

Annual Report and Accounts 2017-2018

Northern Health and Social Care Trust
Annual Report and Accounts
for the year ended 31 March 2018

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Annual Report 2017/2018

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Foreword from the Chairman

It has been well publicised how challenging the past twelve months have been for all healthcare providers, arising largely, but not exclusively, from what is often referred to as the demographic changes in our society. Put simply that means that people are living a lot longer than they used to. We should certainly celebrate that fact, and the National Health Service has played a major part in that success story both through conquering previously incurable diseases and, where that has not yet been achieved, by helping people to live much longer with such conditions.

The impact of an ageing population on services is a particular challenge for the Northern Health and Social Care Trust, as we have the largest and fastest growing elderly population. This has implications for all the services that we provide, but perhaps its effect is best demonstrated by the ever increasing pressures on our unscheduled services, where attendances over the Christmas period at Antrim Area Hospital Emergency Department increased by 11% compared to 2 years ago. In addition, attendances of patients aged 75 and over, who tend to present with more complex and multiple conditions, grew by 39% over the same period. Inevitably, this leads to more admissions to acute hospital beds and more challenges to deal with when discharging patients back to the community.

I believe the public in general already recognise how our dedicated staff have risen to the ever increasing challenges and I have no doubt they will do so again. My thanks go to all our staff for their professionalism and true dedication. But thanks are not enough. We owe it to our patients, our staff and all our colleagues throughout the healthcare community, to find new ways of providing top quality care in a sustainable way. So collectively, and in partnership with the community, we must maintain the determination and momentum to deliver meaningful change.

In this Annual Report you will read of some of the innovative change we are leading. We as a Trust will and must play our part in the wider transformation agenda, as set out in various expert reports and the last Minister's vision.

PERFORMANCE OVERVIEW

Purpose

This section of the report presents the Chief Executive's perspective on the Trust's performance over the period 2017/18. It also summarises the purpose and activities of the Trust and provides a brief description of the business model and operating environment, organisational structure, objectives and strategies. Key issues and risks that could affect the organisation in delivering against its objectives are identified and the section concludes with an outline of performance over the reporting period.

Chief Executive's Statement

This year has seen both challenges and successes for the Northern Trust. The most obvious challenge was the increased demand for services during the winter. We responded positively to this introducing new ways of working on both hospital sites, with a focus on providing alternatives to attending the emergency department or for inpatient treatment. The increase in demand from acutely ill people and frail, elderly patients did result in an increase in waiting times in Emergency Departments which, as a Trust, we deeply regret, recognising the impact on patients, their families and staff.

We have however maintained this critical service and on other measures such as ambulance turnaround times, we have performed well. This is vital in ensuring that the whole system can respond effectively to those most in need. We have also good evidence that in partnership with colleagues in the community and in General Practice, we have been able to care safely and effectively for more people in their own homes, reducing the demand for acute hospital beds.

Our community services are supporting more people to live at home through our domiciliary care service, whilst also making best use of resources, for example through effective reablement. Working with their hospital colleagues, they have also kept length of hospital stay as short as possible by offering timely community care for those with complex needs.

This report also reflects the improved efficiency and patient experience being delivered through initiatives in surgery and diagnostic services.

In mental health, we now have independent evaluation that confirms the success of RAID, our rapid access service for patients in hospital – a service now being planned for roll-out regionally.

Within women, children and family services we can also look to new initiatives and service developments that positively impact on people, including the launch of our Infant Mental Health Strategy. Our Eating Disorder and Child and Adolescent Mental Health services have received national recognition for the quality of those services.

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We have worked hard to build relations with the community and engage the people who use services in their design and delivery. To this end, we continue to explore new and innovative ways to make engagement truly effective.

After a tough year we have demonstrated our commitment to the people we serve and to improving the care we deliver. Our staff deserve much credit for their application and dedication. We have much to do however if services are to be truly transformed to meet the expectations of our community in the years ahead.

The Trust

Purpose and Activities

The Northern Health and Social Care Trust (the 'Trust') became operational on 1 April 2007. It has an annual income of around £782m revenue and £13m capital and employs around 11,900 people. Funding is secured from a range of commissioners, the main one of which is the Health and Social Care Board.

The Trust is responsible for the delivery of safe and effective health and social care services to a population of approximately 470,000, the largest resident population in Northern Ireland. The Trust also provides services to Rathlin, the only inhabited island off the coast of Northern Ireland.

Business Model

A highly skilled and professional workforce provides acute services through two hospitals - Antrim Area and Causeway – and community-based health and social care services from four localities which together include approximately 300 facilities including day centres, health centres and residential homes.

Outpatients services are provided from Antrim Area, Causeway, Whiteabbey, Mid-Ulster, Braid Valley and Moyle Hospitals as well as from a range of community settings such as Ballymena Health and Care Centre.

Holywell Hospital, a 115 bed psychiatric hospital in Antrim, provides a range of inpatient mental health and addiction services. The Trust also provides 20 acute mental health inpatient beds in the Ross Thompson Unit in Causeway Hospital.

Further information on the services provided by the Trust can be obtained from the website: www.northerntrust.hscni.net

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Principal Objectives

The Trust has established principal corporate objectives to give a structured, consistent and concentrated focus to its efforts:

Objective 1: To provide safe and effective care;

Objective 2: To create a culture of continuous improvement that supports the delivery of health and social care that exceeds recognized quality standards and meets performance targets;

Objective 3: To use all resources wisely;

Objective 4: To have a professional management culture with effective leadership, development of staff and teams that deliver; and

Objective 5: To involve and engage service users, carers, communities and other stakeholders to improve, shape and develop services.

Strategic Plan

The Reform and Modernisation Programme (RAMP) is the Trust's five-year strategic plan. It provides a framework for addressing the challenges faced and is the means by which the Trust delivers its vision – *'to deliver excellent integrated services in partnership with our community.'* RAMP encapsulates key regional strategies including 'Transforming Your Care,' 'Quality 2020' and 'Making Life Better.' It is also entirely complimentary to 'Health and Wellbeing 2026 – Delivering Together' and facilitates transformation through reform of services as one of its three key strands along with 'people' and 'resources'.

Operating Environment

The Trust covers four local council areas – Antrim and Newtownabbey, Causeway Coast and Glens, Mid and East Antrim and Mid-Ulster - making it geographically the largest Trust in Northern Ireland.

The population profile indicates that the Trust has the largest older population and the largest child population, when compared to other health and social care Trusts in Northern Ireland. The population is predicted to increase by 3.6% over the next 10 years, with significant increases in the older population over age 85, and a drop in the number of children and working age adults. This demographic change is evidenced through the increase in frail older people presenting to the Trust's Emergency Departments and in increased demand for community services.

In addition the north coast is also popular with older people as a retirement and holiday venue and this tends to increase the number requiring health and social care in the summer months.

Key Issues and Risks

The Trust, in common with the health and social care system in general, is facing tremendous challenges. These challenges are caused by a number of factors, including:

- A Growing Older Population - Advances in screening, medicines and treatments as well as lifestyle and an improved economic environment, mean that people are living longer.;

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- Quality and Standards - Advances in our understanding of diseases, in medicine and technology mean minimum acceptable standards evolve. This requires service models to adapt and change to ensure consistently achieved quality outcomes;
- Demand - The demand for services continually exceeds the growth in population due to the increased focus on screening, early diagnosis and intervention and the potential to successfully treat more conditions; and
- Workforce - We also face challenges, particularly in fulfilling our recruitment needs for key roles due to supply shortages in some professions; particularly in certain medical specialities, nursing and home care workers.

The Governance Statement within this report sets out more detail on significant control issues facing the Trust.

Organisational Structure

The Executive Team membership comprises of the Chief Executive, with four Directors covering Medicine, Nursing, Social Work and Finance, the Directors of Operations (and Deputy Chief Executive) and Human Resources are in attendance.

The structure involves delivery of services through a Divisional Services Model that has been designed to promote clinical and professional management and encourage team members to break traditional sectoral and professional team boundaries in pursuit of a truly integrated way of working to benefit patients, clients and families.

There are six operational divisions, each headed by a divisional director (one of these, the Director of Women, Children and Families Division, is also the Director of Social Work and a member of the Executive Team) reporting to the Deputy Chief Executive and Director of Operations:

- Community Care;
- Surgical and Clinical Services;
- Medicine and Emergency Medicine;
- Mental Health, Learning and Community Wellbeing;
- Women, Children and Families; and
- Strategic Development and Business Services.

Performance By Directorate/Division

Community Care Division

Integrated Service Delivery Model

The Community Care division continued to embed new ways of working throughout the year whilst continuing to deliver excellent care to service users in the Trust area. Just over a year ago, a new service delivery model was introduced, with 14 teams each covering a population of approximately 30,000 people and serviced by a community integrated team of nurses, social workers and occupational therapists. Responsibility for the management of most community services within each area sits with a single Assistant Director, allowing staff to work in a more integrated, effective manner to enhance best outcomes for service users and carers.

This model has helped to ensure improved access to a full range of other resources such as reablement and rehabilitation, assistive technology, short-breaks and domiciliary care. The teams are arranged around groups of primary care practices which have helped to promote multi-sectorial working. Work to further the level of integration and enhance team-based working across professions is underway and will be progressed during 2018/19. The locality-based approach has also been applied to the delivery of wheelchair services to help minimise delays.

Reablement and Rehabilitation Services

Through working more productively, The Recovery Service has accommodated increasing demand. More people have been able to access and receive re-ablement and rehabilitation services, both in their own home and bed-based community facilities.

Community Discharge Facilitators

The provision of rehabilitation in community beds has been strengthened through financial investment, allowing more people to receive care in these settings. The division has also introduced a Community Discharge Facilitator into each of the four Trust localities to support patient flow through all community beds. They actively respond to referrals and ensure early discharge planning by coordinating the full care management function of the community bed referral. Average length of stay in community beds has reduced during the year, helping to ensure that service users receive the care and rehabilitation they need as effectively and efficiently as possible. IT development has also taken place with the introduction of an electronic bed management system which has helped improve monitoring and performance of all community beds.

Domiciliary Care

More people are now being supported to live at home within the Trust with a domiciliary care package than ever before. Work to ensure that this support can continue to grow is on-going and includes the introduction of electronic rotas for the internal Homecare Service and further training of all social work staff. This training helps to ensure that our professional workforce take account of the wider financial constraints and situation in which we work, whilst ensuring the best possible outcome for the service user. Furthermore, a feasibility study was completed which

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set out to maximise opportunities to increase independence for those who require a new domiciliary care package. As a result, the division will introduce a new model of domiciliary care service delivery that will provide an extended re-ablement programme for those identified as in need of such a service.

The Division has continued to achieve high levels of performance against departmental targets, including the attainment of the Podiatry 13-week target to commence treatment, an increase in Short Breaks and Direct Payments whilst also maintaining a high performance against the complex discharge target within 48 hours, despite a significant rise in demand. In addition, waiting times for those requiring a domiciliary care package and dementia OT assessment have reduced.

As the population continues to grow older and demand continues to rise, the Community Care Division will continue to introduce a targeted approach across the Trust to help deal with the increasing pressures on all community services.

Surgical and Clinical Services Division

The Productive Operating Theatre (TPOT)

This project launched in January 2017 with the aim of improving patient experience, reducing delays in getting patients to theatre and increasing efficiency within theatres.

At the end of the first year significant improvements included:

- Enhanced patient experience via implementation of Communication Buzzers to alert next of kin when a child is ready to leave theatre;
- The creation of a patient awareness video: '*What to expect when attending for planned surgery*';
- 20% overall reduction in delayed starts in Theatre;
- 15% overall reduction in Recovery Ward staff returning patients to the Ward;
- The closure of an 8% compliance gap in post-operative pain relief for patients; and
- 11% decrease in Antrim Hospital in the amount of clinical waste.

Sustaining and developing these improvements will remain a priority in 2018/19. The development of a new dedicated admission space to facilitate timely patient arrival to theatres is already underway and ways to create more operating time by rearranging our theatre schedules are being tested.

Breast Surgery Early Supported Discharge (ESD) Pathway

Feedback obtained from breast surgery patients indicated that they wished to return home as soon as possible following surgery. With a determination to enhance patient experience, joint working between the Acute and Community nursing teams enabled this to happen. The Breast Surgery Early Supported Discharge (ESD) Pathway was established in Antrim Hospital in January 2017. Appropriate patients can now return home to their families the day after surgery and be cared for in their recovery by highly trained community district nurses. This enhanced pathway has also enabled increased bed utilisation for elective surgical pathways.

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Transformation of Outpatient Services

In 2017, the Trust committed to developing a plan to transform its Outpatient Services. 11 Outpatient specialties now have dedicated reform action plans for implementation in the coming 12-24 months. Several specialties have already successfully embedded virtual (telephone) review clinics which patients are finding extremely valuable and much less time consuming than face-to-face appointments. Additional direct-to-test and see-and-treat outpatient pathways have been created and tested and these have been particularly successful in Colonoscopy and Venesection services. To offer patients greater flexibility when arranging their appointments the roll out of partial booking in diagnostic services has commenced. For men requesting vasectomy, the surgical pathway was reviewed and streamlining of documentation processes as well as improving the patient information pack has resulted in a more direct and timely elective pathway.

Improved Ambulatory Pathways for Surgical Patients

Working closely with colleagues in the Emergency Department has improved ambulatory pathways for surgical patients. Patients who present with wound issues, or certain types of abscess, are now seen by a Specialist Nurse Practitioner who can safely treat them or arrange for expedited clinical consultation.

Paediatric Day Surgery

With support from the Belfast Trust, a Paediatric Day Surgery service was established in Causeway Hospital, enabling local children to have surgery quicker and closer to their homes.

Cancer Nurse Specialist Teams

With Commissioner and Macmillan support, Cancer Nurse Specialist teams were further expanded to include skin, upper gastrointestinal and gynaecology. Cancer Nurse Specialists (CNS) are providing invaluable support to patients and their carers from diagnosis, through treatment and beyond. The CNS supports patient follow-up services closer to home for those who require treatment in Belfast.

Laboratory Developments

The Trust laboratories participated in regional procurement exercises to bring about modernisation with state-of-the-art equipment, in particular Microbiology and Cellular and Molecular disciplines. All the pathology disciplines received full UKAS accreditation.

Dental Nurse-Led Programme

Service user involvement resulted in the Dental Service implementing a Dental Nurse-led programme which provides dedicated oral hygiene clinics. Patients with learning disabilities receive advice on all aspects of oral health care. Each individual takes home the personal oral health care plan they have helped to develop.

Single Appointment 'Assess And Fit' Hearing Clinics

Streamlining of the Direct Access Adult Hearing Service to introduce single appointment 'assess and fit' clinics for patients has reduced the waiting time for patients.

Medicine and Emergency Medicine Division

The two acute hospital sites have continued to experience increased levels of demand on their services, particularly from growing numbers of frail elderly patients. The division has been taking forward a significant programme of reform to address this, and has successfully implemented a number of important developments in 2017/18.

The Site Management Model

Launched in October 2017, this aims to facilitate management of the site as a whole system with a single point of co-ordination. A Site Co-ordinator role was embedded and is fundamental to the coordination of the Hub, where two-hourly short, action-focused capacity meetings occur. The model includes a Patient Tracker role for live real-time information and the decision pathway is entirely patient-centred, facilitating a safe and timely journey from the Emergency Department to discharge. Following the successful implementation of the model in Antrim Hospital a customised but similar model is being rolled out in Causeway Hospital.

Direct Assessment Unit (DAU)

The DAU continues to provide an alternative route to the Emergency Department (ED), with an average of 486 patients per month attending the unit. Together with Surgery and Clinical Services, two new surgical pathways for post-operative wounds and skin abscesses have been embedded. Patient feedback has played a key part in continuous evaluation of the service. Further pathways in development include Ambulatory Pathways to avoid hospital admission.

Strengthening Medical Services – Causeway Hospital

This project focuses on building a more resilient workforce and a range of initiatives has been undertaken to recruit and retain key clinical staff. A new front-door frailty service has also been designed to address the growing numbers of frail elderly patients being admitted to the hospital, and this work will be taken forward in 2018/19 by a newly-developed Causeway Strategic Management Group.

Self-Select Pathway – Causeway Hospital

In October 2017, Causeway Hospital introduced a Minor Injury stream, allowing patients to be seen and treated by an experienced Emergency Nurse Practitioner, resulting in shorter turnaround times and less lengthy waits in the Emergency Department.

Acute Care at Home

This innovative service plans to outreach from Antrim Hospital's DAU, providing acutely unwell patients with hospital treatment in the comfort and familiarity of their own home. The service will include consultant-led services, 24-hour community nursing, relevant allied health professions and access to social support and equipment and will operate seven days per week.

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Patient Mobilisation Project

During a patient's hospital stay, muscle strength can reduce quickly if they stay in bed. The Patient Mobilisation project has been developed to ensure all patients are mobilised as early as appropriate. Using enhanced communication, staff encourage patients to move, either independently or with support, thereby maintaining their functional mobility.

Acute Co-Production Partnership

Launched in February 2018 by the divisions of Medicine and Emergency Medicine and Surgery and Clinical Services, the Acute Co-Production Partnership connects the right people to work together to improve services. Service users and carers, community and voluntary sector organisations and acute hospital services will be connected and provided with practical tools for effective involvement at strategic and operation planning levels. Partnership members will be working together to develop confidence and strengthen capacity to ensure patient voices are amplified to provide a shared understanding of what matters and what needs to change.

Mental Health, Learning Disability and Community Wellbeing Division

Community Mental Health Teams

Ballymoney and Larne Community Mental Health Teams continued to progress with accreditation of their service under the Royal College of Psychiatrists' Accreditation for Community Mental Health Services (ACOMHS). The aim of the accreditation is to standardise the quality of care across the service and improve the patient journey.

The accreditation programme works with staff to assure and improve the quality of community mental health services for people with mental health problems and their carers. It engages staff in a comprehensive process of review, through which good practice and high quality care are recognised, and teams receive support to identify and address areas for improvement.

Ballymena Community Mental Health Team has been involved in the Regional Mental Health Collaborative which was established following the thematic review into suicide in Northern Ireland. This team piloted a number of quality improvement initiatives. One of these initiatives was the introduction of daily Safety Briefings which have proven to be a very positive safety improvement with staff reporting the meetings to be very valuable. Safety Briefings have now been implemented in all Community Mental Health Teams.

Health and Wellbeing Team (Older People)

The Health and Wellbeing Team (Older People) held a conference entitled "Loneliness in Later Life: social problem or public health issue". The conference provided evidence and statistics on loneliness and social isolation and set out to explain the differences between the two.

Dementia Champions

As part of the Improving Dementia Care Strand of the Delivering Social Change Framework, the Health and Social Care Board has recruited and trained a significant number of Dementia Champions across the five Health and Social Care Trusts. As well as several general Dementia Champions, the Northern Trust also now has eight Learning Disability Multidisciplinary Dementia Champions, primarily based at Tier 2

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within the Adult Community Learning Disability Teams. The dementia champions act as change agents providing real support for clients, families, and carers of people with a Learning Disability who develop dementia. This represents a significant step towards both the development of a Dementia Care Pathway for people with a Learning Disability, as well as the development of services within the ACLDT in the Trust.

Acute Care Mental Health System

The Acute Care Mental Health System launched an innovative Service Improvement Project, aimed at reviewing and improving the transitions in care between CMHT, CRHTT, Inpatient Care, Recovery and Specialist Services, in particular Personality Disorder Services. This project spans all parts of the Acute Mental Health Service, including both acute and community, and will establish a new collaborative framework with enhanced interface, care pathways, improved relationships and communications processes.

Awards Successes

In what was a significant achievement, two of the division's learning disability nurses, Paul McAleer and Sarah McCann, each took first places in separate categories at the Nurse of the Year Show.

More recently in the Trust's Chairman's Awards the division topped three of the six award categories through the Recovery College, the Steps Service and individually, Thomas Haighton, who organised Northern Ireland's first ever Learning Disability Pride event in Carrickfergus during the year.

All these awards result from staff striving to achieve the highest levels of professional practice and outcomes, coupled with a personal commitment to patients and clients. They evidence innovation and excellence across our services.

Women, Children and Families Division

Maternity Services

Services provided by the Midwifery and Obstetric Team resulted in 3,907 live babies being delivered during the year.

Contraception and Sexual Health Services (CASH)

The vision for CASH is for four Sexual Health Hubs. The first hub has been established in the former Braid Valley Hospital, closely followed by one in Mid-Ulster Hospital.

Speech and Language Therapy Service

The paediatric speech and language therapy service has been involved in a range of IQI projects to enhance patient experience. One member of staff was invited to present at the Royal College of Speech and Language Therapists conference on Stroke Services.

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RISE NI (Regional Integrated Service for Education)

The service previously known as MASTS in the Trust has been relaunched regionally as Rise NI. The service is expanding to cover pre-school settings.

Public Health Nursing Service

In October 2017, the division launched an Infant Mental Health Strategy. This was particularly welcomed as early childhood experiences and parenting relationships have a major impact on development and positive mental health throughout the lifetime of individuals.

Child and Adolescent Mental Health Service

The service has continued to meet departmental waiting list targets, and has successfully integrated with the Child Early Intervention Service. During the past year, Crisis Response Team cover has been increased across the Trust.

Eating Disorder Service

The Trust wide Eating Disorder Service was recognised for its service to children and young people by the Royal College of Psychiatrists, London and was runner up in the Psychiatric Team of the Year Category. The team also won the Trust Chairman's Effective Team Award.

Children's Early Intervention Service (CEIS)

CEIS staff continue to be trained to provide a full range of interventions for mild to moderate emotional and behavioural difficulties, using evidence-based parenting interventions and direct support to children.

Family Group Conferencing Service

The service is progressing innovative work establishing a Service User group, the lifelong links programme and working with domestic violence cases.

Paediatric Autism Spectrum Disorder Service

Increased demand continues to be a feature of this service. The service has secured additional accommodation which is due to open in April 2018 for clinic sessions.

Paediatric Occupational Therapy Service

Although demand is increasing, the efficiency of the service has improved with support, flexibility and willingness of all staff. Joint work between ASD and OT service for children referred to both services for sensory regulation difficulties to improve the pathway for parents and children/young people is progressing.

Safeguarding and Family Support Services

The Trust continued to implement the Strategy for Safeguarding Children from Abuse and Neglect through various sub-groups, along with the implementation of the revised Safeguarding Board NI Core Policy and Procedures.

Work progressed during the year on the development of Strengthening Communities Strategy and Action Plan

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With regard to reform, the Trust implemented a pilot project 'Reducing Bureaucracy in Social Work' and secured funding to provide frontline staff with equipment as part of the 'Mobilisation of Workforce' initiative. The Trust Referral Gateway Service is now paperless.

Looked After Children

The Trust is corporate parent for 674 children. During the year, two areas of work were subject to quality initiatives that are aimed at ensuring consistent methods and models of practice securing better outcomes for children and families; they are the TCI Governance Framework for residential care (viewed as the way forward for the region), and the integration of the Trust's residential and community based intensive support services. The Trust further expanded its services to 16+ young people transitioning to adulthood in partnership with Simon community, NI Housing Executive and HSCB through a flexible outreach service in the East Antrim Area. One of the Trust's 16+ Team Leaders was awarded Social Worker of the Year 2018 at the regional event.

Strategic Development and Business Services Division

Innovation and Quality Improvement (IQI)

2017/18 saw the first full year of operation of the NHSCT IQI Strategy – including the launch of the IQI virtual Hub (hosting a range of IQI resources), the introduction of the NHSCT IQI Level 1 & 2 training programmes and the implementation of the IQI Coaches and Go To People roles to provide support, advice and direction to staff embarking on their IQI journey. At the end of March 2018, 3632 (31%) of Trust staff have been trained in IQI/Q2020 Level 1 and 183 trained at Level 2.

Six health and social care teams have been presented with the bi-monthly IQI Team of the Month Award which is made to teams which have demonstrated the positive impact of innovation and quality improvement in care.

During the year the NHSCT established an Intellectual Property (IP) Register and a Trust IP Policy.

Over 220 small ideas for innovation and quality improvement are being pursued by staff as well as work to take forward the IQI Strategy priority areas of the Ageing Population, Medicines Optimisation and Use, Quality and Safety Analytics and Research and Development.

October 2017 saw the launch of the Trust's multi-professional Research & Development (R&D) Plan – setting out a 3-year plan, synchronised with the Regional R&D strategy, and linking R&D to IQI and Service Modernisation and Reform.

During the year the NHSCT took part in a number of international and local Quality Improvement events – these included the NHSCT Innovation for Ageing event, IQI One Year On, International Breaking the Rules Week and World Quality Day. The Trust also hosted 20 healthcare professionals from the Netherlands on a learning visit.

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The Trust is an active member of the Institute for Healthcare Improvement, Health Improvement Alliance Europe (HIAE) and as such is working with a range of European partners on some shared quality improvement priorities. In September 2017 the Trust hosted members of the HIAE to share learning from the Medicines Optimisation and Innovation Centre.

During the year the Trust has been working to develop a Faculty for Simulated Learning, investing in Clinical Lead for Simulation and developing a range of simulated learning programmes that will be available in early 2018/19 to NHSCT staff.

IQI continues to be a key enabler for service modernisation and reform, and in April 2017 the Trust published its report on progress so far with its 5-year Reform and Modernisation Programme (RAMP). The report summarised the commitments which the Trust had made to modernisation and reform in 2017/18 and what had done to realise these, as well as what service users and staff were saying. The RAMP programme highlights include:

- A continuing increase in domiciliary care provision;
- Increasing the use of services which allow people to remain at home for longer, sustaining performance in ED (despite continuing rising demand);
- Positive indications of the impact of the RAID service on mental health patients, Maximising the use of technology through increasing electronic referrals for outpatients;
- Electronic sharing of information with primary care; and
- Increasing use of video conferencing.

As well as continuing to build the Trust's IQI culture and infrastructure, the Trust has played a lead role in the development of the Regional QI infrastructure; including leading the development of a regional QI digital platform.

Capital Development

During the last financial year the Trust spent £12.9m on capital schemes including minor capital estates schemes, medical devices, vehicles, ICT, continuation of the 2nd MRI Scanner at AAH, completion of the Ballymena Health & Care Centre and Fire Code works.

Replacement MRI scanner at Antrim Area Hospital

The MRI scanner is at the end of its life resulting in a significant amount of downtime due to faults and breakdowns impacting on the delivery of ministerial targets for access to diagnostic services. The construction works for the installation of a new scanner continued through the year despite the adverse weather conditions. It is on target to be fully operational by August 2018. With this we will see improved delivery of rapid access to diagnostics, increased throughput of inpatients as well as servicing new developments.

Interim Expansion of the Direct Assessment Unit and Ambulatory Service in AAH

During the year the Trust embarked on a major refurbishment of the vacated old Emergency Department and by the end of December we were delighted to have a new discharge lounge and a 9 bedded area operational. This has supported

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improvements in the patient journeys and experience, greater flexibility for managing patient flow and an improved environment for patients which meets standards. Further work to complete the project is planned which will commence in April 2018.

Submission of Business Cases

In line with the direction of the Trust's five-year strategic plan RAMP and the Trust's Review of Capital Priorities a number of Outline Business Cases were reviewed and resubmitted to the Department of Health and Department of Finance for approval and investment. These included a Mental Health Facility and a 72 bed acute ward block on AAH site. A Strategic Outline Case was also submitted to upgrade and expand the Trust's theatre and endoscopy provision as well as the associated support services infrastructure.

Equality Matters

Equality is fundamental to the Trust's core values as is the belief that everyone should be treated with respect and dignity. Diversity is welcomed and difference brings value to the organisation. During the year the Trust has continued to take steps to promote equality and to engage and empower service users and carers to be involved in shaping their services.

In partnership with Newcastle University and the Human Rights Commission the Trust tested a ground-breaking method of public engagement called 'deliberative democracy'. This is an approach to decision-making in which a range of service users and carers think about options or issues relating to a particular subject and are provided with key information and access to 'experts' in the subject area.

Testing this engagement approach included a one-day deliberative forum which was held in June, 2017. A range of service users and carers were invited to deliberate on the topic of 'delivering local community services for older people' and participants had the opportunity to put their questions to an expert panel during an afternoon plenary session.

In November, on Carers Rights Day, the Trust launched its new digital platform www.carersdigital.org which is now available to all carers. It is tailored to meet the needs and to offer further support to carers across the Trust area. They can now have 24/7 access to a range of resources including, two e-learning programmes, "Jointly" a care co-ordination app and a self-advocacy guide, as well as many more links to local information and support. The website can be accessed using smartphone, tablet or on a web browser. The resources help carers to think about themselves and to build resilience, as well as how to manage tasks and care. Support sessions were also held to help carers get to grips with the new website. Those who attended welcomed the additional support provided through the classes and were positive about the new website.

The Trust has been working collaboratively with other health and social care organisations on the development of a regional Equality, Good Relations and Human Rights eLearning programme. The 'Making a Difference' eLearning programme was launched in December 2017.

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During the year a workshop on 'Making Involvement Work' was used to establish how people wanted to be involved. This workshop which generated many good ideas, confirmed that participatory approaches to gathering service user and carer views also offer participants the opportunity to network and learn from each other.

Human Resources, Organisation Development and Corporate Communications

Our People

Through the 'People' element of its Reform and Modernisation Programme (RAMP), the Trust has continued to take forward its 'Creating a Great Place to Work' Strategy. This is about valuing, appreciating, engaging and developing staff and caring for their well-being. It articulates the organisation development agenda through four key 'People' work streams. During the year, the Trust continued to take forward these workstreams covering employee engagement and leadership capability, building capability, supporting workforce review and supporting service change.

The Trust continues to build a culture of innovation and continuous improvement, openness and transparency, compassionate collective leadership at all levels, respect and dignity and striving for excellence through clinical and professional leadership and managerial support.

Staff Survey

Working in partnership with professional leads and Trade Union colleagues, the Trust developed a Corporate Action Plan in response to the issues raised through the Staff Survey. Through its implementation, the plan resulted in the enhancement of the corporate and departmental induction process, the updating of the appraisal process, the development of a Reward and Recognition Strategy and the launch of a leadership and management development pathway. In addition to the Corporate Action Plan, each Directorate and Division developed its own action plans and regular updates have been published on the Trust's intranet.

Leadership and Management Development

The Trust remains committed to strengthening the skills of its leaders with a range of leadership opportunities made available to leaders at all levels, including design and testing of a manager's development pathway. The focus during the year was on supporting leaders at middle manager level; these staff hold key roles in the organisation and the aim is to support them and build capability and well-being. To this end, the annual leadership conference, which in 2017 was attended by over 150 members of staff, was designed to allow those key leaders time out for reflection and inspiration.

The Trust continues to deliver practical training to help managers deal with, and overcome, day-to-day management issues that arise due to staff sickness, conduct, capability and recruitment. Support is also offered for team development and during 2017/18 13 teams successfully completed a 'team journey' - a process through which teams can enhance team effectiveness and continuous improvement.

Further work is required to improve medical engagement and enhance opportunities for medical leadership. A draft strategy will be shared with medical staff aiming to co-

PERFORMANCE REPORT

produce a Medical Engagement and Leadership strategy, focusing on themes around culture, leadership, involvement and building management capability.

Recognition

The Trust has created a Recognition Strategy which sets out steps through which a culture that both recognises and rewards the efforts and achievements of staff can be developed and embedded.

Through its practical application, in December 2017 the Trust hosted a '12 Thank-Yous of Christmas' event as an opportunity for Senior Leaders to publicly thank staff who routinely go the extra mile for the benefit of patients and service users. In 2017, the Trust also hosted its Chairman's Awards ceremony which celebrated the success of individuals and teams who had delivered high quality, effective and innovative services in pursuit of the Trust Vision. The Quality and Credit Framework (QCF) annual ceremony and Trust Board celebration of achievement events added to the blend of both formal and more informal approaches to recognition outlined by the Strategy.

Health and Well Being

The Trust continues to invest in the health and wellbeing of its staff with action plans now underway to support musculoskeletal conditions, psychosocial wellbeing, healthy lifestyles and the need for our staff to age well at work.

During the year, the Trust has focused on steps to improve the health and wellbeing of staff through various self-care initiatives, which include resilience training, mindfulness sessions and the provision of a number of self-care guides. 'I-matter', the Trust health and wellbeing hub, also remains a popular tool through which staff can engage with one another on a wide range of health related events. Since its launch on the 31 March 2017, the hub has had 16,000 visits with over 108,000 pages viewed.

The annual staff flu vaccination campaign ran from October 2017 to February 2018. Through the use of 'flu champions,' regular flu-fighter communications and open access clinics, the Trust was able to ensure that the flu vaccination was made available to all employees, achieving 34% uptake in respect of front line staff.

Staff Communication and Engagement

To strengthen staff engagement, the Trust relies on open dialogue throughout the organisation. As part of that ethos, the Trust has an active intranet that provides employees with day-to-day real life information on Trust issues. The Trust hosts regular engagement events providing staff with an opportunity to meet with the Chief Executive and other members of the senior leadership team. The Trust also has an active presence on social media with the NHSCT Facebook account having in excess of 15,000 followers. Our focus during 2017/2018 has been about reviewing our internal communications approach to create a strategy which ensures both communication and listening and we intend to progress the actions arising from this commencing in 2018/2019.

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Focus on Recruitment

During 2017/18, the Trust actively addressed its workforce challenges by running a number of nursing recruitment events through open days for the Emergency Departments, medical specialties, surgical specialties and community specialties. These have been successful both in terms of the ability to attract applicants as well as providing an opportunity for teams to showcase the excellent work going on across services. The Trust also continues to engage with the regional international nurse recruitment programme which has supported the recruitment of an additional 29 nurses.

In respect of medical staff, and in addition to on-going local recruitment exercises where we have piloted some innovative approaches in terms of advertising, the Trust has worked with the regional international medical recruitment project to successfully appoint a number of clinicians into traditionally hard to fill areas.

Nursing and User Experience incorporating Corporate Support Services and Governance

Nursing Innovation and Practice Development Team.

Person Centred Practice: The team were involved in several QI initiatives with a focus on fundamentals of care delivery; involving staff education, awareness and delivery of best practice to improve patient experience of care and care outcomes. The particular focus in 2017/18 was on patient oral care and continence management.

Service Innovation: The development and roll out of the 'Dementia Companions' role was a first for Northern Ireland. The role of the companions is to provide compassionate reassurance, support and therapeutic interventions for patients with a dementia, delirium or cognitive impairment. Positive evaluation and outcomes have resulted in regional recognition and transferability to all Trusts in NI.

Nursing Development: A development programme for senior nurses, where a small improvement test is encouraged back in practice, contributed to the Trust's IQI agenda. The Trust has also framed a development pathway focussing on the fundamentals of patient care delivery for its valued nursing assistant workforce in the First Steps development programme. A further enhanced skills development programme for senior Nursing Assistants is also being tested and evaluated.

Safety, Quality and Patient Experience

The Safety, Quality and User Experience Nursing Team have worked collaboratively with Divisional Teams through the Tissue Viability Team, Infection Prevention and Control Team, Falls Team and Patient Pathways Team (Patient Pathway, Hospital at Night, Nursing Practitioners and Hospital Transport teams) to deliver improvements in patient care and recording of key performance indicators.

Infection, Prevention and Control

The Patient pathway team's adoption and use of multiple Information technologies to help track patient flow while maintaining a hands-on approach and close working relationship with Ward Sister /Charge Nurses and their teams, has been a key

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feature in the work that keeps patients at the centre of everything they do. In addition, Nursing Documentation Facilitators have supported Ward Sisters in the implementation of the Person-Centred Assessment and Care Planning (PACE) framework to improve the robustness of nursing documentation.

RCN Awards 2017

The Trust celebrated success at the Northern Ireland Royal College of Nursing 'Nurse of the Year' Awards, with five of its nurses scooping top honours:

- Sharon Love, Falls Injury Prevention Nurse, winner of the Leadership Award;
- Orla Mathews, Ward manager (Elderly Acute Unit) winner of the Team Manager Award;
- Sarah McCann, Epilepsy Nurse, winner of the Learning Disability Award;
- Paul McAleer, Forensic Practitioner, winner of the Inspiring Excellence in Mental Health and Learning Disability Award; and
- Sally Convery, Service Lead in Palliative Care, joint winner of the Cancer Nurse Award.

In addition Ann Gregg was runner-up in the Health Care Support Worker Award.

Allied Health Professionals (AHPs)

AHPs across the Trust participated in the global Institute of Health Improvement (IHI) Breaking the Rules for Better Care week. This has allowed staff and service users to share ideas to improve care.

A multidisciplinary AHP group completed IQI level 2 training to take forward a coproduction initiative with parents regarding how Children's AHP service communicate with them.

NHSCT AHP staff had success in the Oct 2017 NI Regional AHP Awards:

- Lorraine Abernathy, Paediatric OT, won the PHA Award for Building Capacity in Communities for her work on wheelchair skills training using peer trainers;
- Elaine Davidson and Jane Beggs, Podiatry won the HSCB Award for Enhancing Support in Primary Care for the Diabetes Foot Pathway; and
- Alison Craig, OT, Bernie McGreevy, physiotherapist and Clodagh Connon, Dietitian were runners up in The Macmillan Award for Leadership and Innovation in Cancer Rehabilitation for their work on Cancer Related Fatigue Workshops.

The RISE NI service won the NHSCT Chairman's 'Integrated Team' award and other Chairman's Awards recognition included:

- Cancer Services: Health and Wellbeing Team – finalist (Clodagh Connon and Leah Topping – Specialist Dietitians); and
- CAMHs Eating Disorders team for service user engagement and co working with paediatrics – Medical management and admission – Winner November 2017: Sonya Jain

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Corporate Support Services

Catering and Domestic Services

The Mealtime Matters Pledge re-focusing on putting patients first at mealtimes was developed in line with the Trust's Protected Meal Times Policy, and is being rolled out in partnership with nursing. The Spires restaurant at Mid Ulster Hospital, in partnership with the Food Standards Agency and Environmental Health NI, was the first restaurant in the Mid Ulster District Council area to achieve the Calorie Wise award in early March

Catering and Domestic Services Trust wide were again awarded the Government accredited Customer Services Excellence Award following a very rigorous independent annual assessment and Community Catering Services won Team of the Year at the 2017 National Hospital Caterers Association Leadership and Development Forum.

Security

Security has been enhanced by the installation of the access control system in nearly all major Trust facilities. Benefits of the system include the ability to ensure access is only provided to staff in those areas authorised by their manager and to immediately cancel access should a staff member leave or if a card is lost.

Emergency Planning

The development and enhancement of Emergency Planning resilience and capability within the Trust continues to be progressed as outlined within the Northern Ireland Civil Contingencies Framework.

In striving to be prepared to respond to an incident the Trust has developed the following plans:

- Antrim Hospital Site Specific Major Incident Plan;
- Causeway Hospital Site Specific Major Incident Plan;
- Pandemic Influenza Response Plan;
- Chemical, Biological, Radiological, Nuclear (CBRN) Response Plan;
- Mass Prophylaxis Centre Plan; and
- Evacuation & Sheltering of People from Healthcare Facilities Plan.

Training is provided to a wide range of Trust staff to assist with embedding the plans into the organisation and facilitating familiarisation within roles and responsibilities during a major incident response. Training has been wide-ranging and the Trust Emergency Planning & Business Continuity Manager has facilitated Major Incident response training to Trust staff.

The Trust Emergency Response Team (ERT) is a highly regarded and valuable Trust asset during a major incident response. The team which is co-ordinated by the Emergency Planning & Business Continuity Manager has received training incorporated into their monthly team meetings which has included Belfast International Airport major incident response familiarisation sessions. The Team also attends an annual training day to provide assurances of their capability to respond to

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a Trust major incident or a civil emergency. The ERT was highly commended by Belfast International Airport for their response during an aircraft incident in November 2017.

Training has been enhanced by Trust participation in multi-agency major incident exercises hence facilitating the testing and validation of Trust plans. This has included testing the Multi-Agency Control Room at Belfast International Airport during an aircraft incident.

The Trust hosted a live major incident exercise in June 2017 on Causeway Hospital Site to test the Incident Control Team, Emergency Department and the in-patient unit response to a large transport incident scenario. The exercise was very successful and an action plan developed to further enhance the Trusts major incident response.

The Trust also hosted a table-top exercise to test the response to a Cyber-Attack Incident – this was well attended by approximately 90 Trust staff across all Divisions.

Following the recent mass casualty incidents in the UK the Trust has been involved in regional preparedness planning and striving to develop plans to respond to a similar incident if required.

Trust involvement and contribution to multi-agency preparation, planning and co-ordination with partner agencies continues for high profile events includes the Northwest 200, International Airshow, amongst other road racing events.

The Trust Emergency Planning & Business Continuity Manager received recognition alongside colleagues in Antrim Hospital Emergency Department at the 2017 Chairman Awards for the development of a Protocol for the Management of Persons Suspected of Concealing Illicit Drugs. The protocol is the first of its kind to be developed in the UK.

Complaints and User Experience

We continue to listen to our service users who make complaints or enquiries and try to ensure that complaints are dealt with effectively. Learning is identified from complaints and changes and improvements to practice and care delivery is made. The total number of formal complaints received for the period 1 April 2017 – 31 March 2018 was 807.

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Complaints by Division

Division	2017/18	2016/17
Medicine & Emergency Medicine	181	211
Surgery & Clinical Services	138	139
Women, Children & Families	177	170
Nursing & User Experience	33	25
Finance	17	24
Medical & Governance	30	0
Mental Health, Learning Disability & Community Wellbeing	118	112
Community Care	105	112
Strategic Development & Business Services	7	10
HR, OD & Corporate Communication	1	0
Total	807	803

We aim to respond to complaints within 20 working days, where possible, and strive to ensure that there is a full, fair and objective investigation of the issues and concerns raised, and that an effective response and outcome is provided. The Trust responded to 74% of complaints within 20 working days.

Compliments

Services across the Trust received many compliments on a frequent basis; these can range from written letters, thank you cards or verbal feedback. In addition, a number of compliments are received directly by the Chief Executive, and for the year ended 31 March 2018, the Chief Executive received a total of 1416 compliments.

NI Public Services Ombudsman (NIPSO)

Sometimes people are not always happy with the outcome of the investigation into their complaint. For those who remain dissatisfied, they may approach the NIPSO Office directly. The Advice, Support Service and Initial Screening Team (ASSIST) is the public's first point of contact with the Office. Where the ASSIST team decide that they cannot resolve the complaint, the case is forwarded to the Ombudsman's Investigations Team. In 2017/18 there were thirteen requests for information from the NIPSO Office. Two cases were not upheld, eight are on-going, one case was returned to the Trust for action, one case was closed as the complainant choose to pursue legal recourse and the last complainant accepted a goodwill offer of £100.

Anti-Bribery and Counter Fraud

The Trust operates a zero tolerance approach to Fraud and Bribery and has policies and procedures in place to combat and investigate, headed up by a Fraud Liaison Officer and supported by the Counter Fraud Service in BSO.

PERFORMANCE – ANALYSIS

Our Performance

The Health and Social Care Board sets out an annual Commissioning Plan which includes plans for service development, as well as setting priorities and targets that have been included in the Minister's Commissioning Plan Direction. These priorities and targets have associated measures or performance indicators. The Trust Board reviews performance against all the targets each month and detailed monthly performance reports are available on the Trust's website www.northerntrust.hscni.net. These reports highlight the journey towards the end of year assessment of performance against the targets set out below.

Over the course of 2017/18 it has been challenging to meet some of the targets set. This is due in part to the growth of the ageing population and continually increasing referrals to services. The financial challenges facing health and social care regionally have impacted on the situation further. This growth in demand was experienced across both of the Emergency Departments, with unprecedented numbers of patients attending during the winter period; this resulted in both Emergency Departments failing to meet the waiting time targets. Against a target of 95% patients waiting less than four hours for treatment or admission, at the end of March 2018 Antrim Hospital achieved 59% and Causeway Hospital 66%. A Site Co-ordination model is now in place on both hospital sites and a business case has been submitted to the Department of Health for a new ward block at Antrim Hospital to address the acknowledged bed capacity shortfall.

It is recognised regionally that the inpatient, day case and outpatient waiting time targets are not being met due to the lack of hospital capacity to meet the increasing demand. The regional performance standard is that 55% of patients should wait no longer than 13 weeks for inpatient or day case treatment and that no patient should wait longer than 52 weeks. At the end of March in the Trust, 53% of people were waiting less than 13 weeks for treatment and 335 people were waiting for more than 52 weeks. 72% of patients had been waiting for an outpatient appointment for more than 9 weeks since referral and 9916 patients had been waiting for more than 52 weeks. The adoption of improvement trajectories has been introduced as a means of making progress while the capacity shortfall is addressed regionally.

The lack of hospital capacity also impacted on performance in the area of cancer waiting times. The performance standard is that all urgent suspected breast cancer referrals should be seen within 14 days. From April 2017 to March 2018, an average 89% of breast cancer patients were seen within 14 days of having been referred, however the Trust achieved the 100% standard in February and March. During the year the Trust accepted referrals from the Southern Trust to help relieve pressures there and this impacted on performance against the 14 day timeframe.

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There are two regional performance standards which govern waiting times for cancer treatment. Firstly, during 2017/18 at least 98% of patients diagnosed with cancer should have received their first definitive treatment within 31 days of a decision to treat. The Trust achieved an average performance of 93% across the year; however the target was achieved in February and March. Secondly, at least 95% of patients urgently referred with a suspected cancer should have begun their first definitive treatment within 62 days. The Trust achieved an average performance of 72% across the year. However in 5 out of the 9 tumour sites the Trust did achieve the target waiting time in March, with 100% of patients beginning their treatment within the target waiting time. Of the remaining 4 tumour sites where the Trust is not meeting the target additional capacity is being put in place where possible and red flag patients are being managed proactively.

The Trust's performance against the regional waiting times standard was better in the area of Mental Health Services. At the end of March 2018 no child or adolescent was waiting longer than 9 weeks to be seen by mental health services and no patients were waiting longer than 9 weeks to access adult mental health or dementia services. In relation to psychological therapies there were 31 people waiting longer than the 13 week target.

Key Performance Indicators	RAG Rating
By March 18, secure a reduction in the number of MRSA infections. MRSA 2017/18 Trust target is no more than 8 cases	R
By March 18, secure a reduction in the number of CDIFF infections. CDIFF 2017/18 Trust Target is no more than 48 cases. (CPD 2.3)	A
By March 2018, ensure that at least 15% of patients with confirmed Ischaemic stroke receive thrombolysis	A
By March 2018, all Urgent diagnostic tests are reported on within 2 days of the test being undertaken	R
From April 2017, all urgent suspected breast cancer referrals should be seen within 14 days	G*
From April 2017, at least 98% of patients diagnosed with cancer should receive their first definitive treatment within 31 days of a decision to treat	G*
From April 2017, at least 95% of patients urgently referred with a suspected cancer should begin their first definitive treatment within 62 days	R*
By March 2018, at least 50% of patients wait no longer than 9 weeks for 1st outpatient appointment. (CPD 4.10)	R
By March 2018, no patient to wait > 52 weeks for 1st outpatient appointment	R
By March 2018, 75% of patients should wait no longer than 9 weeks for a diagnostic test	A
By March 2018, no patients should wait no longer than 26 weeks for a diagnostic test	R
By March 2018, 75% of patients should wait no longer than 9 weeks for an Endoscopy diagnostic test	R
By March 2018, no patient waits longer than 26 weeks for an Endoscopy diagnostic test	A
By March 2018, 55% of patients should wait no longer than 13 weeks for inpatient/ daycase treatment	A

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Key Performance Indicators	RAG Rating
By March 2018, no patient waits longer than 52 weeks for inpatient/ daycase treatment	R
By March 2018, no patient to wait longer than 13 weeks from referral to commencement of AHP treatment	R
By March 2018, reduce by 20% the number of hospital-cancelled consultant-led outpatient appointments	R
By March 2018, 95% of patients attending any type 1, 2 or 3 emergency department are either treated and discharged home, or admitted, within four hours of their arrival in the department	R
By March 2018, no patient attending any emergency department should wait longer than 12 hours	R
By March 2018, at least 80% of patients to have commenced treatment, following triage, within 2 hours	R
By March 2018, ensure that 90% of complex discharges from an acute hospital take place within 48 hours	R
By March 2018, no complex discharge takes more than seven days	A
By March 2018 all non-complex discharges from an acute hospital take place within six hours	R
By March 2018, no patient waits longer than nine weeks to access adult mental health services	G
By March 2018, no patient waits longer than 9 weeks to Access dementia services	G
By March 2018, no patient waits longer than 13 weeks for psychological therapies (any age)	A
From April 2017, ensure that 99% of all Learning Disability discharges take place within 7 days of the patient being assessed as medically fit for discharge	R
From April 2017, ensure all Learning Disability discharges take place within 28 days of the patient being assessed as medically fit for discharge	R
From April 2017, ensure that 99% of all mental health discharges take place within seven days of the patient being assessed as medically fit for discharge	G
From April 2017, ensure that all mental health discharges take place within 28 days of the patient being assessed as medically fit for discharge	G
By March 2018, ensure a three year time frame (from date of last admission) for 90% of children who are adopted from care	R
By March 2018, no patient waits longer than 9 weeks to Access child and adolescent mental health services	G
By March 2018, secure a 10% increase in the number of direct payments to all service users.	G
By March 2018, secure a 10% increase in the number of carers' assessments offered to carers for all service users	G
By March 2018, secure a 5% increase in the number of community based short break hours (i.e. non-residential respite) received by adults across all programmes of care	G

**While target is expressed as 'from April' the RAG rating is based on an assessment of performance as at 31/03/18.*

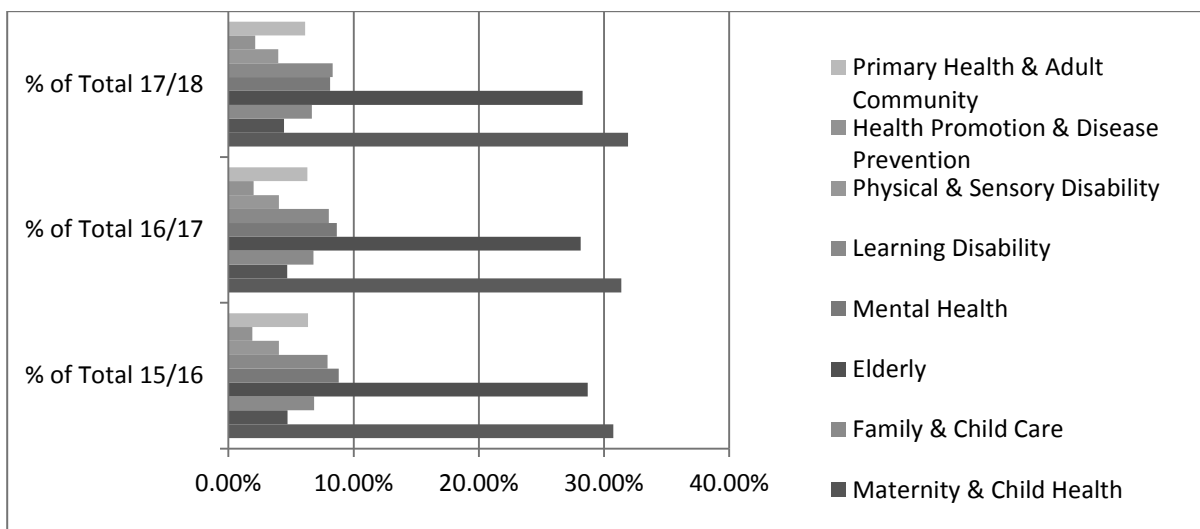
RAG Rating	
Red (R)	Not Achieving Target
Amber (A)	Almost Achieved Target
Green (G)	Achieving Target

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Long Term Expenditure Plans

Within the HSC sector our plans are formed in partnership with many stakeholders and are impacted by the availability of resources such as staff and revenue and capital funds. Over the past 3 years the Programme of Care (POC) profile shown as a percentage of total expenditure has remained relatively static. Our expenditure plans by POC are not expected to vary materially in the future. Further divisional analysis can be found within the segmental information shown in note 2 to the Accounts.

Programme of Care Expenditure Trend Analysis (2015/16 – 2017/18)



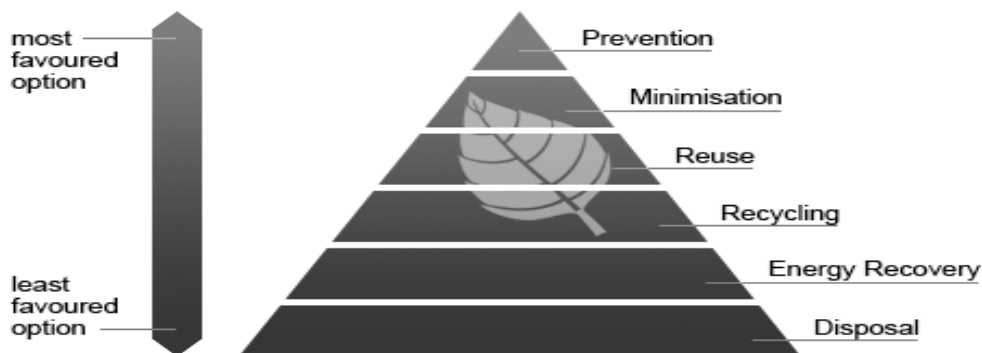
Environment and Sustainability Report

The Trust Waste Policy includes a commitment to safeguard the environment from adverse effects from the waste produced throughout the Trust. The various waste management options are placed in an order known as the Waste Management Hierarchy which reflects the relative sustainability of each. One of the key principles underlying waste management is to ensure that waste is dealt with as high up the Waste Management Hierarchy as possible. Since all waste disposal options have some impact on the environment, the only way to avoid impact is not to produce waste in the first place; waste prevention is therefore at the top of the hierarchy. Re-use, followed by recovery techniques (recycling, composting and generating energy from waste) while disposal to landfill or by incineration; the worst options, are at the bottom of the hierarchy.

Although the hierarchy holds true in general terms, there will be certain wastes for which the waste management options are limited or for which the 'Best Practicable Environmental Option' (i.e. the option causing least environmental impact) lies towards the bottom of the hierarchy. In deciding what are the most appropriate

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disposal routes for the Trust both environmental and economic costs and benefits need to be considered.



Domestic Waste

Domestic waste is managed using several options mainly a service contract for the recycling of the co-mingled recyclable waste, recovery (into fuel) for the general waste and landfill for that fraction which cannot be reused; recycled nor recovered.

For items that are no longer required by a department but can still be used; there is the option of a swop-shop. During 2017/18 furniture and electrical items were either re-distributed across the Trust or donated to charity resulting in diverting items from landfill and unnecessary cost for both disposal and replacement items.

At Antrim, Causeway and Holywell hospital sites there are containers for redundant furniture and bulky items. The contractor strips the furniture into recycling components such as metal, wood and fabric for recycling.

Number of items	Items reused
14	tables
105	chairs
345	beds
38	bedroom furniture
24	examination couches

Throughout the years recycling has steadily increased as contractors' facilities have improved to remove a higher percentage of recycleable material. Also there is a higher percentage of recovery for the remaining material to be processed into a fuel source. This has helped to further divert waste from landfill and with some hospitals and community facilities resulting in 80% recycling. Throughout 2017/18 the Trust average annual recycling rate was 71.2%, 21% was recovered and 7.8% sent to landfill.

To further aid recycling the majority of hospitals and Ballymena Health & Community Care Centre have balers to compact cardboard which reduces the amount of

PERFORMANCE REPORT

recycling bins and creates space in compactors resulting in less collections and Lorries on the road reducing the carbon footprint. Across all of the hospitals 151 tonnes of cardboard was baled and recycled during 2017/18.

Even though the recycling rate throughout the Trust is high there is still an opportunity to improve. Other recycling projects operating across the Trust include bins for toner cartridges, batteries, paint and fluorescent tubes and banks for Clothes and metal.

Food Waste

During January 2018, the food waste contract was implemented throughout the Trust. Catering facilities that produce more than 5kg of food waste per week have to segregate food waste for either separate collection or process (de-water) the waste onsite.

Even though there are measures already in place to prevent food wastage within the catering facilities (which is the preferred option); food waste is inevitable and is seen as a resource through legislation as either renewable energy or as compost.

During February and March 2018, Waste Stations to process food waste were installed at Causeway and Antrim hospitals to reduce the amount of food waste for collection. During the short period of February to March food waste for collection had decreased by 60% at these sites.

Other hospital sites, Residential facilities, Adult and Resource centres have a separate food waste bin collection in operation. Since January 2018, 16.4 tonnes of food waste has been collected across 43 facilities which is 100% reprocessed to generate electricity by anaerobic digestion.

Waste Electrical & Electronic Equipment (WEEE)

WEEE is a complex mixture of materials and components that because of their hazardous content, and if not properly managed, can cause major environmental and health problems.

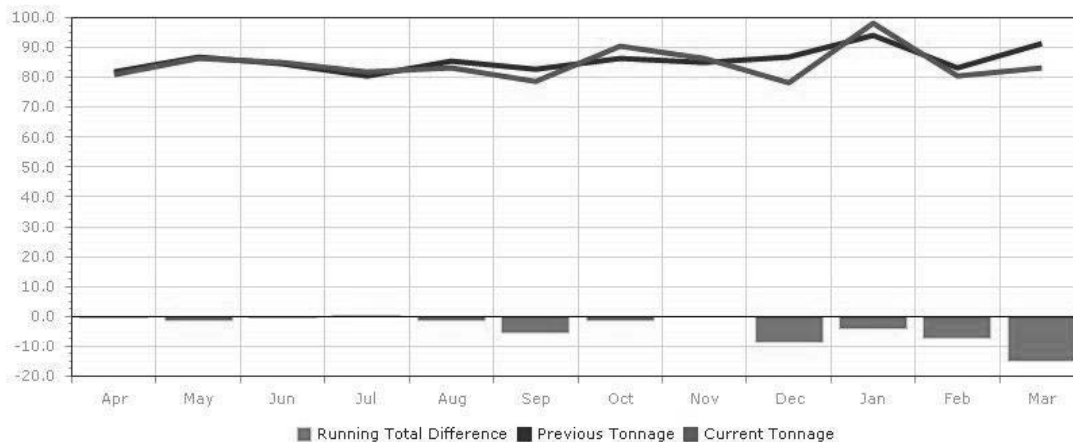
During 2017/18 the Trust recycled 59 TVs, 81 Fridges, 1.1 tonnes fluorescent tubes, 13.9 tonnes of small domestic appliances and 5.3 tonnes of large domestic appliances under contract:.

Healthcare waste (clinical, pharmaceutical and anatomical)

Healthcare waste is hazardous in nature and therefore cannot be recycled or reused without first being treated. The management option for clinical waste is to render it safe via steam treatment which forms a 'flock' which can then be recovered and sent to a waste to energy plant as sustainable fuel.

During 2017/18 1,014 tonnes of healthcare waste was produced across the Trust; of this 83% of the flock was recovered and sent as fuel; the waste production was a slight decrease (shown in the graph below) from the previous year.

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Healthcare waste is continuously audited to ensure the waste is disposed of by staff in accordance with the Trust Waste Policy.

Energy Report

As part of their Sustainability Programme the Trust delivered a range of initiatives including Energy Awareness Week, the supply of an e-van, student bursary and tickets to various events at the SSE Arena which have been used by Children's Services. Each of these projects are linked to themes within the 'Making Life Better' framework and have proved extremely successful.

An internal campaign was rolled out in early 2018 to improve energy awareness and communicate advice to staff on how to reduce energy consumption. Every member of staff can contribute to reducing the Trust's energy bill and small changes can make a massive impact; simple things such as closing doors, turning off lights in unoccupied areas and shutting off unused electrical equipment will all ensure resources are used more efficiently. Smart heating controls have continued to be deployed to provide remote access to premises where previously standard domestic time clocks were used. This provides the ability to control equipment and monitor temperatures in buildings in real time.

During 2017/18, the Trust liaised with colleagues in mainland UK to organise the regional NHS Sustainability Day events for Northern Ireland, with each of the six Health Trusts taking action on 22 March 2018. Year-on-year, the Northern Trust will have reduced CO2 emissions by over 1,000 tonnes which is a significant achievement, but there is still more investment required and work to do to further improve energy efficiency, reduce cost and cut emissions.

Telecoms Report

Through 2017/18, the Telecom Team has continued deployment of VoIP phones and the associated benefits of access to all centralised applications such as hot desking,

PERFORMANCE REPORT

voicemail and contact centre and introduced the capability of Remote Teleworking which can facilitate staff taking, pre-configured, VoIP desktop telephones and plugging them into broadband anywhere within the UK, they will then replicate as if sitting in a Trust office. The Trust continues to invest in the latest line technology, which brings contingency, future proofing and reduced call and line costs. Both Smart and standard mobiles continue to grow in use with approximately 1000 Smart mobiles and 3000 standard mobiles. The Trust now can begin to leverage Apps and is witnessing continued App development.

The Trust's Video Conferencing system, Pexip, has seen a dramatic increase in use and bringing considerable benefits. As an example the continued national and international recruitment drive has seen the Trust's Video Conferencing service manage and successfully connect the complete region to international candidates. These video phones which not only work as desk phones but provide high definition video calls and continue to review new technologies to enhance service provision to both staff and service users.

Human Resource Policies

Equality and Diversity

The Trust is committed to ensuring equality and diversity in the workplace and has in place a number of policies to support this position:

- Equality of Opportunity in the Workplace Policy is concerned with the promotion of equality of opportunity in the workplace and with the prevention of unlawful discrimination;
- Working Well Together Policy promotes positive interpersonal behaviour and a harmonious working environment;
- Management of Harassment Policy aims to prevent harassment in the workplace on any of the equality grounds. The policy provides guidance to resolve any problems should they occur; and
- Joint Declaration of Protection is in place which recognises the moral and statutory responsibilities placed on the Trust and trade unions under the relevant legislation. The agreement declares that the Trust and the trade unions fully accept that discrimination or victimisation in employment is both unacceptable and unlawful under the equality legislation.

Disabled Persons

The Trust is committed to promoting equality of opportunity between both employees with and without disabilities in all aspects of employment;

PERFORMANCE REPORT

- Employment of People with Disabilities Policy applies to people with disabilities applying to the Trust, to staff with disabilities already employed by the Trust, staff who develop a disability during their employment, and former employees with disabilities when providing references; and
- Reasonable Adjustment – Guidelines for Managers provide assistance in relation to continuing the employment of, and for arranging appropriate training for, employees of the Trust who have become disabled persons during the period when they were employed by the Trust.

Flexible Working / Work- life balance

The Trust recognises that many employees strive to balance work responsibilities with other home responsibilities and provides a number of vehicles which aim to support employees to achieve this balance.

The Trust offers a range of flexible working options to support staff with their work-life balance, including Flexi-time which is designed to allow employees, subject to eligibility and the needs of the service, greater freedom to organise their working hours. It allows employees to build up and 'bank' extra time to be taken at a mutually convenient time later.

Staff Benefits

In addition to a number of Human Resource related schemes that support the work life balance of staff, the Trust provides a confidential occupational health service and staff counselling service.

The Trust also provides staff with a number of taxable benefits availed of via salary sacrifice schemes such as, Childcare Vouchers, Cycle to Work Scheme and Private Car Lease Scheme

Further Disclosure

Pension liabilities and sickness absence data can be found within the staff report. Supplier payment management is disclosed within Note 14 within the Accounts section.



Dr Anthony Stevens - Accounting Officer/Chief Executive

Date

12/6/12

ACCOUNTABILITY REPORT

Accountability Report

Overview

The purpose of the Accountability Report is to meet key accountability requirements to the Northern Ireland Assembly. The report contains three sections being, the Corporate Governance Report, the Remuneration and Staff Report and the Accountability and Audit Report.

The purpose of the Corporate Governance Report is to explain the composition and organisation of the Northern Trust's governance structures and how these support the achievement of the Trust's objectives.

The Remuneration and Staff Report sets out the Northern Trust's remuneration policy for directors, reports on how that policy has been implemented and sets out the amounts awarded to directors. In addition the report provides details on overall staff numbers and composition and associated costs.

The Accountability and Audit Reports brings together the key financial accountability documents within the annual accounts. This report includes an overview of the financial resources and performance of the Northern Trust and the External Auditor's certificate and opinion on the financial statements.

CORPORATE GOVERNANCE REPORT

Directors' Report

The role of the Trust Board is to consider the key strategic and managerial issues facing the Trust in carrying out its statutory and other functions. During the year the Trust Board was comprised of the following members:

i. Non-Executive Directors

- Mr Bob McCann (Chairman);
- Mrs Geraldine McGahey;
- Mr Paul Corrigan;
- Mr Jim McCall;
- Mr Billy Graham;
- Mr Stewart Cuddy;
- Mr Gerard McGivern; and
- Mr Glenn Houston.

ii. Executive Directors

- Dr Anthony Stevens, Chief Executive;
- Mr Owen Harkin, Executive Director of Finance;
- Mrs Marie Roulston, Executive Director of Social Work;
- Mrs Eileen McEaney, Executive Director of Nursing; and
- Mr Seamus O'Reilly, Executive Director of Medicine;

iii. Directors

- Mrs Elizabeth Brownlees, Director of Human Resources;
- Mrs Jennifer Welsh, Deputy Chief Executive & Director of Operations (commenced 01/12/17); and
- Mrs Pamela McCreedy (left 31/08/17).

Please see the Governance Statement for a full listing of other senior staff who are Divisional Directors.

A declaration of Board Members' interests has been completed and is available on request from the Chief Executive's office, Northern Health and Social Care Trust headquarters, Bretten Hall, Antrim Area Hospital, Bush Road, Antrim BT41 2RL.

Any relevant disclosures are recorded in the Trust Register of Interests and details are included in Annual Accounts Note 22 Related Party Transactions, where applicable. The executive and senior management, along with the Director of Finance have responsibility for the preparation of the accounts and the Annual Report. As far as the directors are aware, there is no relevant audit information of

ACCOUNTABILITY REPORT

which the Trust's auditor is unaware. They have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Trust's auditor is aware of that information. The Board are content with the quality and accuracy of the data presented to assist them in the decision making process.

The auditor for the Trust is the Northern Ireland Audit Office. The notional cost of the audit for the year ending 31 March 2018 which pertained solely to the audit of the accounts is £64,000 made up as follows, Public Funds £59,000 and Charitable Trust Funds £5,000.

Statement of Accounting Officer's Responsibilities

Under the Health and Personal Social Services (Northern Ireland) Order 1972 (as amended by Article 6 of the Audit and Accountability (Northern Ireland) Order 2003), the Department of Health has directed the Northern HSC Trust to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The financial statements are prepared on an accruals basis and must provide a true and fair view of the state of affairs of the Northern HSC Trust of its income and expenditure, changes in taxpayers' equity and cash flows for the financial year.

In preparing the financial statements the Accounting Officer is required to comply with the requirements of Government Financial Reporting Manual (FReM) and in particular to:

- Observe the Accounts Direction issued by the Department of Health including relevant 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 FReM have been followed, and disclose and explain any material departures in the financial statements;
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Northern HSC Trust will continue in operation;
- Keep proper accounting records which disclose with reasonable accuracy at any time the financial position of the Northern HSC Trust; and
- Pursue and demonstrate value for money in the services the Northern HSC Trust provides and in its use of public assets and the resources it controls.

The Permanent Secretary of the Department of Health as Principal Accounting Officer for Health and Personal Social Services resources in Northern Ireland has designated Tony Stevens of Northern HSC Trust as the Accounting Officer for the Trust. 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 for safeguarding the Trust's assets are set out in the Accountable Officer Memorandum, issued by the Department of Health.

Governance Statement

1. Introduction / Scope of Responsibility

The Board of the Northern Health and Social Care Trust is accountable for internal control. As Accounting Officer and Chief Executive of the Board, I have responsibility for maintaining a sound system of internal governance that supports the achievement of the organisation's policies, aims and objectives, whilst safeguarding the public funds and assets for which I am responsible in accordance with the responsibilities assigned to me by the Department of Health.

In addition to the Department of Health, the Trust has a close and positive working relationship with colleague agencies in HSC, particularly our commissioners, the HSCB, the PHA, and the various directorates of the BSO. The Trust has regular accountability meetings with the HSC Board and DOH and is informed by the Commissioning Plan. The Trust prepares a Trust Delivery Plan (TDP) to reflect its activities for each year. The Trust also participates in a wide range of groups designed to enhance the services provided to its population. The Trust works closely with the community and voluntary sector.

The Trust also works closely with the PHA to promote and improve public health and well-being in the delivery of the TDP.

2. Compliance with Corporate Governance Best Practice

The Board of the NHSCT applied the principles of good practice in Corporate Governance and continued to further strengthen its governance arrangements. The Trust does this by undertaking continuous assessment of its compliance with Corporate Governance Best Practice. BSO Internal Audit will repeat an audit of Integrated Governance in 2018/19 to ensure an adequate and effective system of governance risk management and control. The recommendations in relation to the independent governance review action plan have been completed with the exception of Governance and Patient Safety Department structures. Additional resources were approved by the Executive Team in December 2017 and recruitment and selection process has now commenced.

The Trust Board undertook an annual assessment of its compliance with Corporate Governance best practice by completing the Board Governance Self-Assessment Tool for use by DOH Sponsored Arm's Length Bodies. This involved assessing Board Performance across a total of 17 criteria, all of which were rated as Green. The assessment and associated action plan was considered and formally approved by Trust Board at a meeting on 29 March 2018.

ACCOUNTABILITY REPORT

The Trust Board receives reports and assurances, both through its delegated Committees and from independent sources as described within this Governance Statement. The quality of these assurances is assessed by the Trust Board by way of challenge and scrutiny at both Committee and Board level.

3. Governance Framework

The Trust Board is the primary Governing Body of the Trust. It is constituted by the DOH and is responsible for the strategic direction and control of the Trust. The membership is shown in the table below, together with attendance at Board meetings. There is no minimum attendance requirement and the quorum for a Board Meeting is half the total number of the Board (including at least two Executive Directors and two non-executive members). The notice of Board Meetings is advertised on the Trust's website along with Board agenda, minutes and papers, where appropriate. Non-Executive Directors and Executive Directors are members of the board and the other Directors and Divisional Directors attend Trust Board meetings.

During 2017/18, 10 Trust Board meetings were held in public.

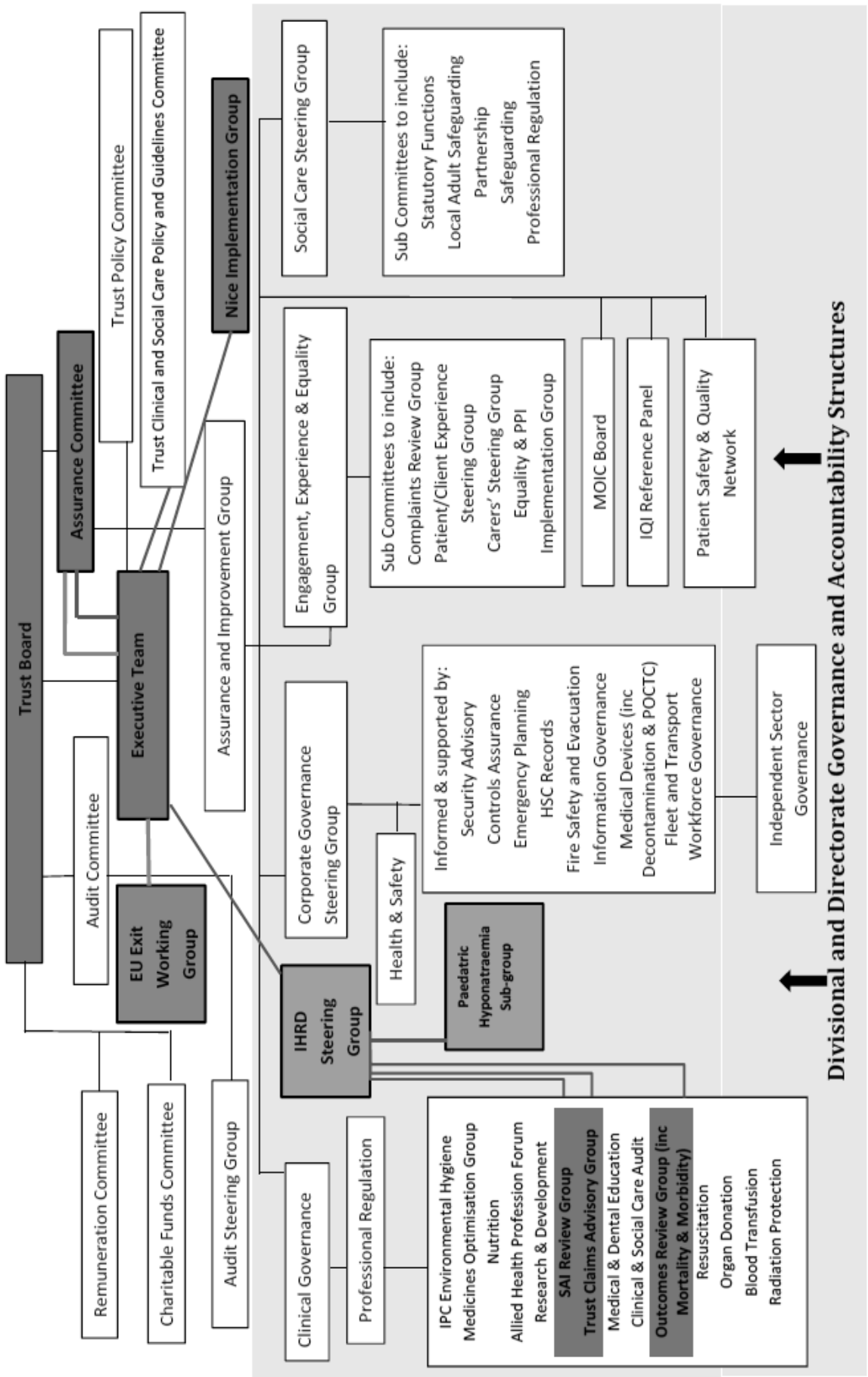
Name of Director	No of Meetings attended	No of Possible Meetings
Mr B McCann Chairman	10	10
Mr B Graham Non Ex Director	9	10
Mrs G McGahey Non Ex Director	9	10
Mr P Corrigan Non Ex Director	10	10
Mr J McCall Non Ex Director	6	10
Mr G McGivern Non Ex Director	9	10
Mr G Houston Non Ex Director	6	10
Mr S Cuddy Non Ex Director	10	10
Dr A Stevens Chief Executive	9	10
Mr O Harkin Director of Finance	10	10

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Name of Director	No of Meetings attended	No of Possible Meetings
Mrs M Roulston Director Social Work/Divisional Director Children Services	10	10
Mr S O'Reilly Director of Medical	9	10
Mrs E McEneaney Interim Director of Nursing and User Experience	9	10
Mrs P McCreedy Director of Operations/Deputy Chief Executive (left 31/08/17)	2	3
Mrs Jennifer Welsh Director of Operations/Deputy Chief Executive (commenced 01/12/17)	3	3
Mrs E Brownlees Director of Human Resources	9	10
Mrs P Hughes Interim Divisional Director Community Care	8	10
Mr O Donnelly Divisional Director Mental Health, Learning Disability and Community Wellbeing	7	10
Ms B Donaghy Divisional Director Strategic Development and Business Services	10	10
Mrs W Magowan Divisional Director Medicine and Emergency Medicine	10	10
Mrs M O'Hagan Divisional Director Acute Services	10	10

The governance arrangements for the NHSCT is based on an integrated governance model that links financial governance, risk management and clinical and social care governance into a single framework (see chart overleaf).

Assurance Framework Committee Structure with superimposed IHRD Governance and EU Exit arrangements



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The Trust Board has five committees to scrutinise the Trust's governance systems and to provide assurance to the Trust Board on their effectiveness:

- Audit Committee;
- Remuneration Committee;
- Charitable Trust Funds Advisory Committee;
- Assurance Committee; and
- Engagement Experience and Equality Group.

The Audit Committee is a Board Committee, which has a central role in the Trust's Governance Framework. Its Terms of Reference include the duties set out below in respect of internal control:

- To ensure the adequacy of all risk and control related disclosure statements (in particular the Governance Statement), together with any accompanying Head of Internal Audit statement, external audit opinion or other appropriate independent assurances, prior to endorsement by the Board;
- To ensure the adequacy of the underlying assurance processes that indicate the degree of the achievement of corporate objectives, the effectiveness of the management of principal risks and the appropriateness of the above disclosure statements;
- To ensure the adequacy of the policies for ensuring compliance with relevant regularity, legal and code of conduct requirements, including the Trust's Standing Orders and Standing Financial Instructions;
- To ensure the adequacy of the policies and procedures for all work related to fraud and corruption as required by the DOH Counter Fraud Policy Unit. This includes oversight of progress on all suspected or actual fraud cases identified and regularly reported to the DOH;
- To review the annual schedule of losses and compensation payments and make recommendations to the Board regarding their approval; and
- To review on a periodic basis the Trust's Whistleblowing Register.

The Committee currently has three Non-Executive members and is chaired by a Non-Executive Director, and met four times during 2017/18. The Committee provides assurance to the Trust Board and the Accounting Officer on the systems of internal control. Minutes of meetings are presented to the Trust Board.

The Audit Committee completed the National Audit Office Committee Self Assessment Checklist and an action plan was implemented to address the issues identified. The Audit Committee has produced an annual Audit Committee Report for 2017/18.

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The Remuneration Committee is a Committee of the Trust Board tasked with the responsibility for approving the remuneration of Executives. The Committee is chaired by a Non-Executive and is comprised of three Non-Executive Directors in total. It met twice during 2017/18.

The main functions of the Committee are as follows:

- To advise the Board on performance, development, succession planning and appropriate remuneration and terms of service for the Chief Executive and all Senior Executives, guided by DOH policy and best practice;
- To provide advice to the Board on remuneration including all aspects of salary as well as arrangements for termination of employment and other contractual terms;
- To ensure robust objectives, performance measures and evaluation processes are in place within the Trust in respect of Senior Executives;
- To make such recommendations to the Board on succession planning and on the remuneration, allowances and terms of service of the Chief Executive and, on the advice of the Chief Executive, other Senior Executives;
- To ensure that the Chief Executive and Senior Executives are fairly rewarded for their individual contribution to the organisation, having proper regard to the organisation's circumstances and performance and to the provision of national arrangements;
- To monitor and evaluate the performance and development of the Chief Executive and on the advice of the Chief Executive, the other Senior Executives of the Trust; and
- To advise the Board and oversee appropriate contractual arrangements for the Chief Executive and Senior Executives including the proper calculation and scrutiny of termination payments taking account of relevant guidance as appropriate.

The Assurance Committee consists of all Non-Executive Directors and met on four occasions during 2017/18. The Committee has oversight of Integrated Governance and the effectiveness of the Assurance Framework of the Trust. It will evaluate all available evidence to provide an assurance to the Board that the systems of control are operating effectively and that structures support good governance. The Committee is chaired by the Trust Chairman.

The Committee:

- Evaluates risks to the achievement of the Trust's objectives;
- Regularly reviews arrangements for risk management and corporate governance and agrees further updates/changes with Executive Directors;

ACCOUNTABILITY REPORT

- Considers the effectiveness of the key controls through which risks will be managed;
- Ensures the views of the local community, relevant experts and staff input are incorporated into the development of services; and
- Seeks assurance that timely reports are made on recommendations and remedial actions taken or proposed to mitigate any internal failing in systems or services.

The work of the Assurance Committee is supported by the **Assurance & Improvement Group**, composed of Executive and Operational Directors, which provides an operational focus to risk management and integrated governance. The Assurance & Improvement Group is chaired by the Chief Executive.

Two significant issues which are kept under review by both the Group and the Committee are the Report into Hyponatraemia related Deaths and the UK's exit from the EU:

- The report on the Inquiry into Hyponatraemia related Deaths was published in January 2018. This report makes 96 recommendations covering a range of areas including candour, paediatric clinical, Serious Adverse Incident (SAI) reporting and investigation, SAI related death, training and learning and governance. Following publication of the Report, the Trust established a Steering Group, chaired by the Chief Executive, to direct implementation of the recommendations, and clinical guidelines relating to fluid management, including DOH and the National Institute for Health and Care Excellence (NICE) related guidance. its current status and develop an action plan to implement the Inquiry Report's recommendations. The Trust is also participating in the Department of Health programme of work in response to the Inquiry Report's recommendations.
- The full impact of the UK's exit from the EU is not yet known and given uncertainty around the UK-EU on-going discussions and potential agreements, there may be impacts such as – workforce, including recruitment and retention; changes to regulations; movement of people and goods; border controls and access to healthcare in EU member states. These areas and the level of impact upon each, and consequentially NHSCT service delivery depends on any EU exit arrangements reached between the UK and EU.

The Trust is represented at regionally led working groups in relation to assessing and determining potential impacts and to agree requirements for the strengthening of business continuity arrangements and has established an internal EU Exit group with membership including divisional representation. The Trust will continue to work closely with DoH and other HSC bodies on this matter in planning for the EU exit in 2019.

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The Engagement, Experience and Equality Group is chaired by the Deputy Chief Executive and has met on four occasions in 2017/18. The group includes representation from Trust Board, the Patient and Client Council, Service Users and Senior Management Team. The group assures the Trust is compliant with the following legislation/guidance:

- HSC Complaints Standards and Guidelines;
- DOH Standards for Improving Patient Experience/10,000 voices;
- Personal and Public Involvement;
 - Engagement and Consultation;
- Equality:
 - Section 75 of the Northern Ireland Act 1998;
 - Human Rights Act 1998;
 - Section 49a of the Disability Discrimination; and
- Carers' Strategy.

The Charitable Trust Funds Advisory Committee is chaired by a Non-Executive Director with senior staff including the Director of Finance in attendance. The Charitable Trust Funds Advisory Committee oversees the administration of Charitable Trust Funds in line with the Trust's Standing Financial Instructions. During 2017/18 the Committee met on four occasions. The role of the Committee is to oversee the administration, including banking arrangements, of Charitable Trust Funds, its investment and disbursement. It also ensures that a strategic approach is adopted with regard to charitable expenditure and that Directorates produce and implement annual expenditure plans relating to all funds at their disposal.

Other Assurance Groups

The Trust has a Procurement Board which oversees and reports on the procurement and contract management arrangements for the Trust, ensuring best practice in compliance with procurement policy and internal controls for all non-payroll expenditure. For Social Care procurement, this is reviewed in the context of the Light Touch Regime (LTR) and in order to minimise the risk of non-compliance with the Public Contract Regulations (2015), all DOH Arms Length bodies are extending Centre of Procurement Expertise cover for social and health care services in the LTR. This is being taken forward via a formally constituted project, reporting to Regional Procurement Board.

4. Business Planning and Risk Management

Business Planning Processes

The Trust's vision, values and corporate priorities are set out in the 4 year Corporate Plan, which is subject to Departmental approval. The Ministerial targets and HSCB Commissioning Plan priorities are responded to in the annual TDP. The Corporate

ACCOUNTABILITY REPORT

Plan and the TDP set the context for the development of corporate support and operational divisional Directorate Plans, which set out how each Directorate will support the delivery of targets and priorities appropriate to their service areas. Within Directorates, Service Plans for key service areas are developed aiming to ensure corporate goals and actions are translated into operational objectives. The achievement of plans and performance are actively progressed through internal Accountability Meetings, across the course of the year. The Trust Board receives a monthly Performance Report setting out performance against each of the Ministerial targets and HSCB Commissioning objectives and this is reviewed as part of the Trust Board meeting held in public.

The Trust has developed, and now well established, a comprehensive Reform and Modernisation Plan. This has been actively progressed with two years implementation now completed. The objectives of RAMP are to enable the delivery of our vision of excellent integrated services delivered in partnership with our community, based around a 4 locality community model, and the delivery of a sustainable acute services model, working across two sites. Strong relationships with the broader acute service networks are essential as are effective partnerships with primary care and effective, meaningful engagement with all our stakeholders through the development and adoption of co-production approaches.

Risk Management

The Assurance Framework including the Principal Risk Document describe the organisational objectives, identify potential risks to their achievement, the key controls through which these risks will be managed and the sources of assurance about the effectiveness of these controls. The Assurance Framework was revised in March 2018.

The Risk Management Strategy describes the ongoing processes in place to identify and prioritise the risks to the achievement of the organisation's objectives and the systems that are in place for the identification, analysis, control and review of risks.

The Principal Risk Document highlights the key risks to the achievement of the organisation's objectives. This tool was developed to ensure there is a comprehensive method for the effective, focused identification and management of the principal risks that arise in meeting the corporate objectives. The Principal Risk Document is used to provide the Trust Board with a simple and comprehensive account of those risks identified, actions required and outstanding gaps in control. This document was last presented to the Assurance Committee in March 2018.

The Corporate and Divisional Risk Registers are used to support on-going review and update of the Principal Risk Document. The Trust's revised Risk Management Strategy has strengthened systems and processes by which risks are identified and controlled.

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There are structured processes in place for managing risks, incident reporting and the investigation and learning of serious adverse incidents. A web-based reporting system for risks and the reporting of adverse incidents has been implemented. The Trust has encouraged the open and transparent reporting of incidents and has supported staff by producing guidance for use by investigation teams and service users and providing training on investigation methodology. Governance leads within each Directorate ensure that the issue of Risk Management is kept at the forefront of Directorate business.

Information Risk

Information risks are managed within the context of the Trust's Risk Management Strategy. Such risks are identified and documented at a number of levels including the Corporate Information Governance Risk Register. This register is reviewed at the quarterly Information Governance Forum chaired by the Medical Director.

Information Governance Incident reporting (including Serious Adverse Incident (SAI) reporting) is performed using the normal Trust procedures, which incorporate guidance on reporting Information Governance incidents. One new personal data security incident was reported to the Information Commissioner's Office (ICO) in July 2017. On conclusion of their assessment of the Incident, the ICO did not take any further action; they did make 3 recommendations in relation to training, training content and frequency, and the review of processes and guidance in respect of redacting reports. These actions are now in place with the exception of Information Governance Mandatory Training frequency, which remains at 3 year intervals, and consideration is being given to this changing to 2 years.

Internal Audit carried out an audit on Information Governance during July 2017 which resulted in a Limited Assurance for the Trust. There were 13 recommendations with the priority actions focussing on Information/Records security and Information Risk Management; these are now being taken forward. Cyber security has been added to the principle risk register. The Trust is mindful of shared network vulnerabilities as well as potential for cyber-attacks at a local level. The Trust ICT Service continues to hold ISO 270001 and ISO 20000 Accreditations, most recently achieved in February 2018.

The Trust has identified and provided training to its Senior Information Risk Owner (SIRO), Information Asset Owners (IAO), and Information Asset Administrators (IAA). These roles continue to be developed. Other roles, such as the Trust's Personal Data Guardian, Information Governance staff (includes the Data Protection Officer and the Freedom of Information Practitioner), ICT Governance Manager and Information System Managers, all contribute to the management of information risk. In addition, the Trust has an established Information Governance Forum, which reports to the Assurance Group via the Corporate Governance Steering Group. The

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Information Governance Forum oversees and directs an improvement programme that addresses the risk areas identified.

A range of Information Governance courses are offered in-house, some of which are mandatory for specific staff groups:

- Information Governance Awareness for all staff;
- Processing of Personal Information for Managers (POPI); and
- ICT Security training for all ICT users.

Currently 87% of Trust staff have completed the mandatory Information Governance training, compared to 83% in the previous year. Additionally, 83% of managers have undertaken the mandatory POPI Training. Attendance at this training has been prioritised within Directorates and is discussed at Accountability Meetings with the Deputy Chief Executive. A workshop for senior leaders was held June 2017, at which actions were developed in order to maintain focus on increasing training compliance. This has resulted in individual divisional IG action plans now integrated into internal Accountability meetings.

The Trust is reliant to a significant extent on the services provided by BSO Information Technology Services (ITS), for which a Service Level Agreement is in place. BSO ITS also provides formal assurance, via their SIRO, to Department of Health as part of the corporate governance process.

Fraud Risk

The Trust takes a zero tolerance approach to fraud in order to protect and support our key public services. We have put in place an Anti-Fraud Policy and Response Plan to outline our approach to tackling fraud, define staff responsibilities and the actions to be taken in the event of suspected or perpetrated fraud. Our Fraud Liaison Officer promotes fraud awareness, co-ordinates investigations, in conjunction with the Counter Fraud and Probitry Service provided regionally by the Business Services Organisation, and provides advice to our employees on fraud reporting arrangements.

5. Public Stakeholder Involvement

The Trust is committed to Personal and Public Involvement (PPI) and has assigned responsibility for this to the Director of Operations/Deputy Chief Executive. The Trust has established an Engagement, Experience and Equality Group (EEEG) to ensure compliance with and mainstreaming of personal and public involvement. The EEEG seeks assurance that service users, carers and communities are fully involved in the development of Trust services and that their feedback informs, identifies risk and helps shapes our business. The membership includes a representative from the

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Patient and Client Council (PCC). The Trust acknowledges the importance of proper and timely consultation as an integral part of fulfilling its statutory obligation. Feedback from all Trust consultations is considered by Trust Board and made available on the Trust's website in addition to stakeholders being informed of the outcome of the consultation process. The Trust's PPI Strategy will be updated and refreshed on receipt of the Regional updated PPI Strategy, and we will continue to work with user and carer groups to develop our local action plans.

Our Trust Board continue to take personal testament from service users, their representatives or members of staff to ensure experience remains a key part of the report to the Board members. In addition, the 10,000 Voices project gives patients, as well as their families and carers, the opportunity to share their overall experience and highlight important issues. The Trust also collects and reports on complaints, comments and suggestions made by members of the public and service users received through the 'Your views matter' process.

The Trust has a number of user forums, which ensure an effective process for on-going stakeholder involvement in planning, delivery and evaluation of services. Each panel provides a forum to promote partnership working and an opportunity for stakeholders and their representatives to be involved in the developing and planning of services.

The launch of our IQI initiative in March 2017 has patient safety at its core. Through developing our capability for taking forward improvement methodology, we plan to ensure that all staff have the knowledge, ability and are enabled to make small scale improvement in their own service areas and that we as an organization place safety and positive service user experience as a key measure of delivering on our priorities.

6. Assurance

The Trust receives independent assurances from a number of sources during the financial year:

- BSO Internal Audit – through a programme of annual audits based on an analysis of risk;
- Northern Ireland Audit Office – provides an independent opinion to the Assembly on whether the Trust's Public Fund Accounts and Charitable Trust Funds Accounts present a true and fair view in respect of the Trust's financial activities;
- Regulation and Quality Improvement Authority (RQIA) – on the extent to which services provided by the Trusts, or those commissioned from Third party providers, comply with applicable quality standards;
- Annual BSO Assurance Letter in respect of Shared Services functions;
- Social Services Inspectorate for older people and children's' services;

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- Medicines and Healthcare Products Regulatory Agency (MHRA) through regular inspections and reports; and
- General Medical Council (GMC), General Dental Council (GDC), NI Medical and Dental Training Agency (NIMDTA) and various Royal Colleges.

It also receives assurances from internal sources, which are designed to give assurance as to the effectiveness and operation of controls across a range of governance areas. These include:

- Principal Risk Document;
- Controls Assurance Standards;
- Risk Registers;
- Board appointed committees including the Assurance Committee, Audit Committee, and the Engagement, Experience and Equality Group; and
- Reports from Directors at Board Meetings.

The Board assures itself on the quality of information which comes to it through the following methods:

- Feedback from Directors on whether the information meets their needs;
- Open debate, via workshops, on issues facing the Trust; and
- Use of patient and staff stories to confirm/assure on standard of services.

The Trust Board receives a monthly performance report on progress against each target in the Trust Delivery Plan. Each operational Division has a monthly performance scorecard to provide feedback at Divisional Accountability meetings. The Trust Director of Finance provides a report to the Trust Board each month on its financial performance and its capital schemes. Commentary is included on the statutory duty of breakeven, financial risk, budgetary position and assumptions.

ACCOUNTABILITY REPORT

Controls Assurance Standards

The Northern Health and Social Care Trust assessed its compliance with the applicable Controls Assurance Standards which were defined by the Department of Health. The Trust achieved the following levels of compliance for 2017/18; the DOH assesses a score of between 75% and 99% as Substantive.

Standard	Trust Level of Compliance	Audited by
Buildings, land, plant and non-medical equipment	86%	Self-Assessment
Decontamination of medical devices	85%	Self-Assessment
Emergency Planning	87%	Self-Assessment
Environmental Cleanliness	96%	Self-Assessment
Environment Management	90.4%	Self-Assessment
Financial Management (Core Standard)	89%	BSO Audit
Fire safety	82%	BSO Audit
Fleet and Transport Management	88%	Self-Assessment
Food Hygiene	97%	Self-Assessment
Governance (Core Standard)	88%	BSO Audit
Health & Safety	85%	Self-Assessment
Human Resources	89%	Self-Assessment
Infection Control	98%	Self-Assessment
Information Communication Technology	98.4%	Self-Assessment
Information Management	82%	Self-Assessment
Management of Purchasing	88%	Self-Assessment
Medical Devices and Equipment Management	85%	Self-Assessment
Medicines Management and Optimisation	84%	Self-Assessment
Research Governance	93%	Self-Assessment
Risk Management (Core Standard)	88%	BSO Audit
Security Management	88.9%	Self-Assessment
Waste Management	91%	Self-Assessment

The underlying scores in the assessment of the level of compliance of each standard take into account all relevant Internal Audit Reports.

7. Sources of Independent Assurance

The Northern Health and Social Care Trust obtains Independent Assurance from the following sources:

- Internal Audit;
- Business Services Organisation; and
- Registration and Quality Improvement Authority (RQIA).

Internal Audit

The Northern Health & Social Care Trust utilises an internal audit function which operates to defined standards and whose work is informed by an analysis of risk to which the body is exposed and annual audit plans are based on this analysis.

Internal Audit's follow up review on the status of implementation of previous recommendations, which should have been implemented by 31/03/18, determined that a total of 80% were fully implemented, with 20% partially implemented and 2 (<1%) not yet implemented. The Audit Committee and Audit Steering Group have been and will continue to focus on those not yet fully implemented.

In her annual report, the Internal Auditor reported that the Northern Health & Social Care Trust system of internal control was satisfactory. However, weaknesses in control were identified in a number of areas as set out in the table below. Action plans have, or are being, developed to address the related recommendations. Implementation will be closely monitored by the Executive Team, Audit Steering Group and Audit Committee during 2018/19.

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In 2017/18 Internal Audit reviewed the following systems:

AUDIT ASSESSMENT	BRIEF DESCRIPTION OF AUDIT SCOPE	LEVEL OF ASSURANCE	SUMMARY OF SIGNIFICANT FINDINGS
Catering Including Contract Management (Nursing & User Experience Directorate Audit)	Review of catering procurement and contract management including the management of catering stock, cash handling and profitability at canteens and coffee shops.	SATISFACTORY Procurement / Contract Management & Cash LIMITED Stock	A fully functional stock management system is not in place within catering which allows for full reconciliation of stock held to stock records held. An action plan is in place to take this forward over time.
Non Pay Expenditure	Review of Trust payment processes including use of the FPL system. Testing included Trust controls to ensure payments are appropriately approved and accurately and promptly paid to the correct supplier. The audit also considered control around link load spreadsheets, manual payments and control over purchase cards.	SATISFACTORY (with below exception) LIMITED Agency Payments	Although no overcharging was identified, the hourly rate for agency nursing invoices was not being confirmed by the central office. This has now been clarified and in place on a sample basis.
Budgetary Control	To ensure there are effective processes in place for budget build and budget management; that effective arrangements are in place for accurate costing of budgets; that budgets are being appropriately managed at Corporate level, Directorate level and at budget holder level; and that there are appropriate controls in place for forecasting and avoiding unexpected costs.	SATISFACTORY	N/A
Patients' Private Property – Mental Health, Learning Disability and Community Wellbeing	To ensure that there are appropriate procedures in place for the management of patient property in Mental Health wards and also Adult Supported Living (ASL) Facilities; that patient property is appropriately controlled in Mental Health wards; and that patient property is appropriately controlled in ASL facilities.	SATISFACTORY	N/A
Estates Management	Review of Estates procurement and contract management arrangements, with particular focus on the Measured Term Contracts (MTCs). The audit also confirmed the status of implementation of each of the outstanding recommendations arising from the Estates Services Special Investigation Report 2012 and previous audits.	LIMITED	A business case for consideration to procure Measured Term Contracts had been approved in 2016 and had been identified as expecting to cost £0.7m for MTC contractors. However, actual costs were 41% higher and there was a lack of consistency on pre-tender estimates. The Trust has subsequently reviewed and the contract has finished with the service being moved in-house. Additionally, failure to complete a Refurbishment and Demolition Survey at the outset of a project resulted in delays and additional contract costs. This process has now been improved.

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Management of Contract Adjudication Groups (CAGs)	Review of the processes in place regionally across the five acute Trusts in relation to the nomination and operation of regional contract adjudication groups.	SATISFACTORY	N/A
Management of Domiciliary Care Contracts	Review of the Trust's contract management of domiciliary care arrangements. The audit relates to contracts with independent sector providers (IS) providers and not domiciliary care provided directly by Trust staff.	LIMITED	Contract performance verification checks to Trust planned hours for service users highlighted issues regarding timely update of Trust systems and highlighted improvements in evidence. In addition, Primary contracts were procured in 2008/09 and are being rolled forward without market testing. Internal Audit noted that the Trust Board, on 29 March 2018, considered procurement options, outcomes of the related consultation, publication of Power to People document and how other Trusts procurement in this area has unfolded. The Trust decided not to go to a competitive tender process in the short term however, in consultation with the HSCB and the DoH, are taking forward a number of actions to address risk.
Management of Client Monies in Independent Sector Homes	To ensure there were effective arrangements in place, at the sample of independent homes visited, for the security of residents' cash / valuables, arrangements for the payment of personal allowances and the management of residents' bank accounts/monies. The audit also tested compliance against HSC (F) 08-2015 Safeguarding of Service Users.	SATISFACTORY (for 8 of the 9 homes visited) UNACCEPTABLE (for 1 of the 9 homes visited)	A visit to an Independent Sector Home reviewed their management of client funds. Trust management reviewed the evidence, met with the Home owners and as a result procedures were updated and clients were repaid funds for items which either the Trust or Home should have originally paid. In addition, a full review of the Transport Policy and charges made to clients over a 5 year period was evaluated with no issues of overcharging found. This matter is fully implemented.
Management of Taxis	To ensure that spend in relation to taxis is in line with contracts; and that the specific taxi related recommendations from 2016/17 audit in this area have been implemented.	LIMITED	A few instances were highlighted of taxi invoices not being detailed sufficiently in line with contract, all were reviewed in detail by management and a number were subsequently found to be correct. The remainder have been followed up with providers. A new contract is being put in place from 1 June 2018 and all providers and approvers have been reminded of the detail required and process to be followed.
Patient Consent and Completion of the WHO Checklist	To ensure that there is evidence that consent was appropriately obtained from patients prior to theatre and that there is evidence that WHO Surgical Safety Checklists have been appropriately completed at the relevant stages both pre and post operation.	SATISFACTORY	N/A

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Information Governance	Review of the robustness of information governance arrangements in the Trust. The audit also considered readiness for General Data Protection Regulations.	LIMITED	Information security issues were highlighted as a result of Internal Audit unannounced visits and areas of Information Risk Management not yet completed. Management have developed Directorate Action Plans to address these recommendations.
Pharmacy Governance – GRANT, RAANT, COSHH and Aseptic Processes	To ensure that there is appropriate management of Control of Substances Hazardous to Health (COSHH); that GRANT and RAANT forms are being appropriately completed in the Pharmacy Department; and there are effective governance oversight arrangements in place for aseptic processes.	SATISFACTORY GRANT, RAANT & COSHH LIMITED Governance and Oversight of Aseptic Processing	In relation to governance and oversight of Pharmacy Governance, Control of Substances Hazardous to Health, Risk Assessments and Aseptic Processes internal audit noted that there were outstanding recommendations which had been made by the Regional Pharmaceutical Quality Assurance Service in September 2015 and that they are not reported to any other committee or the Trust Board. There were also no KPIs in place for Aseptic processes, nor were they captured on a risk register. It was recognised that a meetings structure had recently been to redress these issues.
Care Management	To review for the robustness of care management arrangements in the Trust. The audit specifically considered the recommendations arising from the Investigation into Charging and Management of a Service user 2013/14 and the previous audit in 2015/16.	SATISFACTORY	N/A
Fire Safety	To review the robustness of the arrangements for Fire Safety in the Trust.	LIMITED	Following Internal Audit's visits to a 16 wards, facilities and departments it was noted that fire officer and compliance checks were not consistently being completed. In 1 ward emergency exits were not appropriately clear, an emergency evacuation plan was not held at 5 locations, at 3 locations there had been no annual fire drill undertaken and in a non-Trust owned building fire safety checks were not being undertaken. With regards to Fire Risk Assessments 20% of locations had either not completed or were overdue for review. A review of Fire Safety training highlighted gaps in attendance across Trust facilities. The Trust will ensure urgent progress is made in addressing the recommendations and monitoring will be through the Fire Safety and Evacuation Planning Group.
Claims Management	Internal Audit reviewed the claims management processes including the recording, monitoring, settling of claims and any learning applied from claims. The assignment included a review of Trust compliance with the controls documented within HSS (SQSD) 5/10 Handling Clinical and Social Care Negligence and Personal Injury Claims. There was a regional element to this audit, which was conducted in all 5 hospital Trusts and BSO Directorate of Legal Services.	SATISFACTORY	N/A

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<p>Medical & Dental Education</p>	<p>To ensure there are appropriate processes and procedures in place for the management of medical and dental education at both undergraduate and post graduate level; that there is appropriate control over the funding and payment of medical and dental education for both undergraduates and postgraduates; and there are robust governance and accountability arrangements in place across the Trust in respect of medical and dental education.</p>	<p>LIMITED Management of Medical and Dental Education UNACCEPTABLE Management of £213k of SUMDE monies paid to Consultants in 2016/17</p>	<p>An issue relating to the management of £213k of SUMDE income in 2016/17 was highlighted in a report issued at the end of the year. Management is undertaking a review of the basis of disbursement and the associated procedures to ensure best practice in the control environment. It was also recommended that arrangements for strategic oversight and control over Medical and Dental Education should be embedded within the Trust. There was also no Corporate Management information (KPI's) or procedures in operation which captures this information consistently.</p>
<p>Risk Management</p>	<p>Review of processes in place to identify, record, manage and monitor risks throughout the Trust.</p>	<p>SATISFACTORY</p>	<p>N/A</p>
<p>Management of Medical Staff</p>	<p>Review of the processes the Trust has in place for the management of the job planning processes. Review of accuracy of payments made to a sample of consultants.</p>	<p>LIMITED</p>	<p>In relation to job planning 70% of consultants had an up to date signed plan in place for 2017/18, there was no central monitoring of the status of completion for Associate Specialists and Speciality Doctors. 28% of Medical practitioners had not had an appraisal since April 2016 and the timing of the completed appraisals were not clearly linked to the timing of the job plans. The Trust is working on the job planning and appraisal process for medical practitioners to improve the process.</p>
<p>IT - Cybersecurity</p>	<p>Review of the Trust's Management of 3 specific areas of cyber security – Incident Management, Malware prevention and Secure Configuration. Compliance with the good practice outlined in the NCSC 10 Steps to Cyber Security (in these 3 areas) was considered.</p>	<p>SATISFACTORY Secure Configuration and Malware LIMITED Incident Management</p>	<p>There are no identifiable formal mechanisms across HSC organisations for sharing information on incidents and responding to incidents impacting on the HSCNI Wide Area Network. The Trust will continue to work with the HSCB and regional colleagues to improve in this area.</p>

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Business Services Organisation Assurances

The BSO provides a range of services to, and on behalf of the Trust, these include:

- The Directorate of Legal Services;
- Procurement and Logistics Services, which is the HSC's Centre of Procurement Expertise;
- Information Technology Services;
- Counter Fraud; and
- Shared Services encompassing Payroll, Recruitment, Accounts Payable and Receivable and Business Services.

A number of audits (summarised below) have been conducted in BSO Shared Services as part of the BSO Internal Audit Plan. While the recommendations in these Shared Service audit reports are the responsibility of BSO Management to take forward the Trust closely monitors performance at number of Customer Forum and takes action where necessary. The Payroll service is specifically highlighted section 9 of this report.

Shared Service Audit	Assurance
Payroll Shared Service – as at September 2017	Limited - Payroll Processing and Payroll System Stability Unacceptable - Payroll Function Stability
Payroll Shared Service – as at March 2018	Limited
FPL Upgrade	Satisfactory
Income Shared Service	Satisfactory
Recruitment Shared Service	Satisfactory
Shared Service Governance	Satisfactory
Accounts Payable Shared Service	Satisfactory

The Trust has received the following reports in 2017/18 from RQIA and have reviewed and taken action where applicable.

Final reports:

- Review of the Regional Plastic Surgery Service in Northern Ireland, June 2017; and
- Review of the Implementation of the Dental Hospital Inquiry Action Plan, July 2017.

Draft reports:

- Review of General Paediatric Surgery;
- Review of Emergency Mental Health / Learning Disability & Crisis Resolution / Home Treatment Services in NI; and

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- Review of the Recommendations from the RQIA Child Protection Review 2011.

New reviews commenced:

- Review of GP Out of Hours; and
- Review of NICE Clinical Guideline CG174 – Intravenous Fluid Therapy in Adults in Hospital.

Hospital Inspection Programme:

- Causeway Hospital, November 2017.

8. Review of Effectiveness of the System of Internal Governance

As Accounting Officer, I have responsibility for the review of effectiveness of the system of internal governance. My review of the effectiveness of the system of internal governance is informed by the work of the internal auditors and the executive managers within the NHSCT who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Trust Board, the Audit and Assurance Committees and other related subcommittees, and a plan to address weaknesses and ensure continuous improvement to the system is in place.

9. Internal Governance Divergences

Prior Year Control Issues – closed

Delayed Triage in Emergency Department

Regular audits of nurse triage are taking place within the department. Triage update training for nurses has taken place and is ongoing. Additional protocols and guidance documents have also been put in place in relation to diabetes and stroke. Complaints and incidents are monitored by management for any trends in nurse triage. This has been closed as a significant divergence following the implementation of these actions and will be monitored under normal business arrangements.

Agenda for Change (AfC)

The Trust continues to assess, calculate and pay the potential AfC arrears due to a small group of staff. This process continues to be progressed with the aim that the Trust will move to Business as Usual by 2018/19.

Prompt Payment Compliance

The Trust had made significant improvements in prompt payment of invoices received, and had been achieving both the 30 day prompt payment target until Mid-

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year when a system upgrade to the payments system resulted in slower processing of payments for 2 months, this dropped cumulative performance for 30 days to 93% for the year. Despite this there continues to be strong performance in the 10 day target of 70%, with over 75.9% of all invoices paid within 10 days of receipt. The Trust continues to keep this challenging target under close review in a business as usual environment.

Health and Safety Risk Assessment

Audits were completed in the summer of 2017 to measure the quality of the risk assessments and action, including amending the risk assessment training programme, issuing further guidance and holding clinics for staff who complete risk assessments, was been taken.

A KPI requiring that 95% of departments will have completed their risk assessments and that they will remain in date, and be in place year on year from 31 March 2018. The end of year completion rate was 97% at 31 March 2018.

A risk management audit and assessment tool to assess compliance at departmental level across a range of clinical and non-clinical risk standards was introduced in September 2016 and a KPI requiring that a 90% completion rate is maintained year on year from 31 March 2018 has been set. At the year end the overall completion rate was 91%. Both targets will continue to be closely monitored.

Human Resource, Payroll, Travel and Subsistence (HRPTS)

During 2017/18, the Trust has been able to successfully deploy HRPTS to an additional 2,000 members of staff that were identified as being 'HRPTS Ready'. As at 31st March 2018, HRPTS has been deployed to 83% of Trust staff, an increase of 12% on figures previously reported. This issue will now be monitored as a benefits realisation issue given the deployment percentage of 83%.

BSO Recruitment Shared Services Centre (RSSC)

A regionally co-ordinated Strategic Resourcing Innovation Forum (SRIF) has now been established to improve the process of recruitment within Health and Social Care. Through the work of SRIF, the Trusts will be collectively reviewing, refreshing and streamlining the selection process, scoping options for innovation and making proposals for modernisation. The work of SRIF is being coordinated through four workstreams: Performance Improvement; Selection/Retention; Attraction and Systems.

The Trust continues to monitor, and where necessary address, localised recruitment shared service performance issues through its regular Customer Forums under normal business arrangements.

Staff Absence

For the year 2017/18, the Trust was set a target of 6.98% by the Department of Health for staff absence, which for the full year the Trust was below this target at 6.93%.

As part of the implementation of the 2017/18 Trust Absence Action Plan, new managers within the Trust are now offered a more comprehensive departmental induction ensuring they have the requisite knowledge, skills and understanding to robustly manage absence within their team. A new absence management training resource has also been created to provide all Trust managers with a practical tool to support the prompt and consistent management of staff absence. In addition to the Trust Absence Action Plan, each Directorate and Division is expected to have their own Absence Action plan to address specific issues and concerns in their areas. Staff absence levels will continue to be regularly monitored as part of normal business and further action taken to maintain or further improve where possible.

Staff Appraisal

For the year 2017/18, the Trust was set a target by the Department of Health to ensure that 71% of staff had undertaken an in-year appraisal. The Trust year-end position, as at 31st March 2018, showed that 74% of staff have had an annual appraisal and agreed Personal Development Plan and will continue to monitor under normal business arrangements to ensure this is maintained or improved.

The Trust remains committed to staff appraisals and in conjunction with the Trade Unions, has now developed and launched a simplified appraisal document making appraisal more meaningful and accessible to staff. A streamlined recording process has also now been put in place.

Progress on Prior Year Control Issues – ongoing

Client Charging

A number of independent sector providers of supported living services within Northern Ireland levy a charge on tenants. The DOH issued clarification guidance to Trusts on the 27th November 2015 in respect of this issue. The NHSCT has undertaken detailed work with providers of supported living services in the Trust area aimed at reviewing the care needs and charges made for each individual tenant. This review has been completed and will be implemented in 2018/19, working with the independent sector provider and in consultation with tenants and their relatives. This will mean some increase in care costs to the Trust based on the assessed needs of clients.

Joint Advisory Group (JAG) Accreditation

The Trust has retained Tier 1 JAG accreditation as it met all the GRS standards with the exception of the “access” standard. The Trust was unable to meet a 9-week

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waiting time for endoscopy at the end of March for all patients. The Trust is broadly meeting the waiting time of 2-weeks for red flag GI referrals and is currently delivering a 9 week wait for planned endoscopy procedures. The waiting time for routine endoscopy procedures is approx. 18 weeks. The Trust will be unable to achieve Tier 2 accreditation until the waiting time for endoscopy is no greater than 9 weeks for any scope. The Trust has recently recruited a Gastroenterology Specialist Doctor and an Endoscopy Nurse Specialist; both are currently undertaking endoscopy training. It is expected both the staff will be able to contribute to the endoscopy service early in 2018/19 which will result in an improvement in the waiting time position.

Unscheduled Care

In response to the recognised capacity gap in Antrim Area Hospital, the Trust submitted an Outline Business Case to the DOH for a 72-bedded ward block on the Antrim site in February 2017. The Trust have Commissioner support for this resourced bed capacity expansion, and continue to seek consideration of the capital funding required to make progress on this project. Taking an assumed best case scenario for approval and funding release is September 2018, the 72 bedded ward will not be fully available until July 2021. In the interim the Trust has submitted a bid to the DOH and the Commissioner for additional medical bed capacity through a 24 bedded modular ward anticipated to be in place by March 2019, subject to approval to proceed in May 2018. This temporary ward will relocate on the site when the permanent ward block is realised. Securing additional substantive workforce, particularly nursing staff, remains challenging and a range of measures are in place in this regard.

The Trust has successfully implemented a range of reforms in unscheduled care including the increased use of ambulatory pathways in our Emergency Departments and DAU; regional data would suggest that the Northern Trust performs well on ambulatory care and has a relatively low rate of emergency admissions and emergency bed day usage. Both acute sites have now implemented a site management model and are experiencing better coordination and communication and improved escalation processes as a result. 4-hour performance in Antrim Area Hospital is sustained despite an approximate 6% increase in Emergency Department attendances and Northern Trust hospitals continue to deliver strong ambulance turnaround times, even when under significant pressure.

The unscheduled care RAMP programme has been revised and refreshed and is focusing on the reform streams including reduction of attendance and admission (with a Transformation bid for an Acute care at Home service), furthering ambulatory care pathways, developing discharge to assess processes and planning. Strengthening medical services in Causeway Hospital continues to be progressed, with a site co-ordination hub now also established there since April 2018.

Delivering Service & Budget Agreement (SBA) Volumes and Access Targets

The Trust continues to broadly deliver on **SBA** activity. However, demand for **Elective Care (In-patients, Day Cases and Out-patients)** continues to outstrip capacity and with limited funding available for transfer to the Independent Sector, the numbers of patients waiting as well as the length of time waiting, have increased significantly. In relation to **Cancer Services**, the demand arising from suspect breast cancer referrals (14 day target) during 2017/18 was approximately 40% higher than core funded capacity, and was therefore met through significant additional activity. This was also reflected in an increased demand for surgical procedures (1st definitive treatment / 31 day target) and subsequent breaches. Challenges in the 62 day target were predominantly due to breaches in the Lower GI Pathway, reflecting a lack of funded outpatient and diagnostic capacity in the general surgical service. Increasing demand across all cancer services will continue to be a challenge in-year. The additional non-recurrent funding anticipated in 2018/19 will considerably improve the situation for elective and cancer services.

Demand continues to increase across all elective **AHP Services**. Capacity issues exist predominantly for Physiotherapy, but also for Dietetics, Speech & Language Therapy and Occupational Therapy. The Trust will continue to make use of waiting list funding where available. Recurrent and non-recurrent investment has recently been received for **Diagnostic Waits** however; it will take some time to implement this fully, after which improvement is anticipated.

With regard to **Psychological Therapies**, challenges continue regarding achievement of the 13 week access target. This is due to a temporary loss of capacity in **Learning Disability Psychology Services** and an acknowledged gap in capacity in the **Psychology Therapy Service**, for which additional funding has been secured. For **Health Psychology Services**, a capacity/demand review is underway.

The Trust's **Paediatric Autism Service** continues to experience growth in the number of referrals in excess of capacity across the 3 service areas of diagnostic, post-diagnostic and intervention. The service is recruiting to vacant posts whilst also utilising additional hours of existing staff and use of agency staff to manage the increase in demand. A demand/capacity analysis is underway as well as regional work on the ASD pathway and model to improve access and experience in the medium to longer term.

All SBA targets and volumes are kept under close scrutiny and formally reported each month. Where there are significant variances actions are put in place to redress where possible.

Control of Substance Hazardous to Health (COSHH)

Governance Department staff continued to work with those departments whose performance is lower than required and a further sample audit was completed in

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August 2017 and the results reported at the Trust's Health and Safety Committee in September 2017.

Because the results were still below the expected standard, work was undertaken with departments and a further audit completed in March 2018 with compliance found to be at 84%. A KPI requiring that 90% of departments from a sample audited are to achieve substantive compliance with the main requirements of the COSHH Policy has been set and a follow up audit planned for July and August 2018, following this actions will be determined in 2018/19.

Control of Infection: MRSA/CDIFF

The Trust performance on C difficile infections for the year is 49 cases against a priority for action target of 48. The Trust identified a general increase in the number of CDI cases associated with Causeway Hospital (during March April and May 2017) with highly probable transmission of 2 cases of CDI (with the same ribotype 014) identified in one ward. The Trust has now closed this increased incidence with a continued focus on implementation of compliance with control measures across the Trust. It will be a challenge for the Trust to remain at the target of 48 cases until the end of March.

The Trust performance on MRSA bloodstream infections for the year was 14 cases against a priority for action target of 8. Despite previously reducing our numbers of MRSA bacteraemia last year, the Northern Trust is reporting an increase in cases and a breach of the PHA target and was unable to achieve a reduction of cases for 2017/2018. Not all cases of MRSA bacteraemia are preventable and a proportion of cases seen during this year have been acquired in the community. The IPC team are continuing efforts to work with community colleagues to target reduction of MRSA colonisation in patients receiving community care. Enhanced monitoring of compliance with the Trust MRSA Policy and MRSA Care Bundle continues Trust wide. Post Infection Reviews will continue to be undertaken for every new case of MRSA bacteraemia to identify learning.

The Trust continues to recognise that transmission of healthcare associated infections is a significant risk both to patient safety and to the business of the organisation. The IPC Team continue to ensure controls are in place to minimise this risk

Mixed Gender Wards

As previously reported the Trust reported a Serious Adverse Incident (SAI) which occurred in March 2016 relating to mixed gender accommodation, following an offence committed by one patient upon another in a hospital ward, the perpetrator was processed through the courts and sentence was passed on 7 June 2018. In this reporting period a further SAI has been reported with respect to an incident occurring in a mixed gender bay.

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The revised Trust Mixed Gender Accommodation Policy was operational from 14 March 2018 following final approval by the Trust Clinical and Social Care Policy and Guidelines Committee on 13 February 2018. The policy sets out the steps required when placing vulnerable patients, however as previously reported pressures within the acute hospital environment and bed occupancy rates in excess of 100%, means that the Trust continues to manage more patients in mixed gender wards than it would wish to.

Dysphagia

As previously reported a Serious Adverse incident was reported to HSCB in early 2015 involving a patient, who died following an episode of choking. Staff continue to assist the HSENI/PSNI with the investigation into this incident. Trust staff have been nominated to contribute to the work streams arising from the recommendations outlined in the Regional Thematic Review. Speech and Language Services continue to provide training to healthcare workers. Auditing of practice with respect to dysphagia management in the Trust acute hospitals is underway and will inform a revision of the Trust Dysphagia Management Policy for Adults as an interim measure until the Regional Group make regional recommendations. This issue will continue to be kept under close review during 2018/19.

Nurse Recruitment and Retention

Due to the national and regional shortage there is an inability to recruit sufficient registered nursing staff into the Trust to fill the Frontline Nursing vacancies which exist. Consequently it remains a challenge within the Trust to meet the Nurse staffing levels required, particularly in core medical wards across the Trust.

Delivering care: nurse staffing in NI outlines the requirements in terms of a range of ratios of staff to beds and skill mix. In order to secure a stable workforce a number of agency block bookings have been engaged. To address the nursing shortage at a strategic level, an increased number of nursing student places have been commissioned by the DOH, this will yield additional registrants in the medium to longer term if sustained. The Trust remains committed to the Open University Nurse Training route. The regional international recruitment programme has successfully recruited 24 international nursing staff (23 Non EU and 1 EU). It is expected that the Non EU recruitment will achieve increased numbers over 2018/19. The Trust is focused on supporting these new recruits to attain NMC registration as soon as possible after arriving within the organisation. Local recruitment continues with interviews held at least fortnightly. Successful candidates are advised of nursing opportunities on the day of interview.

Exit interviews are undertaken with our nurses who resign from posts within the acute general hospitals. On analysis there appears to be no common emerging themes and a transfer policy is in place to support staff retention. The regional resource available for Post Registration training is utilised to ensure that every effort

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is made to commission programmes for nurses to provide continuous professional development as a retention incentive.

The Trust has recently worked with BSO to implement a weekly pay schedule to incentivise the Nurse Bank. Phase 1 successfully completed in March 2018 and involved approximately 300 band 5 nurses. The Trust requires Phase 2 to commence in order to offer this opportunity to the entire Nurse Bank population. BSO are reviewing the capability of the system to facilitate these additional pay runs.

In October 2017 a new clinical development programme with a sound delegation framework was implemented in three acute hospital wards. This project involved 18 senior nursing assistants. The project has been positively evaluated by both the senior nursing assistants as well as senior nursing staff. It is anticipated this will programme will attract future candidate for the Open University Nursing Programme. The Regional "Project Retain" has been implemented in 2 areas in the Trust to assist with recruitment and retention into hard to recruit areas for Nurses.

Additionally the Health visiting and Midwifery workforce are experiencing vacancies particularly in two areas in the Trust. In order to mitigate risk the Trust is leading on several interventions to provide a safe continuation of service and this issue will continue to be kept under regular review.

Medical Workforce

The Trust continues to have challenges in recruiting medical workforce (Consultant, Middle and Training Grades) in a number of specialties which could disrupt services provided. Causeway Emergency Department, Paediatrics and General Internal Medicine medical staffing is particularly challenging. The gap in the number of trainees allocated by NIMDTA continues to leave us with significant shortages in the areas of general internal medicine, emergency medicine, paediatrics and obstetrics and gynaecology.

The Trust is taking the following actions: maximising the use of recruitment advertising including Emergency Medicine with special interest posts in anticipation of eligible doctors at the end of training or other available consultants; utilisation of locum agencies where recruitment is unsuccessful; use of other professional practitioners such as phlebotomists, physicians associates, pharmacists and advance nurse practitioners to enable most efficient and effective use of available medical resource; successful retention of locums to training posts in the Emergency Department Causeway Hospital by offering DREEM (Direct Entry to Emergency Medicine) posts; the recruitment of Consultants in acute medicine for Causeway through internal and external locums; close liaison with and support from DOH, HSCB and PHA regarding staffing levels which are continually monitored; ensuring supervision of junior doctors out of hours and international recruitment (Regional and Trust lead) initiatives which are on-going to fill the gaps currently in the system. The

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Trust has had some limited success with this initiative within ENT and surgery. The Trust has been successful in their application to DoH for a recruitment and retention premia for the Emergency Department and General Internal Medicine in Causeway Hospital. The Trust has appointed permanent consultants in Care of the Elderly and has seen the return of consultants from sick and maternity leave in General Internal Medicine.

The Trust has continued to progress on actions which followed GMC, NIMDTA and RQIA visits. We have an established action plan with timelines to achieve compliance, as far as is reasonably practicable, by no later than (May 2018).

Information Governance including Incidents Reported to the Information Commissioner

One further incident was reported to the ICO in 2017/18, which although did not result in formal enforcement action against the Trust, the ICO considered that certain steps needed to be taken to improve Trust compliance with Data Protection Act. The key actions identified were *To review and re-publish advice in relation to the known risk of disclosures when producing such referrals reports and advising staff of the need to check the personal data contained the reports; review the training provided in relation to the publication of such referral reports including using this incident (with anonymised information) as a training example of how breaches can occur and review the content of Information Governance training and the frequency with which it is refreshed.* The Trust continues to work towards implementing and maintaining best practice through delivery of Directorate Action Plans and progress will be closely scrutinised during 2018/19.

Paediatric Inpatients

The Level 3 investigation following the unexpected death of a child stated the need for the implementation of a Sepsis 6 Pathway. Within the paediatric wards, work is ongoing in relation to the application of the Paediatric Sepsis 6 pathway for children. The Trust has adopted the position of applying the pathway for all acutely unwell children rather than commencing only those children where sepsis is suspected. Children who do not meet the criteria for management within the Sepsis 6 Pathway will subsequently be excluded.

Residential Childcare and Placement Availability

There have been a number of challenges within residential childcare both on a regional and local level. The temporary closure of a regional facility resulted in the Trust breaching their statement of purpose and function on two occasions. On-going staffing issues within Lakewood regional secure centre also impacted on the Trust in terms of managing highly complex challenging behaviours within our units. The Trust met with RQIA regarding the breaches and the outcome of the meetings is that the Statement of Purpose and Function for one Trust unit has been amended to

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accommodate younger children. Recent RQIA unannounced inspection of this Home has been very positive.

The Trust's ability to secure care placements for children who need to be admitted to care; regulated placements for young people arising from Court directed requirements for bail addresses; young people discharged from secure accommodation and children requiring placement in secure accommodation following approval for Restriction of Liberty continues to be challenging. The Trust has in place a centralised panel to co-ordinate all placements requested. There is currently a regional review on-going of residential facilities and the Trust is participating in this and the issue is and will continue to be kept under close review in 2018/19.

Monitoring Domiciliary Care Contracts

The Trust is in receipt of an Internal Audit Report in respect of a Domiciliary Care Independent Sector Provider which identified issues over the terms of the contract and contract management. A number of recommendations relating to the internal monitoring, verification and authorisation processes within the Trust were made. In addition, a review of the processes within the particular provider has been carried out. The Trust has developed action plans to address the recommendations contained in the reports.

A further regional review had also been carried out into payments made to Domiciliary Care Agencies in comparison with the activity commissioned by Trusts over the period from April 2013 to March 2015. This review identified certain variances. To further investigate the Trust developed and delivered a review covering all Domiciliary Care Providers providing services to the Trust. This focussed on a detailed audit of individual clients and the support provided by the contactors. The report was finalised in August 2017 and shared with the Oversight Scrutiny Committee (OSC) which had been established by the DOH and being led by senior Departmental officials. Internal Audit have carried out a lessons learned review from a HSC wide perspective in relation to the structure of the investigative review along with specific NHSCT findings (section 7). The OSC will now move to scrutinise the internal audit reports.

Leases

There are 4 property leases which the Trust is currently utilising but for which approval has not yet been provided by the DOH and Department of Finance in line with current policy. For these leases the business case process had been completed by the Trust in October and November 2017 and regular meetings have been held with the DOH. The Trust will continue to liaise with the DOH to try to expedite the necessary approvals in 2018/19.

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BSO Payroll Shared Services Centre (PSSC)

The Shared Services Centre for Payroll has consistently received Limited Internal Audit Assurance since 2014/15, with the exception of 2016/17 when an additional unacceptable assurance was issued in respect of Payroll System and Function Stability. In respect of payroll processing Internal Audit acknowledged that the vast majority of employees were consistently paid on a timely basis. However, Internal Audit highlighted the need for urgent action to stabilise the HSC Payroll Service and improve the control environment.

Due to the continued serious issues being raised, the Directors of Finance of Customer Organisations had requested that BSO develop a Payroll Improvement Plan commenced during 2017/18. While there have been some signs of improvement in a few areas, there continues to be significant concerns over the quality of delivery of the Payroll service as whole. The PIP is focussing on reviewing the root cause of the issues and implementing significant improvements and covers:

- Review of Structures of the Payroll Shared Service Centre;
- System Performance; and
- Payroll Quality (outstanding Audit Recommendations and issues such as overpayments and Employer's Superannuation).

Oversight of delivery of the PIP is through an HSC Directors of Finance group which is co-chaired by the Director of Finance of South Eastern Trust and the BSO.

During 2017/18 the Trust continued to provide senior support to PSSC to assist with delivery of significant areas of work including calculation of employers' superannuation, overpayments processing and implementation of the National Minimum Wage, for which HMRC opened an investigation and issued fines to HSC employers, the fines were paid by BSO. The Trust continues to monitor the performance of the service through various regional forums, taking mitigating action where possible, this will continue in 2018/19.

Estates Services

The Trust reported during 2014/15 on investigations being undertaken as a result of a whistleblowing allegation and a resulting Internal Audit Report (January 2014), identified over 70 recommendations primarily concerned with the weaknesses in controls exercised over the use of contractors, procurement, private work by Estates staff, and health / safety issues. In March 2014, the Trust commissioned an Independent Review and has since taken forward actions to address the recommendations of the reports. A follow up audit was undertaken and reports made to the Audit Committee. Positive progress has been made with the majority of actions from the original audit now complete and only one Priority 1 action listed against Estates following a review in October 2017. This action centred on the

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provision of the Building Response Maintenance contract which is expected to be fully implemented in 2018/19. The department has also carried out a restructure of senior staff and continues to work on team development.

Financial Position

While the Trust achieved a breakeven financial position in the year to 31 March 2018, it is important to note that this was achieved following the receipt of significant non-recurring funding, one off contingency measures, expenditure reductions and planned in year slippage on investments. As a result the Trust is aware of the underlying recurrent deficit position it faces coupled with further with in-year emergent pressures ensures that the significant budgetary challenges continue into 2018/19.

The outlook for 2018/19 is indicating the financial year's resources will also be increasingly constrained, both from a capital and revenue perspective. Planning for the year 2018/19 has been on-going for several months both at Departmental level and Trust level, taking into account the status of the NI Assembly and authorisations for budgets:

The NI Assembly was dissolved from 26 January 2017 with an election taking place on 2 March 2017, on which date Ministers ceased to hold office and an Executive was not subsequently formed. As a consequence, the NI Budget Act 2017 was progressed through Westminster, receiving Royal Assent on 16 November 2017, followed by the NI Budget Act 2018 which received Royal Assent on 28 March 2018. The authorisations, appropriations and limits in these Acts provide the authority for both the 2017/18 financial year and a vote on account for the early months of the 2018/19 financial year as if they were Acts of the NI Assembly.

In December 2017 the Department of Finance published a briefing document on the Northern Ireland Budgetary Outlook illustrating the choices that might need to be made to set a budget, and steps that may need to be taken to address the pressures in public services, particularly Health and Education. On 8 March 2018 the Secretary of State for Northern Ireland announced a budget for N Ireland.

Given the level of the significant and ongoing financial challenges currently faced across HSC, extensive budget planning work is therefore on-going between the Trust, HSCB and DOH in order to achieve an 2018/19 financial plan. It is anticipated that when the overall Financial Position of the Trust is brought together the Trust will still carry a significant recurrent and in year 2018/19 deficit, however the Trust remains committed to working with the DOH and HSCB in seeking to find solutions to enable it to live within its budget.

New Control Issues

Winter Resilience

The Trust's objective throughout each winter period is to ensure a safe and responsive emergency care service across our two acute sites, supported by effective community and social care, with a continued focus on quality and patient experience. Having previously undertaken comprehensive planning for the winter period, including monitoring of actual versus predicted activity, the Trust had noted concern regarding the ability to meet peaks in activity. For example, the total attendances at emergency departments increased materially in December 2017, compared to the previous year, though these have now returned to levels comparable to 2016/17. Of note however, is the 8% increase in attendances in those aged >75 years. This age group is a significant driver in increased pressures across acute and community services. While funding was secured for Winter Pressures, at times the Trust was challenged in terms of securing sufficient medical, nursing and other staff and this remains a significant concern for the longer term. The Trust has submitted bids for funding to aid its Unscheduled Care Services (such as Acute Care at Home), and this will be an important service during future Winter Periods. In addition, the Trust will continue to work collaboratively across the region to plan appropriate escalation and divert procedures to ensure an overall safe and effective regional unscheduled care service.

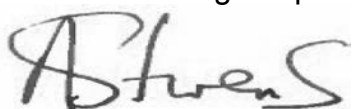
Pressure Ulcers

An 82% increase in the reporting of hospital acquired, grade 3 & 4 avoidable pressure ulcers has been observed. This is subsequent to the introduction of a new, more robust reporting system which commenced in April 2016. A quality improvement programme is under way to enhance the assessment of pressure ulcer risk, implementation of the plan of care and learning from incidents.

10. Conclusion

The Northern Health and Social Care Trust has a rigorous system of accountability which I can rely on as Accounting Officer to form an opinion on the probity and use of public funds, as detailed in Managing Public Money NI (MPMNI).

Further to considering the accountability framework within the Body and in conjunction with assurances given to me by the Head of Internal audit, I am content that the Northern Health & Social Care Trust has operated a sound system of internal governance during the period 2017/18.



Dr Anthony Stevens - Accounting Officer

Date

12/6/18

REMUNERATION AND STAFF REPORT

Remuneration Report

Scope of the report

The Remuneration Report summarises the remuneration policy of the Northern Health and Social Care Trust (“the Trust”) and particularly its application in connection with senior managers.

The report also describes how the Trust applies the principles of good corporate governance in relation to senior managers’ remuneration in accordance with HSS (SM) 3/2001 issued by the Department of Health (DOH).

Remuneration Committee

The Board of the Trust, as set out in its Standing Orders and Standing Financial Instructions, has delegated certain functions to the Remuneration Committee including the provision of advice and guidance to the Board on matters of salary and contractual terms for the Chief Executive and Directors of the Trust, guided by DOH policy.

The members of the Remuneration Committee in 2017/18 are:

- Mr Bob McCann;
- Mr Billy Graham;
- Mr Glenn Houston; and
- Mr Jim McCall.

The Remuneration Committee met on two occasions during the financial year 2017/18 to consider the performance assessment of all Trust Senior Executives, to approve the work objectives of the Chief Executive and Executive Directors.

Early Retirement and Other Compensation Schemes

There were no early retirements or payments of compensation for other departures relating to current or past Senior Executives in 2017/18 or 2016/17.

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Remuneration Policy

The policy on remuneration of the Trust Senior Executives for current and future financial years is the application of terms and conditions of employment as provided and determined by the Department of Health.

Performance of Senior Executives is assessed using a performance management system which comprises of individual appraisal and review. Their performance is then considered by the remuneration committee and judgements are made as to their banding in line with the departmental contract against the achievement of regional organisation and personal objectives. The relevant importance of the appropriate proportions of remuneration is set by the DOH under the performance management arrangements for senior executives.

Service contracts

All Senior Executives, except the Trust Medical Director, in the year 2017/18 were employed on the DOH Senior Executive Contract. The contractual provisions applied are those detailed and contained within Circulars HSS (SM) 2/2001, for those Senior Executives appointed prior to December 2008, and HSS(SM) 3/2008 for those Senior Executives appointed in the Trust since December 2008.

The Trust Medical Director is employed under a contract issued in accordance with HSC Medical Consultant Terms and Conditions of Service (Northern Ireland) 2004.

Notice period

A three month notice period is to be provided by either party except in the event of summary dismissal. There is nothing to prevent either party waiving the right to notice or from accepting payment in lieu of notice.

Retirement benefit costs

The Trust participates in the HSC Pension Scheme. Under this multi-employer defined benefit scheme both the Trust and employees pay specified percentages of pay into the scheme and the liability to pay benefit falls to the Department of Health. The Trust is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reliable basis. Further information regarding the HSC Pension Scheme can be found in the HSC Pension Scheme Statement in the Departmental Resource Account for the Department of Health.

The costs of early retirements are met by the Trust and charged to the Net Expenditure Account at the time the Trust commits itself to the retirement. As per the requirements of IAS 19, full actuarial valuations by a professionally qualified actuary are required at intervals not exceeding four years. The actuary reviews the most recent actuarial valuation at the Statement of Financial Position date and updates it to reflect current conditions. The 2016 valuation for the HSC Pension scheme

ACCOUNTABILITY REPORT

updated to reflect current financial conditions (and a change in financial assumption methodology will be used in the 2017/18 Accounts).

Premature retirement costs

Section 16 of the Agenda for Change Terms and Conditions Handbook (issued on 14 February 2007 under cover of the DHSSPS Guidance Circular HSS (AfC) (4) 2007) sets out the arrangements for early retirement on the grounds of redundancy and in the interest of the service. Further Circulars were issued by the Department HSS (AfC) (6) 2007 and HSS (AfC) (5) 2008 setting out changes to the timescale for the operation of the transitional protection under these arrangements.

Staff made redundant who are members of the HSC Pension Scheme, have at least two years' continuous service and two years' qualifying membership and have reached the minimum pension age currently 50 years, can opt to retire early without a reduction in their pension as an alternative to a lump sum redundancy payment of up to 24 months' pay. In this case the cost of the early payment of the pension is paid from the lump sum redundancy payment. However, if the redundancy payment is not sufficient to meet the early payment of pension cost the employer is required to meet the additional cost.

Median salary ratio (Audited)

The Trust is required to disclose the relationship between the remuneration of the highest paid director in their organisation and the median remuneration of the workforce. The table below outlines this relationship

	2017/18	Restated 2016/17
Band of Highest Paid Director Remuneration	£180 - £185K	£185 – £190K
Median Total Remuneration	£28,462	£28,180
Ratio	6.41	6.65

The midpoint of the remuneration of the highest paid director in Northern Health and Social Care Trust was £182,500 (2016/17 £187,500). This was 6.41 times (6.65 2016/17) the median remuneration of the workforce, which was £28,462. The ratio calculation for 2017/18 has indicated minimal movement from 2016/17.

The current method of calculating the median is to be reviewed during 2018/19 as it currently does not include agency staff.

ACCOUNTABILITY REPORT

Senior Employees' Remuneration (audited)

The salary, pension entitlements and the value of any taxable benefits in kind of the most senior members of the Trust were as follows (it should be noted that there were no bonuses paid to any Director in 2016/17 or 2017/18):

Name	2017/18			2016/17			2017/18						
	Salary £000s	Benefits In Kind (to nearest £100)	Pensions benefit (to nearest £1,000)	Total £000s	Salary £000s	Benefits In Kind (to nearest £100)	Pensions benefit (to nearest £1,000)	Total £000s	Real Increase in pension and related lump sum at age 60 £000s	Total accrued pension at age 60 and related lump sum £000s	CETV at 31/3/17 £000s	CETV at 31/3/18 £000s	Real increase in CETV in £000s
Non Executive Members													
R McCann	25 - 30	200	N/A	25 - 30	25-30	200	N/A	25-30	N/A	N/A	N/A	N/A	N/A
P Corrigan	5 - 10	100	N/A	5 - 10	5-10	0	N/A	5-10	N/A	N/A	N/A	N/A	N/A
G McGahey	5 - 10	0	N/A	5 - 10	5-10	0	N/A	5-10	N/A	N/A	N/A	N/A	N/A
J McCall	5 - 10	0	N/A	5 - 10	5-10	0	N/A	5-10	N/A	N/A	N/A	N/A	N/A
B Graham	5 - 10	0	N/A	5 - 10	5-10	0	N/A	5-10	N/A	N/A	N/A	N/A	N/A
G Houston (1)	5 - 10	0	N/A	5 - 10	0-5	0	N/A	0-5	N/A	N/A	N/A	N/A	N/A
G McGivern (2)	5 - 10	0	N/A	5 - 10	0-5	0	N/A	0-5	N/A	N/A	N/A	N/A	N/A
S Cuddy (3)	5 - 10	0	N/A	5 - 10	0-5	0	N/A	0-5	N/A	N/A	N/A	N/A	N/A
C Ackah (4)	0	0	N/A	0	5-10	0	N/A	5-10	N/A	N/A	N/A	N/A	N/A
J Moore (5)	0	0	N/A	0	5-10	0	N/A	5-10	N/A	N/A	N/A	N/A	N/A
L Ensor (6)	0	0	N/A	0	5-10	0	N/A	5-10	N/A	N/A	N/A	N/A	N/A

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Executive Members	2017-18				2016-17				2017-18				
	Salary £000s	Benefits In Kind (to nearest £1,000)	Pensions benefit (to nearest £1,000)	Total £000s	Salary £000s	Benefits In Kind (to nearest £1,000)	Pensions benefit (to nearest £1,000)	Total £000s	Real Increase in pension and related lump sum at age 60 £000s	Total accrued pension at age 60 and related lump sum £000s	(18) CETV at 31/3/17 £000s	CETV at 31/3/18 £000s	Real increase in CETV in CETV £000s
A Stevens (7)	180 - 185	0	0	180 - 185	185 - 190	0	0	185 - 190	N/A	N/A	N/A	N/A	N/A
S O'Reilly (8)	160 - 165	0	32,000	190 - 195	105 - 110	0	52,000	155 - 160	0 to 2.5 + lump sum 5 to 10	45 to 50 + lump sum 145 to 150	941	1,022	33
M O'Hagan	90 - 95	100	(2,000)	85 - 90	85 - 90	200	24,000	110 - 115	0 to 2.5 + lump sum 0 to 5	30 to 35 + lump sum 100 to 105	640	671	8
O Donnelly	85 - 90	100	18,000	100 - 105	80 - 85	400	21,000	105 - 110	0 to 2.5 + lump sum 0 to 5	45 to 50 + lump sum 120 to 125	895	927	30
O Harkin	85 - 90	0	(21,000)	65 - 70	85 - 90	200	52,000	140 - 145	0 to 2.5 lump sum 0	45 to 50 lump sum 0	609	626	(6)
P Hughes (9)	80 - 85	100	74,000	155 - 160	40 - 45	0	29,000	70 - 75	2.5 to 5 + lumps sum 10 to 15	35 to 40 + lump sum 115 to 120	736	843	78
B Donaghy	80 - 85	1,800	42,000	125 - 130	75 - 80	900	39,000	115 - 120	0 to 2.5 + lump sum 5 to 10	35 to 40 + lump sum 105 to 110	660	733	48
W Magowan	80 - 85	200	28,000	110 - 115	75 - 80	200	44,000	120 - 125	0 to 2.5 + lump sum 5 to 10	20 to 25 + lump sum 70 to 75	440	489	33
E Brownlees	75 - 80	100	7,000	80 - 85	70 - 75	0	75,000	150 - 155	0 to 2.5 + lump sum 0 to 5	30 to 35 + lump sum 95 to 100	702	907	179
E McEneaney (10)	75 - 80	1,400	42,000	115 - 120	35 - 40	900	37,000	70 - 75	0 to 2.5 + lump sum 5 to 10	30 to 35 + lump sum 90 to 95	551	619	46
M Roulston	70 - 75	400	(8,000)	65 - 70	75 - 80	300	15,000	90 - 95	0 to 2.5 + lump sum 0 to 5	30 to 35 + lump sum 90 to 95	690	719	2
J Welsh (11)	30 - 35	0	39,000	70 - 75	N/A	N/A	N/A	N/A	0 to 2.5 + lump sum 0 to 5	25 to 30 + lump sum 60 to 65	387	434	32
P McCreedy (12)	30 - 35	100	0	30 - 35	80 - 85	200	22,000	105 - 110	N/A	N/A	N/A	N/A	N/A
O Macleod (13)	0	100	0	0 - 5	20 - 25	100	0	20 - 25	N/A	N/A	N/A	N/A	N/A
K Lowry (14)	0	0	0	0	130 - 135	400	0	130 - 135	N/A	N/A	N/A	N/A	N/A
U Cunning (15)	0	0	0	0	80 - 85	100	0	80 - 85	N/A	N/A	N/A	N/A	N/A
S Pullins (16)	0	0	0	0	15 - 20	0	32,000	50 - 55	N/A	N/A	N/A	N/A	N/A
C Duffield (17)	0	0	0	0	0 - 5	0	0	0 - 5	N/A	N/A	N/A	N/A	N/A

(For titles please refer to p37 & 38).

Senior Employees' Remuneration - Notes

As Non- Executive members do not receive pensionable remuneration, there will be no entries in respect of pensions for Non-Executive members.

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital 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 the disclosure applies. The CETV figures and the other pension details, include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the HPSS pension scheme. 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 within the guidelines prescribed by the institute and Faculty of Actuaries.

Real Increase in CETV - This reflects the increase in CETV effectively funded by the employer. It takes account of 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.

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 or any increase or decreases due to a transfer of pension rights.

Notes to tables above:

- (1) Commenced 01/01/2017. Estimated full year salary £5 - £10K.
- (2) Commenced 01/01/2017. Estimated full year salary £5 - £10K.
- (3) Commenced 16/01/2017. Estimated full year salary £5 - £10K.
- (4) Left 31/12/2016. Estimated full year salary £5 - £10K.
- (5) Left 31/12/2016. Estimated full year salary £5 - £10K.
- (6) Left 30/11/2016. Estimated full year salary £5 - £10K.
- (7) A Stevens is beyond the threshold for calculation of CETV/Real Increase therefore this is not applicable in 2016/17 or 2017/18.
- (8) Commenced 01/08/2016. Estimated full year salary £155 - £160K.

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- (9) *Commenced Interim Directorship 09/09/2016. Estimated full year salary £75 - 80K.*
- (10) *Commenced Interim Directorship 03/10/2016. Estimated full year salary £70 - 75K. Commenced permanent Directorship 06/03/2018.*
- (11) *Commenced Directorship 01/12/2017. Estimated full year salary £95 - £100K.*
- (12) *Left 31/08/2017. Estimated full year salary £80 - £85K.*
- (13) *Left 30/06/2016. Estimated full year salary £75 - 80K.*
- (14) *Left 30/11/2016 Estimated full year salary £195 - £200K.*
- (15) *Left 30/09/2016. Estimated full year salary £80 -£85K. 2016/17 salary inclusive of a £40 - £45K Voluntary Exit Scheme payment.*
- (16) *Acting up to Director post from 01/07/2016 - 01/10/16. Estimated full year salary £70 - £75K.*
- (17) *Left 01/04/2016. Estimated full year salary £80 - £85K.*
- (18) *CETVs as at 31/03/17 for all Directors have been adjusted by HSC Pensions Branch based on the current framework prescribed by the Institute and Faculty of Actuaries.*
- (19) *Benefits in kind relate to the taxable benefits in kind on travel expenses reimbursed and leased cars where applicable.*

Staff Report

Staff Costs (Audited)

The following tables set out the NHSCT' staff costs:

Staff costs comprise:	2018		2017	
	Permanently employed staff £000s	Others £000s	Total £000s	Total £000s
Wages and salaries	337,582	35,512	373,094	347,801
Social Security costs	28,856	0	28,856	28,393
Other pension costs	46,123	0	46,123	45,576
Sub-total	412,561	35,512	448,073	421,770
Capitalised staff costs	469	55	524	576
Total staff costs reported in Statement of Comprehensive Expenditure	412,092	35,457	447,549	421,194
Less recoveries in respect of outward secondments			2,068	2,042
Total net costs			445,481	419,112
Total net costs of which:			£000s	£000s
Northern HSC Trust			447,508	421,154
Charitable Trust Fund			41	40
			447,549	421,194

Staff Costs exclude £524K charged to capital projects during the year (2017 £576K)

HSC Pension Arrangements

The Trust participates in the HSC Pension Scheme. Under this multi-employer defined benefit scheme both the Trust and employees pay specified percentages of pay into the scheme and the liability to pay benefit falls to the DoH. The Trust is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reliable basis.

As per the requirements of IAS 19, full actuarial valuations by a professionally qualified actuary are required at intervals not exceeding four years. The actuary reviews the most recent actuarial valuation at the statement of financial position date and updates it to reflect current conditions. The 2016 valuation for the HSC Pension scheme updated to reflect current financial conditions (and a change in financial assumption methodology) will be used in 2017/18 accounts.

Pension benefits are administered by BSO HSC Pension Service. Two schemes are in operation, HSC Pension Scheme and the HSC Pension Scheme 2015. There are two sections to the HSC Pension Scheme (1995 and 2008) which was closed with effect from 1 April 2015 except for some members entitled to continue in this Scheme through 'Protection' arrangements. On 1 April 2015 a new HSC Pension

ACCOUNTABILITY REPORT

Scheme was introduced. This new scheme covers all former members of the 1995/2008 Scheme not eligible to continue in that Scheme as well as new HSC employees on or after 1 April 2015. The 2015 Scheme is a Career Average Revalued Earnings (CARE) scheme.

The table below sets out the member contribution rates that apply in both the HSC Pension Scheme and the HSC Pension Scheme 2015.

Tier	Full-Time Pensionable Pay used to determine contribution rate	Contribution rate (before tax relief) 2017/18
1	Up to £15,431.99	5.0%
2	£15,432.00 to £21,477.99	5.6%
3	£21,478.00 to £26,823.99	7.1%
4	£26,824.00 to £47,845.99	9.3%
5	£47,846.00 to £70,630.99	12.5%
6	£70,631.00 to £111,376.99	13.5%
7	£111,377.00 and over	14.5%

A NEST (National Employment Saving Trust) Scheme had been brought into operation for eligible employees in 2016/17.

Further details about the HSC pension arrangements can be found at the website <http://www.hscpensions.hscni.net>

ACCOUNTABILITY REPORT

Average number of persons employed (Audited)

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

	2018		Restated 2017	
	Permanently employed staff No	Other No.	Total No.	Total No.
Medical and dental	545	117	662	648
Nursing and midwifery	3,143	183	3,326	3,255
Professions allied to medicine	792	18	810	763
Ancillaries	773	87	860	875
Administrative & clerical	1,522	88	1,610	1,585
Ambulance staff	0	0	0	0
Works	124	0	124	128
Other professional and technical	582	3	585	585
Social Services	2,226	81	2,307	2,258
Other	0	1	1	1
Total average number of person employed	9,707	578	10,285	10,098
Less average staff number relating to capitalised staff costs	13	1	14	16
Less average staff number in respect of outward secondments	52	0	52	67
Total net average number of person employed	9,642	577	10,219	10,015

Of which:

	2018 Composition
Northern HSC Trust	10,218
Charitable Trust Fund	1
	10,219

Prior year figures restated due to a reclassification of professions allied to medicine and other professional and technical.

Trust Management Costs

	2018 £000s	2017 £000s
Trust Management Costs	25,895	25,240
Income:		
RRL	728,004	690,672
Income per Note 5	54,238	52,661
Non cash RRL for movement in clinical negligence provision	(23,507)	(24,932)
Total Income	758,735	718,401
% of total income	3.4%	3.5%

The management costs have been prepared on a consistent basis from previous years and have been based on the appropriate elements contained in the circular HSS (THR) 2/99.

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Retirements due to ill-health

During 2017/18 there were 29 (47 in 2016/17) early retirements from the Trust, agreed on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be £57K (£57K in 2016/17). These costs are borne by the HSC Pension Scheme.

Reporting of early retirement and other compensation scheme - exit packages (Audited)

Exit package cost band	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band	
	2018	2017	2018	2017	2018	2017
<£10,000	0	0	0	0	0	0
£10,001 - £25,000	0	0	0	1	0	1
£25,001 - £50,000	0	0	3	5	3	5
£50,001 - £100,000	0	0	3	3	3	3
£100,001 - £150,000	0	0	2	2	2	2
£150,001 - £200,000	0	0	0	0	0	0
Total number of exit packages by type	0	0	8	11	8	11
	£000s	£000s	£000s	£000s	£000s	£000s
Total resource cost	0	0	524	653	524	653

Redundancy and other departure costs have been paid in accordance with the provisions of the HSC Pension Scheme Regulations and the Compensation for Premature Retirement Regulations, statutory provisions made under the Superannuation Act 1972. Exit costs are accounted for in full in the year in which the exit package is approved and agreed and are included as operating expenses at Note 3. Where early retirements have been agreed, the additional costs are met by the employing authority and not by the HSC pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

Compensation packages payable to a former senior manager - nil

Amounts payable to third parties for the service of a senior manager – nil

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Staff Composition by Gender

The following table provides an analysis of the number of employed staff as at 31 March 2018 by gender.

	Directors*		Non-Executive Directors		Senior Staff**		Other Staff		Trust Total	
	No	As%	No	As %	No	As %	No	As %	No	As %
Female	8	67%	1	12%	24	79%	10,226	86%	10,259	86%
Male	4	33%	7	88%	7	21%	1,633	14%	1,651	14%
Total	12		8		31		11859		11,910	

*Divisional and Executive Directors

**Senior staff are considered to be those operating at Assistant Director level

Off Payroll Engagements

The Trust did not have any 'off-payroll' engagements in 2017/18 that were in excess of £58,200 per annum.

Consultancy

Expenditure on Consultancy in 2017/18 was £nil (2016/17 £nil).

ASSEMBLY ACCOUNTABILITY AND AUDIT REPORT

Financial Resources

The Northern Health and Social Care Trust managed income of £782 million in 2017/18.

The Trust employed an average of 10,277 staff serving a population of approximately 470,000 residents and manages a wide and geographically dispersed estate valued in excess of £391m.

The Trust Delivery Plan for 2017/18 identified an in-year deficit of £17.5m which an underlying recurrent gap of £37.5m million. As a consequence, a range of savings proposals were implemented, and alongside assistance from the Commissioners, the Trust has presented a breakeven position for the financial year.

The Trust continues to experience cost pressures particularly in relation to unscheduled care and emergency department activity growth; children's services; mental health and disability services; and demographic growth linked to an increasing elderly population.

While the Trust achieved financial balance in 2017/18 it continues to drive forward the quality and safety agenda. It should be noted, however, that this outcome was attributable in part to a significant level of one-off funding from the Commissioners and non-recurrent slippage on new investments. As a result the Trust begins 2018/19 with a substantial underlying funding gap which it continues to review with Commissioners and faces significant challenges within what is expected to be an even tighter funding environment. Our long-term expenditure plans will be impacted by budgetary uncertainties, unavoidable cost pressures, demand and impacts from external issues such as EU Exit which the Trust is conducting an impact assessment across its business areas. The Trust will continue to work with our Commissioners and DOH, to both project and manage the impacts where possible.

Financial Targets

The Trust has continued to improve the safety and responsiveness of services for its patients and clients and was still able to achieve its statutory financial targets which are outlined below:

- Breakeven on income and expenditure; and
- Maintain capital expenditure within the agreed Capital Resource Limit.

ACCOUNTABILITY REPORT

The above achievements have been delivered through a combination of sound financial governance, control and management, the efforts of staff and the continued implementation of the Trust's RAMP programme.

Financial Governance

The Trust has continued to maintain sound systems of internal control which are designed to safeguard public funds and assets. The same high degree of security is maintained over patients' and residents' monies and charitable trust funds administered by the Trust.

The internal control framework relies on a combination of robust internal governance structures, policies and procedures, control checks and balances, self-assessments and independent reviews. The Chief Executive's assurances in respect of this area are set out in the Statement on Internal Control of the annual accounts for 2017/18.

In terms of financial management and control across the Trust, a detailed financial plan is prepared and approved by the Trust Board at the beginning of each financial year and budgets are allocated to directorates. Financial performance is monitored and reviewed through detailed financial reporting to directors and budget managers on a monthly basis. This is supported by a programme of regular Accountability meetings with Directorates and Divisions during which financial performance forms a significant part of the agenda. An aggregate summary of the financial position to date and forecast yearend position is presented by the Director of Finance to Trust Board each month with supporting narrative to ensure a clear understanding of underlying issues and trends.

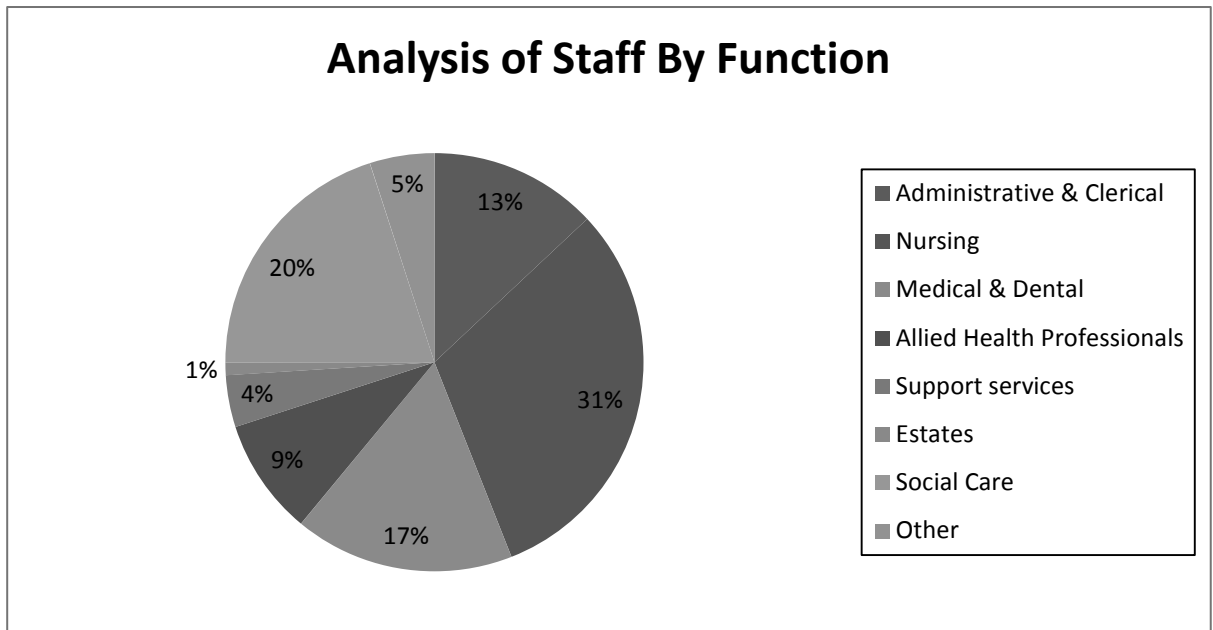
Income and Expenditure

The information below provides an analysis of Trust's income and a breakdown of expenditure in 2017/18.

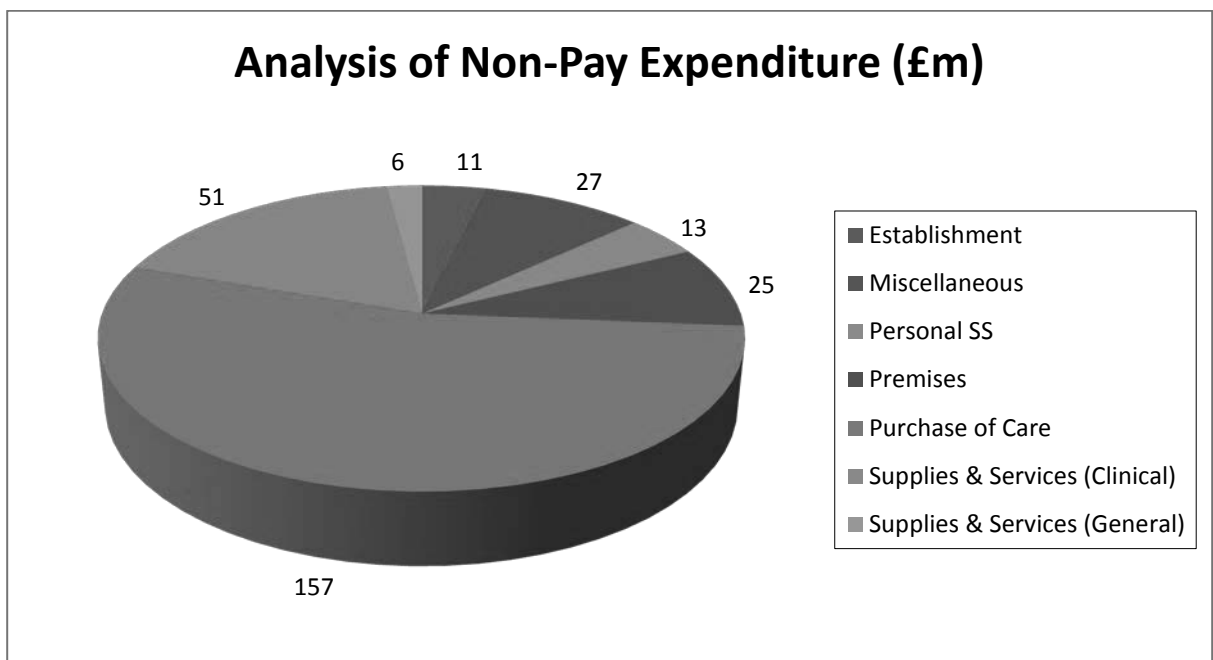
The largest cost incurred by the Trust is staff salaries, representing just over 60% (£448m) of total expenditure covering a range of staff groups such as nursing, medical, diagnostic, social services and allied health professionals.

ACCOUNTABILITY REPORT

The chart below shows the percentage of spend (£448m) for the professional staff groups with the largest spend residing in the nursing category.

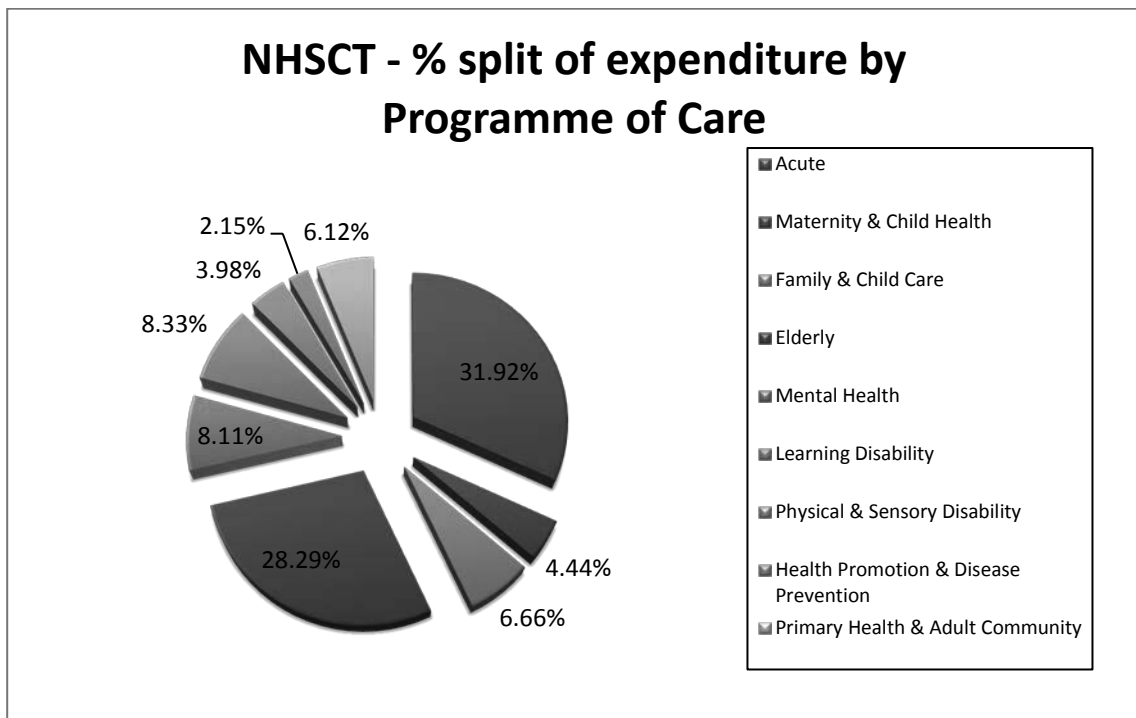


The Trust spent £290m non-pay expenditure (revenue) and the chart below provides an analysis of this as follows:



ACCOUNTABILITY REPORT

In 2017/18 the Trust provided services for a range of programmes of care as detailed in the graph below (source Trust Financial Returns 2016/17).



Income

The majority of income, over 90%, comes from the Department of Health, through the Health and Social Care Board and the Public Health Agency. The Trust also receives income for medical education from Northern Ireland Medical and Dental Training Agency [NIMDTA].

The income received by the Trust is used to deliver health and social care services for the population of the Northern Trust which covers 1,733 square miles spanning four new council areas (Antrim and Newtownabbey District, Causeway Coast and Glens District, Mid and East Antrim District and Mid Ulster District) making it the largest geographical Trust in Northern Ireland.

Fees and Charges (Audited)

The NHSCT does not have material income generated from fees and charges.

Remote Contingent Liabilities (Audited)

The Trust has no remote contingent liabilities that I am aware of.

ACCOUNTABILITY REPORT

Going Concern

Whilst 2018/19 will be continue to be financially challenging for the Trust, it is expected that the Trust will continue to operate on a “going concern” basis.

Capital Development Programme

For the 2017/18 financial year the Trust managed gross capital expenditure to the value of £12.9m to deliver capital projects. This included £11.6m of general capital covering minor capital estates schemes, medical devices, vehicles and ICT.

We are delighted to say that the following schemes progressed during 2017/18.

Capital Scheme	Expenditure 2017/18 £m	Total Value of Project £m
2 nd MRI Scheme Antrim Area Hospital (year 2)	£0.87m	£3.122m
Ballymena Health & Care Centre	£0.39m	£25m
Medical Devices	£1.89m	£1.89m
New Modular Build for RAID Team Antrim Area Hospital	£0.30m	£0.30m
Vehicle Replacement	£0.55m	£0.55m
ICT	£5.53m	£5.53m
DAU Ambulatory Accommodation Antrim Area Hospital (year 1)	£0.6m	£1.46m
Refurbishment of Clogrennan Hostel (year 2)	£0.21m	£0.30m
Replacement of Locks Causeway Hospital	£0.25m	0.25m
Gynae Ward Redesign Causeway Hospital	£0.24m	£0.24m

Charitable Trust Funds

Charitable Trust Fund management and activity including expenditure and income is an integral part of the successful operation of the Trust. The Trustees (The Trust Board) work diligently to ensure that these funds are put to the most appropriate and effective use as intended by the donors and to the benefit of the Trust.

Funds attributed to Charitable Trust Funds are managed under the same exacting governance arrangements and controls as public funds.

ACCOUNTABILITY REPORT

In 2017/18 Charitable Trust Fund income amounted to £715K and expenditure was £634K. Total fund balances as at 31 March 2018 amounted to £5.726m.

The annual accounts are prepared on a consolidated basis including both public and charitable trust fund transactions.

There is also a separate Charitable Trust Fund Annual Trustees Report and Annual Accounts available for 2017/18. This is subject to audit.

Losses and Special Payments (Audited)

Type of loss and special payment	2017/18		Restated 2016/17
	Number of	£	£
Cash losses			
Cash Losses – theft fraud etc	2	204	2,721
Cash losses – overpayments of salaries, wages and allowances	28	5,602	7,862
Cash Losses – Other causes	12	13,891	22,988
	42	19,697	33,571
Administrative write-offs			
Bad debts	80	38,325	56,202
Other		0	0
	80	38,325	56,202
Fruitless payments			
Late payment of Commercial Debt	3	293	45,769*
	3	293	45,769
Stores losses			
Losses of accountable stores through any deliberate act	8	7,028	4,754
Other stores losses	71	83,726	112,839
	79	90,754	117,593
Special Payments			
Compensation payments			
- Clinical Negligence	28	5,945,474	6,150,923
- Public Liability	2	26,500	66,650
- Employers Liability	30	326,117	320,755
- Other	4	17,252	17,500
	64	6,315,343	6,555,828
Ex-gratia payments	21	7,681	8,999
TOTAL	289	6,472,093	6,817,962

*Following negotiations and discussion with legal services, amounts accrued in respect of Fruitless payments in 2016/17 were reduced on settlement. The figure has been restated from £61,529.

ACCOUNTABILITY REPORT

Special Payments

There were no other special payments or gifts made during the year.

Other Payments

There were no other payments made during the year

Losses and Special Payments over £250,000

Losses and Special Payments over £250,000	Number of Cases	2017/18 £	2016/17 £
Special payments – Compensation payments Clinical negligence (these cases are included in the total value of special payments in the table above)	6	5,101,564	4,679,469
TOTAL	6	5,101,564	4,679,469

Regularity Statement

The Trust has processes, procedures and controls in place to endeavour to ensure that the expenditure and income, reported for the year ended 31 March 2018, has been applied to the purposes intended by the NI Assembly and that transactions conform to the authorities which govern them. The auditors will give an opinion on the regularity of transactions

The Trust maintains a Gifts and Hospitality Register.

Further details on expenditure trends, risks and plans are set out within the Governance Statement and Performance Report.



Dr Anthony Stevens
Accounting Officer

Date 12/6/18

NORTHERN HEALTH AND SOCIAL CARE TRUST

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

Opinion on financial statements

I certify that I have audited the financial statements of the Northern Health and Social Care Trust for the year ended 31 March 2018 under the Health and Personal Social Services (Northern Ireland) Order 1972, as amended. The financial statements comprise: the Group and Parent Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view of the state of the group's and of the Northern Health and Social Care Trust's affairs as at 31 March 2018 and of the group's and the Northern Health and Social Care Trust's net expenditure for the year then ended; and
- have been properly prepared in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972, as amended and Department of Health 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 of opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this certificate. My staff and I are independent of the Northern Health and Social Care Trust in accordance with the ethical requirements of the Financial Reporting Council's Revised Ethical Standard 2016, and have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

Other Information

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

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Opinion on other matters

In my opinion:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Department of Health directions made under the Health and Personal Social Services (Northern Ireland) Order 1972, as amended; and

- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Responsibilities of the Trust and Accounting Officer for the financial statements

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

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972, as amended.

I am required to obtain evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Matters on which I report by exception

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

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

Report

I have no observations to make on these financial statements.



KJ Donnelly
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
Belfast
BT7 1EU
18 June 2018

**ANNUAL ACCOUNTS 2017/18 – FINANCIAL
STATEMENTS AND NOTES TO THE ACCOUNTS**

FINANCIAL STATEMENTS

Introduction

The financial statements and notes to the accounts of the Trust for 2017/18 are included on pages 94 to 134.

The Patients and Residents Monies Accounts for 2017/18 are included on pages 135 to 136.

Charitable Trust Fund Accounts for 2017/18 are issued separately however they are consolidated within the public fund accounts to meet the requirements of the relevant consolidation accounting policy.

FINANCIAL STATEMENTS

NORTHERN HSC TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

FOREWORD

These accounts for the year ended 31 March 2018 have been prepared in accordance with Article 90(2) (a) of the Health and Personal Social Services (Northern Ireland) Order 1972, as amended by Article 6 of the Audit and Accountability (Northern Ireland) Order 2003, in a form directed by the Department of Health.

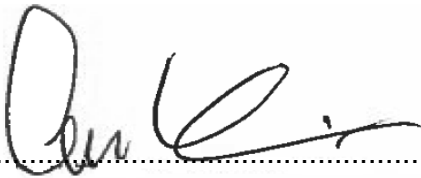
FINANCIAL STATEMENTS

NORTHERN HSC TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

CERTIFICATES OF DIRECTOR OF FINANCE, CHAIRMAN AND CHIEF EXECUTIVE

I certify that the annual accounts set out in the financial statements and notes to the accounts (pages 94 to 136) which I am required to prepare on behalf of the Northern HSC Trust have been compiled from and are in accordance with the accounts and financial records maintained by the Northern HSC Trust and with the accounting standards and policies for HSC bodies approved by the Department of Health.



..... **Director of Finance**

12/6/18

..... **Date**

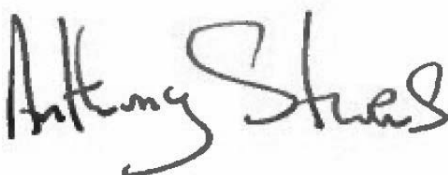
I certify that the annual accounts set out in the financial statements and notes to the accounts (pages 94 to 136) as prepared in accordance with the above requirements have been submitted to and duly approved by the Board.



..... **Chairman**

12/6/18

..... **Date**



..... **Chief Executive**

12/6/18

..... **Date**

FINANCIAL STATEMENTS

Consolidated Statement of Comprehensive Net Expenditure for the year ended 31 March 2018

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

	NOTE	2018 £000s			2017 £000s		
		Trust	CTF	Consolidated	Trust	CTF	Consolidated
Income							
Income from activities	4.1	44,482	0	44,482	42,994	0	42,994
Other operating income*	4.2	9,734	629	10,363	9,667	633	10,300
Deferred income	4.3	22	0	22	0	0	0
Total operating income		54,238	629	54,867	52,661	633	53,294
Expenditure							
Staff costs		(447,508)	(41)	(447,549)	(421,154)	(40)	(421,194)
Purchase of goods and services	3	(224,663)	0	(224,663)	(214,886)	0	(214,886)
Depreciation, amortisation and impairment charges	3	(20,311)	0	(20,311)	(22,474)	0	(22,474)
Provision expense	3	(24,089)	0	(24,089)	(25,492)	0	(25,492)
Other expenditures	3	(65,012)	(588)	(65,600)	(59,257)	(835)	(60,092)
Total operating expenditure		(781,583)	(629)	(782,212)	(743,263)	(875)	(744,138)
Net operating expenditure		(727,345)	0	(727,345)	(690,602)	(242)	(690,844)
Finance income	4.2	0	86	86	0	76	76
Finance expense	3	0	0	0	(61)	0	(61)
Net expenditure for the year		(727,345)	86	(727,259)	(690,663)	(166)	(690,829)
Revenue Resource Limit (RRL) and capital grants	24.1	728,004	0	728,004	690,672	0	690,672
Add back charitable trust fund net expenditure*		0	(86)	(86)	0	166	166
Surplus / (Deficit) against RRL		659	0	659	9	0	9

OTHER COMPREHENSIVE EXPENDITURE

	NOTE	2018 £000s			2017 £000s		
		Trust	CTF	Consolidated	Trust	CTF	Consolidated
Items that will not be reclassified to net operating costs:							
Net gain/(loss) on revaluation of property, plant and equipment	5.1/8/5.2 /8	20,963	0	20,963	5,780	0	5,780
Net gain/(loss) on revaluation of intangibles	6.1/8/6.2 /8	0	0	0	0	0	0
Net gain/(loss) on revaluation of charitable assets		0	(34)	(34)	0	233	233
Items that may be reclassified to net operating costs:							
Net gain/(loss) on revaluation of investments		0	0	0	0	0	0
TOTAL COMPREHENSIVE EXPENDITURE for the year ended 31 March		(706,382)	52	(706,330)	(684,883)	67	(684,816)

The notes on pages 98 to 134 form part of these accounts.

* All donated funds have been used by Northern Health and Social Care Trust as intended by the benefactor. It is for the Charitable Trust Fund Committee within the Trust to manage the internal disbursements. The committee ensures that charitable donations received by the Trust are appropriately managed, invested, expended and controlled, in a manner that is consistent with the purposes for which they were given and with the Trust's Standing Financial Instructions, Departmental guidance and legislation. All such funds are allocated to the area specified by the benefactor and are not used for any other purpose than that intended by the benefactor.

FINANCIAL STATEMENTS

Consolidated Statement of Financial Position as at 31 March 2018

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

	NOTE	2018		2017	
		Trust £000s	Consolidated £000s	Trust £000s	Consolidated £000s
Non Current Assets					
Property, plant and equipment	5.1/5.2	413,450	413,450	401,098	401,098
Intangible assets	6.1/6.2	4,954	4,954	3,937	3,937
Financial assets	7	0	1,861	0	1,895
Total Non Current Assets		418,404	420,265	405,035	406,930
Current Assets					
Assets classified as held for sale	9	467	467	218	218
Inventories	10	2,612	2,612	2,753	2,753
Trade and other receivables	12	16,171	16,193	12,879	12,896
Other current assets	12	3,569	3,571	2,681	2,681
Financial assets	7	0	3,700	0	3,700
Cash and cash equivalents	11	1,190	1,409	1,617	1,759
Total Current Assets		24,009	27,952	20,148	24,007
Total Assets		442,413	448,217	425,183	430,937
Current Liabilities					
Trade and other payables	13	(81,828)	(81,906)	(74,489)	(74,569)
Intangible current liabilities	13	(393)	(393)	0	0
Provisions	15	(8,488)	(8,488)	(9,784)	(9,784)
Total Current Liabilities		(90,709)	(90,787)	(84,273)	(84,353)
Total assets less current liabilities		351,704	357,430	340,910	346,584
Non Current Liabilities					
Provisions	15	(55,190)	(55,190)	(38,173)	(38,173)
Total Non Current Liabilities		(55,190)	(55,190)	(38,173)	(38,173)
Total assets less total liabilities		296,514	302,240	302,737	308,411
Taxpayers' Equity and other reserves					
Revaluation reserve		127,807	127,807	107,103	107,103
SoCNE reserve		168,707	168,707	195,634	195,634
Other reserves - charitable fund		0	5,726	0	5,674
Total equity		296,514	302,240	302,737	308,411

The financial statements on pages 94 to 97 were approved by the Board on 12 June 2018 and were signed on its behalf by;

The notes on pages 98 to 134 form part of these accounts.

Signed 

(Chairman)

Date 12/6/18.

Signed 

(Chief Executive)

Date 12/6/18

FINANCIAL STATEMENTS

Consolidated Statement of Cash Flows for the year ended 31 March 2018

The Statement of Cash Flows shows the changes in cash and cash equivalents of the Northern HSC Trust during the reporting period. The statement shows how the Northern HSC Trust generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of service costs and the extent to which these operations are funded by way of income from the recipients of services provided by the Northern HSC Trust. Investing activities represent the extent to which cash inflows and outflows have been made for resources which are intended to contribute to future public service delivery.

	NOTE	2018 £000s	2017 £000s
Cash flows from operating activities			
Net surplus after interest/Net operating expenditure		(727,259)	(690,829)
Adjustments for non cash transactions		44,350	48,009
(Increase)/decrease in trade and other receivables		(4,187)	(1,732)
(Increase)/decrease in inventories		141	180
Increase/(decrease) in trade payables		7,730	1,475
<i>Less movements in payables relating to items not passing through the Net Expenditure Account</i>			
Movements in payables relating to the purchase of property, plant and equipment		(236)	1,103
Movements in payables relating to the purchase of intangibles		(1)	0
Use of provisions	15	<u>(8,368)</u>	<u>(9,249)</u>
Net cash inflow/(outflow) from operating activities		(687,830)	(651,043)
Cash flows from investing activities			
(Purchase of property, plant & equipment)	5	(10,150)	(12,211)
(Purchase of intangible assets)	6	(2,510)	(1,124)
Proceeds of disposal of property, plant & equipment		<u>40</u>	<u>27</u>
Net cash outflow from investing activities		(12,620)	(13,308)
Cash flows from financing activities			
Grant in aid		<u>700,100</u>	<u>663,000</u>
Net financing		700,100	663,000
Net increase (decrease) in cash & cash equivalents in the period		(350)	(1,351)
Cash & cash equivalents at the beginning of the period	11	1,759	3,110
Cash & cash equivalents at the end of the period	11	1,409	1,759

FINANCIAL STATEMENTS

Consolidated Statement of Changes in Taxpayers' Equity

This statement shows the movement in the year on the different reserves held by Northern HSC Trust, analysed into the SoCNE Reserve (i.e. that reserve that reflects a contribution from the Department of Health). The Revaluation Reserve reflects the change in asset values that have not been recognised as income or expenditure. The SoCNE Reserve represents the total assets less liabilities of the Northern HSC Trust, to the extent that the total is not represented by other reserves and financing

for the year ended 31 March 2018

	NOTE	SoCNE Reserve £000s	Revaluation Reserve £000s	Charitable Fund £000s	Total £000s
Balance at 31 March 2016		222,723	101,963	5,607	330,293
Changes in Taxpayers Equity 2016/17					
Grant from DoH		663,000	0	0	663,000
Other reserves movements including transfers (Comprehensive Net Expenditure for the Year)		640	(640)	0	0
Transfer of asset ownership		(690,663)	5,780	67	(684,816)
Non cash charges - auditors remuneration	3	(125)	0	0	(125)
		59	0	0	59
Balance at 31 March 2017		195,634	107,103	5,674	308,411
Changes in Taxpayers Equity 2017/18					
Grant from DoH		700,100	0	0	700,100
Other reserves movements including transfers (Comprehensive Net Expenditure for the year)		259	(259)	0	0
Transfer of asset ownership		(727,345)	20,963	52	(706,330)
Non cash charges - auditors remuneration	3	0	0	0	0
		59	0	0	59
Balance at 31 March 2018		168,707	127,807	5,726	302,240

The notes on pages 98 to 134 form part of these accounts.

NOTES TO THE ACCOUNTS

STATEMENT OF ACCOUNTING POLICIES

1. Authority

These accounts have been prepared in a form determined by the Department of Health based on guidance from the Department of Finance's Financial Reporting Manual (FReM) and in accordance with the requirements of Article 90(2) (a) of the Health and Personal Social Services (Northern Ireland) Order 1972 No 1265 (NI 14) as amended by Article 6 of the Audit and Accountability (Northern Ireland) Order 2003.

The accounting policies follow IFRS to the extent that it is meaningful and appropriate to HSC bodies. Where a choice of accounting policy is permitted, the accounting policy which has been judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The Trust's accounting policies have been applied consistently in dealing with items considered material in relation to the accounts, unless otherwise stated.

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.

1.2 Currency and Rounding

These accounts are presented in UK Pounds sterling. The figures in the accounts are shown to the nearest £1,000.

1.3 Property, Plant and Equipment

Property, plant and equipment assets comprise Land, Buildings, Dwellings, Transport Equipment, Plant & Machinery, Information Technology, Furniture & Fittings, and Assets under construction. This includes assets donated to the Trust.

Recognition

Property, plant and equipment must be capitalised if:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential will be supplied to, the entity;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
- the item has a cost of at least £5,000 (or less if so desired); or

FINANCIAL STATEMENTS

- collectively, a number of items have a cost of at least £5,000 (or less if so desired) and individually have a cost of more than £1,000 (or less if so desired), where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- items form part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost.

On initial recognition property, plant and equipment are 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.

Valuation of Land and Buildings

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

The last valuation was carried out on 31 January 2015 by Land and Property Services (LPS) which is an independent executive body within the Department of Finance. The valuers are qualified to meet the ‘Member of Royal Institution of Chartered Surveyors’ (MRICS) standard.

Professional revaluations of land and buildings are undertaken at least once in every five year period and are revalued annually, between professional valuations, using indices provided by LPS.

Land and buildings used for the Trust services or for administrative purposes are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

Fair values are determined as follows:

- Land and non-specialised buildings – open market value for existing use;
- Specialised buildings – depreciated replacement cost; and
- Properties surplus to requirements – the lower of open market value less any material directly attributable selling costs, or book value at date of moving to non-current assets.

Modern Equivalent Asset

DoF has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued. Land and Property Services (LPS) have included this requirement within the latest valuation.

Assets Under Construction (AUC)

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Assets are revalued and depreciation commences when they are brought into use.

Short Life Assets

Short life assets are not indexed. Short life is defined as a useful life of up to and including 5 years. Short life assets are carried at depreciated historic cost as this is not considered to be materially different from fair value and are depreciated over their useful life.

Where estimated life of fixtures and equipment exceed 5 years, suitable indices will be applied each year and depreciation will be based on indexed amount.

Revaluation Reserve

An increase arising on revaluation is taken to the revaluation reserve except when it reverses an impairment for the same asset previously recognised in expenditure, in which case it is credited to expenditure to the extent of the decrease previously charged there. A revaluation decrease is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure.

1.4 Depreciation

No depreciation is provided on freehold land since land has unlimited or a very long established useful life. Items under construction are not depreciated until they are commissioned. Properties that are surplus to requirements and which meet the definition of “non-current assets held for sale” are also not depreciated.

Otherwise, depreciation is charged to write off the costs or valuation of property, plant and equipment and similarly, amortisation is applied to intangible non-current assets, less any residual value, over their estimated useful lives, in a manner that reflects the consumption of economic benefits or service potential of the assets. Assets held under finance leases are also depreciated over the lower of their estimated useful lives and the terms of the lease. The estimated useful life of an asset is the period over which the Trust expects to obtain economic benefits or service potential from the asset. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. The following asset lives have been used:

Asset Type	Asset Life
Freehold Buildings	25 – 80 years
Leasehold property	Remaining period of lease
IT assets	4 - 5 years
Intangible assets	4 - 5 years
Other Equipment	3 – 15 years

1.5 Impairment loss

If there has been an impairment loss due to a general change in prices, the asset is written down to its recoverable amount, with the loss charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure within the Statement of Comprehensive Net Expenditure. If the impairment is due to the consumption of economic benefits the full amount of the impairment is charged to the Statement of Comprehensive Net Expenditure and an amount up to the value of the impairment in the revaluation reserve is transferred to the Statement of Comprehensive Net Expenditure Reserve. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount but capped at the amount that would have been determined had there been no initial impairment loss. The reversal of the impairment loss is credited firstly to the Statement of Comprehensive Net Expenditure to the extent of the decrease previously charged there and thereafter to the revaluation reserve.

1.6 Subsequent expenditure

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

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

1.7 Intangible assets

Intangible assets includes any of the following held - software, licences, trademarks, websites, development expenditure, Patents, Goodwill and intangible Assets under Construction. Software that is integral to the operating of hardware, for example an operating system is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, for example application software, is capitalised as an intangible asset. Internally-generated assets are recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use;
- the intention to complete the intangible asset and use it;
- the ability to sell or use the intangible asset;
- how the intangible asset will generate probable future economic benefits or service potential;
- the availability of adequate technical, financial and other resources to complete the intangible asset and sell or use it; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Recognition

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the Trust's business or which arise from contractual or other legal rights. Intangible assets are considered to have a finite life. They are recognised only when it is probable that future economic benefits will flow to, or service potential be provided to, the Trust; where the cost of the asset can be measured reliably. All single items over £5,000, (or less if so desired) in value must be capitalised while intangible assets which fall within the grouped asset definition must be capitalised if their individual value is at least £1,000 (or less if so desired) each and the group is at least £5,000 in value.

The amount recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date of commencement of the intangible asset, until it is complete and ready for use.

Intangible assets acquired separately are initially recognised at fair value.

Following initial recognition, intangible assets are carried at fair value by reference to an active market, and as no active market currently exists depreciated replacement cost has been used as fair value.

1.8 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. In order to meet this definition IFRS 5 requires that the asset must be immediately available for sale in its current condition and that the sale is highly probable. A sale is regarded as highly probable where an active plan is in place to find a buyer for the asset and the sale is considered likely to be concluded within one year. Non-current assets held for sale are measured at the lower of their previous carrying amount and fair value, less any material directly attributable selling costs. Fair value is open market value, where one is available, including alternative uses.

Assets classified as held for sale are not depreciated.

The profit or loss arising on disposal of an asset is the difference between the sale proceeds and the carrying amount. The profit from sale of land which is a non depreciating asset is recognised within income. The profit from sale of a depreciating asset is shown as a reduced expense. The loss from sale of land or from any depreciating assets is shown within operating expenses. On disposal, the balance for the asset on the revaluation reserve is transferred to the Statement of Comprehensive net Expenditure reserve.

Property, plant or equipment that is to be scrapped or demolished does not qualify for recognition as held for sale. Instead, it is retained as an operational asset and its economic life is adjusted. The asset is de-recognised when it is scrapped or demolished.

1.9 Inventories

Inventories are valued at the lower of cost and net realisable value. This is considered to be a reasonable approximation to fair value due to the high turnover of stocks.

1.10 Income

Operating Income relates directly to the operating activities of the Trust and is recognised when, and to the extent that, performance occurs, and is measured at the fair value of the consideration receivable.

Grant in aid

Funding received from other entities, including the Department and the Health and Social Care Board, are accounted for as grant in aid and are reflected through the Statement of Comprehensive Net Expenditure Reserve.

1.11 Investments

The Trust does not have any investments.

Charitable Trust Fund Investments have been consolidated. These Investment Fixed Assets are shown at market value as at the Statement of Financial Position date. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Quoted stocks and shares are included in the Statement of Financial Position at mid-market price excluding dividend.

Other investment fixed assets are included at the Trustees' best estimate of market value.

1.12 Other expenses

Other operating expenses for goods or services are recognised when, and to the extent that, they have been received. They are measured at the fair value of the consideration payable.

1.13 Cash and cash equivalents

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

1.14 Leases

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

The Trust as lessee

Property, plant and equipment held under finance leases are initially recognised, at the inception of the lease, at fair value or, if lower, at the present value of the minimum lease payments, with a matching liability for the lease obligation to the lessor. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate on interest on the remaining balance of the liability. Finance charges are recognised in calculating the Trust's surplus/deficit.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term.

Contingent rentals are recognised as an expense in the period in which they are incurred.

Where a lease is for land and buildings, the land and building components are separated. Leased land may be either an operating lease or a finance lease depending on the conditions in the lease agreement and following the general guidance set out in IAS 17. Leased buildings are assessed as to whether they are operating or finance leases.

The Trust as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Trust's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Trust's net investment outstanding in respect of the leases.

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Rental income from operating leases is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.15 Private Finance Initiative (PFI) transactions

The Trust has had no PFI transactions during the year.

1.16 Financial instruments

- Financial assets

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

Financial assets are initially recognised at fair value.

- Financial liabilities

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

Financial liabilities are initially recognised at fair value.

- Financial risk management

IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the relationships with HSC Commissioners, and the manner in which they are funded, financial instruments play a more limited role within HSC bodies in creating risk than would apply to a non public sector body of a similar size, therefore the Trust is not exposed to the degree of financial risk faced by business entities.

The Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day to day operational activities rather than being held to change the risks facing the Trust in undertaking activities. Therefore the HSC is exposed to little credit, liquidity or market risk.

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- Currency risk

The Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and Sterling based. The Trust has no overseas operations. The Trust therefore has low exposure to currency rate fluctuations.

- Interest rate risk

The Trust has limited powers to borrow or invest and therefore has low exposure to interest rate fluctuations.

- Credit risk

Because the majority of the Trust's income comes from contracts with other public sector bodies, the Trust has low exposure to credit risk.

- Liquidity risk

Since the Trust body receives the majority of its funding through its principal Commissioner which is voted through the Assembly, it is therefore not exposed to significant liquidity risks.

1.17 Provisions

In accordance with IAS 37, provisions are recognised when the Trust has a present legal or constructive obligation as a result of a past event, it is probable that the Trust will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties.

Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows using DoF issued discount rates of:

	Time period	Real rate
Short term	0 – 5 years	-2.42%
Medium term	5 – 10 years	-1.85%
Long term	10+ years	-1.56%

As at 31 March 2018. The discount rate to be applied for employee early departure obligations is +0.10% with effect from 31 March 2018.

The Trust has also disclosed the carrying amount at the beginning and end of the period, additional provisions made, amounts used during the period, unused amounts reversed during the period and increases in the discounted

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amount arising from the passage of time and the effect of any change in the discount rate.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of the receivable can be measured reliably.

Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where the Trust has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

A restructuring provision is recognised when the Trust has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it.

The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with ongoing activities of the entity.

1.18 Contingencies

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. Under IAS 37, the Trust discloses contingent liabilities where there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Trust, or a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured sufficiently reliably. A contingent liability is disclosed unless the possibility of a payment is remote.

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

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

In addition to contingent liabilities disclosed in accordance with IAS 37, HSC Trusts disclose for Assembly reporting and accountability purposes certain statutory and non-statutory contingent liabilities where the likelihood of a

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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.

1.19 Employee benefits

Short-term employee benefits

Under the requirements of IAS 19: Employee Benefits, staff costs must be recorded as an expense as soon as the organisation is obligated to pay them. This includes the cost of any untaken leave that has been earned at the year end. This cost has been estimated using average staff numbers and costs applied to the average untaken leave balance determined from the results of a survey to ascertain leave balances as at 31 March 2016. It is not anticipated that the level of untaken leave will vary significantly from year to year.

Retirement benefit costs

The Trust participates in the HSC Pension Scheme. Under this multi-employer defined benefit scheme both the Trust and employees pay specified percentages of pay into the scheme and the liability to pay benefit falls to the Department of Health. The Trust is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reliable basis.

The costs of early retirements are met by the Trust and charged to the Statement of Comprehensive Net Expenditure at the time the Trust commits itself to the retirement.

As per the requirements of IAS 19, full actuarial valuations by a professionally qualified actuary are required at intervals not exceeding four years. The actuary reviews the most recent actuarial valuation at the statement of financial position date and updates it to reflect current conditions. The 2012 valuation for the HSC Pension scheme will be used in 2017-18 accounts.

1.20 Reserves

Statement of Comprehensive Net Expenditure Reserve

Accumulated surpluses are accounted for in the Statement of Comprehensive Net Expenditure Reserve.

Revaluation Reserve

The Revaluation Reserve reflects the unrealised balance of cumulative indexation and revaluation adjustments to assets other than donated assets.

1.21 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 fixed assets.

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1.22 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Trust has no beneficial interest in them. Details of third party assets are given in Note 23 to the accounts.

1.23 Government Grants

The note to the financial statements distinguishes between grants from UK government entities and grants from European Union.

The Trust had no Government Grants.

1.24 Losses and Special Payments

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

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

1.25 Charitable Trust Account Consolidation

HSC Trusts are required to consolidate the accounts of controlled charitable organisations and funds held on trust into their financial statements. As a result the financial performance and funds have been consolidated. The Trust has accounted for these transfers using merger accounting as required by the FReM.

It is important to note however the distinction between public funding and the other monies donated by private individuals still exists.

“All funds have been used by NHSCT as intended by the benefactor. It is for the Charitable Trust Fund Committee within the Trust to manage the internal disbursements. The committee ensures that charitable donations received by the Trust are appropriately managed, invested, expended and controlled, in a manner that is consistent with the purposes for which they were given and with the Trust’s Standing Financial Instructions, Departmental guidance and legislation.

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All such funds are allocated to the area specified by the benefactor and are not used for any other purpose than that intended by the benefactor”.

1.26 Accounting standards that have been issued but have not yet been adopted

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

Accounting boundary IFRS' are currently adapted in the FReM so that the Westminster departmental accounting boundary is based on Office of National Statistics (ONS) control criteria, as designated by Treasury. A similar review in NI, which will bring NI departments under the same adaptation, has been carried out and the resulting recommendations were agreed by the Executive in December 2016. With effect from 2020/21, the accounting boundary for departments will change and there will also be an impact on departments around the disclosure requirements under IFRS 12. ALBs apply IFRS in full and their consolidation boundary may change as a result of the new Standards.

Management consider that any other new accounting policies issued but not yet adopted are unlikely to have a significant impact on the accounts in the period of the initial application.

1.27 Impact of implementation of ESA 2010 on research and development expenditure

Following the introduction of the 2010 European System of Accounts (ESA10), there has been a change in the budgeting treatment (a change from the revenue budget to the capital budget) of research and development (R&D) expenditure. In order to reflect this new treatment which was implemented from 2016-17, additional disclosures have been included in the notes to the accounts

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

ANALYSIS of NET EXPENDITURE by SEGMENT

NOTE 2

The Trust is managed by way of a directorate structure, each led by a Director, providing an integrated healthcare service for the resident population. The Directors along with Non Executive Directors, Chairman and Chief Executive form the Trust Board which coordinates the activities of the Trust and is considered to be the Chief Operating Decision Maker. The information disclosed in this statement does not reflect budgetary performance and is based solely on expenditure information provided from the accounting system used to prepare the accounts.

<u>Directorate</u>	Staff Costs £000s	2018 Other Expenditure £000s	Total Expenditure £000s	Staff Costs £000s	2017 Other Expenditure £000s	Total Expenditure £000s
Community Care	76,417	82,112	158,529	74,813	83,594	158,407
Surgical & Clinical Services	89,625	28,280	117,905	84,314	30,016	114,330
Medicine & Emergency Medicine	68,940	15,548	84,488	62,676	14,779	77,455
Medical Directorate	11,100	2,570	13,670	10,447	2,804	13,251
Women, Children and Families	80,184	25,915	106,099	76,363	24,296	100,659
Mental Health, Learning Disability & Community Wellbeing	63,922	94,032	157,954	61,776	84,941	146,717
Nursing User Experience	25,686	5,223	30,909	25,019	5,256	30,275
Other Trust Directorates	31,634	35,976	67,610	25,746	28,475	54,221
Expenditure for Reportable Segments net of Non Cash Expenditure	447,508	289,656	737,164	421,154	274,161	695,315
Non Cash Expenditure			44,419			48,009
Total Expenditure per Net Expenditure Account			781,583			743,324
Income Note 4			54,238			52,661
Net Expenditure			727,345			690,663
Revenue Resource Limit			728,004			690,672
Surplus / (Deficit) against RRL			659			9

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

NOTE 3 EXPENDITURE

Operating Expenses are as follows:-	2018 £000s			2017 £000s		
	Trust	CTF	Consolidated	Trust	CTF	Consolidated
Staff costs ¹ :						
Wages and salaries	372,529	41	372,570	347,185	40	347,225
Social security costs	28,856	0	28,856	28,393	0	28,393
Other pension costs	46,123	0	46,123	45,576	0	45,576
Purchase of care from non-HSC bodies	156,362	0	156,362	148,685	0	148,685
Revenue grants to voluntary organisations	3,284	0	3,284	2,979	0	2,979
Personal social services	12,633	0	12,633	12,405	0	12,405
Recharges from other HSC organisations	2,410	0	2,410	1,810	0	1,810
Supplies and services - Clinical	51,087	0	51,087	48,246	0	48,246
Supplies and services - General	6,480	0	6,480	6,302	0	6,302
Establishment	11,392	0	11,392	10,494	0	10,494
Transport	2,640	0	2,640	2,763	0	2,763
Premises	24,637	0	24,637	22,066	0	22,066
Bad debts	42	0	42	64	0	64
Rentals under operating leases	899	0	899	573	0	573
Interest charges	0	0	0	61	0	61
Research & development expenditure	51	0	51	43	0	43
BSO services	5,004	0	5,004	5,100	0	5,100
Training	1,589	0	1,589	1,512	0	1,512
Professional fees	896	0	896	1,588	0	1,588
Patients travelling expenses	122	0	122	120	0	120
Costs of exit packages not provided for	0	0	0	653	0	653
Elective care	2,424	0	2,424	3,155	0	3,155
Other charitable expenditure	0	588	588	0	835	835
Miscellaneous expenditure	7,704	0	7,704	5,542	0	5,542
Non cash items						
Depreciation	21,652	0	21,652	22,857	0	22,857
Amortisation	1,494	0	1,494	1,661	0	1,661
Impairments	(2,835)	0	(2,835)	(2,044)	0	(2,044)
(Profit) on disposal of property, plant & equipment (excluding profit on land)	(40)	0	(40)	(23)	0	(23)
(Profit) on disposal of intangibles	0	0	0	0	0	0
Loss on disposal of property, plant & equipment (including land)	0	0	0	7	0	7
Increase / Decrease in provisions (provision provided for in year less any release)	24,398	0	24,398	25,701	0	25,701
Cost of borrowing of provisions (unwinding of discount on provisions)	(309)	0	(309)	(209)	0	(209)
Auditors remuneration	59	5	64	59	5	64
Add back of notional charitable expenditure	0	(5)	(5)	0	(5)	(5)
Total	781,583	629	782,212	743,324	875	744,199

¹ Further detailed analysis of staff costs is located in the Staff Report on page 76 within the Accountability Report. During the year the Trust purchased no non audit services from its external auditor (NIAO).

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

NOTE 4 INCOME

4.1 Income from Activities

	2018 £000s			2017 £000s		
	Trust	CTF	Consolidated	Trust	CTF	Consolidated
GB/Republic of Ireland Health Authorities	292	0	292	143	0	143
HSC Trusts	0	0	0	0	0	0
Non-HSC:- Private patients	184	0	184	159	0	159
Non-HSC:- Other	1,502	0	1,502	1,273	0	1,273
Clients contributions	42,504	0	42,504	41,419	0	41,419
Total	44,482	0	44,482	42,994	0	42,994

4.2 Other Operating Income

	2018 £000s			2017 £000s		
	Trust	CTF	Consolidated	Trust	CTF	Consolidated
Other income from non-patient services	7,551	0	7,551	7,548	0	7,548
Seconded staff	2,068	0	2,068	2,042	0	2,042
Charitable and other contributions to expenditure by core trust	0	0	0	0	0	0
Donations / Government grant / Lottery funding for non current assets	69	0	69	71	0	71
Charitable income received by charitable trust fund	0	629	629	0	633	633
Investment income	0	86	86	0	76	76
Research and development	46	0	46	6	0	6
Profit on disposal of land	0	0	0	0	0	0
Interest receivable	0	0	0	0	0	0
Total	9,734	715	10,449	9,667	709	10,376

4.3 Deferred income

	2018 £000s			2017 £000s		
	Trust	CTF	Consolidated	Trust	CTF	Consolidated
Research and development income released	22	0	22	0	0	0
Income released from conditional grants	0	0	0	0	0	0
Total	22	0	22	0	0	0

TOTAL INCOME

	54,238	715	54,953	52,661	709	53,370
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

NOTE 5.1 Consolidated Property, plant & equipment - year ended 31 March 2018

	Land £000s	Buildings (excluding dwellings) £000s	Dwellings £000s	Assets under Construction £000s	Plant and Machinery (Equipment) £000s	Transport Equipment £000s	Information Technology (IT) £000s	Furniture and Fittings £000s	Total £000s
Cost or Valuation									
At 1 April 2017	52,762	328,409	22,808	37	49,965	8,658	15,148	1,212	478,999
Indexation	76	22,772	1,452	0	425	189	0	0	24,914
Additions	0	3,656	224	307	2,498	557	3,106	38	10,386
Donations / Government grant / Lottery funding	0	0	0	0	58	0	11	0	69
Reclassifications	0	0	0	0	0	0	0	0	0
Transfers	(249)	26	0	(26)	0	0	0	0	(249)
Impairment charged to the SoCNE	(456)	(1,194)	(612)	(3)	0	0	0	0	(2,265)
Impairment charged to the revaluation reserve	0	(417)	(748)	0	(12)	0	0	(2)	(1,179)
Reversal of impairments (indexation)	2,529	2,301	187	0	2	0	0	0	5,019
Disposals	0	0	0	0	(4,050)	(824)	(477)	(692)	(6,043)
At 31 March 2018	54,662	355,553	23,311	315	48,886	8,580	17,788	556	509,651

Depreciation									
At 1 April 2017	0	24,761	1,784	0	34,810	5,770	10,124	652	77,901
Indexation	0	2,428	155	0	248	102	0	0	2,933
Reclassifications	0	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0	0
Impairment charged to the SoCNE	0	(188)	(67)	0	0	0	0	0	(255)
Impairment charged to the revaluation reserve	0	(78)	(82)	0	0	0	0	(1)	(161)
Reversal of impairments (indexation)	0	156	18	0	0	0	(477)	0	174
Disposals	0	0	0	0	(4,050)	(824)	(477)	(692)	(6,043)
Provided during the year	0	12,748	837	0	4,759	818	2,032	458	21,652
At 31 March 2018	0	39,827	2,645	0	35,767	5,866	11,679	417	96,201

Carrying Amount									
At 31 March 2018	54,662	315,726	20,666	315	13,119	2,714	6,109	139	413,450
At 31 March 2017	52,762	303,648	21,024	37	15,155	2,888	5,024	560	401,098

Asset financing									
Owned	54,662	315,726	20,666	315	13,119	2,714	6,109	139	413,450
Carrying Amount									
At 31 March 2018	54,662	315,726	20,666	315	13,119	2,714	6,109	139	413,450

Any fall in value through negative indexation or revaluation is shown as an impairment
The total amount of depreciation charged in the Statement of Comprehensive Net Expenditure Account in respect of assets held under
finance leases and hire purchase contracts is £0 (2017 £0)

The fair value of assets funded from the following sources during the year was:

2018	2017
£000s	£000s
69	71

Donations

FINANCIAL STATEMENTS

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

NOTE 5.2 Consolidated Property, plant & equipment - year ended 31 March 2017

	Land £000s	Buildings (excluding dwellings) £000s	Dwellings £000s	Assets under Construction £000s	Plant and Machinery (Equipment) £000s	Transport Equipment £000s	Information Technology (IT) £000s	Furniture and Fittings £000s	Total £000s
Cost or Valuation									
At 1 April 2016	50,450	318,387	23,375	0	53,319	8,121	13,138	2,709	469,499
Indexation	66	6,524	434	0	510	86	0	0	7,620
Additions	0	3,996	645	8	3,151	949	2,244	44	11,037
Donations / Government grant / Lottery funding	0	0	0	29	42	0	0	0	71
Reclassifications	(138)	590	(590)	0	0	0	0	0	(138)
Transfers	(16)	0	0	0	0	0	0	0	(130)
Impairment charged to the SoCNE	(21)	(636)	(632)	0	(50)	0	0	0	(1,339)
Impairment charged to the revaluation reserve	0	(687)	(493)	0	(1)	0	0	0	(1,181)
Reversal of impairments (indexation)	2,421	838	89	0	3	0	0	0	3,331
Disposals	0	(489)	0	0	(7,009)	(498)	(234)	(1,541)	(9,771)
At 31 March 2017	52,762	328,409	22,808	37	49,965	8,658	15,148	1,212	478,999

Depreciation									
At 1 April 2016	0	12,577	1,026	0	35,879	5,431	7,968	1,321	64,202
Indexation	0	460	31	0	263	42	0	0	796
Reclassifications	0	51	(51)	0	0	0	0	0	0
Transfers	0	(5)	0	0	0	0	0	0	(5)
Impairment charged to the SoCNE	0	(29)	(40)	0	(9)	0	0	0	(78)
Impairment charged to the revaluation reserve	0	(104)	(32)	0	(1)	0	0	0	(137)
Reversal of impairments (indexation)	0	21	5	0	(7,009)	(487)	(234)	(1,541)	(9,760)
Disposals	0	(489)	0	0	5,687	784	2,390	872	22,857
Provided during the year	0	12,279	845	0	0	0	0	0	0
At 31 March 2017	0	24,761	1,784	0	34,810	5,770	10,124	652	77,901
Carrying Amount									
At 31 March 2017	52,762	303,648	21,024	37	15,155	2,888	5,024	560	401,098
At 1 April 2016	50,450	305,810	22,349	0	17,440	2,690	5,170	1,388	405,297

Asset financing									
Owned	52,762	303,648	21,024	37	15,155	2,888	5,024	560	401,098
Carrying Amount	52,762	303,648	21,024	37	15,155	2,888	5,024	560	401,098

Asset financing									
Owned	50,450	305,810	22,349	0	17,440	2,690	5,170	1,388	405,297
Carrying Amount	50,450	305,810	22,349	0	17,440	2,690	5,170	1,388	405,297

Carrying amount comprises:

Northern HSC Trust at 31 March 2018	54,662	315,726	20,666	315	13,119	2,714	6,109	139	413,450
	54,662	315,726	20,666	315	13,119	2,714	6,109	139	413,450
Northern HSC Trust at 31 March 2017	52,762	303,648	21,024	37	15,155	2,888	5,024	560	401,098
	52,762	303,648	21,024	37	15,155	2,888	5,024	560	401,098
Northern HSC Trust at 31 March 2016	50,450	305,810	22,349	0	17,441	2,690	5,169	1,388	405,297
	50,450	305,810	22,349	0	17,441	2,690	5,169	1,388	405,297

FINANCIAL STATEMENTS

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

NOTE 6.1 Consolidated Intangible assets - year ended 31 March 2018

	Software Licenses £000s	Total £000s
Cost or Valuation		
At 1 April 2017	11,373	11,373
Additions	2,511	2,511
Disposals	0	0
At 31 March 2018	13,884	13,884

Amortisation

At 1 April 2017	7,436	7,436
Provided during the year	1,494	1,494
At 31 March 2018	8,930	8,930

Carrying Amount

At 31 March 2018	4,954	4,954
At 31 March 2017	3,937	3,937

Asset financing

Owned	4,954	4,954
Carrying Amount		
At 31 March 2018	4,954	4,954

Any fall in value through negative indexation or revaluation is shown as an impairment
The fair value of assets funded from the following sources during the year was:

	2018
	£000s
Donations	0

FINANCIAL STATEMENTS

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

NOTE 6.2 Consolidated Intangible assets - year ended 31 March 2017

	Software Licenses £000s	Total £000s
Cost or Valuation		
At 1 April 2016	10,543	10,543
Additions	1,124	1,124
Disposals	(294)	(294)
At 31 March 2017	11,373	11,373

Amortisation		
At 1 April 2016	6,069	6,069
Disposals	(294)	(294)
Provided during the year	1,661	1,661
At 31 March 2017	7,436	7,436

Carrying Amount		
At 31 March 2017	3,937	3,937
At 1 April 2016	4,474	4,474

Asset financing		
Owned	3,937	3,937

Carrying Amount		
At 31 March 2017	3,937	3,937

Asset financing		
Owned	4,474	4,474

Carrying Amount		
At 1 April 2016	4,474	4,474

Carrying amount comprises:

Northern HSC Trust at 31 March 2018	4,954	4,954
	4,954	4,954
Northern HSC Trust at 31 March 2017	3,937	3,937
	3,937	3,937
Northern HSC Trust at 31 March 2016	4,474	4,474
	4,474	4,474

FINANCIAL STATEMENTS

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

NOTE 7 FINANCIAL INSTRUMENTS

As the cash requirements of NHSCT are met through Grant-in-Aid provided by the Department of Health, 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 Northern Health and Social Care Trust's expected purchase and usage requirements and the Trust is therefore exposed to little credit, liquidity or market risk.

Please note that the investments shown below relate to Charitable Trust Funds.

	Investments £000s	2018 Assets £000s	Liabilities £000s	Investments £000s	2017 Assets £000s	Liabilities £000s
Balance at 1 April	5,595	0	0	5,362	0	0
Additions	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
Revaluations	(34)	0	0	233	0	0
Balance at 31 March	<u>5,561</u>	<u>0</u>	<u>0</u>	<u>5,595</u>	<u>0</u>	<u>0</u>
Trust	0	0	0	0	0	0
Charitable trust fund	5,561	0	0	5,595	0	0
	<u>5,561</u>	<u>0</u>	<u>0</u>	<u>5,595</u>	<u>0</u>	<u>0</u>

NOTE 7.1 Market value of investments as at 31 March 2018

	Held in UK £000s	Held outside UK £000s	2018 Total £000s	2017 Total £000s
Investments in a Common Deposit Fund or Investment Fund	1,761	0	1,761	1,795
Short Term Investments and Deposits	3,700	0	3,700	3,700
Other investments	100	0	100	100
Total market value of fixed asset investments	<u>5,561</u>	<u>0</u>	<u>5,561</u>	<u>5,595</u>

The only other financial instruments held by the Trust as at 31 March 2018 are trade receivables, cash and trade payables. Details of these can be seen in Notes 12 and 13 respectively. The situation also applied in 2016/17.

FINANCIAL STATEMENTS

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

NOTE 8 IMPAIRMENTS

	2018	
	Property, plant & equipment £000s	Total £000s
Total value of impairments for the period	(1,817)	(1,817)
Impairments which revaluation reserve covers (shown in Other Comprehensive Expenditure Statement)	1,018	1,018
Impairments charged / (credited) to Statement of Comprehensive Net Expenditure	(2,835)	(2,835)

	2017	
	Property, plant & equipment £000s	Total £000s
Total value of impairments for the period	(1,000)	(1,000)
Impairments which revaluation reserve covers (shown in Other Comprehensive Expenditure Statement)	1,044	1,044
Impairments charged / (credited) to Statement of Comprehensive Net Expenditure	(2,044)	(2,044)

FINANCIAL STATEMENTS

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

NOTE 9 ASSETS CLASSIFIED AS HELD FOR SALE

	Land	
	2018 £000s	2017 £000s
Cost		
At 1 April	218	80
Transfers in	249	138
At 31 March	<u>467</u>	<u>218</u>
Carrying amount at 31 March	<u>467</u>	<u>218</u>

Non current assets held for sale comprise non current assets that are held for resale rather than for continuing use within the business.

The amounts disclosed in 2017/18 refers to land assets at the following sites: Carnview, Rathmoyle, Ballee and Moylinney

NOTE 10 INVENTORIES

Classification	2018 £000s		2017 £000s	
	Trust	Consolidated	Trust	Consolidated
Pharmacy supplies	2192	2192	2209	2209
Building & engineering supplies	80	80	82	82
Laboratory materials	12	12	35	35
Heat, light and power	216	216	208	208
Other	112	112	219	219
Total	<u>2,612</u>	<u>2,612</u>	<u>2,753</u>	<u>2,753</u>

NOTE 11 CASH AND CASH EQUIVALENTS

	2018 £000s			2017 £000s		
	Trust	CTF	Consolidated	Trust	CTF	Consolidated
Balance at 1st April	1,617	142	1,759	2,833	277	3,110
Net change in cash and cash equivalents	(427)	77	(350)	(1,216)	(135)	(1,351)
Balance at 31st March	<u>1,190</u>	<u>219</u>	<u>1,409</u>	<u>1,617</u>	<u>142</u>	<u>1,759</u>

The following balances at 31 March were held at

	2018 £000s			2017 £000s		
	Trust	CTF	Consolidated	Trust	CTF	Consolidated
Commercial banks and cash in hand	1,190	219	1409	1,617	142	1,759
Balance at 31st March	<u>1,190</u>	<u>219</u>	<u>1,409</u>	<u>1,617</u>	<u>142</u>	<u>1,759</u>

FINANCIAL STATEMENTS

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

NOTE 12 TRADE RECEIVABLES, FINANCIAL AND OTHER ASSETS

	2018 £000s			Reclassified 2017 £000s		
	Trust	CTF	Consolidated	Trust	CTF	Consolidated
Amounts falling due within one year						
Trade receivables	8,846	0	8,846	6,525	0	6,525
Deposits and advances	0	0	0	0	0	0
VAT receivable	5,698	0	5,698	4,914	0	4,914
Other receivables - not relating to fixed assets	1,627	22	1,649	1,440	17	1,457
Trade and other receivables	16,171	22	16,193	12,879	17	12,896
Prepayments	2,001	2	2,003	1,468	0	1,468
Accrued income	1,568	0	1,568	1,213	0	1,213
Other current assets	3,569	2	3,571	2,681	0	2,681
Intangible current assets	0	0	0	0	0	0
Amounts falling due after more than one year						
Trade and other receivables	0	0	0	0	0	0
Other current assets falling due after more than one year	0	0	0	0	0	0
TOTAL TRADE AND OTHER RECEIVABLES	16,171	22	16,193	12,879	17	12,896
TOTAL OTHER CURRENT ASSETS	3,569	2	3,571	2,681	0	2,681
TOTAL RECEIVABLES AND OTHER CURRENT ASSETS	19,740	24	19,764	15,560	17	15,577

The balances are net of a provision for bad debts of £1,305k (2017 £943k)

Prior year figures have been reclassified between categories.

FINANCIAL STATEMENTS

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

NOTE 13 TRADE PAYABLES, FINANCIAL AND OTHER LIABILITIES

13.1 Trade payables and other current liabilities

	2018 £000s			Reclassified 2017 £000s		
	Trust	CTF	Consolidated	Trust	CTF	Consolidated
Amounts falling due within one year						
Other taxation and social security	15,399	0	15,399	16,228	0	16,228
Trade capital payables - property, plant and equipment	4,583	0	4,583	4,522	0	4,522
Trade capital payables - intangibles	1	0	1	0	0	0
Trade revenue payables	21,011	0	21,011	19,367	0	19,367
Payroll payables	30,393	0	30,393	24,282	0	24,282
Clinical negligence payables	65	0	65	212	0	212
VER payables	0	0	0	543	0	543
BSO payables	1,115	0	1,115	1,488	0	1,488
Other payables	70	78	148	21	80	101
Accruals	8,381	0	8,381	7,811	0	7,811
Accruals - relating to property, plant and equipment	190	0	190	15	0	15
Deferred income	620	0	620	0	0	0
Trade and other payables	81,828	78	81,906	74,489	80	74,569
Other current liabilities	0	0	0	0	0	0
Carbon reduction commitment	393	0	393	0	0	0
Intangible current liabilities	393	0	393	0	0	0
Total payables falling due within one year	82,221	78	82,299	74,489	80	74,569
Amounts falling due after more than one year						
Total non current other payables	0	0	0	0	0	0
TOTAL TRADE PAYABLES AND OTHER CURRENT LIABILITIES	82,221	78	82,299	74,489	80	74,569

Prior year figures have been reclassified between categories.

NOTE 13 TRADE PAYABLES, FINANCIAL AND OTHER LIABILITIES

The Trust did not have any loans payable at either 31 March 2018 or 31 March 2017.

FINANCIAL STATEMENTS

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

NOTE 14 PROMPT PAYMENT POLICY

14.1 Public Sector Payment Policy - Measure of Compliance

The Department requires that Trusts pay their non HSC trade payables in accordance with applicable terms and appropriate Government Accounting guidance. The Trust's payment policy is consistent with applicable terms and appropriate Government Accounting guidance and its measure of compliance is:

	2018 Number	2018 Value £000s	2017 Number	2017 Value £000s
Total bills paid	258,421	348,953	235,921	323,331
Total bills paid within 30 days of receipt of an undisputed invoice*	<u>241,397</u>	<u>330,319</u>	<u>219,578</u>	<u>303,470</u>
% of bills paid within 30 days of receipt of an undisputed invoice	<u>93.4%</u>	<u>94.7%</u>	<u>93.1%</u>	<u>93.9%</u>
Total bills paid within 10 day target	<u>196,021</u>	<u>282,919</u>	<u>182,111</u>	<u>262,293</u>
% of bills paid within 10 day target	<u>75.9%</u>	<u>81.1%</u>	<u>77.2%</u>	<u>81.1%</u>

14.2 The Late Payment of Commercial Debts Regulations 2002

	£
Amount of compensation paid for payment(s) being late	11,300
Amount of interest paid for payment(s) being late	<u>4,406</u>
Total	<u>15,706</u>

This is also reflected as a fruitless payment in the Assembly Accountability Disclosure Notes

FINANCIAL STATEMENTS

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

NOTE 15 PROVISIONS FOR LIABILITIES AND CHARGES - 2018

	Clinical negligence £000s	Other £000s	2018 £000s
Balance at 1 April 2017	43,004	4,953	47,957
Provided in year	29,347	722	30,069
(Provisions not required written back)	(5,536)	(135)	(5,671)
(Provisions utilised in the year)	(7,600)	(768)	(8,368)
Cost of borrowing (unwinding of discount)	(304)	(5)	(309)
At 31 March 2018	58,911	4,767	63,678

Provisions have been made for 4 types of potential liability: Clinical Negligence, Employer's and Occupier's Liability, Injury Benefit, and Employment Law. The provision for Injury Benefit relates to the future liabilities for the Trust based on information provided by the HSC Pension Branch. For Clinical Negligence, Employer's and Occupier's claims and Employment Law the Trust has estimated an appropriate level of provision based on professional legal advice.

A change in discount rates has resulted in an overall increase in the amount provided in year. This has particularly impacted the clinical negligence provision where the Trust has expected or actual future payments.

Comprehensive Net Expenditure Account charges	2018 £000s	2017 £'000
Arising during the year	30,069	29,831
Reversed unused	(5,671)	(4,130)
Cost of borrowing (unwinding of discount)	(309)	(209)
	24,089	25,492

Analysis of expected timing of discounted flows

	Clinical negligence £000s	Other £000s	2018 £000s
Not later than 1 year	7,523	965	8,488
Later than 1 year and not later than 5 years	3,782	773	4,555
Later than 5 years	47,606	3,029	50,635
At 31 March 2018	58,911	4,767	63,678

FINANCIAL STATEMENTS

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

NOTE 15 PROVISIONS FOR LIABILITIES AND CHARGES - 2017

	Clinical negligence £000s	Other £000s	2017 £000s
Balance at 1 April 2016	26,577	5,137	31,714
Provided in year	28,590	1,241	29,831
(Provisions not required written back)	(3,460)	(670)	(4,130)
(Provisions utilised in the year)	(8,505)	(744)	(9,249)
Cost of borrowing (unwinding of discount)	(198)	(11)	(209)
At 31 March 2017	43,004	4,953	47,957

Provisions have been made for 4 types of potential liability: Clinical Negligence, Employer's and Occupier's Liability, Injury Benefit, and Employment Law. The provision for Injury Benefit relates to the future liabilities for the Trust based on information provided by the HSC Pension Branch. For Clinical Negligence, Employer's and Occupier's claims and Employment Law the Trust has estimated an appropriate level of provision based on

Analysis of expected timing of discounted flows

	Clinical negligence £000s	Other £000s	2017 £000s
Not later than 1 year	8,732	1,052	9,784
Later than 1 year and not later than 5 years	3,079	742	3,821
Later than 5 years	31,193	3,159	34,352
At 31 March 2017	43,004	4,953	47,957

FINANCIAL STATEMENTS

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

NOTE 16 CAPITAL COMMITMENTS

Contracted capital commitments at 31 March not otherwise included in these financial statements are:

	2018 £000s	2017 £000s
Property, plant & equipment	2,146	5,523
	<u>2,146</u>	<u>5,523</u>

NOTE 17 COMMITMENTS UNDER LEASES

17.1 Finance Leases

The Trust did not have any finance leases as at 31 March 2018 or 31 March 2017

17.2 Operating Leases

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

	2018 £000s	2017 £000s
Obligations under operating leases comprise		
Buildings		
Not later than 1 year	683	333
Later than 1 year and not later than 5 years	952	663
Later than 5 years	77	102
	<u>1,712</u>	<u>1,098</u>
Other		
Not later than 1 year	78	55
Later than 1 year and not later than 5 years	83	41
Later than 5 years	0	0
	<u>161</u>	<u>96</u>

NOTE 17 COMMITMENTS UNDER LESSOR AGREEMENTS

17.3 Operating Leases

Total future minimum lease income under operating leases are given in the table below for each of the following

	2018 £000s	2017 £000s
Obligations under operating leases issued by the Trust comprise		
Land & Buildings		
Not later than 1 year	97	47
Later than 1 year and not later than 5 years	223	143
Later than 5 years	629	665
	<u>949</u>	<u>855</u>

The Trust acts as a lessor in the following arrangements: **1) SRCL Ltd.** - whereby the Trust has a leasing arrangement with the Trust receiving 386,000kgs of clinical waste treated annually, without charge, in return for the leasing of part of the service yard in Antrim Hospital. The Trust recovers the costs of utilities in respect of this facility. In 2017/18 this benefit was estimated to be valued at £172K. **2) Grazing Land** - a small amount of land is leased to private individuals. **3) Joymount Carpark** is leased to a local council. **4) Boots Chemist** lease part of Ballymena Health and Care Centre. **5) The reservoir at Holywell Hospital** is leased to an angling association.

FINANCIAL STATEMENTS

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

NOTE 18 COMMITMENTS UNDER PFI CONTRACTS AND OTHER SERVICE CONCESSION ARRANGEMENTS

18.1 Off balance sheet PFI contracts and other service concession arrangements

The Trust had no off balance sheet (SoFP) PFI and other service concession arrangements schemes in 2017/18 and 2016/17.

18.2 On balance sheet (SoFP) PFI Schemes

The Trust had no on balance sheet (SoFP) PFI contracts and other service concession arrangements in 2017/18 and 2016/17.

NOTE 19 OTHER FINANCIAL COMMITMENTS

The Trust did not have any other financial commitments at either 31 March 2018 or 31 March 2017.

NOTE 20 FINANCIAL GUARANTEES, INDEMNITIES AND LETTERS OF COMFORT

Because of the relationships with HSC Commissioners, and the manner in which they are funded, financial instruments play a more limited role within Trusts in creating risk than would apply to a non public sector body of a similar size. Therefore Trusts are not exposed to the degree of financial risk faced by business entities. Trusts have limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day to day operational activities rather than being held to change the risks facing the Trusts in undertaking activities. Therefore the HSC is exposed to little credit, liquidity or market risk.

The Trust did not have any financial instruments at either 31 March 2018 or 31 March 2017.

The Trust has not entered into any quantifiable guarantees, indemnities or provided any letters of comfort

FINANCIAL STATEMENTS

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

NOTE 21 CONTINGENT LIABILITIES

Material contingent liabilities are noted in the table below, where there is a 50% or less probability that a payment will be required to settle any possible obligations. The amounts or timing of any outflow will depend on the merits of each case.

	2018 £000s	2017 £000s
Clinical negligence	1,605	1,098
Public liability	11	27
Employers' liability	124	120
Accrued leave	0	0
Injury benefit	0	0
Other	0	0
Total	1,740	1,245

Unquantifiable Contingent Liabilities

A new discount rate which courts must consider when awarding compensation for future losses in the form of a lump sum in personal injury cases came into effect in England and Wales in March 2017. The Department of Justice has power to prescribe the discount rate for Northern Ireland (in consultation with the Government Actuary and Department of Finance). The discount rate has been under active consideration by the Department but any change requires secondary legislation and has not been taken forward in the absence of a Minister. As such, it has not been possible at this time to quantify the potential impact on NHSCT of any change in the discount rate.

The Trust is aware of a small number of legal cases which are testing employment contract issues. It is not possible at this stage to quantify the liability.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

NOTE 22 RELATED PARTY TRANSACTIONS

The Trust is required to disclose details of transactions with individuals who are regarded as related parties consistent with the requirements of IAS 24 – Related Party Transactions. A Trust register is maintained by the Office of the Chief Executive and is available for inspection by members of the public.

During the year the Northern Health and Social Care Trust entered into the following material transactions with the following related parties.

HSC Bodies

The Northern Health and Social Care Trust is an arm's length body of the Department of Health, and as such the Department is a related party and the ultimate controlling parent with which the Trust has had various material transactions during the year. During the year the Trust has had a number of material transactions with other entities for which the Department is regarded as the ultimate controlling parent. These entities include the Health and Social Care Board, the five HSC Trusts and the Business Services Organisation.

Non-Executive Directors

Some of the Trust's Non-Executive Directors have disclosed interests with organisation which the Trust purchased services from or supplied services to during 2017/18. Set out below are details of the amount paid to these organisations during 2017/18. In none of these cases listed did the Non-Executive Director have any involvement in the decisions to procure the services from the organisation concerned.

2017-18	Service Provided by Organisation	Payments to Related Party £000s	Income from Related Party £000s	Amounts owed to Related Party £000s	Amounts due from Related Party £000s
Human Tissue Authority	Human Tissue Regulatory Body	4	0	0	0
Northern Ireland Water	Water Services	711	0	38	0
Northern Ireland Housing Executive	Housing Authority	49	239	0	5
Belfast Metropolitan College	Education & Training	6	0	0	0
NI Medical and Dental Training Agency	Postgraduate Medical Education	0	6080	0	0
NI Chest, Heart & Stroke Association	Registered Chest, Heart & Stroke Charity	55	0	0	0
The Regulation and Quality Improvement Authority	Health & Social Care Regulatory Body	0	12	0	0

FINANCIAL STATEMENTS

Interests in the above organisations were declared by the following Board members:

Mr Glen Houston (Non-Executive Director) is a Non-Executive Director of the Human Tissue Authority.

Mr Jim McCall (Non-Executive Director) is a Non-Executive Director of Northern Ireland Water and Northern Ireland Housing Executive, and is a member of the Board of Governors of Belfast Metropolitan College.

Mr Paul Corrigan (Non-Executive Director) is a Lay Representative with Northern Ireland Medical and Dental Training Agency

Mr William Graham (Non-Executive Director) is a member of the Direct Labour Organisation Performance and Development Committee of the Board of Northern Ireland Housing Executive, and has a family member employed with The Regulation and Quality Improvement Authority.

Mr Stewart Cuddy (Non-Executive Director) is an Independent Audit Committee Member of Northern Ireland Chest, Heart & Stroke Association.

Transactions with these related parties are conducted on an arm's length basis. The purchase of goods and services are subject to the normal tendering processes under Northern Ireland Public Procurement Policy, Trust Standing Orders and Standing Financial Instructions. There are no provisions for doubtful debts against the related party balances owed. In addition, the Trust has not provided or received financial guarantees in respect of related parties identified.

Other Board Members and Senior Managers

In a similar way, some other Trust Board members and Senior Managers have disclosed interests in organisations from which the Trust purchase services in 2017/18. The details are set out below. Again, the officers listed had no involvement in the decisions to procure the services from the organisations concerned.

2017-18	Service Provided by Organisation	Payments to Related Party £000s	Income from Related Party £000s	Amounts owed to Related Party £000s	Amounts due from Related Party £000s
Northern Ireland NHS Confederation	NI Health & Social Care Representative Group	10	0	0	0
Healthcare Financial Management Association	Healthcare Financial Management & Governance Representative Group	5	0	0	0
Aware (Mental Health Voluntary Group)	Registered Mental Health Charity	2	0	0	0

FINANCIAL STATEMENTS

Interests in the above organisations were declared by the following Board members:

Dr Anthony Stevens (Chief Executive) is a Representative of the Northern Ireland NHS Confederation.

Mr Owen Harkin (Executive Director of Finance) is Chair of NI Branch and member of Board of Trustees for national organisation of Healthcare Financial Management Association.

Mrs Eileen McEaney (Executive Director of Nursing) has a family member employed with Aware (Mental Health Voluntary Group).

NOTE 23 THIRD PARTY ASSETS

The Trust held £6,012 k cash at bank and in hand at 31/3/18 which relates to monies held by the Trust on behalf of patients. This has been excluded from the cash at bank and in hand amounts reported in the accounts. A separate audited account of these monies is maintained by the Trust.

FINANCIAL STATEMENTS

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

NOTE 24 Financial Performance Targets

24.1 Revenue Resource Limit

The Trust is given a Revenue Resource Limit which it is not permitted to overspend

The Revenue Resource Limit (RRL) for NHSCT is calculated as follows:

	2018	2017
	Total	Total
	£000s	£000s
HSCB	669,550	628,827
PHA	8,018	7,840
SUMDE & NIMDTA	5,525	5,627
Non cash RRL (from DoH)	44,419	48,009
Total agreed RRL	<u>727,512</u>	<u>690,303</u>
Adjustment for income received re Donations / Government grant / Lottery funding for non current assets	(69)	(71)
Adjustment for Research and Development under ESA10	561	440
Total Revenue Resource Limit to Statement Comprehensive Net Expenditure	<u><u>728,004</u></u>	<u><u>690,672</u></u>

24.2 Capital Resource Limit

The Trust is given a Capital Resource Limit (CRL) which it is not permitted to overspend.

	2018	2017
	Total	Total
	£000s	£000s
Gross capital expenditure	12,966	12,232
Less charitable trust fund capital expenditure	(69)	(71)
(Receipts from sales of fixed assets)	0	(11)
Net capital expenditure	<u>12,897</u>	<u>12,150</u>
Capital Resource Limit	13,480	12,606
Adjustment for Research and Development under ESA10	<u>(561)</u>	<u>(440)</u>
Overspend/(Underspend) against CRL	<u><u>(22)</u></u>	<u><u>(16)</u></u>

FINANCIAL STATEMENTS

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

24.3 Financial Performance Targets

The Trust is required to ensure that it breaks even on an annual basis by containing its net expenditure to within 0.25% of RRL limits

	2017/18	2016/17
	£000s	£000s
Net Expenditure	(727,345)	(690,663)
RRL	728,004	690,672
Surplus / (Deficit) against RRL	659	9
Break Even cumulative position (opening)	(4,905)	(4,914)
Break Even cumulative position (closing)	<u>(4,246)</u>	<u>(4,905)</u>
Materiality Test:		
	2017/18	2016/17
	%	%
Break Even in year position as % of RRL	<u>0.09%</u>	<u>0.00%</u>
Break Even cumulative position as % of RRL	<u>-0.58%</u>	<u>-0.71%</u>

The NHSCT has achieved its breakeven target in 2017/18. £609k of the total surplus relates to unused ringfenced funds which the Trust was advised on 30 March 2018 would not be retracted as anticipated.

FINANCIAL STATEMENTS

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

NOTE 25 EVENTS AFTER THE REPORTING PERIOD

There are no events after the reporting period having a material effect on the accounts.

Date of authorisation for issue

The Accounting Officer authorised these financial statements for issue on 18 June 2018.

FINANCIAL STATEMENTS

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

STATEMENT OF TRUST'S RESPONSIBILITIES IN RELATION TO PATIENTS' / RESIDENTS' MONIES

Under the Health and Personal Social Services (Northern Ireland) order 1972 (as amended by Article 6 of the Audit and Accountability (Northern Ireland) order 2003), the Trust is required to prepare and submit accounts in such form as the Department of Health may direct.

The Trust is also required to maintain proper and distinct accounting records and is responsible for safeguarding the monies held on behalf of patients / residents and for taking reasonable steps to prevent and detect fraud and other irregularities.

FINANCIAL STATEMENTS

Year Ended 31 March, 2018

ACCOUNT OF MONIES HELD ON BEHALF OF PATIENTS / RESIDENTS

Previous Year	RECEIPTS		
£		£	£
	Balance at 1 April, 2017		
4,000,000	1. Investments (at cost)	5,050,000	
300,716	2. Cash at Bank	235,401	
7,330	3. Cash in Hand	8,071	5,293,472
3,089,873	Amounts Received in the Year		3,376,992
17,922	Interest Received		13,507
7,415,841	TOTAL		8,683,971
	PAYMENTS		
2,122,369	Amounts Paid to or on behalf of Patients/Residents		2,671,977
	Balance at 31 March, 2018		
5,050,000	1. Investments (at cost)	5,550,000	
235,401	2. Cash at Bank	452,884	
8,071	3. Cash in Hand	9,110	6,011,994
7,415,841	TOTAL		8,683,971

Schedule of Investments held at 31 March, 2018

Cost Price £	Investment	Nominal Value £	Cost Price £
5,050,000		5,550,000	5,550,000

I certify that the above account has been compiled from and is in accordance with the accounts and financial records maintained by the Trust.

Director of Finance

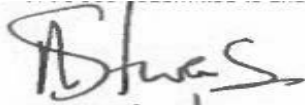


Date

12/16/18.

I certify that the above account has been submitted to and duly approved by the Board.

Chief Executive



Date

12/16/18

NORTHERN HEALTH AND SOCIAL CARE TRUST – PATIENTS’ AND RESIDENTS’ MONIES

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

Opinion on account

I certify that I have audited the Northern Health and Social Care Trust’s account of monies held on behalf of patients and residents for the year ended 31 March 2018 under the Health and Personal Social Services (Northern Ireland) Order 1972, as amended.

In my opinion the account:

- properly presents the receipts and payments of the monies held on behalf of the patients and residents of the Northern Health and Social Care Trust for the year ended 31 March 2018 and balances held at that date; and
- the account has been properly prepared in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972, as amended and Department of Health directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects the financial transactions recorded in the account statements conform to the authorities which govern them.

Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs) and Practice Note 10 ‘Audit of Financial Statements of Public Sector Entities in the United Kingdom’. My responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the account section of this certificate. My staff and I are independent of the Northern Health and Social Care Trust in accordance with the ethical requirements of the Financial Reporting Council’s Revised Ethical Standard 2016, and have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

Responsibilities of the Trust for the account

As explained more fully in the Statement of Trust’s Responsibilities in relation to patients’/residents’ monies, the Trust is responsible for the preparation of the account.

Auditor’s responsibilities for the audit of the account

My responsibility is to audit, certify and report on the financial statements in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972, as amended.

I am required to obtain evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council’s website www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the financial transactions recorded in the account conform to the authorities which govern them.

Matters on which I report by exception

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

- adequate accounting records have not been kept; or
- the account is not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit; or

Report

I have no observations to make on this account.



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

18 June 2018

GLOSSARY

AAH	Antrim Area Hospital
AHPs	Allied Health Professionals
ASD	Autistic Spectrum Disorder
ASL	Adult Supported Living
ASSIST	Advice Support Services and Initial Screening Team
BSO	Business Services Organisation
CBRN	Chemical, Biological, Radiological, Nuclear
CEIS	Children's Early Intervention Services
DAU	Direct Assessment Unit
DoH	Department of Health
EEEG	Engagement, Experience and Equality Group
ENT	Ear, Nose and Throat
ERT	Emergency Response Team
EU	European Union
GMC	General Medical Council
HMRC	Her Majesty's Revenue and Customs
HSCB	Health and Social Care Board
HSENI	Health and Safety Executive Northern Ireland
IAA	Information Asset Administrators
IAO	Information Asset Owners
ICO	Information Commissioner's Office
ICT	Information Communication Technology
IHI	Institute of Health Improvement
IQI	Innovation and Quality Improvement
IP	Intellectual Property
IPC	Infection Prevention and Control
ISO	International Organisation for Standardisation
MRI	Magnetic Resource Imaging

MTC	Measured Term Contracts
NHSCT	Northern Health and Social Care Trust
NIMDTA	Northern Ireland Medical and Training Agency
NIPSO	NI Public Services Ombudsman
NMC	Nursing and Midwifery Council
OT	Occupational Therapy/Therapist
PCC	Patient Client Council
PHA	Public Health Agency
PIP	Payroll Improvement Plan
POC	Programme of Care
POPI	Processing of Personal Information for Managers
PPI	Personal and Public Involvement
PSNI	Police Service Northern Ireland
Q2020	Quality 2020
QCF	Qualification and Credit Framework
QI	Quality Improvement
RAMP	Reform and Modernisation Programme
RISE	Regional Integrated Service for Education
RQIA	Regulation and Quality Improvement
SAI	Serious Adverse Incident
SIRO	Senior Information Risk Owner
TDP	Trust Delivery Plan
TPOT	The Productive Operating Theatre
VOIP	Voice Over Internet Protocol
WEEE	Waste Electrical and Electronic Equipment

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