Ireland and blue bioeconomy innovation in Ireland. Two events took place in March/April 2025 (one in Northern Ireland and one in Ireland) with positive engagement from stakeholders in relation to the open call. A call for applications closed in June 2024 and a varied range of applications were received. A three-stage evaluation process concluded in January 2025 and included input from DAERA, DAFM as well as independent international experts to assess applications. Successful projects from this call will be announced in Q1 2025-26.

### **Collaboration Co-Centres**

The Co-Centre Programme is a new strategic collaborative partnership between Ireland, Great Britain and Northern Ireland, co-funded by industry, which will consolidate research activities across higher education and research institutes in co-hosted Centres. The programme will support large-scale, virtual Centres with the aim of strengthening the research and innovation base within Ireland, Great Britain and Northern Ireland, building strategic partnerships across these regions to support a competitive economy and addressing societal and environmental challenges.

The awards for two new virtual research centres (Co-centre for Sustainable Food Systems and Climate + Biodiversity + water Co-Centre), represent the first North-South/East-West research funding collaboration of scale involving SFI, DAERA and UKRI, and fulfil the New Decade, New Approach Deal commitment to developing an enhanced North/South programme of research and innovation. The total government funding available for the Co-Centres programme amounts to £64m broken down as follows: SFI, £35m; DAERA, £17m; UKRI, £12m over a period of 72 months (7 financial years).

### **Climate + Biodiversity + Water**

The Co-Centre for Climate+ Biodiversity+ Water houses research for innovation and policy across climate, biodiversity and water challenges on the islands of Ireland and Britain.

The research will facilitate fair transitions to Net Zero, reverse biodiversity loss, and restore water quality for a sustainable economy. A transformational shift in land use is needed to achieve environmental targets while contributing to a sustainable economy and livelihoods. We will provide urgently required solutions and pathways for sustainable and just transitions in land use for climate, biodiversity and water.

### **Sustainable Food Systems**

A sustainable food system delivers food security and nutrition for all in such a way that the economic, social and environmental bases to generate food security and nutrition for future generations are not compromised.

The research programme within the Co-Centre for Sustainable Food Systems consists of platforms, demonstrator and spoke projects, taking a holistic cross-jurisdictional approach to tackle universal issues across global food systems.

Five research platforms consisting of translational research into topics such as food production, food safety, data modelling, sustainability, nutrition and health or the regulatory context of food systems will further advance into 3 demonstrator projects. These key studies will showcase the complexity and inter-relationships amongst the platforms. In parallel, multiple spoke projects, co-designed with industry, will ensure that the Co-Centre for Sustainable Food Systems addresses

pressing needs for industry in transforming food systems and provide innovative evidence-based solutions:

<https://foodcocentre.org>

<https://Co-Centre Programme | Department of Agriculture, Environment and Rural Affairs>

[The Co-Centre Programme Nature Recovery](#)

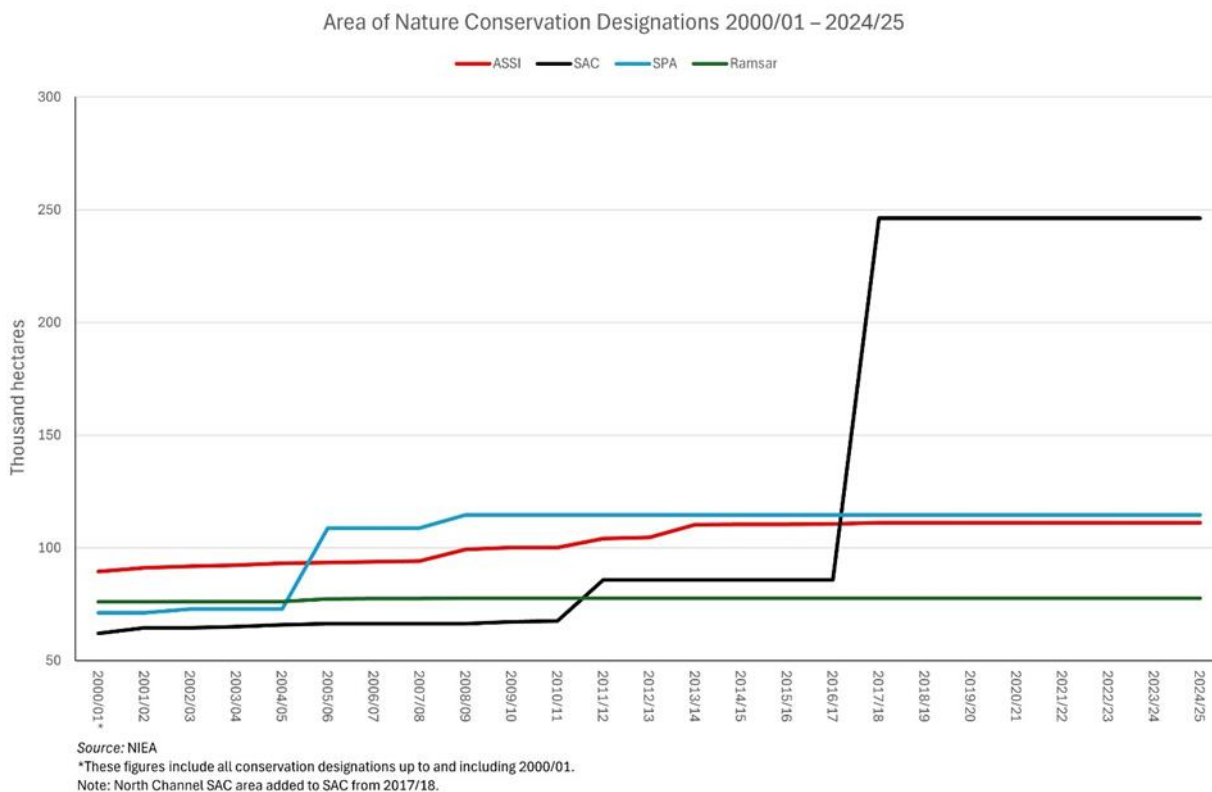
NIEA has progressed initiatives and funded projects in support of Nature Recovery and Action Planning. Designated Sites will help form core elements of Nature Recovery Networks. To date, 45 draft Conservation Management Plans (CMPs) for our Special Areas of Conservation (SAC) have been completed and published here:

<https://www.daera-ni.gov.uk/articles/introduction-conservation-management-plans-cmps-northern-irelands-special-areas-conservation>

All plans have been developed using a common approach consisting of development of a habitat map, identification of the pressures and threats, stakeholder engagement and subsequent development of appropriate management actions. Work is continuing with partners to deliver the remaining plans and prepare completed draft plans for sharing with delivery partners.

## Nature Conservation Designation

The chart below features the area of NIEA’s nature conservation designations from 2000-01 to 2024-25.



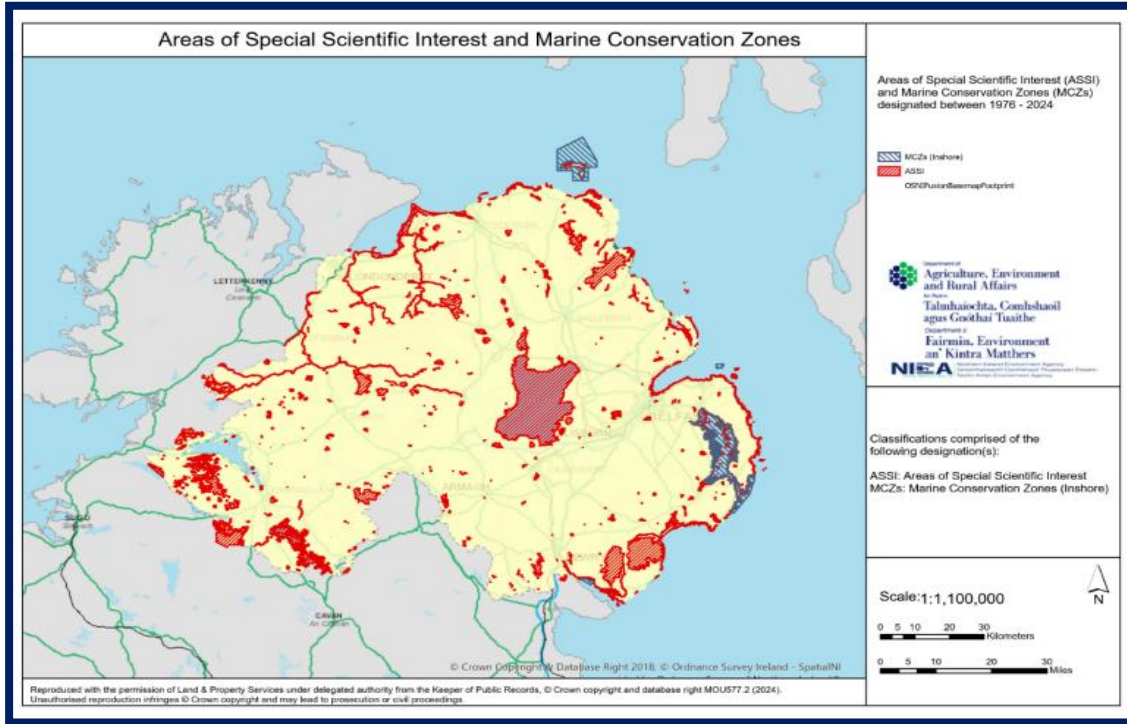
Source: NIEA \*These figures include all conservation designations up to and including 2000-2001.

Identifying and protecting areas of special nature and Earth Science (geological) interest has been a cornerstone of conservation action on land in NI over the last 50 years, and at sea from the mid-2000s. Areas which are particularly important for certain species, habitats or Earth science features have been formally designated in accordance with a number of pieces of national and international legislation, into one or more of the designations displayed in the above chart.

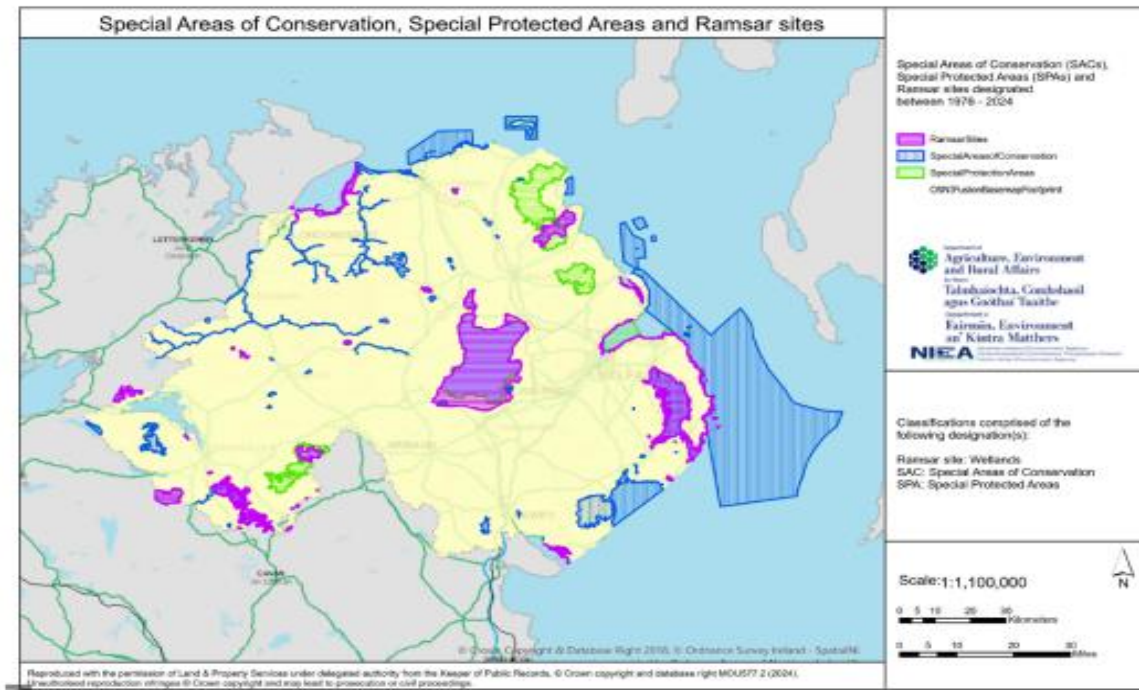
These protected areas aim to retain and enhance the nature conservation value of their features of interest and bring associated wider ecosystem benefits. The on-going protection and management of this network of sites ensures that important natural and cultural assets are available to be enjoyed by this and future generations.

By 31 March 2025, a total of 111,159 hectares across 394 sites were declared Areas of Special Scientific Interest (ASSI). 246,300 hectares across 58 sites were declared Special Areas of Conservation (SACs) and 114,600 hectares across 16 sites as Special Protection Areas (SPAs). 77,700 hectares across 20 sites were declared as Ramsar sites (areas of wetland and waterfowl conservation) and 26,178 hectares across five sites as Marine Conservation Zones (MCZs).

Areas of Special Scientific Interest (ASSI) and Marine Conservation Zones (MCZ), designated between 1976 and 2025 are highlighted in graphic below.



Special Areas of Conservation (SACs), Special Protection Areas (SPAs) and Ramsar sites, designated between 1976 and 2025.



## Environment Fund

The Environment Fund (EF) also supported climate adaptation projects. A new Environment Fund to cover 2023-28 was developed by NIEA in 2022-23 and two Environmental Impact Priority areas were identified for new strategic strand projects:

- Nature and Climate Recovery: Building Ecological and Climate Resilience; and
- Connecting People with the Environment.

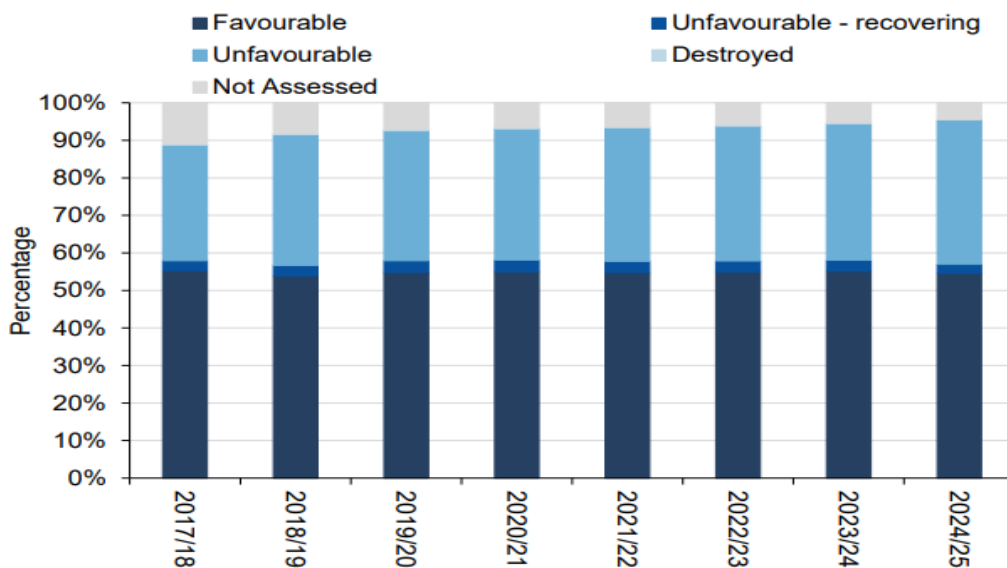
## Protected Sites

Protected sites have been designated based on specific qualifying features of interest, which include many types of habitats, species and Earth science features. A site will have at least one feature of interest. Some sites have multiple features. To comply with the parent legislation, regular monitoring and reporting on the features is required, to assess their condition.

The most up-to-date figures for the 2024-25 reporting period highlight that 54% of all features, both terrestrial and marine, are in favourable condition, 38% are in unfavourable condition, 2% are unfavourable-recovering and less than 1% are destroyed. A total of 4% of features have not had a formal condition assessment, therefore a condition cannot be determined for these features.

The table below displays the conditions of features within Marine and Terrestrial protected sites from 2017-18 to 2024-25.

**Condition of Features within Marine and Terrestrial protected sites 2017/18-2024/25**



Source: NIEA, published in Northern Ireland Environmental Statistics Report 2025 [NI Environmental Statistics Report 2025](#)

When split into habitats, species and Earth science features assessed, 35% of habitats and 58% of species features are in favourable condition, compared to 93% of Earth science features in favourable condition. This reflects the relative stability of geological features compared to the increasing pressures on the natural environment, contributing to the comparatively lower percentages for habitats and species features.

Condition of features within Terrestrial and Marine protected sites by type of feature, year ended March 2025:

Feature Type	Number of Features	Number of Features in Favourable Condition	Proportion Favourable %
<b>Habitats</b>			
Bogs	53	7	13%
Coastal	52	20	38%
Fen, marsh & swamp	89	26	29%
Freshwater	58	17	29%
Grasslands	103	63	61%
Heathlands	42	4	10%
Inland Rock	16	11	69%
Marine	46	40	87%
Woodlands	80	2	3%
<b>Habitats Total</b>	<b>539</b>	<b>190</b>	<b>35%</b>
<b>Species</b>			
Birds	369	231	63%
Fish	9	4	44%
Fungi	14	8	57%
Invertebrates	156	76	49%
Marine Mammals	7	4	57%
Non-Vascular Plants	35	19	54%
Terrestrial Mammals	11	9	82%
Vascular Plants	70	37	53%
<b>Species Total</b>	<b>671</b>	<b>388</b>	<b>58%</b>
<b>Earth Science</b>			
Earth Science	204	190	93%
<b>Earth Science Total</b>	<b>204</b>	<b>190</b>	<b>93%</b>
<b>Total</b>	<b>1,414</b>	<b>768</b>	<b>54%</b>

Source: NIEA, published in Northern Ireland Environmental Statistics Report 2025 [NI Environmental Statistics Report 2025](#)

## Fleet Management

The NIEA appreciates its environmental responsibilities in relation to the management of its fleet vehicles and has previously explored various options for utilising emerging technologies in this area, primarily driven by the wider infrastructure footprint coupled with the availability of vehicles. The Agency will further develop its Fleet Strategy to consider the correct placement of vehicles in line with evolving business needs, including exploring fuel types best suited to the operational needs of the business.

The current fleet structure was developed in a different period where staff were primarily office based with availability to travel point to point whilst making best use of all available staff time in meeting business objectives. Given the recent adoption of hybrid and devolved working this has created an opportunity to reframe our fleet needs to position and realign resources to meet current needs and objectives.

The Agency's long-term aim for its fleet is to transition to environmentally sustainable options including electric or zero emissions vehicles, in the interim the NIEA will pursue other ultra-low emission solutions where electric, or zero emissions vehicles are not viable. The option feasibility will be considered as part of a wider review of fleet management that is currently underway.

The NIEA has commenced the development of a Fleet Management Strategy during 2024-25 to address the wide range of issues identified by an Internal Audit report and to support the long term plan for this significant asset.

## Future Plans

Over the next year the NIEA will also continue contributing to the Executive's climate change agenda, working with all NICS departments and sectors to develop and implement NI's first Climate Action Plan and reduce carbon emissions.

A further key priority is to ensure the implementation of a new Environmental Improvement Plan (EIP) for NI will take a strategic approach to all the issues facing our environment, which will require collective action across government, private and public sector and in the community. The EIP will also be supported by a new Green Growth Strategy, once agreed, and provide focus for conserving and enhancing our natural environment in the coming decades.

Moving more specifically from environmental improvement to water quality in particular, the NIEA will be integral to bringing forward a Lough Neagh Action Plan, underpinned by science, to address the deteriorating water quality and the appearance of blue-green algal blooms in the lough. To address the blue-green algal blooms and water quality issues working in conjunction with officials from other public sector organisations to address these key issues.

The NIEA has its own and wider environmental responsibilities and these are just a few of the strategies and plans we will bring forward in the future. There are many challenges of meeting these goals, which cannot be done in isolation and as such, how we work, what we do and how we do it, is dependent on partnership, co-design and co-delivery with Industry and other public sector organisations.



**David Reid**  
Chief Executive  
1 July 2025

# ACCOUNTABILITY REPORT

## Corporate Governance Report

### Directors' Report

#### Management Board

NIEA's Management Board during the year ended 31 March 2025 comprised:

#### CHIEF EXECUTIVE

David Reid

#### DIRECTOR OF NATURAL ENVIRONMENT DIVISION

Liz Loughran (Joined the Board 14 September 2024)\*

Lara Strutt (Joined the Board 01 April 2024 and left 30 September 2024)

#### DIRECTOR OF REGULATION AND ENFORCEMENT DIVISION

Richard Crowe

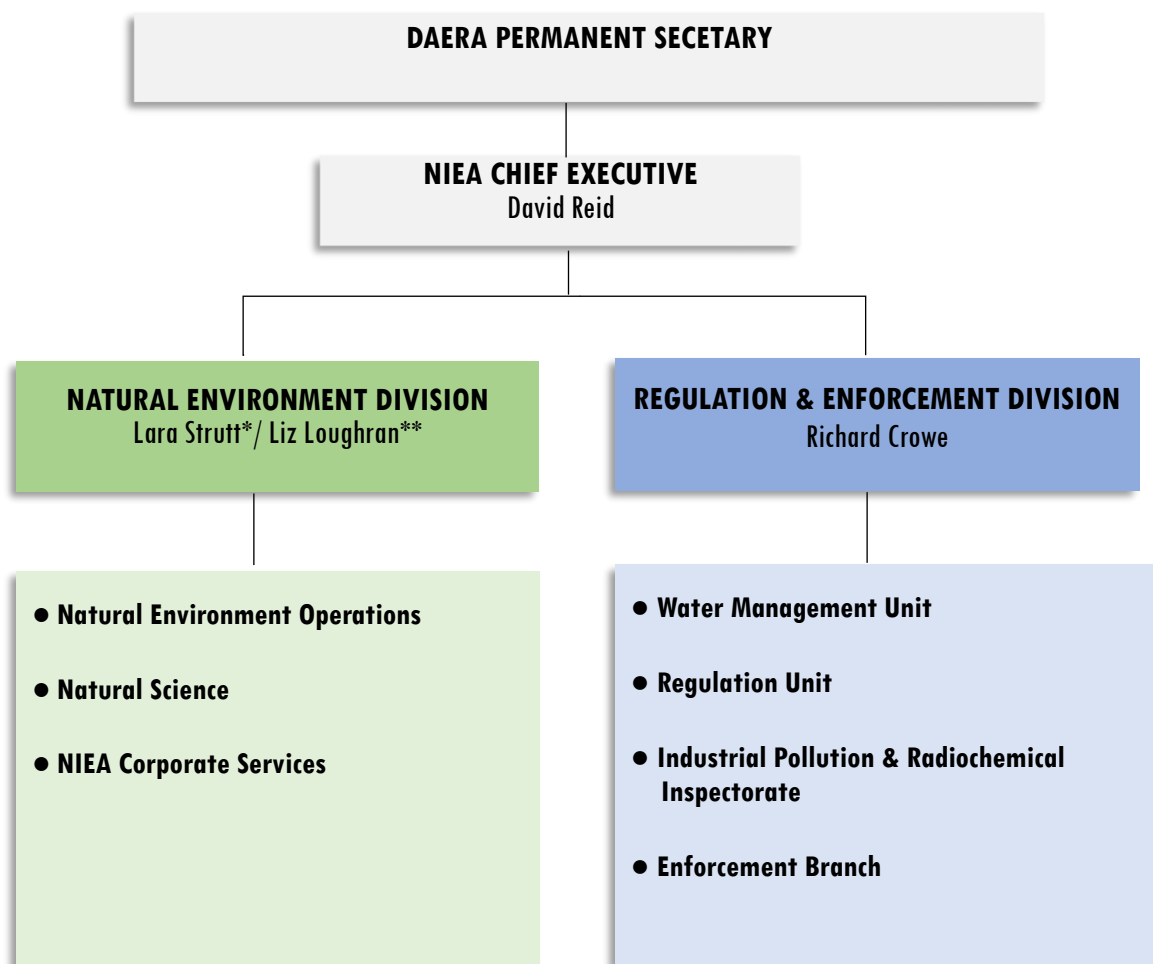
#### NON-EXECUTIVE DIRECTOR

Paul Douglas (Appointed 1 September 2018 with term ending 31 March 2025)

Stephen Welch (Appointed 1 February 2023)

\*Liz Loughran left the Board on a temporary basis to support another DAERA role during January 2024 and rejoined the Board in September 2024.

## NIEA Organisation Chart 1 April 24 - 31 March 25



\*Lara Strutt joined the Board 1 April 2024 and left 30 September 2024.

\*\*Liz Loughran left the Board on a temporary basis to support another DAERA role during January 2024 and rejoined the Board on 14 September 2024.

## **Independent Board Members**

Paul Douglas joined the board as a Non-Executive Board Member in September 2018 and left the Board at the end of his term on 31 March 2025.

Stephen Welch joined the board as a Non-Executive Board Member in February 2023.

## **Company Directorships**

There are no company directorships or other significant interests held by Management Board members which conflict with their management responsibilities. All Members of the Agency's Board have made a Declaration of Interests. Any interests declared have been recorded and will be managed if there is believed to be a conflict of interest.

## **Auditor**

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

The audit of the financial statements for 2024-25 resulted in a notional audit fee of £20,100 (2023-24: £18,100) which is included in operating costs in the Statement of Comprehensive Net Expenditure. As far as I am aware, there is no relevant audit information of which the entity's auditor is unaware. I have taken all the steps that ought to have been taken to make myself aware of any relevant audit information and to establish that the Agency's auditor is also aware of that information.

The Accounting Officer is content that there is no relevant audit information which the Department's auditor should be aware of. The Accounting Officer has taken all reasonable steps to ensure that both he and the Department's auditor is aware of all relevant audit information.

## **Pension Liabilities**

The Agency is covered by the provisions of the Principal Civil Service Pension Scheme (Northern Ireland) (PCSPS(NI)) and bears the cost of pension provision for its staff by payment of an Accruing Superannuation Liability Charge (ASLC).

Further information on Pensions is provided in the Remuneration Report (page 55) and Note 2 of the Accounts (page 96).

## **Equality of Opportunity**

The Agency follows the Northern Ireland Civil Service policy that all eligible persons shall have equal opportunity for employment and advancement on the basis of their ability, qualification and aptitude for the work.

## **Freedom of Information**

The Freedom of Information Act 2000 and the Environmental Information Regulations 2004 give everyone the right to access government information and place a statutory duty on government to make certain information publicly available as a matter of course. A total of 282

(2023-24: 225) 'Requests for Information', falling within the terms of this legislation, were received within the period of this report.

## Health and Safety

The Agency is committed to ensuring the health, safety and welfare of staff, and others who may be affected by its undertakings. Health and Safety performance is formally reviewed on an annual basis and an associated Annual Programme of Work produced to ensure that the high standards achieved are continually improved through policy development, staff consultation, risk assessment, monitoring and review procedures.

## Employee Involvement

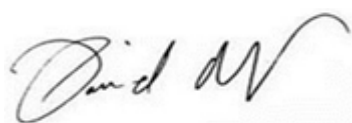
The maintenance of a highly skilled and effective workforce is key to the future of our business. The Agency supports them in updating their skills through the Agency's training and development opportunities. We also encourage staff to remain well-informed on new developments and to network with, for example, Great Britain departments and agencies and European bodies. Development opportunities focus not only on professional and technical knowledge, but also on ensuring staff have the skills and attributes to provide a high level of customer service when working with the public and other outside bodies.

Our commitment to, and recognition of staff, is integral to our business performance. DOE first achieved the Investors in People (IIP) standard in the spring of 2009, and the Agency was involved in (IIP) reassessment in 2012-13 as part of the wider departmental review. Following the restructure of NICS Departments in May 2016, DAERA's IIP status was reassessed and the Department's formal recognition as an 'Investor in People' was retained in February 2017. DAERA's IIP reaccreditation assessment commenced in March 2023 and the Department were awarded Standard Investors in People Accreditation on 29 June 2023. This accreditation is valid until 7 February 2026.

The Agency's Whitley Council provides for regular consultation with employees' representatives.

## Information Management

Effective information security is a key priority for the Agency through recognising that stringent principles of information security must be applied to all information it holds. Another key priority is the protection of personal data in line with the legal requirements of the Data Protection Act 2018 and the principles outlined in the Department's Data Protection Policy Statement. The Department's Information Management Branch ensures that there is a strong emphasis on Information Assurance and that the correct approach to the management and security of information is taken. In relation to data security, the Agency follows departmental guidance to ensure that all information used for operational and financial reporting purposes is captured and processed accurately, and to an appropriate quality standard, particularly where it is used by third parties, or relied on by other parts of government. The Agency identified no data security breaches during the year.



**David Reid**  
Chief Executive  
1 July 2025

## STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

Under Section 11(1) and (2) of the Government Resources and Accounts Act (Northern Ireland) 2001, the Department of Finance has directed the Northern Ireland Environment Agency to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Northern Ireland Environment Agency and of its income and expenditure, changes in taxpayers' equity and cash flows for the financial year.

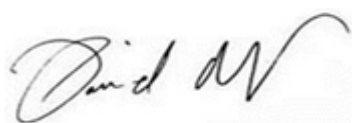
In preparing the accounts the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- Observe the relevant Accounts Direction issued by the Department of Finance including the accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the Government Financial Reporting Manual, have been followed and disclose and explain any material departures in the accounts;
- Prepare the accounts on a going concern basis; and
- Confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Principal Accounting Officer for the Department of Agriculture, Environment and Rural Affairs has appointed the Chief Executive as Accounting Officer of the Northern Ireland Environment Agency. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and safeguarding the Northern Ireland Environment Agency's assets, are set out in "Managing Public Money Northern Ireland" issued by the Department of Finance.

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

I can confirm that I take personal responsibility for this annual report and accounts and that it is fair, balanced and understandable.



**David Reid**  
Chief Executive  
1 July 2025

# GOVERNANCE STATEMENT

## ***Introduction***

This is the Annual Governance Statement for the Northern Ireland Environment Agency (NIEA, the Agency) as required by DAO (DFP) 10/12 Requirement to Complete a Governance Statement. This statement sets out the governance, risk management and internal control arrangements that have operated in the Agency from 1 April 2024 to 31 March 2025.

NIEA operates in compliance with the guidance set out in the “Corporate Governance in Central Government Departments: Code of Good Practice (NI) 2013”.

Over the last financial year, in line with best practice, I reviewed NIEA’s governance and accountability arrangements remedying any shortcomings highlighted through reports from the Northern Ireland Audit Office (NIAO), NICS’s Internal Audit Service and the Agency Audit and Risk Assurance Committee.

The Agency primarily delivered and supported outputs relating to the Department’s strategic outcome, “A clean, healthy environment, benefiting people, nature and the economy” which underpinned the Draft Programme for Government outcome, “We live and work sustainably – protecting the environment”.

## **Budget Authority**

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

## **Governance Structures**

### **General**

The Minister approves the policy framework within which the Agency operates, including routinely approving the Agency Balanced Scorecard including annual Key Performance Targets (KPT).

As Chief Executive of the Agency, I reported directly to the Permanent Secretary of the Department of Agriculture, Environment and Rural Affairs (DAERA). I am also a member of the DAERA Departmental Board. During the reporting period, I also attended the weekly Departmental Weekly Business Review (WBR) meetings chaired by the Permanent Secretary to review key and current issues.

As Chief Executive, I also fulfil the role as Designated Accounting Officer for NIEA, in which capacity I’m responsible to the Permanent Secretary (as the Principal Accounting Officer) and the Minister for maintaining a sound system of internal control that supports the achievement of Agency policies, aims and objectives, whilst safeguarding the public funds and Agency assets for which I was personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money Northern Ireland (MPMNI).

The key organisational structures which helped me support the delivery of Corporate Governance within the Agency are the:

- Agency Management Board;
- Agency Audit and Risk Assurance Committee (ARAC);
- Agency Corporate Support Team (CST);
- NICS HR (Business Partners); and
- NICS Internal Audit Service.

## **Management Board**

The work of NIEA is co-ordinated and monitored by a Management Board which I Chair, and which provides corporate leadership to the organisation, takes responsibility for the Agency's performance, as well as providing advice to the Department's Permanent Secretary and DAERA's Minister on environmental matters.

The Board's purpose is to lead the Agency's strategic planning and assist me as the Chief Executive and Agency Accounting Officer in fulfilling my corporate governance objectives and responsibilities.

The Agency Management Board under my chairmanship currently comprises the Agency's two Executive Directors (see page 40 of the Annual Report for further details). There are appropriate administrative support arrangements in place to help the Board operate effectively.

There are two Non-Executive Board Members (NEBM), Paul Douglas and Stephen Welch who support my role through regular attendance at Board meetings. Mr Paul Douglas retired from his role as NEBM in March 2025 and I thank him for his service and valued advice to me and previous CEO's over these past 6 years.

During 2024-25, the Board ordinarily met bi-monthly under my leadership, to supervise the operational management of the Agency. Whilst strategic policy is ultimately determined by the DAERA Minister, the Agency Board considers policy development and implementation in the context of analysing options, strategic planning, and operational management. The Agency Board acts in an advisory and consultative capacity, offering relevant support to the Department and Minister, as required. Although significant, contentious, or cross-cutting policy decisions are normally brought to the Board for discussion and endorsement; day-to-day operational matters are the responsibility of the Agency's relevant Executive Directors. The Board takes collective decisions on relevant matters referred to it in keeping with the Nolan principles of public life. If after consideration a consensus cannot be reached I, in my role as Chief Executive, undertake to make the final decision.

The Board routinely receives information on financial management, corporate governance, workforce planning and other HR issues (performance and absence management data), as well as an update on health and safety issues. On a quarterly basis, in addition to these routine monthly papers, updates are provided on progress in achieving the Agency Key Performance and Business Plan targets, with significant risk or audit issues brought to the Board by the Audit, Risk and Assurance Committee (ARAC). Any significant internal control issues that have been raised in my Chief Executive's quarterly Stewardship Reports (2<sup>nd</sup> and 3<sup>rd</sup> quarters and full year) are also reported and considered.

The Board seeks to operate within its Terms of Reference and the guidelines set out in Corporate Governance in Central Government Departments: Code of Good Practice (NI) 2013. It is responsible, with the support of its ARAC, for ensuring that good practice in corporate governance is adhered to, including the maintenance of a transparent risk management system and prudent and effective controls. The Board's Terms of Reference,

which include details of the function, composition, and operation of the Board meetings, are provided in the NIEA Partnership Agreement.

### **Conflict of Interest**

At every Agency Board meeting a standard agenda item on declarations of interest is included and brought to the attention of Board Members by the chair. Board Members with a conflict of interest on a specific agenda discussion will leave the Board meeting for that item. No conflicts of interest were declared in 2024-25.

### **Audit and Risk Assurance Committee**

The Agency Audit and Risk Assurance Committee (ARAC) supports me in my responsibilities for stewardship of the Agency resources, corporate governance, and risk management, by reviewing the levels of assurances provided to me, including the timeliness, reliability and integrity of those assurances.

The ARAC ensures that high level information on risk and control is brought to my attention, to assist in identifying priorities or emerging issues for action. The committee also subjects my executive decisions to appropriate constructive challenge to ensure that rigour has been demonstrated in reaching evidence-based decisions and Agency objective outcomes.

The ARAC has no executive authority over the operations of the Agency or those units that conduct audit and assurance work, including the NICS Internal Audit Service and the NIAO. The ARAC's role is to advise the Board and me as Accounting Officer on its conclusions and recommendations regarding identified governance weaknesses and emerging risks, associated with the agreed work plans of those units.

The ARAC reviews action plans and the Agency corporate risk register, providing support and guidance on key governance issues. During 2024-25, the Committee was comprised of three independent members and two meetings were held, in June 2024, and January 2025. Stephen Welch, in his capacity as a NEBM, continued to chair the Committee.

During the year the committee discussed a wide range of issues including:

- Internal and External Audit strategies and reports;
- Mobuoy Waste Site Remediation;
- Risk Management;
- NIEA Annual Report and Accounts 2024-25;
- Governance Statement 2024-25; and
- HR recruitment delays and the resultant impact on service delivery, particularly in the scientific grades.

At each ARAC committee meeting a report is provided which summarises any changes to the NIEA Risk Register, incorporating details and performance of any ongoing or new fraud and whistleblowing incidents, an audit Implementation Plan update, a progress report from Internal Audit, Post Project Evaluations progress reports, and any other report or update that the Committee considers noteworthy.

During the reporting period the Committee specifically noted:

- The number of Internal Audit Reports receiving a satisfactory Internal Audit opinion which continued to give the committee reasonable assurance regarding NIEA operations;
- The continued satisfactory assurance rating provided by Internal Audit in their 2024-25 Annual Opinion and Report;

- The progress that the Agency made in implementing audit recommendations during the reporting period; and
- That the Comptroller and Auditor General (C&AG) certified the 2023-24 financial statements with a qualified audit opinion relating to the Mouboy site contingent liability use by the NIEA. There was a report on the account and four recommendations were made in relation to regularity and the internal control environment.

## ARAC Annual Report

The ARAC Chairman also provided me with his Annual Report which summarises the committees work for the year, providing me with relevant assurances that good governance exists within the Agency, detailing where any improvements were necessary and that appropriate action has been taken, or is being taken, to address the issues identified.

## Board and Audit Committee attendance

The attendance record of all Board and Audit Committee members during the reporting period is shown in the tables below:

Board Members	Meetings attended per Board and Audit Committee members out of the meetings eligible to attend	
	Board	Audit Committee
David Reid, Chief Executive.	6/6	2/3
Richard Crowe, Director of Regulation and Enforcement Division.	6/6	2/3
Liz Loughran, Director of Natural Environment Division, rejoined the Board September 2024)*.	3/3	2/2
Lara Strutt, Acting Director of Natural Environment Division (appointed 01 April 2024 to 30 September 2024).	3/3	1/1
Paul Douglas, Non-Executive Director.	2/6	2/3
Stephen Welch, Non-Executive Director.	6/6	3/3

Audit and Risk Assurance Committee Members	Meetings attended per Audit Committee member out of the meetings eligible to attend
Stephen Welch (Chair)	3/3
Paul Douglas (Chair at June & October meetings)	2/3
Anthony Carleton	1/1
Colin Jack	3/3
Deirdre Ward	3/3

\*Liz Loughran left the Board on a temporary basis to support another DAERA role during January 2024 and rejoined the Board in September 2024.

## **Review of Board Effectiveness**

The Board Operating Framework commits the Board to an annual review of its performance. This commitment is in line with DoF's "Corporate governance in central government Departments: Code of good practice NI (2013)" which states:

'The Board should ensure that arrangements are in place to enable it to discharge its responsibilities effectively, including... a formal and rigorous annual evaluation of the Board's performance' (para 4.1).

The Agency undertook a NIEA Board Effectiveness Review at the end of the 2023-24 financial year and the outworkings of the review were subject to consideration by the NIEA Board. Resulting in a discussion of this effectiveness review being held in February 2025.

## **Agency Divisional Governance**

In my overall assessment of the adequacy of control systems, I am supported by the Agency's Directors. Each Division provides quarterly updates to the Corporate Support Team (CST). The CST in turn provides the ARAC with updates on the implementation of both internal and external audit recommendations, and revisions to the Agency Risk Register. The main purpose of this reporting process is to support the implementation of audit recommendations by improving outcomes and corporate governance in all areas of the Agency. This assists me in reviewing the Bi-annual Stewardship Reports (6 and 12 months) which are completed from each of the directors which underpin the overall annual Governance Statement.

I seek the timely implementation of all audit recommendations detailed in these reports including any recommendations made by the Northern Ireland Audit Office as part of their annual audit of the Agency's accounts. As part of this process the recommendations relevancy and transferability are also considered as part of the implementation process.

## **Internal Audit**

During 2024-25, NIEA was audited by internal auditors from the NICS Internal Audit Service who operate using the Public Sector Internal Audit standards (PSIAS) framework. Internal Audit submit regular reports to me which include the Head of Internal Audit's independent opinion on the adequacy and effectiveness of the Agency's system of internal control together with recommendations for improvement.

I am pleased to note the overall Satisfactory opinion provided by Internal Audit on the overall adequacy and effectiveness of the Agency's governance, risk management and control arrangements during the 2024-25 financial year. The final Fleet Management review report, which had a limited opinion assigned, and remained under consideration at the 2023-24 year-end was formally returned to Internal Audit in May 2024. There were a number of recommendations presented in the report, with significant progress to resolve them being made at the time of producing the 2023-24 accounts and the remaining recommendations were actioned early in the 2024-25 period. I plan on requesting Internal Audit follow up on this report during the next financial year to ensure appropriate action has been undertaken to mitigate any issues identified in the earlier report. There were two other reports produced by Internal Audit that had limited opinions, and these will be actioned as well as followed up through the formal governance process within NIEA over the next financial year.

During 2024-25, the following internal audit assignments were completed in respect of NIEA:

<b>Title of Audit</b>	<b>Date</b>	<b>Opinion</b>	<b>Number of recommendations</b>
<b>Fleet Management System within NIEA</b>	May 2024	<b>Limited</b>	<b>19</b>
<b>NIEA Financial Provisions Policy &amp; Procedures includes follow up of previous Limited opinion report</b>	June 2024	<b>Limited</b>	<b>5</b>
<b>Water Regulation: Regulation of NI Water including compliance and enforcement</b>	June 2024	<b>Satisfactory</b>	<b>7</b>
<b>Water Management Unit (WMU) Enforcement &amp; Emergency Response</b>	January 2025	<b>Satisfactory</b>	<b>13</b>
<b>Internal Audit Review of NIEA Planning Consultations 2024-25</b>	February 2025	<b>Limited</b>	<b>7</b>
<b>Validation of NIEA Reported Performance against Agency Targets</b>	July 2024	<b>Validation Exercise</b>	<b>2</b>
<b>Special Exercise: Records Management &amp; Decision-Making Ammonia Standing Advice/Operational Protocol</b>	February 2025	<b>Special Exercise</b>	<b>-</b>
<b>Draft Internal Audit Reports Issued 2024-25</b>			
<b>NIEA Procurement including purchase of PPE</b>	(Draft)	<b>Satisfactory</b>	<b>5</b>
<b>Water Regulation Unit (WRU) Abstraction &amp; Impoundment License Applications and Discharge Consents</b>	(Draft)	<b>Limited</b>	<b>6</b>

I will ensure, through reporting to the NIEA ARAC, the timely implementation of the recommendations in all these audit reports.

### **Corporate Services**

During 2024-25, IT services were provided by the Department's Digital Services Division. Financial management, governance, business planning, risk management and coordination processes and exercises were delivered by the Agency's Corporate Support Team (CST). Other corporate services were provided by DoF's Enterprise Shared Services as outlined below.

In relation to data security the Agency follows the Departmental guidance to ensure that all information used for operational and financial reporting purposes is captured and processed accurately, and to an appropriate quality standard, particularly where it is used by third parties, or relied on by other parts of government.

No data security breaches were identified during the year.

## **Whistleblowing**

During 2024-25, the Agency continued to operate the Whistleblowing recording system. This requires all Divisions to maintain a Whistleblowing Register to record all disclosures received in each Division. The maintenance of Registers is a mandatory requirement across the Department. All whistleblowing notifications are investigated and addressed by the relevant business area under the supervision of the relevant Director, or in cases of suspected fraud an investigation by the Department of Finance (DoF) Fraud Investigation Service is requested.

Updates are commissioned in advance of each ARAC meeting to ensure that senior management and ARAC have the most up-to-date information on Whistleblowing disclosures.

During 2024-25 no whistleblowing notifications were received by the Agency.

## **Enterprise Shared Services**

I draw assurance from the audit opinion and on the mid and year-end Inter-Departmental assurance reports received from the Permanent Secretary in the Department of Finance (DoF) on the various components of Inter-Departmental services provided by DoF to all Departments. Included within the Enterprise Shared Services are; Account NI which is responsible for all the Department's financial transaction processing; NICS HR which is responsible for the Department's Human Resource management arrangements; Digital Shared Services and Central Procurement Directorate. DoF's assurance also covers HR Connect, an external organisation commissioned to provide operational HR services to the NICS including payroll, recruitment and leave arrangements.

I note also that the Permanent Secretary in the Department of Finance has provided a satisfactory audit opinion on Inter-departmental internal audit services.

## **Business Continuity Management**

NIEA functional business areas and major premises have separate business continuity plans to ensure that there are procedures in place to facilitate the recovery and continuation of business activities in the event of a business level disruptive event. I am pleased to note again the support of Digital Services Division ensured that staff are able to work flexibly across the NIEA estate and that NIEA operations under the New Ways of Working (NWoW) initiative have offered another layer of operational resilience throughout 2024-25 period.

## **Risk Management and Control Framework**

The system of internal control is designed to manage risk to an acceptable level and cannot eliminate all risk of failure to achieve policies, aims and objectives where issues are outside the control of the Agency and Department. It can therefore only provide reasonable and not absolute assurance of effectiveness.

The Agency Board has established appropriate procedures to ensure that risks are adequately managed within the Agency. Risk Registers at the Agency Corporate and Divisional levels are maintained and monitored on a quarterly basis. The Corporate Support Team has responsibility for co-ordinating the Agency's various risk management/internal control functions, developing the risk management framework and providing advice and guidance to staff on risk management issues. The risk management cycle is a "top-down" and "bottom-up" exercise that ensures that any Agency risks that are included in the Departmental Corporate Risk Register are also included in the Agency register and risks identified and managed at Divisional levels are escalated to the Agency register, as appropriate.

Throughout the past year the Agency has been considering potential options to support an optimal solution to mitigate the environmental impacts of the Mobuoy waste site. This work is

in the assessment and reasoned solution identification stages, which are subject to further review and approval.

Extensive environmental monitoring continues at the site in line with the agreed Environmental Monitoring Plan. This enables the management of groundwater contamination, the risk to the River Faughan and continues to ensure the safety of the associated supply of drinking water.

The legal redress process remains ongoing against the alleged operators of the site with further actions remaining subject to consideration.

The Agency's Corporate Risk Register is reviewed quarterly by the ARAC and the NIEA Board.

Bi-annual Stewardship Reports (6 and 12 months) are completed for the two Agency operational divisions as well as an overarching statement for the Agency. However, it's the 12-month Agency Report which underpins my Governance Statement by highlighting, where appropriate, any control issues of concern across a range of key governance functions, primarily business planning, financial management, information and risk management, fraud, regulation and compliance, customer service standards, staffing, procurement and audit reports. I am reassured by these reports that information used for operational purposes and reporting purposes is handled appropriately, particularly where it is used by third parties or other parts of government, and that information risks are being managed effectively within the Agency.

In summary, as Accounting Officer, I have overall responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the Agency who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter for the annual accounts and other Value for Money (VFM) reports. I have been advised on the implications of the effectiveness of the system of internal control by the Agency Board and the Agency ARAC. Therefore, I'm confident in plans to address any identified weaknesses and actions to ensure continuous improvement of the control system.

### **Significant Issues**

**Resourcing of key priorities:** Despite adequate funding during the reporting period, the Agency did not secure adequate people resources to deliver its objectives. This has contributed to our failure to fully deliver the key objectives outlined in our business plan.

**Planning Performance:** During 2024-25, significant work was undertaken to address a backlog in our planning casework. By August of 2024, significant progress had been made in improving our performance and dealing with the historic caseload. However, a combination of factors including the loss of key staffing resources, shifts in caseload, additional and more complex cases meant that this performance was not maintained and in the second half of the year, fell well short of the standards we want to provide to those we serve. To address this, urgent action is being considered in 2025-26 to ensure an improvement plan is put in place to support the delivery of a more effective and efficient service.

**Records management:** Issues around compliance with records management procedures within NIEA have been identified in several Internal Audit and NI Public Service Ombudsman reports received in the reporting period. Management is actively working to resolve the issues identified and strengthen staff compliance with the published records management procedures.

**Office for Environmental Protection (OEP) reports and findings:** OEP reports have highlighted a range of areas where the Agency has failed to fully comply with its duties in the management of Special Protected Areas and protected sites. The Department is actively considering the OEP's recommendations and the actions that it can take to address the OEP's concerns.

**Failure to comply with the requirements of The Code of Practice for Ministerial Public Appointments:** NIEA required extensions to the terms of the Deputy Chair and five members of the Council for Nature Conservation and the Countryside (CNCC). In making these extensions, NIEA failed to comply with requirements of The Code of Practice for Ministerial Public Appointments in Northern Ireland (CPANI). This included a delay in the extension of the position of deputy chair and failure to publicly announce the temporary extensions to both the Deputy Chair and 5 members' appointments.

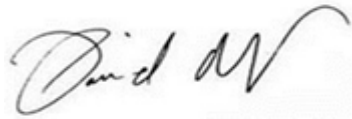
To ensure that this situation is rectified and avoid any re-occurrence, the following corrective actions are being taken:

- A public appointment process has since concluded, and a new Deputy Chair has been appointed;
- The CPANI Code will be re-issued to all relevant staff and will be reminded of their responsibility to comply with the requirements of the Code in a timely manner; and
- Revised monitoring and review arrangements are being implemented.

**Disagreement on accounting treatment:** The Comptroller & Auditor General has advised in her certificate that the Department's group financial statements should include an additional provision of £107 million for the cost of remediating the impact of illegal dumping at the Mobuoy site. The Department has reached a different conclusion for the reasons set out below.

- The principle for remediation of environmental damage is that the polluter should pay and the Department is firmly committed to continuing the enforcement action against the former operators.
- The figure proposed for inclusion as a provision comes from a draft of an outline business case prepared by consultants and commissioned by DAERA in relation to the Mobuoy site. The completion of this business case will be informed by the imminent public consultation exercise which launched on 13 June 2025 and closes on 2 October 2025.
- Decisions on remediation by the Department will be taken by ministers.
- DAERA considers that there is no current legal obligation as it does not own the land, although the Department has duties under the Water (NI) Order 1999 and the Environment (NI) Order 2002. Therefore, alongside the ongoing enforcement action, NIEA is incurring expenditure to monitor the site and a provision of £510495k has been included to reflect the duty under the above two Orders.

Having applied careful professional judgement informed by all of the analyses, contextual factors, legal obligations and wider considerations in relation to this issue including the Minister's statements on this issue in the Assembly on four occasions in 19 February 2024 and most recently on 9 June 2025, it is the Department's view that it is appropriate to only recognise a provision for the ongoing monitoring costs over the next year and a contingent liability beyond that in these financial statements.

A handwritten signature in black ink, appearing to read 'David Reid', is positioned above the printed name and title.

**David Reid**  
Chief Executive  
1 July 2025

# Agency Remuneration and Staff Report

## *Remuneration and Pension Entitlements*

### **Remuneration Policy**

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

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

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

### **Service Contracts**

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

Unless otherwise stated, the officials covered by this report hold appointments that are open-ended. Early termination, other than for misconduct, would result in consideration of the individual receiving compensation as set out in the Civil Service Compensation Scheme<sup>4</sup>.

### **Remuneration (including salary) and pension entitlements**

The following sections provide details of the remuneration and pension interests of the most senior management (i.e., Board Members) of the agency.

---

<sup>4</sup> [Civil Service Commissioners for Northern Ireland \(nicscommissioners.org\)](https://nicscommissioners.org)

### Remuneration and pension entitlements (Audited)

Officials	Salary £'000		Benefits in kind (to nearest £100)		Pension Benefits * £'000		Total £'000	
	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
Mr D Reid Chief Executive	105-110	20-25 (95-100 full year equivalent)	Nil	Nil	78	(1)**	185-190	20-25
Dr R Crowe Director of Regulation and Enforcement Division	85-90	75-80	Nil	Nil	69	(6)**	155-160	70-75
Ms L Loughran Director of Natural Environment Division (from 14/09/24)	45-50 (85-90 full year equivalent)	35-40 (80-85 full year equivalent)	Nil	Nil	12	(4)**	60-65	N/a
Mrs L Strutt Director of Natural Environment Division (from 01/04/24 to 30/09/24)	40-45 (75-80 full year equivalent)	N/a	Nil	N/a	36	N/a	75-80	N/a
Mr S Welch Non-Executive Board Member	5-10	5-10	N/a	N/a	N/a	N/a	5-10	5-10
Mr P Douglas Non-Executive Board Member (to 31/03/25)	0-5	5-10	N/a	N/a	N/a	N/a	0-5	5-10

\* The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation and any increase or decrease due to a transfer of pension rights.

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

\*\* A negative pension benefit represents a decrease in pension entitlements in real terms. A number of factors may have contributed to this including the effects of any pay increases or extra service being insufficient to offset the inflation increase; the age of the official and whether they are older than their normal pension age; and the type of pension scheme the official is a member of.

## Salary

'Salary' includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation and any severance or ex gratia payments. This report is based on accrued payments made by NIEA and thus recorded in these accounts.

## Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument.

## Bonuses

Bonuses relate to the performance in the year in which they become payable to the individual. The bonuses reported in 2024-25 relate to performance in 2024-25 and the comparative bonuses reported for 2023-24 relate to the performance in 2023-24. There were no bonus payments during the financial years 2024-25 and 2023-24.

## Fair Pay Disclosures (Audited)

### Pay Ratios

The banded remuneration of the highest-paid director in NIEA in the financial year 2024-25 was £105,000 - £110,000 (2023-24, £95,000 - £100,000). The relationship between the mid-point of this band and the remuneration of the organisation's workforce is disclosed below.

<b><u>2024-25</u></b>	<b>25<sup>th</sup> percentile</b>	<b>Median</b>	<b>75<sup>th</sup> percentile</b>
Total remuneration (£)	32,221	36,024	43,815
Pay ratio	3.3:1	3.0:1	2.5:1

<b><u>2023-24</u></b>	<b>25<sup>th</sup> percentile</b>	<b>Median</b>	<b>75<sup>th</sup> percentile</b>
Total remuneration (£)	29,258	32,880	40,300
Pay ratio	3.3:1	3.0:1	2.4:1

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

Total remuneration includes salary, non-consolidated performance-related pay, and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

For 2024-25 and 2023-24, the 25th percentile, median and 75th percentile remuneration values consisted solely of salary payments.

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

Remuneration ranged from £23,177 to £107,500 (2023-24, £21,053 to £97,500).

### Percentage Change in Remuneration

The percentage changes in respect of NIEA are shown in the following table.

Percentage change for:	2024-25 v 2023-24	2023-24 v 2022-23
Average employee salary and allowances	5.0%	2.6%
Highest paid director's salary and allowances	10.8%	0.0%

The calculation for the highest paid director is based on the mid-point of the band within which their remuneration fell in each year. Percentage increases from last year are due to a combination of annual incremental pay increases; pay scale progressions; and changes in staff composition and grades.

NIEA paid a £1,500 non-consolidated gross payment to staff in May/June 2024.

### Pension Entitlements (Audited)

<b>Officials</b>	<b>Accrued pension at pension age as at 31/3/25 and related lump sum</b>	<b>Real increase in pension and related lump sum at pension age</b>	<b>CETV at 31/3/25</b>	<b>CETV at 31/3/24*</b>	<b>Real increase in CETV</b>	<b>Employer contribution to partnership pension account</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>Nearest £100</b>
Mr D Reid Chief Executive	35-40 plus lump sum of 85-90	2½-5 plus lump sum of 2½-5	713	623	58	Nil
Dr R Crowe Director of Regulation and Enforcement Division	35-40 plus lump sum of 85-90	2½-5 plus lump sum of 2½-5	800	708	60	Nil
Ms L Loughran Director of Natural Environment Division (from 14/09/24)	35-40 plus lump sum of 90-95	0-2½ plus lump sum of 0	777	761	6	Nil
Mrs L Strutt Director of Natural Environment Division (from 01/04/24 to 30/09/24)	15-20	0-2½	202	175	18	Nil

\*The pension benefits of any members affected by the Public Service Pensions Remedy ([How the public service pensions remedy affects your pension - GOV.UK](#)) which were reported in 2022-23 based on alpha membership for the period between 1 April 2015 and 31 March 2022 have been reported since 2023-24 based on PCSPS(NI) membership for the same period.

## Northern Ireland Civil Service (NICS) Pension Schemes

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

The alpha pension scheme was initially introduced for new entrants from 1 April 2015. The alpha scheme and all previous scheme arrangements are unfunded with the cost of benefits met by monies voted each year. The majority of members of the Classic, Premium, Classic Plus and Nuvos pension arrangements (collectively known as the Principal Civil Service Pension Scheme (Northern Ireland) [PCSPS(NI)]) also moved to alpha from that date. Transitional protection measures introduced alongside these reforms meant any members who on 1 April 2012 were within 10 years of their normal pension age remained in their previous scheme arrangement (full protection) and those who were between 13.5 years and 10 years of their normal pension age were given a choice between moving to alpha on 1 April 2015 or at a later date determined by their age (tapered protection).

### McCloud Judgment and 2015 Remedy

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

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

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

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

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

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

At this stage, allowance has not yet been made within CETVs for this remedy. Further information on the remedy will be included in the NICS pension scheme accounts which, once published, are available at <https://www.finance-ni.gov.uk/publications/dof-resource-accounts>.

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

## **Alpha**

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

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

## **Information on the PCSPS(NI) – Closed Scheme**

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

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

Benefits in Classic accrued 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 accrued at the rate of 1/60th of final pensionable earnings for each year of service. Unlike Classic, there is no automatic lump sum (but members may give up (commute) some of their pension to provide a lump sum). Classic Plus is essentially a variation of Premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per Classic.

## **Partnership Pension Account**

The Partnership Pension Account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

## Annual Benefit Statements

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

## Pension Increases

All pension benefits are reviewed annually in line with changes in the cost of living. Any applicable increases are applied from April and are determined by the Consumer Prices Index (CPI) figure for the preceding September. The CPI in September 2024 was 1.7% and HM Treasury has announced that public service pensions will be increased accordingly from April 2025.

## Employee Contribution Rates

Employee contribution rates for all members for the periods covering 1 April 2024 – 31 March 2025 and 1 April 2025 – 30 June 2025 are as follows<sup>1</sup>:

### Scheme Year 1 April 2024 to 31 March 2025

Annualised Rate of Pensionable Earnings (Salary Bands)		Contribution rates – All members
From	To	From 01 April 2024 to 31 March 2025
£0	£26,302.49	4.6%
£26,302.50	£59,849.99	5.45%
£59,850.00	£160,964.99	7.35%
£160,965.00 and above		8.05%

## Cash Equivalent Transfer Values

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

<sup>1</sup>Rates are expected to change mid-year as a result of the outcome of the [Northern Ireland Civil Service Pension Scheme: Consultation on Scheme Yield / Member Contributions | Department of Finance](#)

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

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

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

### **Real increase in CETV**

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

### **Compensation for loss of office (Audited)**

No compensation payments were made or are due to any of the senior management in the Northern Ireland Environment Agency under the Civil Service Compensation Scheme (Northern Ireland) (CSCS(NI)) in the year ending 31 March 2025 or 31 March 2024.

## Staff Numbers and Related Costs (Audited)

Staff costs comprise:

			2024-25 £000	2023-24 £000
	Permanently employed staff	Others	Total	Total
Wages and salaries	21,344	3,632	24,976	25,602
Social security costs	2,452	-	2,452	2,251
Other pension costs	7,572	-	7,572	6,250
<b>Total*</b>	<b>31,368</b>	<b>3,632</b>	<b>35,000</b>	<b>34,103</b>
Of which	Charged to Administration	Charged to Programme	Total	
	-	<b>35,000</b>	<b>35,000</b>	

\* Of the total, £Nil has been charged to capital.

## Pension Arrangements

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

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

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

The Cost Cap Mechanism (CCM) is a measure of scheme costs and determines whether member costs or scheme benefits require adjustment to maintain costs within a set corridor. Reforms were made to the CCM which was applied to the 2020 scheme valuations and included the introduction of a reformed-scheme-only cost control mechanism which assesses

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

For 2024-25, employers' contributions of £7,571,742 were payable to the NICS pension arrangements at a flat rate of 34.25% of pensionable pay, for all salaries (2023-2024: £6,249,948 at one of three rates in the range 28.7% to 34.2%).

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £24,874 (2023-2024: £19,356) were paid to one or more of the panels of two appointed stakeholder pension providers. Employer contributions are age-related and range from 8% to 14.75% (2023-24, 8% to 14.75%) of pensionable pay.

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

Employer contributions of £628 0.5% (2023-2024: £639, 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.

There were four (2023-2024: one) early retirements as a result of ill-health, and the total additional accrued pension liabilities in the year amounted to £18,713 (2023-2024: £6,035).

### Average Number of Persons Employed (Audited)

The average number of whole-time equivalent persons employed during the year was as follows:

Number	2024-25		2023-24	
	Permanent staff	Others	Total	Total
Natural Environment	218	10	218	230
Regulation & Enforcement	339	68	407	401
Strategic Planning & Change	36	3	39	41
<b>Total</b>	<b>593</b>	<b>81</b>	<b>674</b>	<b>672</b>

### Staff Turnover

Staff turnover rates for 2024-25 are shown below. The Agency continues to monitor turnover rates and support initiatives to maintain a healthy level of turnover. The annual Civil Service People Survey, coupled with other research, helps us to understand our people's experience of working in the Agency and take appropriate action to improve effectiveness, including where turnover becomes problematic.

	2024-25	2023-24
Agency Turnover Rate	9.0%	7.5%
General Turnover Rate	5.2%	5.7%

Civil Service HR guidance defines Agency Turnover as staff leaving the Civil Service or a particular department, and General Turnover as staff living leaving the Civil Service as a whole. Turnover includes permanent and temporary staff, and those who left the NICS while on career break.

### Employee Engagement

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

The 2023 NICS People Survey is therefore the most recent survey and was conducted by NISRA across the nine NICS Ministerial Departments as well as the Public Prosecution Service and the Health & Safety Executive for NI. All staff working in these organisations were

invited to take part in the survey. For DAERA there were 3,564 (2021: 3,442) permanent staff invited to complete the survey, of which 1,817 (2021: 1,686) participated, a response rate of 48.3% (2021: 49%). The Employee Engagement Index (EEI) is the weighted average of the responses to the five employee engagement questions, and it ranges from 0% to 100%. DAERA responses indicated an Employee Engagement Index of 57% (2021: 62%), compared to the NICS average of 54% (2021: 57%). The full survey can be accessed at <https://www.finance-ni.gov.uk/publications/nics-people-survey-results>, and the 2025 full survey will be available at this same link when issued in Autumn 2025.

### Staff Composition (Male & Female – Directors, SCS, Employees)

The NIEA Management Board comprised of the Chief Executive (male), Executive Director of Natural Environment Division (female), Executive Director of Resource Environment Division (male), and two Non-Executive Directors (male) at 31 March 2025.

718 (2023-24: 685) staff were in post at 31 March 2025 of which 378 (2023-24: 372) were male and 340 (2023-24: 313) were female.

### Staff Profile

The following table shows a breakdown of staff in post at 31 March 2025 by category.

Category	2024-25	2023-24
Senior Civil Servants	3	3
Science Grades	446	445
Operational Staff	35	35
Support Staff	229	197
Professional Staff	5	5
<b>Total</b>	<b>718</b>	<b>685</b>

The NIEA staff profile provides a breakdown of the significant staff groupings across the agency for the last two years. Whilst we retain the services of 718 staff both on a temporary and permanent basis, we manage a broad spectrum of specialist activities and responsibilities that can be sighted from the number of specialist staff noted as part of the total number employed.

### Number of SCS Staff by Band

The Agency's Chief Executive, David Reid, Grade 3; the Director of Natural Environment Division, Liz Loughran, Grade 5; the Director of Regulation and Enforcement Division, Richard Crowe, Grade 5; the Director of Natural Environment Division, Lara Strutt, Grade 5 were the organisations only Senior Civil Servants in 2024-25.

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

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	-/(-)	-/(-)	-/(-)
£10,000 - £25,000	-/(-)	-/(-)	-/(-)
£25,000 - £50,000	-/(-)	-/(1)	-/(1)
£50,000 - £100,000	-/(-)	-/(-)	-/(-)
£100,000- £150,000	-/(-)	-/(-)	-/(-)
£150,000- £200,000	-/(-)	-/(-)	-/(-)
<b>Total number of exit packages</b>	-/(-)	-/(1)	-/(1)
<b>Total resource cost /£'000</b>	-/(-)	-/(36)	-/(36)

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme (Northern Ireland) (CSCS (NI)), a statutory scheme made under the Superannuation (Northern Ireland) Order 1972. The table above shows the total cost of exit packages agreed and accounted for in 2024-25 and 2023-24. £Nil exit costs were paid in 2024-25, the year of departure (2023-24 £36,014). Where the agency has agreed early retirements, the additional costs are met by the agency and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

### Off-Payroll Engagements

Temporary off-payroll worker engagements as at 31 March 2025, earning £245 per day or greater.

	2024-25	2023-24
Number of existing engagements as of 31 March 2025	-	1
Of which have existed for:		-
Less than one year at time of reporting	-	-
Between one and two years at time of reporting	-	-
Between two and three years at time of reporting	-	1
Between three and four years at time of reporting	-	-
Four or more years at time of reporting	-	-

All existing off-payroll engagements outlined above have been subject to risk-based assessment. This is to determine whether assurance is required that the individual is paying the right amount of tax, and that assurance has been sought.

**All temporary off-payroll workers engaged at any point during the year ended 31 March 2025, earning £245 per day or greater**

	2024-25	2023-24
Number of off payroll workers engaged during the year ended 31 March 25	1	1
Of which:		
Not subject to off payroll legislation	-	-
Subject to off-payroll legislation and determined as in-scope of IR35	-	1
Subject to off-payroll legislation and determined as out-of-scope of IR35	1	-
Number of engagements reassessed for compliance or assurance purposes during the year	1	-
Of which: Number of engagements that saw a change to IR35 status following review	1	-

**Expenditure on Consultancy**

No consultancy expenditure was incurred in 2024-25.

**Sickness Absence**

The Agency had an overall sickness absence rate of 9.2 days lost per employee in 2023-24. Annual sickness absence figures can be found in the “Sickness Absence in the Northern Ireland Civil Service 2023/24” report at [Sickness Absence in the Northern Ireland Civil Service 2023/24 | Northern Ireland Statistics and Research Agency](#). The 2024-25 sickness absence data is not currently available and will be published later this year.

**Employment, training and advancement of disabled persons**

The NICS is a lead partner of Employers for Disability NI (EFDNI) and in 2023 was accredited as a [Disability Positive](#) employer.

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

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

To encourage job applications from disabled people, positive action advertising and targeted advertising alongside a programme of outreach are used. The NICS operates a Guaranteed Interview Scheme (GIS) which ensures a guaranteed number of disabled applicants who meet the minimum essential eligibility criteria for the role they have applied for, are offered an interview. Further information can be found on the “Information for disabled applicants” section of the [NICS recruit website](#).

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

NIEA participated in the Department for Communities JobStart Scheme which offers paid work experience opportunities for young people aged 16-24 who are at risk of long-term unemployment and who meet specified eligibility criteria. The scheme provides opportunities for some eligible participants to gain permanent employment and during 2024-25, one participant was offered permanent employment in the Agency.

## **Human Capital Management**

### **(i) Career Development**

The NICS is committed to career development, acknowledging that skilled and engaged staff are an essential resource in meeting current and future business needs.

This NICS Career Development Policy emphasises that career development is a collaborative process between individual staff members, line managers, and Departments, and takes account of the NICS Competency Framework and Performance Management System. As well as the individual's role in managing their career development, the NICS provides opportunities to enhance the skills, capabilities and performance of staff so that they, in turn, can contribute to achieving corporate objectives.

There is a wide range of career development options available within the NICS and within the Career Development Policy that support various career development interventions including secondment and interchange opportunities, elective transfers, temporary promotion, job rotation, job shadowing, as well as mentoring.

### **(ii) Learning & Development**

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

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

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

A new NICS<sup>1</sup> L&D Portfolio is now available showing the comprehensive range of learning available, grouped under six core product areas:

- Policy and Government,
- Leadership and Management,
- Collaborative & Collective Working,
- Innovation, Improvement & Transformation,

---

<sup>1</sup> NICS<sup>1</sup> is the NICS' centralised human resources operational delivery function, falling under the responsibility of the Department of Finance

- Health and Wellbeing
- Digital Skills Development.

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

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

### **(iii) Pay policy**

Under the Civil Service (NI) Order 1999, the Department of Finance is responsible for the pay arrangements of NICS civil servants (apart from those agencies, non-ministerial government departments and other bodies with an agreed pay delegation). The pay award system aims to:

- be a system which will help to recruit, retain and motivate staff to perform efficiently the duties required of them;
- encourage staff to improve their individual performance by providing a direct and regular link between satisfactory performance and pay;
- ensure equity of treatment in respect of pay in accordance with legal requirements and the equal opportunities policy of the NICS;
- secure the confidence of staff that their pay will be determined fairly;
- secure the confidence of the public and their representatives in the system for determining the pay of the staff; and
- enable the Government to reconcile its responsibilities for the control of public expenditure with its responsibilities as an employer.

Current pay scales are available online. The NI public sector pay policy for 2023-24 is now in place and formal negotiations with trades unions on the 2024-25 and 2025-26 pay award have been concluded during the financial year.

### **(iv) Application of Business Appointment Rules (BARs)**

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

In compliance with Business Appointment rules, the Department is transparent in the advice given to individual applications for senior staff, including special advisors. Advice regarding specific business appointments has been published on the DAERA website [Department of Agriculture and Rural Affairs](#).

	Grade 7	Total
<b>*Number of exits from the Civil Service</b>		<b>32</b>
Number of BAR's applications submitted to the Department over the year (by grade)	1	
Number of BAR's applications approved by the Department over the year (by grade)	1	
Number of BAR's applications where conditions were set by the Department over the year (by grade)	-	
Number of applications that were found to be unsuitable for the applicant to take up by the Department over the year (by grade)	-	
Number of breaches of the Rules in the preceding year	-	

*\*Number of exits from the Civil Service provided by P&OD Workforce Analysis & Statistics.*

### **(v) Employee Consultation and Trade Union Relationships**

The Department of Finance is responsible for the NICS Trade Union Arrangements Policy. People & Organisational Development consults and/or negotiates with the NICS recognised trade unions on matters such as pay, promotion, and annual leave which are relevant across the NICS. Local issues relevant only to a particular office or area of work is handled by local managers, and branch trade union representatives, through agreed Local Whitley procedures/constitutions. Each department will have their own Departmental Whitley structure, to consider matters unique to individual departments and their agencies across business areas. Business areas may also have a Whitley arrangement in place dealing with issues specific to that business area.

### **Equality, Diversity and Inclusion**

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

The NICS Diversity Champions Network includes senior colleagues as designated Diversity Champions for each of the nine NICS departments, as well as four thematic leads for gender, race and ethnicity, disability and LGBTQ+. The network alongside the NICS corporate HR function, People and Organisational Development, developed and delivered a [NICS Diversity Action Plan 2024-25](#), which set out priorities for action by diversity and inclusion theme and cross-cutting priorities

Equality is a cornerstone consideration in the development and review of all HR policies which determine how staff are recruited and appointed, their terms and conditions, how they are managed and developed, assessed, recognised and rewarded. Further information is available in the [Equality, Diversity and Inclusion Policy](#).

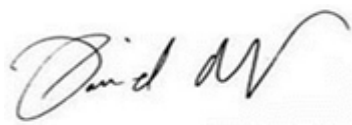
As part of the NICS efforts to ensure equality of opportunity, the NICS continually conducts comprehensive reviews into the composition of its workforce and recruitment activity, publishing a wide range of data. The statistics are available on the NICS Human Resources Statistics section of the [Northern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

The NICS continues to meet its statutory obligations under the Fair Employment & Treatment (NI) Order 1998, which includes submission of an annual Fair Employment Monitoring Return and a tri-annual Article 55 Review to the Equality Commission for NI (ECNI), both of which assess the composition of the NICS workforce and the composition of applicants and

appointees. Although not a statutory requirement, the NICS also conducts a similar formal review of the gender profile of its workforce. The findings from both tri-annual reviews are published in the [NICS Workforce Review](#). The next review will be published in late 2025.

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

As a public authority, the NICS has due regard to the need to promote equality of opportunity and regard to the desirability of promoting good relations across a range of categories outlined in Section 75 of the Northern Ireland Act 1998 in carrying out its functions. Further information on the Department's equality scheme is available on its website [Department of Agriculture and Rural Affairs](#).

A handwritten signature in black ink, appearing to read 'David Reid', is positioned above the printed name and title.

**David Reid**  
Chief Executive  
1 July 2025

# Assembly Accountability and Audit Report

## Regularity of Expenditure (Audited)

As NIEA's Accounting Officer I am content that the expenditure and income of my Agency have been applied to the purposes intended by the NI Assembly. Furthermore, I am content that the Agency's transactions are within the scope of the authorities that govern them, and that there are no material weaknesses in the design and implementation of the Agency's internal controls to prevent and detect fraud.

## Remote Contingent Liabilities (Audited)

In addition to contingent liabilities reported within the meaning of IAS 37, the Agency also reports liabilities for which the likelihood of a transfer of economic benefits in settlement is too remote to meet the definition of contingent liability.

## Losses and Special Payments (Audited)

### Losses Statement

	Number of Cases	2024-25 £'000*	Number of Cases	2023-24 £'000
Administrative Write Offs	9	4	2	3
Other Write Offs	2	-	-	-
<b>Total</b>	<b>11</b>	<b>4</b>	<b>2</b>	<b>3</b>

\*£Nil due to rounding

### Special Payments

	Number of Cases	2024-25 £'000	Number of Cases	2023-24 £'000
Public Liability Claims	-	-	2	11
Employee Liability Claims	-	-	1	1
Industrial Tribunal Claims	-	-	1	50
<b>Total</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>62</b>

Cases include accidental damage to property, personal injury, bad debts written off and Industrial Tribunal claims.

## Fees and Charges (Audited)

The Agency is required to review the services that it provides and supply a detailed Memorandum Trading Account (MTA) detailing forecast income and expenditure in support of the charging proposals for schemes/services. The figures below represent services where the full cost of the service is in excess of £1 million. The objective of this business activity is full cost recovery.

### Business Activities Attracting Fees and Charges

	2024-25 £'000	2023-24 £'000
<b>Fees and Charges</b>	<b>10,740</b>	<b>9,588</b>
<b>Operating Costs</b>		
Staff Costs	7,684	7,438
Administration and Accommodation	689	433
Notional Charges	1,552	1,292
<b>Total Charges</b>	<b>9,925</b>	<b>9,163</b>
<b>Operating Surplus/(Deficit)</b>	<b>815</b>	<b>425</b>

### Payments to Past Directors (Audited)

There have been no payments to past directors (2023-24: £Nil)



**David Reid**  
Chief Executive  
1 July 2025

## **NORTHERN IRELAND ENVIRONMENT AGENCY**

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

#### **Qualified Opinion on financial statements**

I certify that I have audited the financial statements of the Northern Ireland Environment Agency for the year ended 31 March 2025 under the Government Resources and Accounts Act (Northern Ireland) 2001. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes including significant accounting policies. The financial reporting framework that has been applied in the preparation of the Northern Ireland Environment Agency financial statements is applicable law and UK adopted international accounting standards as interpreted and adapted by the Government Financial Reporting Manual.

I have also audited the information in the Accountability Report that is described in that report as having been audited.

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

- give a true and fair view of the state of the Northern Ireland Environment Agency's affairs as at 31 March 2025 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 expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

#### **Basis for opinions**

At Note 16 to the financial statements, the Northern Ireland Environment Agency has included disclosure of a contingent liability relating to the Mobuoy site noting that the Department continues to consider the long-term options to protect water quality on the River Faughan. I disagree with this accounting treatment as it is my opinion that the conditions are met for the costs to be accounted for by way of a provision in the financial statements. The quantum of the provision is £107m.

An external consultancy firm was commissioned by the Northern Ireland Environment Agency to provide expert technical advice around the potential means of remediation of the site and the associated costs. A draft business case has been prepared setting out a number of options with associated financial consequences and a preferred option has been proposed. The estimated costs of implementing the various options range from £17m to £700m, with the preferred option being £107m. On that basis, £107m is deemed to be a reliable estimate of the potential costs of remediation.

The Northern Ireland Environment Agency was requested to remove the contingent liability note and make an adjustment to the quantum of its provisions in the financial statements to reflect the costs of remediation of the Mobuoy site, but it declined to do so.

The result is that the provisions figure in the Statement of Financial Position is materially understated for both the 2024-25 year and the 2023-24 year, as is the prior year comparative net operating expenditure figure in the Statement of Comprehensive Net Expenditure. In addition, a contingent liability has been disclosed in the notes to the financial statements when the conditions for doing so are not met.

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

My staff and I are independent of the Northern Ireland Environment Agency in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

### **Conclusions relating to going concern**

In auditing the financial statements, I have concluded that the Northern Ireland Environment Agency's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Northern Ireland Environment Agency's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

The going concern basis of accounting for the Northern Ireland Environment Agency is adopted in consideration of the requirements set out in the Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

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

### **Other Information**

The other information comprises the information included in the Annual Report other than the financial statements, the parts of the Accountability Report described in that report as having been audited and my audit certificate and report. The Accounting Officer is responsible for the other information included in the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

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

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

### **Opinion on other matters**

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

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

### **Matters on which I report by exception**

In the light of the knowledge and understanding of the Northern Ireland Environment Agency and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and Accountability Report. I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records; or
- certain disclosures of remuneration specified by the Government Financial Reporting Manual are not made; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with the Department of Finance's guidance.

### **Responsibilities of the Accounting Officer for the financial statements**

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

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

- assessing the Northern Ireland Environment Agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Northern Ireland Environment Agency will not continue to be provided in the future.

### **Auditor's responsibilities for the audit of the financial statements**

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to the Northern Ireland Environment Agency through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included the Government Resources and Accounts Act (Northern Ireland) 2001;
- making enquires of management and those charged with governance on the Northern Ireland Environment Agency's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of the Northern Ireland Environment Agency's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, expenditure recognition, posting of unusual journals and unreasonable management estimates;
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- documenting and evaluating the design and implementation of internal controls in place to mitigate risk of material misstatement due to fraud and non-compliance with laws and regulations;

- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate and inquiries of management and those charged with governance;
- addressing the risk of fraud as a result of management override of controls by:
  - performing analytical procedures to identify unusual or unexpected relationships or movements;
  - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
  - assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
  - investigating significant or unusual transactions made outside of the normal course of business; and
- applying tailored risk factors to datasets of financial transactions and related records to identify potential anomalies and irregularities for detailed audit testing.

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](http://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 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.

## Report

I have qualified my true and fair audit opinion on the Northern Ireland Environment Agency's 2024-25 financial statements for the omission of a provision of £107m for the 2024-25 year and also for the comparative figures for 2023-24.

The fact that the Northern Ireland Environment Agency has included a contingent liability note in its annual financial statements acknowledges that it has a financial obligation relating to the Mobuoy illegal waste site. Furthermore, in my report on the 2023-24 accounts, I highlighted that the Department of Agriculture, Environment and Rural Affairs planned to launch a public consultation to obtain public views on the most appropriate means of remediating the Mobuoy illegal waste site. This was launched in June 2025. On that basis, a valid expectation has been created that the site will be remediated and therefore I am content that a constructive obligation existed at the year end and there is likely to be an outflow of economic benefits required to meet this obligation.

An external consultancy firm was commissioned to provide expert technical advice around the potential means of remediation of the site and the associated costs. A draft business case was prepared in the Summer of 2023 setting out a number of options with associated financial consequences and a preferred option has been proposed. The options set out in this business case are still valid and form the basis of the public consultation launched in June 2025. The estimated costs of implementing the various options range from £17m to

£700m, with the cost of the preferred option being £107m. On that basis, it is my view that £107m is deemed to be a reliable estimate of the potential costs of remediation.

In summary, it is my opinion that the conditions required by International Accounting Standard 37 have been met and a provision for this cost should be included within the financial statements.

I recommended in my 2023-24 report that the Northern Ireland Environment Agency should continue to develop and refine the outline business case to enable the Mobuoy illegal waste site to be remediated. I understand that the business case has not been significantly progressed since the date of my last report pending the completion of the public consultation. I would again recommend that the Northern Ireland Environment Agency progress this to completion with a view to the inclusion of an appropriate provision in the financial statements. I will keep this issue under review as part of my audit of the 2025-26 financial statements.

I have no other observations to make on these financial statements.



*Dorinnia Carville*

*Comptroller and Auditor General*

*Northern Ireland Audit Office*

*106 University Street*

*BELFAST*

*BT7 1EU*

*04 July 2025*

## Statement of Comprehensive Net Expenditure for the period ended 31 March 2025

		2024-25 £000	2023-24 £000
	Note		
Revenue from Contracts with Customers	7	(10,737)	(9,588)
Other Operating Income	7	(8,057)	(6,433)
<b>Total Operating Income</b>		<b>(18,794)</b>	<b>(16,021)</b>
Staff Costs	2	35,000	34,103
Current Grants	3	5,468	3,776
Capital Grants	3	4,451	2,047
Accommodation Running Costs	3	1,982	1,824
Depreciation and Amortisation Charges	3	2,026	1,917
Provision Expense	3	672	242
Other Operating Expenditure	3	14,969	12,969
<b>Total Operating Expenditure</b>		<b>64,568</b>	<b>56,878</b>
<b>Net Operating Expenditure</b>		<b>45,774</b>	<b>40,857</b>
<b>Other comprehensive net expenditure</b>			
Items that will not be reclassified to net operating costs:			
Net gain on revaluation of Property, Plant and Equipment		(287)	(125)
Net gain on revaluation of Intangibles		-	-
<b>Comprehensive Net Expenditure for the year</b>		<b>45,487</b>	<b>40,732</b>

The notes on pages 87 to 117 form part of these accounts.

## Statement of Financial Position as at 31 March 2025

		2024-25 £000	2023-24 £000
	Note		
<b>Non-current assets</b>			
Property, plant and equipment	8(i)	29,445	29,694
Heritage assets	8(iii)	2,197	2,197
Intangible assets	8(v)	-	1
<b>Total non-current assets</b>		<b>31,642</b>	<b>31,892</b>
<b>Current assets</b>			
Inventories	11	83	83
Trade and other receivables	12	4,646	1,573
Cash and cash equivalents	13	3	3
<b>Total current assets</b>		<b>4,732</b>	<b>1,659</b>
<b>Total assets</b>		<b>36,374</b>	<b>33,551</b>
<b>Current liabilities</b>			
Trade and other payables	14	(11,014)	(9,032)
Provisions	15	(762)	(585)
<b>Total current liabilities</b>		<b>(11,776)</b>	<b>(9,617)</b>
<b>Total assets less current liabilities</b>		<b>24,598</b>	<b>23,934</b>
<b>Non-current liabilities</b>			
Other payables	14	(113)	(21)
<b>Total non-current liabilities</b>		<b>(113)</b>	<b>(21)</b>
<b>Total assets less total liabilities</b>		<b>24,485</b>	<b>23,913</b>
<b>Taxpayers' equity &amp; other reserves:</b>			
General fund		15,001	14,277
Revaluation reserve		9,484	9,636
<b>Total taxpayers' equity</b>		<b>24,485</b>	<b>23,913</b>



Chief Executive  
1 July 2025

The notes on pages 87 to 117 form part of these accounts.

## Statement of Cash Flows

### for the period ended 31 March 2025

		2024-25 £000	2023-24 £000
	Note		
<b>Cash flows from operating activities</b>			
Net operating cost		(45,774)	(40,857)
<i>Adjustments for non-cash transactions:</i>			
Depreciation and amortisation	8	2,026	1,917
Profit on disposal of property, plant and equipment	3	(87)	(8)
Notional Charges	6	9,146	7,310
Provisions expensed	15	672	242
Bad Debts Provision	3	(48)	49
Revaluations	3	(90)	-
<i>Adjustments for investing or financing activities:</i>			
Interest payable on finance leases	18	5	
(Increase)/Decrease in trade and other receivables	12	(3,067)	354
Less movements in receivables relating to items not passing through the Statement of Comprehensive Net Expenditure		48	(49)
Increase in inventories	11		-
(Decrease)/Increase in trade payables	14	1,980	(638)
Less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure		378	-
Use of provisions	15	(495)	(503)
<b>Net cash outflow from operating activities</b>		<b>(35,306)</b>	<b>(32,183)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant & equipment and heritage assets		(1,672)	(1,767)
Proceeds of disposal of property, plant & equipment		88	8
<b>Net cash outflow from investing activities</b>		<b>(1,584)</b>	<b>(1,759)</b>

**Cash flows from financing activities**

Funding from Parent Department DAERA	36,913	33,950
Capital element of finance lease rental payments	(18)	(8)
Capital element of finance lease rental payments	(5)	-
<b>Net cash outflow from financing activities</b>	<b>36,890</b>	<b>33,942</b>

**Cash and cash equivalents at the beginning of the period**

<b>3</b>	<b>3</b>
----------	----------

**Cash and cash equivalents at the end of the period**

<b>3</b>	<b>3</b>
----------	----------

**Net change in cash and cash equivalents**

<b>-</b>	<b>-</b>
----------	----------

The notes on pages 87 to 117 form part of these accounts.

## Statement of Changes in Taxpayers' Equity for the period ended 31 March 2025

	General Fund £000	Revaluation Reserve £000	Taxpayers' Equity £000
Note			
<b>Balance at 31 March 2023</b>	<b>13,436</b>	<b>9,949</b>	<b>23,385</b>
Net Assembly Funding	33,950	-	33,950
Comprehensive Net Expenditure for the year	(40,857)	125	(40,732)
Non-cash charges – notional costs	6 7,292	-	7,292
Auditors' Remuneration	6 18	-	18
Transfers between reserves	438	(438)	-
<b>Balance at 31 March 2024</b>	<b>14,277</b>	<b>9,636</b>	<b>23,913</b>
Net Assembly Funding	36,913	-	36,913
Comprehensive Net Expenditure for the year	(45,774)	287	(45,487)
Non-cash charges – notional costs	6 9,126	-	9,126
Auditors' Remuneration	6 20	-	20
Transfers between reserves	439	(439)	-
<b>Balance at 31 March 2025</b>	<b>15,001</b>	<b>9,484</b>	<b>24,485</b>

The General Fund serves as the main operating fund. The General Fund is used to account for all financial resources except those required to be accounted for in another fund. The Revaluation Reserve reflects the change in asset values that have not been recognised as income or expenditure.

The notes on pages 87 to 117 form part of these accounts.

# Notes to the Accounts

## 1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2023-24 *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 Northern Ireland Environment Agency (NIEA, the Agency) for the purpose of giving a true and fair view has been selected. The particular policies adopted by NIEA are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

### 1.1 Accounting convention

These accounts have been prepared under the historical cost convention, modified to account for the revaluation of property, plant and equipment, heritage assets and intangible assets.

### 1.2 Property, Plant and Equipment

Expenditure on property, plant and equipment of over £5,000 is capitalised. On initial recognition property, plant and equipment is measured at cost including any expenditure, such as installation, directly attributable to bringing them into working condition.

Items 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.

All property, plant and equipment is carried at fair value.

Land and buildings are carried at the last professional valuation, in accordance with the Appraisal and Valuation Manual produced jointly by the Royal Institute of Chartered Surveyors (RICS), the Incorporated Society of Valuers and Auctioneers (ISVA) and the Institute of Revenues Rating and Valuation (IRRV). Professional revaluations of land and buildings are undertaken every five years, with the last full valuation of land and buildings undertaken by Land and Property Services (LPS) as at 1 April 2021 with the next full valuation due to take place as at 1 April 2026. Properties are valued on the basis of open market value existing use, unless they are specialised, in which case they are valued on the basis of depreciated replacement cost.

With the exception of items under construction, fair value is estimated by restating the value annually, between professional valuations, by reference to indices compiled by the Office of National Statistics (ONS). Upward revaluations of property, plant and equipment are credited to the revaluation reserve unless they reverse previously recognised downward revaluations in which case they are credited to the Statement of Comprehensive Net Expenditure to the extent the downward revaluation has been recognised with the remainder credited to the revaluation reserve. Downward revaluations of property, plant and equipment are debited to the revaluation reserve to the extent that they reverse previously recognised upward revaluations with any remaining downward revaluation recognised in the Statement of Comprehensive Net Expenditure.

## Notes to the Accounts

NIEA uses Producer Price Indices published by the ONS in order to apply indexation to the value of non-property assets at year-end. In line with previous years, the December indices have been applied in 2024-25. Ordinarily, an assessment is carried out after the year-end, following the publication of the March indices by ONS, to ascertain that the impact of the movement in the indices between December and March is immaterial. However, in March 2025, ONS issued a statement indicating that they had identified a problem with the chain-linking methods used to calculate these indices, affecting the years from 2008 onwards, and that they would consequently be pausing publication of Producer Price Index data while the issue is rectified. At the time these accounts are being prepared, it has not been possible to ascertain the potential impact of this issue. However, given the value of the non-property assets potentially affected, NIEA does not expect an adjustment to indexation to have a material impact on the 2024-25 accounts. It is anticipated that ONS will recommence publication of the Producer Price Indices at some point during the 2025-26 financial year and the indexation of non-property assets will be brought up to date in the 2025-26 accounts.

### 1.3 Intangible Assets

Expenditure on intangible assets over £5,000 is capitalised. On initial recognition intangible assets are measured at cost including any expenditure such as installation, directly attributed to bringing them to working condition. Intangible assets are carried at fair value. Fair value is estimated by restating the value annually, by reference to indices compiled by the Office of National Statistics (ONS). Upward revaluations of intangible assets are credited to the revaluation reserve unless they reverse previously recognised downward revaluations in which case they are credited to the Statement of Comprehensive Net Expenditure to the extent the downward revaluation has been recognised with the remainder credited to the revaluation reserve. Downward revaluations of intangible assets are debited to the revaluation reserve to the extent that they reverse previously recognised upward revaluations with any remaining downward revaluation recognised in the Statement of Comprehensive Net Expenditure.

The gain or loss arising on the disposal or scrapping of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in other operating expenditure.

### 1.4 Depreciation and Amortisation

Property, plant and equipment and intangible assets are depreciated and amortised at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated useful lives. Depreciation and amortisation is charged in the month of acquisition. No depreciation is provided on freehold lands as they have unlimited or very long established useful lives. Items under construction are not depreciated or amortised until they are commissioned.

The depreciation and amortisation periods for the principal categories of assets are:

Land	Not depreciated
Buildings (excluding Dwellings)	On an individual basis not exceeding 100 years
Transport Equipment (including Railway Stock & Boats)	5 - 30 years
Plant and Machinery (including Laboratory Equipment)	5 - 30 years
Information Technology (Hardware / Software)	3 - 5 years
Furniture and Fittings (including Exhibitions)	5 - 30 years

## Notes to the Accounts

Asset lives are reviewed regularly and where necessary revised. The estimated useful life of each asset of significant individual value is separately assessed and, if appropriate, revised.

### **1.5 Heritage Assets**

The Northern Ireland Environment Agency holds certain heritage assets that have been purchased. The assets relate to various land located throughout Northern Ireland and are regarded as non-operational heritage assets. These are either declared as National Nature Reserves, Nature Reserves or Areas of Special Scientific Interest. On initial recognition the assets are recognised at cost. They are revalued annually, using indices provided by the Office for National Statistics. No depreciation is provided on any heritage assets. Heritage Lands are subject to professional valuations and annual revaluations in accordance with the Appraisal and Valuation Manual produced jointly by the Royal Institute of Chartered

## Notes to the Accounts

Surveyors (RICS), the Incorporated Society of Valuers and Auctioneers (ISVA) and the Institute of Revenue Rating and Valuation (IRRV). Professional revaluations of heritage land are undertaken every five years, with the last full valuation undertaken by Land and Property Services (LPS) at 1 April 2021 with the next full valuation due to take place as at 1 April 2026.

Non-operational heritage assets which have not been purchased have no valuation placed on them as it is neither practical nor appropriate to do so, due to the special characteristics of these assets. The Agency receive adequate information on the condition and maintenance of the properties to enable us to fulfil our stewardship role. It is not the intention of NIEA to dispose of these assets in the foreseeable future, given their importance to the natural heritage of Northern Ireland. In accordance with DoF guidelines we consider that obtaining a valuation of these assets is not warranted in terms of benefits which the valuation would deliver. This policy will be kept under review for future years.

Additional information relating to the management of heritage assets can be found in the Performance Report section of this report under headings 'Country Parks and Nature Reserves' on page 14. This section also contains details of visitor numbers and future developments. Detailed records are maintained for each heritage asset and site management plans are maintained and regularly updated. Many heritage assets, nature reserves, are open to the public and access is encouraged, where practical. Heritage assets are purchased for their long term protection by the state.

Upward revaluations of heritage assets are credited to the revaluation reserve unless they reverse previously recognised downward revaluations in which case they are credited to the Statement of Comprehensive Net Expenditure to the extent the downward revaluation has been recognised with the remainder credited to the revaluation reserve. Downward revaluations of heritage assets are debited to the revaluation reserve to the extent that they reverse previously recognised upward revaluations with any remaining downward revaluation recognised in the Statement of Comprehensive Net Expenditure.

## Notes to the Accounts

### **1.6 Operating Income**

Operating income is income which relates directly to the operating activities of the Agency. It principally comprises fees and charges for licences and services provided on a full cost basis to external customers. It includes both income classified as Accruing Resources and income due to the Consolidated Fund, which in accordance with the *FReM*, is treated as operating income. All operating income is classified as programme and is stated net of VAT.

### **1.7 Classification of Expenditure**

The classification of expenditure as programme follows the definition of programme costs set out in the *FReM*, issued by the Department of Finance. Costs incurred by the Agency reflect non-administration costs, including payments of grants and other disbursements by the Agency and therefore are classified as programme costs.

### **1.8 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. This cost has been calculated using employees daily rate costs applied to any untaken leave balance at 31 March 2024.

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (Northern Ireland) (PCSPS(NI)) which are described in Note 2. The defined benefit schemes are unfunded and non-contributory except in respect of dependents' benefits. The Agency 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 Agency recognises the contributions payable for the year.

### **1.9 Grants Payable**

Grants payable are recorded as expenditure in the period that the underlying event or activity giving entitlement to the grant occurs. Grants related to activity occurring over a specific time period, usually a financial year, are recorded as expenditure for that period.

### **1.10 Value Added Tax**

Where output VAT is charged or input VAT is recoverable, the amounts are stated net of VAT. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of non-current assets. VAT is recoverable on a Departmental basis.

### **1.11 Inventories**

Finished goods and goods for resale are valued at cost. Inventories are valued at net realisable value only when they either cannot or will not be used.

## Notes to the Accounts

### 1.12 Contingent Liabilities

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

These comprise:

- a. items over £250,000 (or lower, where required by specific statute) that do not arise in the normal course of business and which are reported to the Assembly by Departmental minute prior to the Agency entering into the arrangement; and
- b. all items (whether or not they arise in the normal course of business) over £250,000 (or lower, where required by specific statute or where material in the context of the Agency accounts) which are required by the *FReM* to be noted in the Agency accounts.

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

### 1.13 Leases

The Agency adopted IFRS 16 'Leases' from 1 April 2022. IFRS 16 represents a significant change in lessee accounting by removing the distinction between operating leases (off-statement of financial position financing) and finance leases (on-statement of financial position financing) and introduces a single lessee accounting model. IFRS 16 requires recognition of assets and liabilities for all leases in the Statement of Financial Position (SoFP), with exemption given to low value leases and short-term leases, i.e. those with lease terms of less than 12 months. The adoption of the standard results in the recognition of a right-of-use asset, representing a right to use the underlying leased asset and a lease liability, representing an obligation to make lease payments.

#### Leases previously classified as operating leases: transition to IFRS 16

The Agency has adopted IFRS 16 on the cumulative catch-up basis as mandated in the *FReM*, and therefore the cumulative impact on previous years' results has been recognised within reserves at the beginning of the period. As such, the prior year comparative information has not been restated and note 1.13(i) applies for the prior year. Under the 'grandfathering' rules mandated in the *FReM* for the initial transition to IFRS 16, a right-of-use asset and lease liability has been recognised for all relevant leases not previously recognised as finance leases for accounting purposes under IAS 17.

#### Peppercorn Leases:

As mandated by the *FReM*, the definition of a lease is expanded to include arrangements with nil consideration. Peppercorn leases are examples of these, they are defined by HM Treasury as lease payments significantly below market value. On initial recognition, these assets are measured at fair value. On transition, any differences between the discounted lease liability and the right-of-use asset are included as part of the adjustment to the opening balance of taxpayers' equity. Any differences between the lease liability and right-of-use asset

## Notes to the Accounts

for new leases after implementation of IFRS 16 are recorded in income as required by IAS 20 as interpreted by the FReM.

### Measurement of Right-of-Use asset on transition

On initial application, the right-of-use asset is measured at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the Statement of Financial Position immediately before the date of initial application.

### Measurement of lease liability on transition

On initial application, the lease liability is measured at the present value of the remaining lease payments using the incremental borrowing rate at the date of initial application. The incremental borrowing rate is either:

- The interest rate implicit in the lease
- HM Treasury discount rate where interest rates implicit in the lease cannot be readily determined.

## **1.14 Critical Accounting Estimates and Key Judgements**

As a result of the uncertainties inherent in all business activities, many items in financial statements, such as provisions and depreciation, 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 reviews 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.

## **1.15 Government Grant Receivable**

Government grants received for revenue purposes are recognised as income in the Statement of Comprehensive Net Expenditure so as to match them with expenditure towards which they are intended to contribute.

Grants received as a contribution towards non-current assets are recognised as income in the Statement of Comprehensive Net Expenditure, unless the funder imposes a condition requiring that future economic benefits embodied in the grant are consumed as specified by the grantor or must be returned to them. Assets funded by government grant are revalued, depreciated and subject to impairment review in the same way as any other non-current asset.

## Notes to the Accounts

### 1.16 Financial Instruments

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. A financial instrument is recognised when, and only when, the entity becomes a party to the contractual provisions of the instrument. A previously recognised financial asset is derecognised when, and only when, either the contractual rights to the cash flows from that asset expire, or the entity transfers the asset such that the transfer qualified for derecognition. A financial liability is derecognised when, and only when, it is extinguished. The Agency has financial instruments in the form of trade receivables and payables and cash and cash equivalents.

In accordance with IAS 39 *Financial Instruments: Recognition and Measurement* trade receivables, cash and other receivables are classified as 'loans and receivables'. Loans and receivables are initially measured at fair value and are subsequently measured at amortised cost using the effective interest method less any impairment. The Agency assesses at each reporting date whether there is any objective evidence that a financial asset or group of financial assets classified as loans and receivables is impaired. Based on historic experience receivables that are past due beyond 361 days are generally not recoverable.

The Agency measures the amount of the loss as the difference between the carrying amount of the asset and the present value of estimated future cash flows from the asset discounted at the effective interest rate of the instrument at initial recognition. Impairment losses are assessed individually for financial assets that are individually significant and individually or collectively for assets that are not individually significant. In making collective assessment of impairment, financial assets are grouped into portfolios on the basis of similar risk characteristics. Future cash flows from these portfolios are estimated on the basis of the contractual cash flows and historical loss experience for assets with similar risk characteristics.

Impairment losses are recognised in the Statement of Comprehensive Net Expenditure and the carrying amount of the financial asset or group of financial assets reduced by establishing an allowance for impairment losses. If in a subsequent period the amount of the impairment loss reduces and the reduction can be ascribed to an event after the impairment was recognised, the previously recognised loss is reversed by adjusting the allowance.

When a financial asset is deemed unrecoverable the amount of the asset is reduced directly and the impairment loss is recognised in the Statement of Comprehensive Net Expenditure to the extent that a provision was not previously recognised.

Financial liabilities are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

### 1.17 Provisions

The Agency provides for legal or constructive obligations, which are of uncertain timing or amount at the reporting date on the best estimate of the expenditure required to settle the obligation where this can be determined. This relates to providing for public and employer liability claims, industrial tribunals, equal pay settlement and judicial reviews. Where a provision is measured using cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

## Notes to the Accounts

### **1.18 Impending application of newly issued accounting standards not yet effective**

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

#### **IFRS 17 Insurance Contracts**

IFRS 17: Insurance Contracts replaces IFRS 4: Insurance Contracts and is to be included in the FReM for mandatory implementation from 2025-26. It establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of this Standard. IFRS 17 requires insurance contracts, including reinsurance contracts, to be recognised on the statement of financial position as the total of the fulfilment cashflows and the contractual service margin (CSM).

The fulfilment cashflows consist of the present value of future cash flows calculated using best estimate assumptions with an explicit risk adjustment for non-financial risk. The risk adjustment is released to the SoCNE as risk expires. The CSM is the unearned profit on insurance contracts and is released to the SoCNE over the insurance contract period as insurance services are provided. Where an insurance contract is onerous, it will have no CSM and the onerous element of the insurance contract will be recognised immediately in the SoCNE.

The Department does not expect any impact on the financial statements from the introduction of IFRS 17.

#### **IFRS 18**

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

#### **IAS 1**

The IASB issued an amendment to IAS 1, which was effective from 1 January 2024. Classification of Liabilities as Current or Non-current clarifies a criterion in IAS 1 Presentation of Financial Statements for classifying a liability as non-current: the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period.

The Non-current Liabilities with Covenants amendments specify that debt covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require an entity to disclose information about these covenants in the notes to the financial statements. No amendment to FReM was deemed necessary as a result of this amendment.

#### **Non-investment asset valuations**

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

## Notes to the Accounts

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

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

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

Management consider that these newly issued standards are unlikely to have a significant impact on the accounts in the period of initial recognition

### **1.19 Management Agreements**

The Agency enters into management agreements with landowners in order to "preserve" lands/buildings identified as being Areas of Special Scientific Interest (ASSIs) or of architectural/historical interest. These agreements can include a one-off payment, an annual payment for a set amount of time or an annual payment in perpetuity and cover designated ASSIs and Nature Reserve lands. Management agreements covering Nature Reserves and ASSIs involve compensation payments to the landowners. The management agreements do not confer title of ownership to the Agency.

Notes to the Accounts

## 2. Staff Costs

Staff costs comprise:

	2024-25 £000	2023-24 £000
Wages and Salaries	24,976	25,602
Social Security Costs	2,452	2,251
Other Pension Costs	7,572	6,250
<b>Total</b>	<b>35,000</b>	<b>34,103</b>

A breakdown of the above costs into permanently employed staff and others can be found in the Remuneration and Staff Report within the Accountability Report.

Notes to the Accounts

### 3. Other Operating Expenditure

		2024-25 £000	2023-24 £000
	Note		
Current Grants	4	5,468	3,776
Capital Grants	4	4,451	2,047
Other Current Expenditure	5	3,723	3,280
Accommodation Running Costs		1,982	1,824
Advertising & Publicity Costs		26	16
Communication Costs		136	144
Operating Leases		6	16
Other Office Services		528	554
Other Staff Costs		96	107
Travel & Subsistence Costs		194	198
Staff Training & Development		101	157
Vehicle & Boat Costs		287	305
Other Operating Costs		951	841
Non-cash items			
Provisions – (written back)/expensed in year	15	672	242
Bad Debt Provision		(48)	49
<i>Notional charges:</i>			
Department of Finance	6	2,107	2,477
Intra-Departmental Notionals	6	7,019	4,815
External Auditor's Remuneration	6	20	18
<i>Non-current assets:</i>			
Depreciation	8(i)	2,026	1,917
Amortisation	8(v)	-	-
Profit on disposal of property, plant and equipment		(87)	(8)
Revaluations		(90)	-
<b>Total</b>		<b>29,568</b>	<b>22,775</b>

Notes to the Accounts

**4. Grants**

	2024-25 £000	2023-24 £000
Natural Environment	9,631	5,571
Regulation & Enforcement	288	252
<b>Total</b>	<b>9,919</b>	<b>5,823</b>

*Natural Environment Grants comprise:*

Environment Fund: Strands 1 and 2	5,180	3,524
Environment Fund: Strand 3 Challenge Fund - Capital	3,799	1,336
Rural Development Programme - Capital	652	711
<b>Total</b>	<b>9,631</b>	<b>5,571</b>

*Regulation & Enforcement Grants comprise:*

Environment Fund: Water Quality Improvement	288	252
<b>Total</b>	<b>288</b>	<b>252</b>

**5. Other Current Expenditure**

	2024-25 £000	2023-24 £000
<b>Divisional costs comprise:</b>		
Natural Environment	1,951	1,316
Regulation & Enforcement	1,772	1,964
<b>Total</b>	<b>3,723</b>	<b>3,280</b>

**Natural Environment costs comprise:**

Contracted Services	1,727	1,116
Professional Costs	224	200
<b>Total</b>	<b>1,951</b>	<b>1,316</b>

**Regulation & Enforcement costs comprise:**

Contracted Services	897	1,273
Professional Costs	875	691
<b>Total</b>	<b>1,772</b>	<b>1,964</b>

Notes to the Accounts

Natural Environment Contracted Services comprises contract research and analysis commissioned by the division as well as contact cleaning and security associated with the Agency's remote sites. Regulation and Enforcement Contracted Services comprises various contracts associated with environmental monitoring, local clean up support, small business research initiative and maintenance of laboratory facilities at the Agency's Lisburn site.

## 6. Notional Charges

	2024-25 £000	2023-24 £000
<b>Intra-Departmental Charges</b>		
Department of Agriculture, Environment and Rural Affairs	7,019	4,815
<b>Total</b>	<b>7,019</b>	<b>4,815</b>
<b>Services provided by other Departments</b>		
Department of Finance:		
Accommodation	191	645
IT Assist	746	791
Personnel	662	675
Account NI	296	286
Departmental Solicitor's Office	136	-
Information Strategy and Innovation	76	80
<b>Total</b>	<b>2,107</b>	<b>2,477</b>
<b>External Audit Fees</b>	<b>20</b>	<b>18</b>
<b>Total Notional Charges</b>	<b>9,146</b>	<b>7,310</b>

Notes to the Accounts

**7. Income**

	<b>2024-25</b>	<b>2023-24</b>
	<b>£000</b>	<b>£000</b>
<b>Revenue from Contracts with Customers</b>		
Regulatory Income	10,737	9,588
<b>Total</b>	<b>10,737</b>	<b>9,588</b>
<b>Other Operating Income</b>		
Carrier Bag Levy	7,744	6,210
Operating Income from Country Parks	230	223
Other	83	-
<b>Total</b>	<b>8,057</b>	<b>6,433</b>
<b>Total Income</b>	<b>18,794</b>	<b>16,021</b>

Other income in 2024-25 comprises income receivable from Department of Housing Local Government and Heritage (ROI) in relation to the Shared Island Peatland Challenge Fund.

Notes to the Accounts

## 8(i) Property, Plant and Equipment

	Land £000	Buildings excluding Dwellings £000	Transport Equipment £000	Plant & Machinery £000	Information Technology £000	Fixtures & Fittings £000	Assets under Construction £000	Total £000
<b>2024-25</b>								
<b>Cost or valuation</b>								
At 1 April 2024	7,645	26,241	2,974	5,495	97	1,725	2,020	46,197
Additions	106	-	46	10	-	803	433	1,398
Disposals	(16)	-	(583)	(5)	-	-	-	(604)
Revaluations*	-	516	50	22	-	15	-	603
Reclassifications and transfers	-	1,654	(3)	-	-	45	(1,699)	(3)
<b>At 31 March 2025</b>	<b>7,735</b>	<b>28,411</b>	<b>2,484</b>	<b>5,522</b>	<b>97</b>	<b>2,588</b>	<b>754</b>	<b>47,591</b>
<b>Depreciation</b>								
At 1 April 2024	46	9,689	2,266	3,791	96	615	-	16,503
Charged in year	22	1,343	170	339	-	151	-	2,025
Disposals	(16)	-	(582)	(5)	-	-	-	(603)
Revaluations	-	182	28	13	-	2	-	225
Reclassifications and transfers	-	-	(4)	-	-	-	-	(4)
<b>At 31 March 2025</b>	<b>52</b>	<b>11,214</b>	<b>1,878</b>	<b>4,138</b>	<b>96</b>	<b>768</b>	<b>-</b>	<b>18,146</b>
<b>Carrying amount at 31 March 2025</b>	<b>7,683</b>	<b>17,197</b>	<b>606</b>	<b>1,384</b>	<b>1</b>	<b>1,820</b>	<b>754</b>	<b>29,445</b>
<b>Carrying amount at 31 March 2024</b>	<b>7,599</b>	<b>16,552</b>	<b>708</b>	<b>1,704</b>	<b>1</b>	<b>1,110</b>	<b>2,020</b>	<b>29,694</b>
<b>Asset financing:</b>								
<b>Owned 2025</b>	<b>6,394</b>	<b>17,176</b>	<b>606</b>	<b>1,384</b>	<b>1</b>	<b>1,820</b>	<b>754</b>	<b>28,135</b>
<b>Leased 2025</b>	<b>1,289</b>	<b>21</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,310</b>
<b>Carrying amount at 31 March 2025</b>	<b>7,683</b>	<b>17,197</b>	<b>606</b>	<b>1,384</b>	<b>1</b>	<b>1,820</b>	<b>754</b>	<b>29,445</b>

\* Professional revaluations of land and buildings are undertaken every five years, with the last full valuation undertaken by LPS at 1 April 2021 and the next full valuation due to take place at 1 April 2026. The valuation methods applied in intervening years are detailed in note 1.2 Property, Plant and Equipment on page 87.

IFRS 16 Leases has been implemented from 1 April 2022 which introduces a single lease accounting model that requires a lessee to recognise assets and liabilities for all leases. This replaces the previous standard, IAS 17. The following leases, previously classified as Operating Leases under IAS 17, have been recognised in the Statement of Financial Position:

Notes to the Accounts

	Land £000	Buildings excluding Dwellings £000	Total £000
<b>Right-of-Use Assets:</b>			
At 1 April 2024	-	25	25
Additions	106	-	106
Depreciation charged in year	(7)	(4)	(11)
<b>At 31 March 2025</b>	<b>99</b>	<b>21</b>	<b>120</b>

**Peppercorn Leases:**

At 1 April 2024*	1,205	-	1,205
Depreciation charged in year	(15)	-	(15)
<b>At 31 March 2025</b>	<b>1,190</b>	<b>-</b>	<b>1,190</b>

	Land £000	Buildings excluding Dwellings £000	Total £000
<b>Right-of-Use Assets:</b>			
At 1 April 2023	8	29	37
Depreciation charged in year	(8)	(4)	(12)
<b>At 31 March 2024</b>	<b>-</b>	<b>25</b>	<b>25</b>

**Peppercorn Leases:**

At 1 April 2023	1,220	-	1,220
Depreciation charged in year	(15)	-	(15)
<b>At 31 March 2024</b>	<b>1,205</b>	<b>-</b>	<b>1,205</b>

*The valuation of Right-of-Use assets is measured at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the SoFP immediately before the date of initial application. An analysis of lease liabilities is available in Note 18 to the accounts.*

*Peppercorn Leases were professionally valued by LPS at 1 April 2022.*

Notes to the Accounts

**8(ii) Property, Plant and Equipment**

	Land £000	Buildings excluding Dwellings £000	Transport Equipment £000	Plant & Machinery £000	Information Technology £000	Fixtures & Fittings £000	Assets under Construction £000	Total £000
<b>2023-24</b>								
<b>Cost or valuation</b>								
At 1 April 2023	7,645	23,920	2,878	5,233	97	1,302	3,220	44,295
Additions	-	17	125	86	-	132	1,407	1,767
Disposals	-	-	(44)	-	-	-	-	(44)
Revaluations *	-	23	15	97	-	44	-	179
Reclassifications	-	2,281	-	79	-	247	(2,607)	-
<b>At 31 March 2024</b>	<b>7,645</b>	<b>26,241</b>	<b>2,974</b>	<b>5,495</b>	<b>97</b>	<b>1,725</b>	<b>2,020</b>	<b>46,197</b>
<b>Depreciation</b>								
At 1 April 2023	23	8,476	2,142	3,352	89	494	-	14,576
Charged in year	23	1,209	159	402	8	116	-	1,917
Disposals	-	-	(44)	-	-	-	-	(44)
Revaluations	-	4	9	37	(1)	5	-	54
<b>At 31 March 2024</b>	<b>46</b>	<b>9,689</b>	<b>2,266</b>	<b>3,791</b>	<b>96</b>	<b>615</b>	<b>-</b>	<b>16,503</b>
<b>Carrying amount at 31 March 2024</b>	<b>7,599</b>	<b>16,552</b>	<b>708</b>	<b>1,704</b>	<b>1</b>	<b>1,110</b>	<b>2,020</b>	<b>29,694</b>
<b>Carrying amount at 31 March 2023</b>	<b>7,622</b>	<b>15,444</b>	<b>736</b>	<b>1,881</b>	<b>8</b>	<b>808</b>	<b>3,220</b>	<b>29,719</b>
<b>Asset financing:</b>								
<b>Owned 2024</b>	<b>6,394</b>	<b>16,527</b>	<b>708</b>	<b>1,704</b>	<b>1</b>	<b>1,110</b>	<b>2,020</b>	<b>28,464</b>
<b>Leased 2024</b>	<b>1,205</b>	<b>25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,230</b>
<b>Carrying amount at 31 March 2024</b>	<b>7,599</b>	<b>16,552</b>	<b>708</b>	<b>1,704</b>	<b>1</b>	<b>1,110</b>	<b>2,020</b>	<b>29,694</b>

Notes to the Accounts

**8(iii) Heritage Assets**

	<b>Non Operational Heritage Land (Purchased) £000</b>	<b>Total Non Operational Heritage Assets (Purchased) £000</b>
<b>2024-25</b>		
<b>Cost or valuation</b>		
At 1 April 2024	<b>2,197</b>	<b>2,197</b>
Disposals	-	-
Revaluations*	-	-
Reclassifications	-	-
Transfers	-	-
<b>At 31 March 2025</b>	<b>2,197</b>	<b>2,197</b>
<b>Carrying amount at 31 March 2025</b>	<b>2,197</b>	<b>2,197</b>
<b>Carrying amount at 31 March 2024</b>	<b>2,197</b>	<b>2,197</b>

\*Professional revaluations of heritage assets are undertaken every five years, with the last full valuation undertaken by LPS at 1 April 2021 and the next full valuation due to take place at 1 April 2026. The valuation methods applied in intervening years are detailed in note 1.5 Heritage Assets on page 88. There has been no movement in the annual ONS indices applied to these assets between 2022-24 and 2024-25.

**Purchased Heritage Assets**

Heritage Assets, which are underpinned by an arm's length transaction, are capitalised in the year of acquisition with reference to the purchase price. The existence of the transaction provides a reliable and practical basis of valuation. There were no purchases or disposals of heritage assets during the five-year period to 31 March 2025 and no heritage assets acquired by donation during the periods.

Notes to the Accounts

**8(iv) Heritage Assets**

	Non Operational Heritage Land (Purchased) £000	Total Non Operational Heritage Assets (Purchased) £000
<b>2023-24</b>		
<b>Cost or valuation</b>		
At 1 April 2023	2,197	2,197
Disposals	-	-
Revaluations*	-	-
Reclassifications	-	-
Transfers	-	-
<b>At 31 March 2024</b>	<b>2,197</b>	<b>2,197</b>
<b>Carrying amount at 31 March 2024</b>	<b>2,197</b>	<b>2,197</b>
<b>Carrying amount at 31 March 2023</b>	<b>2,197</b>	<b>2,197</b>

Notes to the Accounts

**8(v) Intangible Assets**

	<b>Information Technology £000</b>	<b>Software Licenses £000</b>	<b>Total £000</b>
<b>2024-25</b>			
<b>Cost or valuation</b>			
At 1 April 2024	<b>373</b>	<b>232</b>	<b>605</b>
Additions	-	-	-
Disposals	-	-	-
Revaluations	-	-	-
Reclassifications	-	-	-
<b>At 31 March 2025</b>	<b>373</b>	<b>232</b>	<b>605</b>
<b>Amortisation</b>			
At 1 April 2024	<b>372</b>	<b>232</b>	<b>604</b>
Charged in year	1	-	-
Disposals	-	-	-
Revaluations	-	-	-
Reclassifications	-	-	-
<b>At 31 March 2025</b>	<b>373</b>	<b>232</b>	<b>605</b>
<b>Carrying amount at 31 March 2025</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Carrying amount at 31 March 2024</b>	<b>1</b>	<b>-</b>	<b>1</b>
<b>Asset financing:</b>			
<b>Owned 2025</b>	<b>-</b>	<b>-</b>	<b>-</b>

Notes to the Accounts

**8(vi) Intangible Assets**

	Information Technology £000	Software Licenses £000	Total £000
<b>2023-24</b>			
<b>Cost or valuation</b>			
At 1 April 2023	357	228	585
Additions	-	-	-
Disposals	-	-	-
Revaluations	16	4	20
Reclassifications	-	-	-
<b>At 31 March 2024</b>	<b>373</b>	<b>232</b>	<b>605</b>
<b>Amortisation</b>			
At 1 April 2023	356	228	584
Charged in year	-	-	-
Disposals	-	-	-
Revaluations	16	4	20
Reclassifications	-	-	-
<b>At 31 March 2024</b>	<b>372</b>	<b>232</b>	<b>604</b>
<b>Carrying amount at 31 March 2024</b>	<b>1</b>	<b>-</b>	<b>1</b>
<b>Carrying amount at 31 March 2023</b>	<b>1</b>	<b>-</b>	<b>1</b>
<b>Asset financing:</b>			
<b>Owned 2024</b>	<b>1</b>	<b>-</b>	<b>1</b>

Notes to the Accounts

## 9. Statement of Operating Costs by Operating Segment

	Regulation & Enforcement £000	Natural Environment £000	Strategic Planning & Change £000	Total £000
Staff costs	22,232	12,592	176	35,000
Other Operating Expenditure	3,698	4,234	98	8,030
Grants	288	9,631	-	9,919
Non Cash Expenditure	6,306	4,763	550	11,619
Income	(11,152)	(7,142)	(500)	(18,794)
<b>Net Operating Cost 2024-25</b>	<b>21,372</b>	<b>24,078</b>	<b>324</b>	<b>45,774</b>

	Regulation & Enforcement £000	Natural Environment £000	Strategic Planning & Change £000	Total £000
Staff costs	20,096	11,636	2,371	34,103
Other Operating Expenditure	3,582	2,876	984	7,442
Grants	252	5,571	-	5,823
Non Cash Expenditure	1,124	1,017	7,369	9,510
Income	(10,111)	(5,507)	(403)	(16,021)
<b>Net Operating Cost 2023-24</b>	<b>14,943</b>	<b>15,593</b>	<b>10,321</b>	<b>40,857</b>

Note: An analysis of assets and liabilities by segment is not regularly provided to the chief operating decision maker and therefore the Agency is not reporting this information in accordance with IFRS 8.

During 2024-25 the Agency comprised two Operational Divisions; Regulation and Enforcement Division, and Natural Environment Division, each Directorate fulfilling a role in achieving the overall Agency objective to protect, conserve and promote the natural environment of Northern Ireland for the benefit of present and future generations. The management board review financial information at Divisional level for decision making purposes and this information is analysed by cost category. Reportable segments have been identified on this basis. There have been no changes to the methods used to identify reportable segments since the prior year. Both Divisions issue grants to Non-Government Organisations (NGOs) and to private individuals. Full details of the roles performed by each Division are disclosed in the Annual Report.

A third Division, Strategic Planning and Change Division, which incorporates the Business Support Team, assists the Chief Executive and two Operational Directors in the delivery of key corporate functions such as strategic planning, governance, and financial and budget management.

Notes to the Accounts

## 10. Financial Instruments

As the cash requirements of the Agency are met by the Department, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with the Agency's expected purchase and usage requirements and the Agency is therefore exposed to little credit, liquidity or market risk.

## 11. Inventories

	2024-25 £000	2023-24 £000
Operational	83	83
<b>Total</b>	<b>83</b>	<b>83</b>

## 12. Trade and other receivables

	2024-25 £000	2023-24 £000
<b>Amounts falling due within one year:</b>		
Trade Receivables	2,846	536
Other Receivables	406	423
Prepayments & Accrued Income	1,394	614
<b>Total</b>	<b>4,646</b>	<b>1,573</b>

Notes to the Accounts

## 12. Trade and other receivables (continued)

Included within trade receivables is £Nil (2023-24 £Nil) that will be due to the Consolidated Fund once the debts are collected.

The following table shows the impairment of trade receivables at the balance sheet date:

	2024-25 £000	2023-24 £000
Balance at start of year	(163)	(114)
Impairment losses derecognised on receivables	48	(49)
<b>Balance at end of year</b>	<b>(115)</b>	<b>(163)</b>

In determining the recoverability of a trade receivable, the Agency considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date.

Interest is not automatically charged on trade receivables. The Agency has provided fully for all receivables over 361 days, because historical experience is such that receivables that are past due beyond 361 days are generally not recoverable, unless there is evidence to suggest the debt is still recoverable.

The following table shows the aging of debts past due but not impaired; no provision has been made where there has not been a significant change in credit quality and the Agency believes that the amounts are still fully recoverable:

	2024-25 £000	2023-24 £000
Neither past due nor impaired trade receivables	1,608	52
1 – 30 days	1,064	52
31 – 60 days	171	255
61 – 90 days	-	-
91 – 180 days	1	57
181 – 361 days	2	120
361 days plus	-	-
<b>Gross carrying value</b>	<b>2,846</b>	<b>536</b>

Debt profile has changed due to delays in issuing Regulatory Income invoices in 2024-25 following consideration and approvals for the cost profile rate increase.

Notes to the Accounts

## 12.1 Intra-Government Balances

	2024-25 £000	2023-24 £000
<b>Receivables: Amounts falling due within one year:</b>		
Balances with other central government bodies	471	421
Balances with local authorities	432	11
Balances with public corporations and trading funds	1,265	448
Balances with NHS trusts	9	13
<b>Subtotal: Intra-government balances</b>	<b>2,177</b>	<b>893</b>
Balances with bodies external to government	2,469	680
<b>Total receivables at 31 March</b>	<b>4,646</b>	<b>1,573</b>

## 13. Cash and cash equivalents

	2024-25 £000	2023-24 £000
Balance at 1 April 2024	3	3
Net change in cash and cash equivalent balances	-	-
Balance at 31 March 2025	<b>3</b>	<b>3</b>
The following balances at 31 March 2025 were held:		
Cash in hand	<b>3</b>	<b>3</b>

Notes to the Accounts

## 14. Trade and other payables

	2024-25 £000	2023-24 £000
<b>Amounts falling due within one year:</b>		
Trade Payables	210	123
Accruals	9,852	8,345
Deferred Income	944	552
Leases Liabilities	8	12
<b>Total</b>	<b>11,014</b>	<b>9,032</b>
<b>Amounts falling due after more than one year:</b>		
Leases Liabilities	113	21
<b>Total</b>	<b>113</b>	<b>21</b>

### 14.1 Intra-Government Balances

	2024-25 £000	2023-24 £000
<b>Amounts falling due within one year:</b>		
Balances with other central government bodies	556	489
Balances with local authorities	769	274
Balances with public corporations and trading funds	8	2
Balances with NHS trusts	241	1
<b>Subtotal: Intra-government balances</b>	<b>1,574</b>	<b>766</b>
Balances with bodies external to government	9,440	8,266
<b>Total payables at 31 March</b>	<b>11,014</b>	<b>9,032</b>
<b>Amounts falling due after more than one year:</b>		
Balances with bodies external to government	113	21
<b>Total payables at 31 March</b>	<b>113</b>	<b>21</b>

Notes to the Accounts

## 15. Provisions

	Public/ Employer's Liability £000	Industrial Tribunals £000	Equal Pay Settlement £000	Other £000	Total £000
Balance at 1 April 2024	-	-	10	575	585
Provisions not required written back	-	-	(10)	-	(10)
Provided in the year	92	80	-	510	682
Provisions utilised in the year	-	-	-	(495)	(495)
<b>Balance at 31 March 2025</b>	<b>92</b>	<b>80</b>	<b>-</b>	<b>590</b>	<b>762</b>

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date. All provisions are current and are expected to be settled within the next 12 months.

	Public/ Employer's Liability £000	Industrial Tribunals £000	Equal Pay Settlement £000	Other £000	Total £000
Balance at 1 April 2023	35	298	10	503	846
Provisions not required written back	(26)	(227)	-	-	(253)
Provided in the year	-	-	-	495	495
Provisions utilised in the year	(9)	(71)	-	(423)	(503)
<b>Balance at 31 March 2024</b>	<b>-</b>	<b>-</b>	<b>10</b>	<b>575</b>	<b>585</b>

All provisions are current and are expected to be settled within the next 12 months.

Provisions for liabilities and charges relate to public and employer's liability claims, industrial tribunals, and future costs associated with site monitoring and the removal of waste. Public liability claims include personal injury claims. Employer liability claims include legal costs that will have to be borne by the Agency and relate to accidents or injury caused due to faults in the fabric of an agency building and other damages including fair employment and industrial tribunal cases. The Equal Pay Settlement relates to obligations on the part of the Agency to comply with equal pay legislation and the requirement to address anomalies which may have existed.

The Agency is required to meet the cost of paying the pensions of employees who retire early, from the date of retirement until normal retirement age is reached. The Agency provides in full for the cost of meeting pensions up to normal retirement age in respect of early retirement programmes announced by the Department.

Notes to the Accounts

## 16. Contingent liabilities disclosed under IAS 37

### Mobuoy Waste Site:

The Northern Ireland Environment Agency has a duty under the Water (NI) Order 1999 to promote the cleanliness of water and have regard to the protection of human health. Whilst this duty is being exercised through the ongoing monitoring of the Mobuoy site, the Department continues to consider long term options to protect water quality in the River Faughan. The delivery of a long-term strategy will be subject to public consultation, confirmation of a preferred option and the availability of funding. Therefore, it is not possible to determine a reliable estimate beyond one year.

### Public Sector Pensions - Injury to Feelings Claims:

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

### Mullaghglass Landfill Site:

Following a ruling by the Supreme Court an application for judicial review for an alleged breach of human rights based on emissions from Mullaghglass landfill site has been referred back to the Court of Appeal for consideration of additional points. The hearing took place on 18 June 25 and judgment was reserved. A previous Court of Appeal hearing in relation to odour from the site was dismissed in favour of the Department.

## 17. Commitments

The Agency has commitments to pay various grants in respect of environmental protection and nature conservation. The payments to which the Agency is committed during 2024-25, analysed by the period during which the commitment expires, are as follows:

	2024-25 £000	2023-24 £000
Not later than one year	8,192	6,771
Later than one year and not later than five years	14,864	18,109
Later than five years	-	-
<b>Balance at 31 March 2025</b>	<b>23,056</b>	<b>24,880</b>

Notes to the Accounts

## 18. Commitments under leases

### 18.1 Operating leases

These are low value lease arrangements which are exempt from IFRS 16 application. Leases payments are charged to the Statement of Comprehensive Net Expenditure on a straight-line basis over the term of the lease.

Total future minimum lease payments under operating leases are shown in the table below for each of the following periods.

	2024-25 £000	2023-24 £000
<b>Obligations under operating leases for the following periods comprise:</b>		
Land and Buildings		
Not later than one year**	-	-
Later than one year and not later than five years**	-	-
Later than five years	1	1
	<u>1</u>	<u>1</u>

\*\* Figures reported as £Nil due to rounding.

### 18.2 Right-of-Use leases

#### Maturity analysis of lease liabilities

Total future minimum lease payments for Right-of-Use Assets are shown in the table below for each of the following periods.

	2024-25 £000	2023-24 £000
<b>Obligations under leases for the following periods comprise:</b>		
Land and Buildings		
Not later than one year	13	4
Later than one year and not later than five years	56	16
Later than five years	92	6
	<u>161</u>	<u>26</u>
Less: Interest element	(40)	(1)
Present value of obligations	<u>121</u>	<u>25</u>

An analysis of Right-of-Use Assets is available in note 8(i) Property, Plant and Equipment on page 102.

Notes to the Accounts

**Amounts recognised in the Statement of Comprehensive Net Expenditure**

	<b>2024-25</b>	<b>2023-24**</b>
	<b>£000</b>	<b>£000</b>
Land	5	-
Buildings	-	-
	<b>5</b>	<b>-</b>

*\*\* 2023-24 figures have been updated to exclude the capital element of finance lease rental payments and to show the interest element only. This does not represent a change in accounting policy, and total expenditure figures remain unchanged.*

**Amounts recognised in the Statement of Cash Flows**

	<b>2024-25</b>	<b>2023-24</b>
	<b>£000</b>	<b>£000</b>
Total cash outflow for lease:		
Land	10	8
Buildings	13	-
	<b>23</b>	<b>8</b>

**19. Financial Targets**

The Department of Agriculture, Environment and Rural Affairs does not consider it appropriate to set financial targets for the Agency.

**20. Related Party Transactions**

The Department for Agriculture, Environment and Rural Affairs is regarded as a related party as it is the Agency's parent Department. The Agency had various material transactions with both Department, and with other entities to which these Departments are regarded the parent Department such as, DVA and Forest Service NI.

In addition, NIEA has had various material transactions with other Government Departments and other central government bodies. Most of these transactions have been with:

- Department for Infrastructure
- Department of Finance
- Department of Justice

During the year, neither the Chief Executive, members of the Management Board, nor other related parties have undertaken any material transactions with NIEA.

The Agency is charged with managing nature lands to maintain their scientific interest in favourable condition. This conservation management often requires grazing at low stocking levels and grazing at times of year unattractive to the farming community. The Agency levies

## Notes to the Accounts

an annual charge for grazing rights on these lands which is set by Land and Property Services. A number of employees have entered into agreements with the Agency.

### **21. Events after the reporting period**

The increase in the rate of employer National Insurance Contributions (NICs) from 13.8% to 15% on 6 April 2025 is a relevant event after the end of the reporting period for 2024-25, and therefore the accounting treatment should be considered in line with IAS 10 (Events after the reporting period).

Paragraph 3 of IAS 10 states that two types of events after the reporting period can be identified:

- (a) those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and
- (b) those that are indicative of conditions that arose after the reporting period (non-adjusting events after the reporting period).

Since the increase in the rate of NICs is not reflective of a condition that existed as at 31 March 2025, but simply a post year-end tax increase, it should be regarded as a non-adjusting event after the reporting period. Consequently, employers should not adjust their leave accruals in their 2024-25 accounts for the increase. However, in accordance with paragraph 21 of the standard, if the impact of the post year-end increase in employer NICs is material, they must disclose it and include “*an estimate of its financial effect, or a statement that such an estimate cannot be made.*”

There have been no material events occurring after the accounting period that affect these accounts.

### **Date of Authorisation for Issue**

The Accounting Officer authorised the issue of these financial statements on 4 July 2025.



[www.daera-ni.gov.uk](http://www.daera-ni.gov.uk)

Northern Ireland Environment Agency  
Gníomhaireacht Comhshaoil Thuaisceart Éireann  
Norlin Airlan Environment Agency

Northern Ireland Environment Agency

17 Antrim Road

Tonagh

Lisburn

BT28 3AL

Email: [nieainfo@daera-ni.gov.uk](mailto:nieainfo@daera-ni.gov.uk)

Telephone: 0300 200 7856



An Agency within the Department of  
**Agriculture, Environment  
and Rural Affairs**

[www.daera-ni.gov.uk](http://www.daera-ni.gov.uk)

Gníomhaireacht de chuid na Roinne  
**Talmhaíochta, Comhshaoil  
agus Gnóthaí Tuaithe**

An Agency wll'n the Depairtment o  
**Fairmin, Environment  
an' Kintra Matthers**

**INVESTORS IN PEOPLE®**  
We invest in people Standard