

ORAL STATEMENT TO THE ASSEMBLY

TRANSFORMATION FUND – TRANCHE 2

TUESDAY 26 MAY 2026

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MINISTER OF FINANCE**

This Executive has set out its vision for the delivery of public services in the Programme for Government.

It is clear that the transformation of how we deliver our public services is central to meeting many of the challenges that the Executive faces both now and in the years ahead.

‘Reform and Transformation of our Public Services’ is one of the nine key priorities in the Programme for Government.

At its core, transformation is about changing how we work so our services become more effective, more resilient, and more sustainable – something which is increasingly important given the constrained public finances.

That means:

- Designing services around citizens, not organisational structures; cutting duplication and unnecessary complexity;
- Planning our workforce better, so skills are used where they add the most value;
- Using data wisely to guide decisions and support early action;
- Focusing on prevention, not just managing demand; and

- Making sure every pound we spend delivers the greatest possible impact achieving better outcomes and responding to the changing needs of the community.

The Transformation Fund has a part to play in this.

Last March I announced £129 million for six transformation projects across healthcare, special educational needs, justice and infrastructure. While these are still in the relatively early stages of delivery, it is encouraging to note the progress that has been made with:

- Almost 300,000 more people now having access to a wider range of supports in their GP practice.
- 114 student classroom assistants are availing of new training aimed at supporting children with additional needs in early years settings.
- 4,000 policing hours have been saved, and court time is already being freed up to focus on the most serious criminal cases.
- The first natural flood management scheme has already commenced, with the potential to reduce flooding, improve water quality, and make our urban spaces greener.
- And a Digital Maturity Assessment of the Civil Service has been completed, and work is in train to appoint a Chief Digital Officer.

These are just some of the early successes resulting from the fund.

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

I am therefore pleased to announce today that, following a second call for proposals from departments, £102.6 million of funding from the Transformation Fund is being provided to a further six projects across the public sector to support the continued transformation of our public services. This £102.6 million represents the funding remaining from the original £235 million.

These projects have significant potential to bring about visible and lasting improvements to the way frontline services are delivered, including to some of the most vulnerable in society. They will embed prevention and early intervention to ensure that people can access the services they need, where and when they need them; address some of the most pressing public sector challenges; and lay the foundations for system-wide reforms to improve the sustainability of services in the longer term.

I am pleased that additional funding of £30 million from the National Lottery Community Fund and approximately £5.6 million

from the Shared Island Fund has been leveraged to support these transformative projects.

The six proposals that I am announcing funding for today reflect the recommendations from the Board. These have been agreed by the Executive, and I have secured the release of this funding from the Chief Secretary to the Treasury.

The successful proposals and funding amounts are:

£42 million for the Department of Health's ePharmacy Primary Care Digital Reform Programme. This investment will deliver:

- **Digitisation of the over 45 million prescription items issued each year**, replacing paper prescriptions with a faster, safer electronic system capable of being available **24/7**, including evenings, weekends and bank holidays.
- **Over 500 community pharmacies across the region** providing more clinical services, improving access to care closer to home and reducing reliance on GP appointments.
- **Reduced waiting and travel time for patients**, with no need to collect paper prescriptions from GP practices or out of hours centres, improving convenience and patient experience.

- **Reduced pressure on GPs, hospitals and emergency services**, supporting the shift of care into the community and allowing clinicians to focus on more complex cases.
- **£18m cash releasing savings over 10 years**, with **£3.5m recurring annually**, alongside reduced paper use and travel, contributing to more sustainable health services.

£29.2 million, also to the Department of Health, for Together for Families. This investment will deliver:

- **Earlier, easier help for families at scale:** strengthening **29 Family Support Hubs (region-wide coverage)** and adding new targeted neighbourhood support so families get timely help before problems escalate.
- **Reduced pressure on crisis services.**
- **£30m investment from National Lottery Community Fund:** a transformative new partnership between the Department of Health, the Fund and the Voluntary & Community Sector.
- **Better value for the public purse by shifting spend “left”:** investment will focus on prevention and reduce reliance on high cost interventions at a later stage.

- **Measurable efficiency and savings potential:** with a moderate estimate of **around £34m** in savings over 10 years.

£16 million to the Department for Communities for its Pathways to Work and Wellbeing proposal. Together with a contribution from DfC, this investment will deliver:

- **A redesigned Health and Work model:** Delivered in partnership with the Department for Health and Department for the Economy, offering stronger integration between employability and health services to support more people to find and sustain employment.
- Support for **3,750 people to improve work and wellbeing outcomes**, working in partnership with local organisations.
- **A Commission on Work and Wellbeing**, bringing together independent experts across health and employability, to set a forward approach to tackling health and disability related economic inactivity, and shape long-term recommendations for scaling up interventions.
- **A shift to early intervention and prevention:** Responding to individual needs as early as possible, to prevent long-term economic detachment and higher cost Public Service interventions in the long term.

- An estimated **long term financial benefit of £103 million**, driven by reduced duplication, higher productivity, and lower long-term demand on public services.

£6 million to the Department of Finance for its Digital Workplace solution. This investment will deliver:

- Modernised records and information management across the Civil Service, replacing an ageing system used by **26,900 staff**.
- **Recurring savings of £400,000 per year from 2029/30**, once legacy support and infrastructure costs are removed.
- Reduced duplication and manual handling, supporting **faster access to information and freeing staff time for citizen-facing activity**.
- The secure foundations required for the future use of **AI-enabled tools** within government, **strengthening transparency and decision making** over the long term.

£5.3 million for the Department of Finance's NISRA-Data Linkage Office. This investment will deliver:

- Two data Pathfinder projects to highlight the power of integrated data for **policy making across key PfG priorities**.
- A stronger data-driven culture to provide better outcomes for citizens; and
- Improved **financial sustainability by delivering efficiency gains**.

And £4 million to the Department of Agriculture, Environment and Rural Affairs for a Bovine TB pilot for the transformation of disease control delivery. This investment will deliver:

- A first of its kind regionalised research pilot to redesign the control of bovine TB.
- A preventative, evidence-led approach to target a disease programme currently costing over £60m per year.
- Shared Island funding of approximately £5.6m (€6.4m).
- Direct savings of around £275,000 by 2028/29, with substantially larger savings expected as the model scales.

Long term projections show that a sustained reduction in disease prevalence could deliver annual savings of up to £2.8m, improving the financial sustainability of a programme that has cost around £750 million over the past 20 years.

Members will know that I am ambitious in terms of what I believe transformation can deliver. The Transformation Board are too. In fact, reflecting the strength of applications received, the Board have recommended supporting another five projects that the Board assessed as meeting the criteria for funding, but which could not be funded from the £235m funding envelope currently available.

As Members will be aware, I have proposed in my draft Budget that additional funding be allocated by the Executive for transformation over the budget period. Once the multi-year budget has been agreed, it will therefore be my intention to seek Executive agreement that these proposals are supported, using this additional funding set aside for transformation in the budget. I will update Members further at that point.

I would like to once again express my thanks to the Public Sector Transformation Board for all its work throughout this process and to departments for their engagement with the Programme.

The Board will continue to monitor delivery of all funded projects and is supported by the Delivery Unit, based in The Executive Office, who work very closely with my officials.

Dependent on the outcome of discussions in relation to the draft Budget, I intend to engage further with the Board on determining the best approach for commissioning future bids to enable wider reform and transformation.

The Transformation Fund on its own will not deliver all the reforms required to our public services. It is essential that we look to embed successful approaches into mainstream delivery and sharing learning and good practice.

The Transformation Board is providing an active challenge function, encouraging projects to be innovative and agile, to take managed risks and adopt new ways of doing business. This is critical given that demand for services is outpacing the funding available.

It is clear that the Transformation Fund can and is making an important contribution.

The projects being announced today will unlock additional funding, encouraging cross-sectoral and cross-departmental collaboration, and will maximise the impact of transformation funding in driving improvements in service delivery, promoting prevention and early intervention approaches, delivering cost

savings and placing public services on a more sustainable footing.

I believe therefore that today's announcement represents another important milestone in this transformation journey.